



NEVADA BUSINESS CONDITIONS

UNLV | LEE BUSINESS SCHOOL
CENTER FOR BUSINESS
AND ECONOMIC RESEARCH

May 2023

The third estimate of U.S. real gross domestic product (GDP) for 2022Q4 expanded by 2.6 percent annualized rate, falling by 0.1 and 0.3 percent from the second and advanced estimates, respectively. Overall, the real GDP increase reflected increases in business inventories, consumer spending on services, and government spending, which were partly offset by decreases in business investment and consumer spending on goods. By the time of this publication, the advance estimate for U.S. real GDP 2023Q1 will have been released.

Seasonally adjusted U.S. nonfarm employment experienced a sturdy gain of 236,000 jobs in March, with 72,000 jobs in leisure and hospitality, and the unemployment rate fell to 3.5 percent. Job openings per unemployed person, however, declined to 1.7 in February from nearly 2.0 in December 2022, signaling some loosening of the labor market. The growth in Retail sales in February decelerated at 5.4 percent year-over-year, the lowest since December 2020, despite CPI inflation of 6.0 percent. The Fed increased the federal funds rate from 4.75 to 5 percent during the March meeting to control inflation despite recent banking-risk concerns. Most recent economic data indicate a U.S. economic slowdown. In addition, the IMF projects the world economy to experience the lowest growth since 1990 at around 3 percent over the next five years.

Nevada posted positive economic signals. Seasonally adjusted statewide employment gained 7,200 jobs in February, but with only 400 net jobs added in leisure and hospitality. The unemployment rate remained at 5.5 percent, the highest in the nation. February gross gaming revenue and total air passengers continued to soar by 11.2 and 23.0 percent, respectively, year-over-year as the tourism sector struggled in February 2022 due to the Omicron and Delta forms of COVID. Taxable sales in January climbed by 8.2 percent from last year.

Clark County also displayed generally favorable economic signals. The Las Vegas-Paradise seasonally adjusted employment in February added 5,800 jobs. The unemployment rate, however, rose by 0.1 percent to 5.7 percent from last month. February Harry Reid passengers, gross gaming revenue, and visitor volume jumped by 24.9, 13.8, and 16.8 percent, respectively, year-over-year. Taxable sales in January also rose strongly by 11.4 percent

year-over-year. February residential permits, nevertheless, continued to fall by 58.2 percent from last year.

Washoe County showed unfavorable economic signals. The Reno-Sparks seasonally adjusted employment added 1,600 jobs in February. The unemployment rate, however, edged up to 3.8 percent in February. January taxable sales declined by 1.6 percent from last year despite high inflation. February gross gaming revenue and residential permits also decreased by 8.1 and 10.3 percent, respectively, year-over-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.

	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
Nevada								
Employment	2023M02	000s, SA	1537.7	1530.5	1463.0	0.5%	5.1%	Up Strongly
Unemployment Rate*	2023M02	%, SA	5.5	5.5	5.3	0.0%	0.2%	Flat Month-Over-Month
Taxable Sales	2023M01	\$billion, NSA	6.602	8.243	6.099	-19.9%	8.2%	Up Over Year Ago
Gaming Revenue	2023M02	\$million, NSA	1237.27	1272.96	1113.13	-2.8%	11.2%	Up Strongly From Year Ago
Air Passengers	2023M02	million persons, NSA	4.510	4.741	3.668	-4.9%	23.0%	Up Strongly From Year Ago
Gasoline Sales	2023M01	million gallons, NSA	93.84	98.34	94.00	-4.6%	-0.2%	Down From Year Ago
Clark County								
Employment	2023M02	000s, SA	1118.0	1112.2	1060.0	0.5%	5.5%	Up Strongly
Unemployment Rate*	2023M02	%, Smoothed SA	5.7	5.6	5.6	0.1%	0.1%	Increased
Taxable Sales	2023M01	\$billion, NSA	4.904	6.149	4.403	-20.2%	11.4%	Up Strongly
Gaming Revenue	2023M02	\$million, NSA	1081.32	1129.71	949.87	-4.3%	13.8%	Up Strongly From Year Ago
Residential Permits	2023M02	units permitted, NSA	537	1147	1285	-53.2%	-58.2%	Down From Year Ago
Commercial Permits	2022M01	permits, NSA	35	29	43	20.7%	-18.6%	Low and Volatile
Air Passengers	2023M02	million persons, NSA	4.176	4.390	3.344	-4.9%	24.9%	Up Strongly From Year Ago
Gasoline Sales	2023M01	million gallons, NSA	67.14	67.56	64.54	-0.6%	4.0%	Up Over Year Ago
Visitor Volume	2023M02	million persons, NSA	3.251	3.435	2.782	-5.4%	16.8%	Up Strongly From Year Ago
Washoe County								
Employment**	2023M02	000s, SA	270.9	269.3	256.2	0.6%	5.7%	Up Over Year Ago
Unemployment Rate*	2023M02	%, Smoothed SA	3.8	3.7	2.7	0.1%	1.1%	Increased
Taxable Sales**	2023M01	\$billion, NSA	0.990	1.261	1.007	-21.5%	-1.6%	Down
Gaming Revenue	2023M02	\$million, NSA	76.83	64.73	83.59	18.7%	-8.1%	Down From Year Ago
Residential Permits	2023M02	units permitted, NSA	376	262	419	43.5%	-10.3%	Down From Year Ago
Commercial Permits	2019M01	permits, NSA	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2023M02	million persons, NSA	0.328	0.344	0.311	-4.7%	5.5%	Up Over Year Ago
Gasoline Sales**	2023M01	million gallons, NSA	13.30	14.34	14.31	-7.2%	-7.0%	Down From Year Ago
Visitor Volume	2023M01	million persons, NSA	0.252	0.276	0.256	-8.5%	-1.4%	Down From Year Ago
United States								
Employment	2023M03	million, SA	155.569	155.333	151.424	0.2%	2.7%	Up From Year Ago
Unemployment Rate*	2023M03	%, SA	3.5	3.6	3.6	-0.1%	-0.1%	Reduced
Consumer Price Index	2023M02	82-84=100, SA	301.6	300.5	284.6	0.4%	6.0%	Up Month-Over-Month
Core CPI	2023M02	82-84=100, SA	304.1	302.7	288.1	0.5%	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	2023M02	\$billion, SA	697.9	700.7	662.2	-0.4%	5.4%	Up Over Year Ago
Auto and Truck Sales	2023M02	million, SA	14.89	15.88	13.71	-6.2%	8.5%	Up Over Year Ago
Housing Starts	2023M02	million, SA	1.450	1.321	1.777	9.8%	-18.4%	Down From Year Ago
Real GDP***	2022Q4	2012\$billion, SA	20182.5	20054.7	20006.2	2.6%	0.9%	Robust Increase
Dollar Exchange Rate	2023M03	06.01=100, NSA	120.806	120.316	116.367	0.4%	3.8%	Down Month-Over-Month
Trade Balance	2023M02	\$billion, SA	-70.535	-68.661	-87.251	2.7%	-19.2%	Year-Over-Year Deficit Decrease
S and P 500	2023M03	monthly close, NSA	4109.31	3970.15	4530.41	3.5%	-9.3%	Down
Real Short-term Rate*	2023M03	%, NSA	1.09	0.55	-4.96	0.5%	6.1%	Up Over Year Ago
Treasury Yield Spread*	2023M03	%, NSA	-1.03	-0.90	1.69	-0.1%	-2.7%	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.