

NEVADA STATE BANK

Economic Briefing

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The unemployment rate is a closely watched indicator of economic health across the country. It dips low when times are good and can skyrocket when times are bad. This up-and-down scenario is all too familiar in Nevada. During the state's economic boom in the first half of the 2000s, the Silver State's unemployment rate fell as low as 3.9 percent and consistently tracked about a full percentage point better than the national rate. That trend reversed during the Great Recession. As jobless numbers swelled nationwide, Nevada's unemployment rate caught and then surpassed the national average. At the nation-leading peak of 13.7 percent in November 2010, the state's unemployment rate was more than four percentage points higher than the rest of the country.

As the state's economy has recovered, that gap has closed and Nevada's unemployment rate has dropped steadily to its lowest point since mid-2008. Up until January 2015, the unemployment rate had fallen 42 consecutive months. Yet through the first half of the year, the rate has hovered around 7.0 percent, and the 6.9 percent recorded in June ranked second-highest in the nation. This might suggest stagnation in the economic recovery after more than three years of steady improvement; however, the unemployment rate doesn't tell the whole story of employment.

When measured by overall job growth, Nevada ranks among the best in the nation. In June, year-over-year employment grew by 3.5 percent, second behind only Utah and

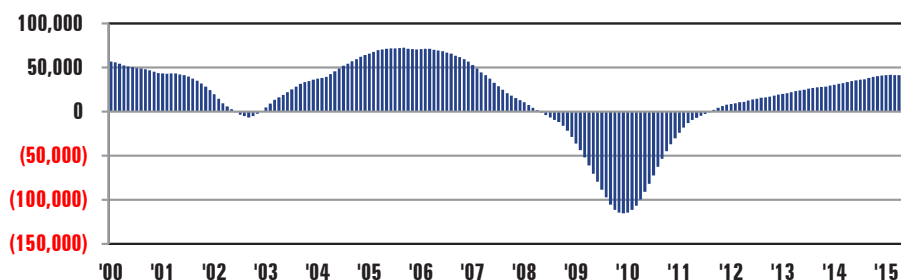
significantly better than national growth of 2.1 percent. In terms of raw numbers, the state added 42,400 jobs between June 2014 and June 2015, with 25,600 of them coming in the first half of 2015. In all, the state has regained 144,900 jobs since employment reached its low point in September 2010. Another year of similar job growth will push statewide employment back to the pre-recession level of 1.3 million.

The strong job growth trend so far this year, however, has had a negligible effect on the unemployment rate. The explanation lies with the growing labor force, which is the number of people who are working or actively looking for work. After the economic downturn, many Nevada workers who lost jobs stayed out of the labor force

Continued on Back Cover >>

NEVADA EMPLOYMENT GROWTH

TRAILING 12-MONTH AVERAGES



MONTHLY

Employment Indicators

Nevada Employment Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
1,258,600	1,259,200	1,216,900

GROWTH RATE	0.0% ▼	3.4% ▲
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Nevada Private Average Weekly Hours Worked Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
33.6	33.5	33.7

GROWTH RATE	0.3% ▲	-0.3% ▼
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Nevada Unemployment Rate Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
6.9%	7.0%	7.8%

GROWTH RATE	-0.1% ▼	-0.9% ▼
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Nevada Initial Unemployment Insurance Claims Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
13,185	10,963	14,503

GROWTH RATE	20.3% ▲	-9.1% ▼
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TRAILING 12-MONTH

Employment Indicators

Nevada Employment⁽¹⁾ Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
1,235,158	1,231,683	1,193,917

GROWTH RATE	0.3% ▲	3.5% ▲
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Nevada Private Average Weekly Hours Worked⁽¹⁾ Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
33.5	33.5	33.5

GROWTH RATE	0.0% ◆	0.1% ▲
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Nevada Unemployment Rate⁽¹⁾ Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
7.2%	7.2%	8.6%

GROWTH RATE	0.0% ◆	-1.4% ▼
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Nevada Initial Unemployment Insurance Claims⁽²⁾ Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
171,242	172,560	174,184

