



NEVADA BUSINESS CONDITIONS

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The second estimate of U.S. real gross domestic product (GDP) for 2022Q4 grew by an annualized 2.7 percent, falling by 0.2 percent from the advance estimate released at the end of January. The 2.7-percent real GDP increase reflected restocked inventories and robust consumer spending on services, which were partly offset by decreases in business investment and consumer spending on goods. The 0.2-percent downward revision mainly reflected reduced consumer spending and net exports that were partly offset by increased nonresidential fixed investments. Seasonally adjusted U.S. nonfarm employment experienced a robust gain of 311,000 jobs in February, largely driven by 105,000 jobs in leisure and hospitality which has been the leading net job creator for 6 months straight. The unemployment rate rose to 3.6 percent due to the highest labor participation levels since the pandemic, but 1.9 job openings still existed per unemployed person in January. Retail sales experienced a surprising monthly gain of 3.0 percent in January and 6.4 percent from last year, which keeps pace with CPI inflation of 6.3 percent year-over-year. As we write this, recent robust economic data and the failure of Silicon Valley Bank send mixed signals to the Fed about their policy decision in the March FOMC meeting.

Nevada posted mixed economic signals. Seasonally adjusted statewide employment gained 4,600 jobs in January. The unemployment rate remained the same at 5.5 percent as the civilian labor force finally exceed pre-pandemic levels (January 2023 to January 2020) by 12,375 workers. January gaming revenue and total air passengers jumped substantially by 18.0 and 11.7 percent, respectively, year-over-year, as the tourism sector struggled in January 2022 due to the Omicron variant. Taxable sales in December rose by 6.6 percent from last year to its highest monthly level of \$8.2 billion.

Clark County displayed generally positive economic signals. The Las Vegas-Paradise seasonally adjusted employment in January added 4,000 jobs. The unemployment rate, however, remained unchanged at 5.6 percent. January Harry Reid passengers, gaming revenue, and visitor volume soared by 39.5, 21.6, and 30.7 percent, respectively, year-over-year. Visitor volume, however, remained 9.1 percent lower than the level from January 2020. Taxable sales in December also experienced a robust

gain of 8.2 percent year-over-year. January residential permits, nevertheless, continued to fall by 46.0 percent from last year.

Washoe County recorded unfavorable economic signals. The Reno-Sparks seasonally adjusted employment added 800 jobs in January. The unemployment rate, however, rose to 3.6 percent in December, higher than last year's 3.2 percent. December taxable sales only climbed by 1.2 percent from last year despite high inflation. January visitor volume, gaming revenue, and residential permits also fell by 1.4, 12.9, and 34.7 percent, respectively, year-over-year.

