

# NEVADA STATE BANK

## Economic Briefing

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**L**ike many economic indicators, business growth in Nevada has shown mixed signs as the Silver State's economy has transitioned from recession to recovery. Statewide, the number of private businesses fell fast during the Great Recession, dropping by 6,422 businesses between the high point in the fourth quarter of 2008 and the bottom in the third quarter of 2010. Since losing 8.4 percent of its businesses in less than two years, Nevada has gradually regained most of those numbers over the ensuing four years. According to the latest figures, Nevada reported 74,931 private businesses in the third quarter of 2014, the highest number since mid-2007. That represents a gain of 5,119 businesses (+7.3 percent) since the 2010 low point.

The vast majority of Nevada's business growth has come in Clark County, which accounted for 94.5 percent of net business growth statewide. Southern Nevada added 4,838 businesses (+10.4 percent) since bottoming out in July 2010. That improvement pushed the business count in Clark County to an all-time high of 51,402 in Q3 2014 (latest data available). That figure was 1.5 percent higher than the 2008 peak of 50,633 businesses.

Although Clark County set a record, Nevada's overall figures remained below the peak levels reached early in the Great Recession. The 74,931 private businesses recorded statewide in the third quarter of 2014 were 1,303 (-1.7 percent) below the 76,234 establishments in the third quarter of 2008. More than half of that gap comes from Washoe

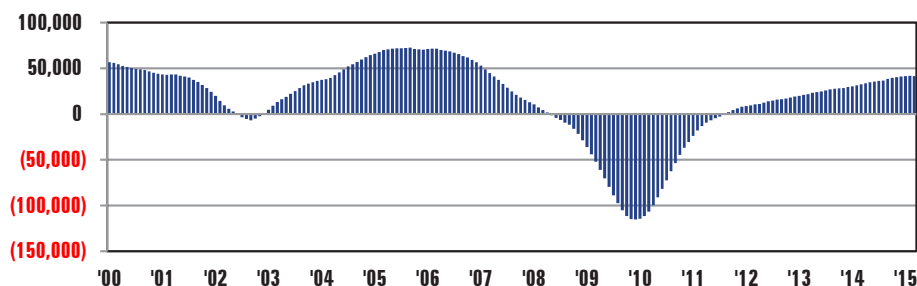
County, which has not seen southern Nevada's level of business growth during the recovery. Since the 2010 low point, the number of Washoe County businesses has grown 2.4 percent, which is four times slower than the growth in Clark County. That modest growth pushed the number of Washoe County businesses up to 13,723 in last year's third quarter, but that figure was still down 761 (-5.3 percent) from the peak of 14,484 set in the third quarter of 2008.

Statewide, businesses with fewer than 50 employees comprise nearly 96 percent of all businesses, so it is little surprise that small businesses have accounted for the majority of the growth. Between the first quarters of 2010 and 2014, small business counts grew by 1,499 establishments,

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### NEVADA EMPLOYMENT GROWTH

### TRAILING 12-MONTH AVERAGES



## MONTHLY

### Employment Indicators

Nevada Employment		Mar-15
Current Period	Prev. Period	Same Period Prev. Yr.
1,234,600	1,229,500	1,198,300
GROWTH RATE	0.4% ▲	3.0% ▲

Nevada Private Average Weekly Hours Worked		Mar-15
Current Period	Prev. Period	Same Period Prev. Yr.
33.5	33.5	33.5
GROWTH RATE	0.0% ◆	0.0% ◆

Nevada Unemployment Rate		Mar-15
Current Period	Prev. Period	Same Period Prev. Yr.
7.1%	7.1%	8.2%
GROWTH RATE	0.0% ◆	-1.1% ▼

Nevada Initial Unemployment Insurance Claims		Apr-15
Current Period	Prev. Period	Same Period Prev. Yr.
13,550	14,044	14,931
GROWTH RATE	-3.5% ▼	-9.2% ▼

## TRAILING 12-MONTH

### Employment Indicators

Nevada Employment <sup>(1)</sup>		Mar-15
Current Period	Prev. Period	Same Period Prev. Yr.
1,225,275	1,222,250	1,183,742
GROWTH RATE	0.2% ▲	3.5% ▲

