



NEVADA BUSINESS CONDITIONS

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June 2023

The advance estimate of U.S. real gross domestic product (GDP) for 2023Q1 increased by an annualized 1.1 percent, slowing from 2.6 percent in 2022Q4 amid rising interest rates. The weaker real GDP increase mainly reflected reduced business inventories, which were offset by robust consumer spending. Consumer spending lost momentum for the last few months, which may signal a further deceleration in GDP growth.

Seasonally adjusted U.S. nonfarm employment experienced a larger-than-expected gain of 253,000 jobs in April despite recent signs of a loosening labor market. The unemployment rate fell to 3.4 percent, its lowest since 1969. Job gains in the previous two months, however, were revised down by a combined 149,000. Job openings per unemployed person also edged down to 1.6 in March from 1.7 in February as job openings continued to decline. Retail sales in March increased by 2.3 percent year-over-year, the lowest since May 2020. During the May meeting, the Fed raised the federal funds rate by 0.25 percent to a range of between 5.00 and 5.25 percent but hinted at a potential pause of interest hikes.

Nevada posted generally positive economic signals. Seasonally adjusted statewide employment gained 2,600 jobs in March. The unemployment rate, however, remained at 5.5 percent for the seventh consecutive month. Total air passengers continued strong gains of 14.4 percent year-over-year. March gross gaming revenue, nevertheless, decreased by 3.2 percent year-over-year, which signals the normalization of gaming revenue as well as reduced budgets amid inflation. Taxable sales in February rose by 8.2 percent from last year. Nevada posted the highest unemployment rate of the states and DC.

Clark County also displayed somewhat favorable economic signals. The Las Vegas-Paradise seasonally adjusted employment in March added 4,100 jobs. The unemployment rate did not budge at 5.9 percent from last month, the highest among MSAs with over 1 million people. Taxable sales in February increased by 10.0 percent year-over-year. March Harry Reid passengers and visitor volume were also up strongly by 15.6 and 9.1 percent respectively, year-over-year. Gross gaming revenue in March declined by 2.5 percent from last year. March residential permits continued to fall by 12.3 percent from last year.

Washoe County showed unfavorable economic signals. The Reno-Sparks seasonally adjusted employment lost 300 jobs in March, and the unemployment rate rose to 4.0 percent in February, higher than last year's 3.0 percent. February taxable sales diminished by 0.8 percent from last year. March gross gaming revenue and residential permits also plunged year-over-year, by 6.1 and 44.2 percent, respectively.

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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	2023M03	000s, SA	1541.2	1538.6	1468.2	0.2%	5.0%	Up Strongly
Unemployment Rate*	2023M03	%, SA	5.5	5.5	5.3	0.0%	0.2%	Flat Month-Over-Month
Taxable Sales	2023M02	\$billion, NSA	6.435	6.602	5.945	-2.5%	8.2%	Up Over Year Ago
Gaming Revenue	2023M03	\$million, NSA	1312.09	1237.27	1355.20	6.0%	-3.2%	Down From Year Ago
Air Passengers	2023M03	million persons, NSA	5.326	4.511	4.656	18.1%	14.4%	Up Strongly
Gasoline Sales	2023M02	million gallons, NSA	88.70	93.84	91.22	-5.5%	-2.8%	Down From Year Ago
Clark County								
Employment	2023M03	000s, SA	1123.3	1119.2	1065.2	0.4%	5.5%	Up Strongly
Unemployment Rate*	2023M03	%, Smoothed SA	5.9	5.9	6.1	0.0%	-0.2%	Flat Month-Over-Month
Taxable Sales	2023M02	\$billion, NSA	4.802	4.904	4.366	-2.1%	10.0%	Up Over Year Ago
Gaming Revenue	2023M03	\$million, NSA	1149.36	1081.32	1178.56	6.3%	-2.5%	Down From Year Ago
Residential Permits	2023M03	units permitted, NSA	1303	537	1486	142.6%	-12.3%	Down From Year Ago
Commercial Permits	2023M01	permits, NSA	35	29	43	20.7%	-18.6%	Low and Volatile
Air Passengers	2023M03	million persons, NSA	4.939	4.176	4.272	18.3%	15.6%	Up Strongly
Gasoline Sales	2023M02	million gallons, NSA	61.44	67.14	61.82	-8.5%	-0.6%	Down From Year Ago
Visitor Volume	2023M03	million persons, NSA	3.863	3.251	3.541	18.8%	9.1%	Up Strongly
Washoe County								
Employment**	2023M03	000s, SA	270.3	270.6	259.5	-0.1%	4.2%	Up Over Year Ago
Unemployment Rate*	2023M03	%, Smoothed SA	4.0	3.9	3.0	0.1%	1.0%	Increased
Taxable Sales**	2023M02	\$billion, NSA	0.926	0.990	0.934	-6.4%	-0.8%	Down From Year Ago
Gaming Revenue	2023M03	\$million, NSA	79.50	76.83	84.71	3.5%	-6.1%	Down From Year Ago
Residential Permits	2023M03	units permitted, NSA	362	376	649	-3.7%	-44.2%	Down From Year Ago
Commercial Permits	2019M01	permits, NSA	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2023M03	million persons, NSA	0.380	0.328	0.369	16.0%	3.1%	Up Over Year Ago
Gasoline Sales**	2023M02	million gallons, NSA	13.34	13.30	14.26	0.3%	-6.5%	Down From Year Ago
Visitor Volume	2023M03	million persons, NSA	0.300	0.276	0.347	9.0%	-13.4%	Down From Year Ago
United States								
Employment	2023M04	million, SA	155.673	155.420	151.678	0.2%	2.6%	Up From Year Ago
Unemployment Rate*	2023M04	%, SA	3.4	3.5	3.6	-0.1%	-0.2%	Reduced
Consumer Price Index	2023M03	82-84=100, SA	301.8	301.6	287.5	0.1%	5.0%	Up Over Year Ago
Core CPI	2023M03	82-84=100, SA	305.2	304.1	289.0	0.4%	5.6%	Up Strongly
Employment Cost Index	2023Q1	05.12=100, SA	159.5	157.6	151.8	1.2%	5.1%	Up Strongly
Productivity Index	2023Q1	2012=100, SA	112.8	113.5	113.7	-0.6%	-0.7%	Down
Retail Sales	2023M03	\$billion, SA	683.0	687.4	667.5	-0.6%	2.3%	Down Month-Over-Month
Auto and Truck Sales	2023M03	million, SA	14.84	15.02	13.56	-1.2%	9.5%	Up Over Year Ago
Housing Starts	2023M03	million, SA	1.420	1.432	1.716	-0.8%	-17.2%	Down
Real GDP***	2023Q1	2012\$billion, SA	20235.9	20182.5	19924.1	1.1%	1.6%	Weak Growth
Dollar Exchange Rate	2023M04	06.01=100, NSA	119.418	120.806	117.179	-1.1%	1.9%	Down Month-Over-Month
Trade Balance	2023M03	\$billion, SA	-64.228	-70.643	-106.445	-9.1%	-39.7%	Year-Over-Year Deficit Decrease
S and P 500	2023M04	monthly close, NSA	4169.48	4109.31	4131.93	1.5%	0.9%	Up
Real Short-term Rate*	2023M04	%, NSA	0.32	1.09	-4.64	-0.8%	5.0%	Up Over Year Ago
Treasury Yield Spread*	2023M04	%, NSA	-1.46	-1.03	1.99	-0.4%	-3.5%	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.