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	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
Nevada								
Employment	2023M01	000s, SA	1530.5	1525.9	1444.2	0.3%	6.0%	Up Strongly
Unemployment Rate*	2023M01	%, SA	5.5	5.5	5.4	0.0%	0.1%	Flat Month-Over-Month
Taxable Sales	2022M12	\$billion, NSA	8.243	7.059	7.736	16.8%	6.6%	Up Over Year Ago
Gaming Revenue	2023M01	\$million, NSA	1272.96	1314.48	1078.84	-3.2%	18.0%	Up Strongly From Year Ago
Air Passengers	2022M12	million persons, NSA	4.704	4.911	4.210	-4.2%	11.7%	Up Strongly From Year Ago
Gasoline Sales	2022M12	million gallons, NSA	98.34	97.63	100.74	0.7%	-2.4%	Down From Year Ago
Clark County								
Employment	2023M01	000s, SA	1112.2	1108.2	1049.6	0.4%	6.0%	Up Strongly
Unemployment Rate*	2022M12	%, Smoothed SA	5.6	5.6	6.1	0.0%	-0.5%	Flat Month-Over-Month
Taxable Sales	2022M12	\$billion, NSA	6.149	5.226	5.682	17.7%	8.2%	Up Strongly
Gaming Revenue	2023M01	\$million, NSA	1129.71	1156.92	928.72	-2.4%	21.6%	Up Strongly From Year Ago
Residential Permits	2023M01	units permitted, NSA	1147	447	2125	156.6%	-46.0%	Down From Year Ago
Commercial Permits	2022M12	permits, NSA	29	35	71	-17.1%	-59.2%	Low and Volatile
Air Passengers	2023M01	million persons, NSA	4.390	4.371	3.147	0.4%	39.5%	Up Strongly From Year Ago
Gasoline Sales	2022M12	million gallons, NSA	67.56	67.15	69.67	0.6%	-3.0%	Down From Year Ago
Visitor Volume	2023M01	million persons, NSA	3.435	3.474	2.629	-1.1%	30.7%	Up Strongly From Year Ago
Washoe County								
Employment**	2023M01	000s, SA	268.1	267.3	256.2	0.3%	4.6%	Up Over Year Ago
Unemployment Rate*	2022M12	%, Smoothed SA	3.6	3.5	3.2	0.1%	0.4%	Increased
Taxable Sales**	2022M12	\$billion, NSA	1.261	1.084	1.245	16.3%	1.2%	Up Over Year Ago
Gaming Revenue	2023M01	\$million, NSA	64.73	83.50	74.36	-22.5%	-12.9%	Down Strongly
Residential Permits	2023M01	units permitted, NSA	262	352	401	-25.6%	-34.7%	Down From Year Ago
Commercial Permits	2019M01	permits, NSA	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2023M01	million persons, NSA	0.344	0.327	0.297	5.2%	16.1%	Up Strongly
Gasoline Sales**	2022M12	million gallons, NSA	14.34	14.43	14.81	-0.7%	-3.2%	Down From Year Ago
Visitor Volume	2023M01	million persons, NSA	0.252	0.276	0.256	-8.6%	-1.4%	Down From Year Ago
United States								
Employment	2023M02	million, SA	155.350	155.039	151.010	0.2%	2.9%	Up From Year Ago
Unemployment Rate*	2023M02	%, SA	3.6	3.4	3.8	0.2%	-0.2%	Recent Increase
Consumer Price Index	2023M01	82-84=100, SA	300.5	299.0	282.6	0.5%	6.3%	Up Month-Over-Month
Core CPI	2023M01	82-84=100, SA	302.7	301.5	286.8	0.4%	5.5%	Up Strongly
Employment Cost Index	2022Q4	05.12=100, SA	157.5	155.9	149.8	1.0%	5.1%	Strong Increase
Productivity Index	2022Q4	2012=100, SA	113.4	112.9	115.5	0.5%	-1.8%	Down From Year Ago
Retail Sales	2023M01	\$billion, SA	697.0	676.9	655.2	3.0%	6.4%	Up Strongly Month-Over-Month
Auto and Truck Sales	2023M02	million, SA	14.89	15.88	13.71	-6.2%	8.5%	Up Over Year Ago
Housing Starts	2023M01	million, SA	1.309	1.371	1.666	-4.5%	-21.4%	Down From Year Ago
Real GDP***	2022Q4	2012\$billion, SA	20187.5	20054.7	20006.2	2.7%	0.9%	Robust Increase
Dollar Exchange Rate	2023M01	06.01=100, NSA	119.777	122.202	115.050	-2.0%	4.1%	Down Month-Over-Month
Trade Balance	2023M01	\$billion, SA	-68.289	-67.210	-87.447	1.6%	-21.9%	Year-Over-Year Deficit Decrease
S and P 500	2023M02	monthly close, NSA	3970.15	4076.60	4373.94	-2.6%	-9.2%	Down
Real Short-term Rate*	2023M02	%, NSA	0.55	0.64	-4.57	-0.1%	5.1%	Up Over Year Ago
Treasury Yield Spread*	2023M02	%, NSA	-0.90	-1.01	1.60	0.1%	-2.5%	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.