Nevada Private Average Weekly Hours Worked <sup>(1)</sup>		Mar-15
Current Period	Prev. Period	Same Period Prev. Yr.
33.5	33.5	33.5
GROWTH RATE	0.0% ◆	0.0% ◆

Nevada Unemployment Rate <sup>(1)</sup>		Mar-15
Current Period	Prev. Period	Same Period Prev. Yr.
7.4%	7.5%	9.0%
GROWTH RATE	-0.1% ▼	-1.6% ▼

Nevada Initial Unemployment Insurance Claims <sup>(2)</sup>		Apr-15
Current Period	Prev. Period	Same Period Prev. Yr.
174,121	175,502	178,250
GROWTH RATE	-0.8% ▼	-2.3% ▼

Notes: (1) Trailing 12-month/4-quarter averages.  
(2) Trailing 12-month/4-quarter totals.

## MONTHLY & QUARTERLY Economic Indicator Series

### Nevada Residential Housing Units Permitted

Jan-15

Current Period	Prev. Period	Same Period	Prev. Yr.
591	841		671
GROWTH RATE	-29.7% ▼		-11.9% ▼

### Nevada Taxable Retail Sales

Feb-15

Current Period	Prev. Period	Same Period	Prev. Yr.
\$3,832,409,717	\$3,813,253,339		\$3,513,981,631
GROWTH RATE	0.5% ▲		9.1% ▲

### Nevada Gross Gaming Revenue

Mar-15

Current Period	Prev. Period	Same Period	Prev. Yr.
\$951,245,276	\$916,122,902		\$982,175,517
GROWTH RATE	3.8% ▲		-3.1% ▼

### Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Mar-15

Current Period	Prev. Period	Same Period	Prev. Yr.
4,128,676	3,381,901		4,062,200
GROWTH RATE	22.1% ▲		1.6% ▲

### Clark/Washoe County Visitor Volume

Mar-15

Current Period	Prev. Period	Same Period	Prev. Yr.
4,294,392	3,743,332		4,375,221
GROWTH RATE	14.7% ▲		-1.8% ▼

### Nevada New Business Creation

Q3 '14

Current Period	Prev. Period	Same Period	Prev. Yr.
455	180		582
GROWTH RATE	152.8% ▲		-21.8% ▼

### Nevada Housing Price Index

(Q1 1991 = 100)

Q4 '14

Current Period	Prev. Period	Same Period	Prev. Yr.
176.8	172.8		162.2
GROWTH RATE	2.3% ▲		9.0% ▲

### Clark County Office Market Vacancy Rate

Q1 '15

Current Period	Prev. Period	Same Period	Prev. Yr.
23.6%	23.7%		24.7%
GROWTH RATE	-0.1% ▼		-1.1% ▼

### Nevada Hotel/Motel Occupancy

Q2 '14

Current Period	Prev. Period	Same Period	Prev. Yr.
84.5%	80.5%		82.2%
GROWTH RATE	4.0% ▲		2.3% ▲

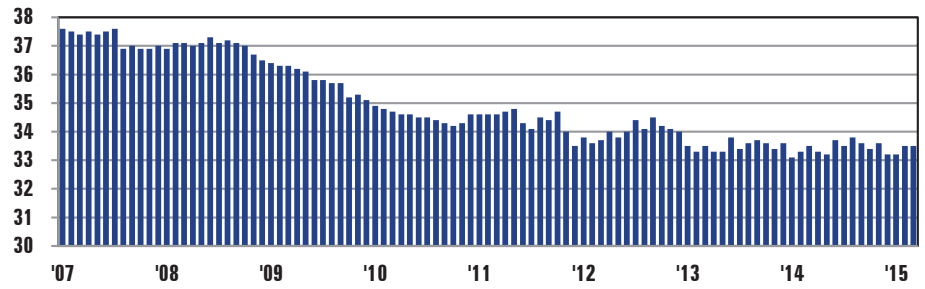
### State of Nevada Personal Income

Q4 '14

Current Period	Prev. Period	Same Period	Prev. Yr.
\$28,876,882,750	\$28,565,527,750		\$27,610,680,000
GROWTH RATE	1.1% ▲		4.6% ▲

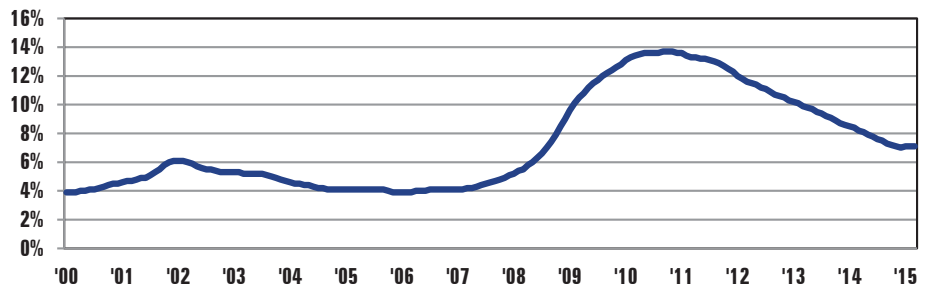
## NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED

MONTHLY SERIES



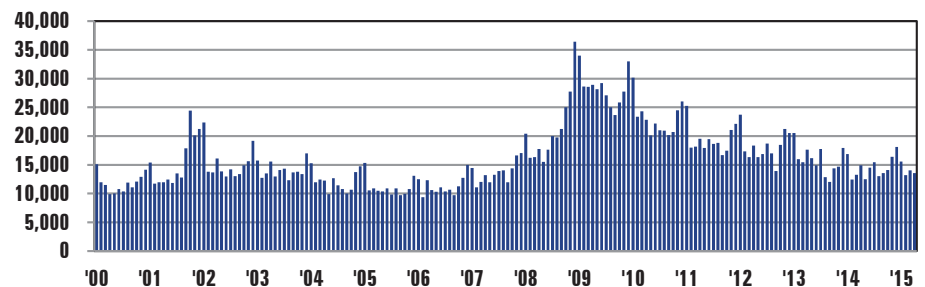
## NEVADA UNEMPLOYMENT RATE

MONTHLY SERIES



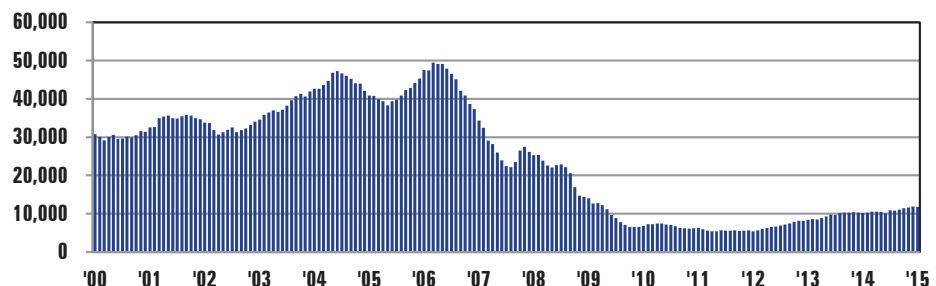
## NEVADA UNEMPLOYMENT INSURANCE CLAIMS

MONTHLY SERIES

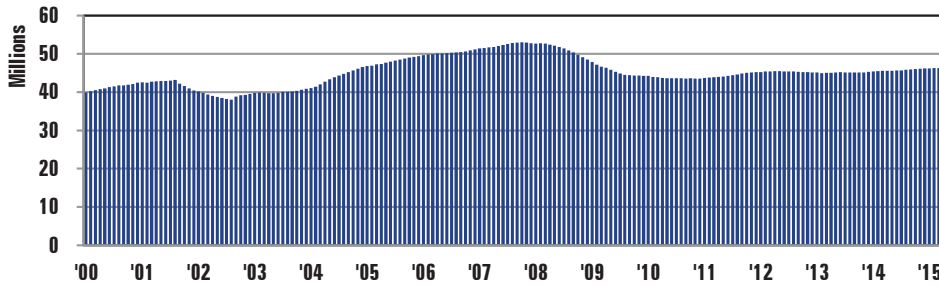


## NEVADA RESIDENTIAL UNITS PERMITTED

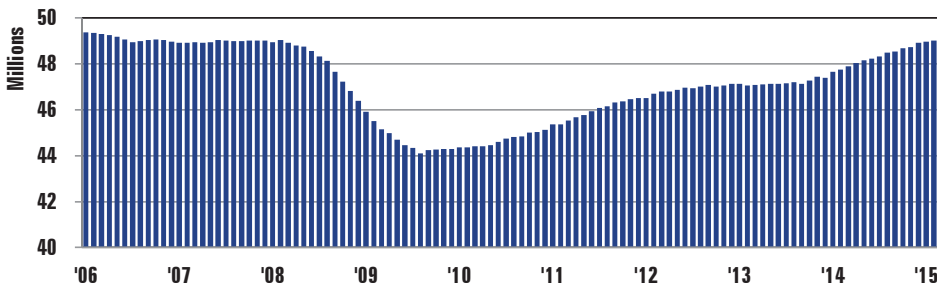
TRAILING 12-MONTH TOTALS



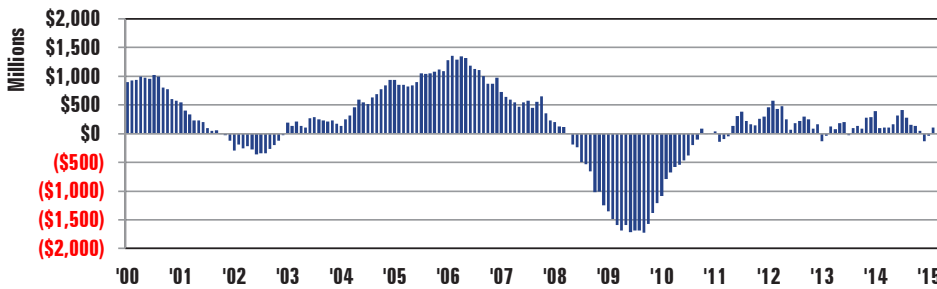
**LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS** TRAILING 12-MONTH TOTALS



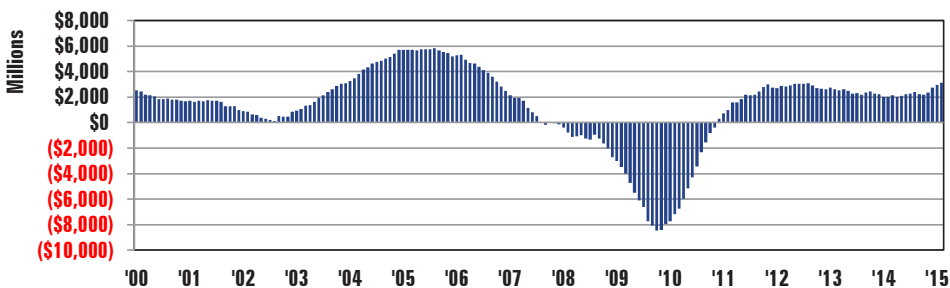
**CLARK/WASHOE COUNTY VISITOR VOLUME** TRAILING 12-MONTH TOTALS



**GROWTH IN NEVADA GROSS GAMING REVENUES** TRAILING 12-MONTH TOTALS



**GROWTH IN NEVADA TAXABLE RETAIL SALES** TRAILING 12-MONTH TOTALS



**TRAILING 12-MONTH**  
*Economic Indicator Series*

**Nevada Residential Housing Units Permitted** <sup>(2)</sup> Jan-15

Current Period	Prev. Period	Same Period Prev. Yr.
11,836	11,916	10,220
<b>GROWTH RATE</b>	-0.7% ▼	15.8% ▲

**Nevada Taxable Retail Sales** <sup>(2)</sup> Feb-15

Current Period	Prev. Period	Same Period Prev. Yr.
\$49,629,836,406	\$49,311,408,320	\$46,496,104,878
<b>GROWTH RATE</b>	0.6% ▲	6.7% ▲

**Nevada Gross Gaming Revenue** <sup>(2)</sup> Mar-15

Current Period	Prev. Period	Same Period Prev. Yr.
\$11,046,144,855	\$11,077,075,096	\$11,041,406,964
<b>GROWTH RATE</b>	-0.3% ▼	0.0% ▲

**Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers** <sup>(2)</sup> Mar-15

Current Period	Prev. Period	Same Period Prev. Yr.
46,334,094	46,267,618	45,546,011
<b>GROWTH RATE</b>	0.1% ▲	1.7% ▲

**Clark/Washoe County Visitor Volume** <sup>(2)</sup> Mar-15

Current Period	Prev. Period	Same Period Prev. Yr.
48,922,480	49,003,309	47,900,439
<b>GROWTH RATE</b>	-0.2% ▼	2.1% ▲

**Nevada New Business Creation** <sup>(2)</sup> Q3 '14

Current Period	Prev. Period	Same Period Prev. Yr.
1,711	1,838	1,558
<b>GROWTH RATE</b>	-6.9% ▼	9.8% ▲

**Nevada Housing Price Index** <sup>(1)</sup> Q4 '14

Current Period	Prev. Period	Same Period Prev. Yr.
171.5	167.9	150.6
<b>GROWTH RATE</b>	2.2% ▲	13.9% ▲

**Clark County Office Market Vacancy Rate** <sup>(1)</sup> Q1 '15

Current Period	Prev. Period	Same Period Prev. Yr.
23.8%	24.1%	24.7%
<b>GROWTH RATE</b>	-0.3% ▼	-0.9% ▼

**Nevada Hotel/Motel Occupancy** <sup>(1)</sup> Q2 '14

Current Period	Prev. Period	Same Period Prev. Yr.
80.5%	79.9%	79.4%
<b>GROWTH RATE</b>	0.6% ▲	1.1% ▲

**State of Nevada Personal Income** <sup>(2)</sup> Q4 '14

Current Period	Prev. Period	Same Period Prev. Yr.
\$115,507,531,000	\$114,262,111,000	\$110,442,720,000
<b>GROWTH RATE</b>	1.1% ▲	4.6% ▲

Notes: (1) Trailing 12-month/4-quarter averages.  
(2) Trailing 12-month/4-quarter totals.

or 82.0 percent of the overall business gains. Companies with more than 50 workers grew by 327 establishments. (Note: These figures vary from the total quarterly business counts because of limited data on businesses by size.) Small business growth during that timeframe measured 2.2 percent compared to 12.0 percent for larger companies.

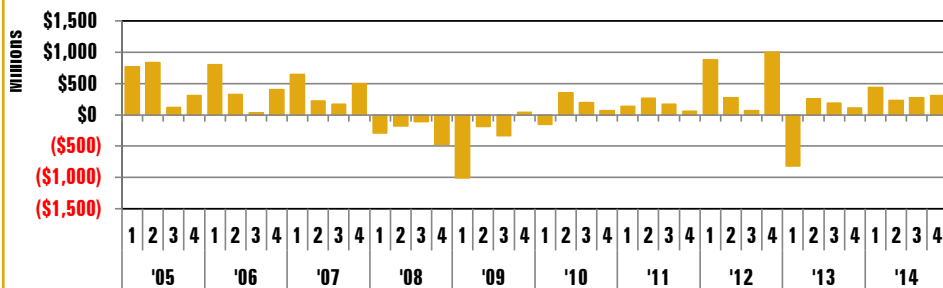
That difference in growth rate was mirrored in employment by small companies versus their larger counterparts. Small business employment climbed 2.9 percent between 2010 and 2014 compared to 11.9 percent for companies with 50 employees or more. That growth pushed employment in larger companies to 58.9 percent of Nevada's private workforce, up from a low of 56.1 percent in 2012, according to the U.S. Bureau of Labor Statistics. Conversely, the share of Nevada employees working in small businesses fell from 43.9 percent to 41.1 percent during that period. At the county level, small business employment levels varied significantly. In Clark County, small businesses employed 38.1 percent of the workforce in the first quarter of 2014, while in Washoe County, they employed 49.8 percent of workers.

The professional and business services sector added 2,044 establishments in Nevada between 2010 and 2014, the largest gain of any sector. The majority of those establishments (2,000), employed fewer than 50 workers. Other sectors that showed strong business growth, including education and health services; trade, transportation and utilities; leisure and hospitality; and information, also reported the largest gains among businesses with fewer than 50 workers.

Small businesses will continue to play a significant role in generating jobs and economic activity as Nevada continues its economic recovery. 🚫

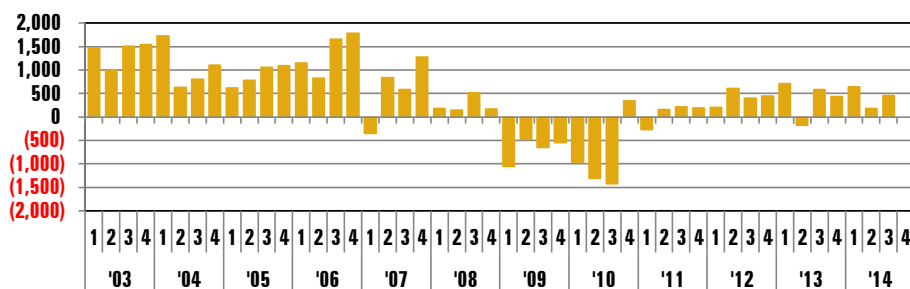
STATE OF NEVADA PERSONAL INCOME GROWTH

QUARTER-OVER-QUARTER



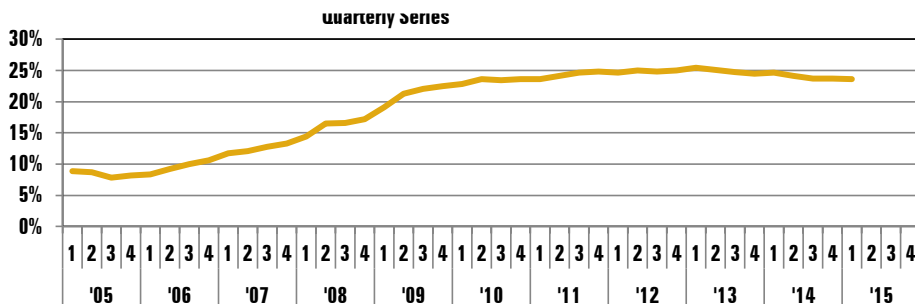
NEVADA NEW BUSINESS CREATION

QUARTER-OVER-QUARTER



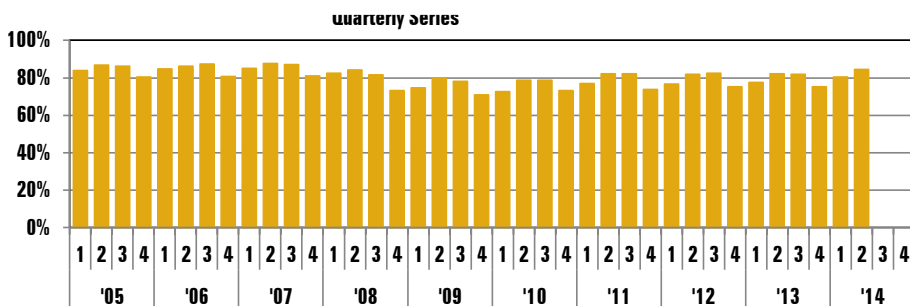
LAS VEGAS OFFICE MARKET VACANCY RATE

QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY

QUARTERLY SERIES



Prepared by:  
**APPLIED ANALYSIS**  
 appliedanalysis.com

**Methodology:** Applied Analysis ("AA") was retained by Nevada State Bank to summarize and analyze a series of key economic indicators on a recurring basis. Relevant data were obtained from AA's internal databases as well as national, regional and local data providers, including, without limitation, state and local governments. While we have no reason to doubt the accuracy of any of the data reported, we have not performed an audit or assurance procedures on these data, and as such, we cannot attest to their completeness. Generally speaking, data reported are for Nevada, Clark County, Washoe County, or the metropolitan areas therein. Please note that these geographies may differ slightly between data providers.