GROWTH RATE	-0.8% ▼	-1.7% ▼
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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

May-15

Current Period	Prev. Period	Same Period	Prev. Yr.
1,471	1,073		1,085
GROWTH RATE	37.1% ▲		35.6% ▲

Nevada Taxable Retail Sales

May-15

Current Period	Prev. Period	Same Period	Prev. Yr.
\$4,344,308,139	\$4,117,129,670		\$4,253,877,223
GROWTH RATE	5.5% ▲		2.1% ▲

Nevada Gross Gaming Revenue

Jun-15

Current Period	Prev. Period	Same Period	Prev. Yr.
\$830,940,221	\$1,003,548,230		\$906,851,820
GROWTH RATE	-17.2% ▼		-8.4% ▼

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Jun-15

Current Period	Prev. Period	Same Period	Prev. Yr.
4,231,122	4,269,119		4,015,093
GROWTH RATE	-0.9% ▼		5.4% ▲

Clark/Washoe County Visitor Volume

Jun-15

Current Period	Prev. Period	Same Period	Prev. Yr.
4,233,270	4,414,093		4,177,520
GROWTH RATE	-4.1% ▼		1.3% ▲

Nevada New Business Creation

Q4 '14

Current Period	Prev. Period	Same Period	Prev. Yr.
886	455		432
GROWTH RATE	94.7% ▲		105.1% ▲

Nevada Housing Price Index

(Q1 1991 = 100)

Q1 '15

Current Period	Prev. Period	Same Period	Prev. Yr.
183.6	177.7		166.7
GROWTH RATE	3.3% ▲		10.1% ▲

Clark County Office Market Vacancy Rate

Q2 '15

Current Period	Prev. Period	Same Period	Prev. Yr.
23.1%	23.3%		23.9%
GROWTH RATE	-0.2% ▼		-0.8% ▼

Nevada Hotel/Motel Occupancy

Q4 '14

Current Period	Prev. Period	Same Period	Prev. Yr.
77.0%	83.4%		74.9%
GROWTH RATE	-6.4% ▼		2.1% ▲

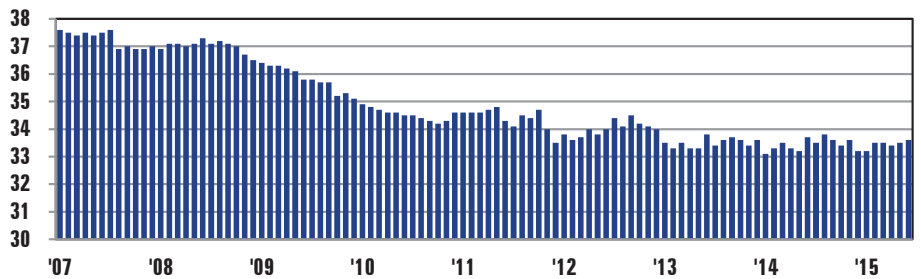
State of Nevada Personal Income

Q1 '15

Current Period	Prev. Period	Same Period	Prev. Yr.
\$29,318,461,500	\$29,017,143,250		\$28,055,479,000
GROWTH RATE	1.0% ▲		4.5% ▲

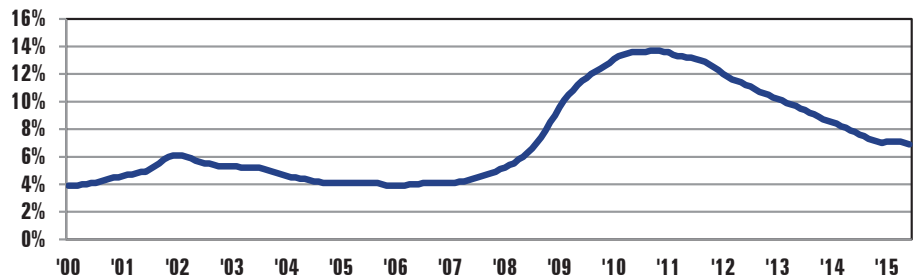
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED

MONTHLY SERIES



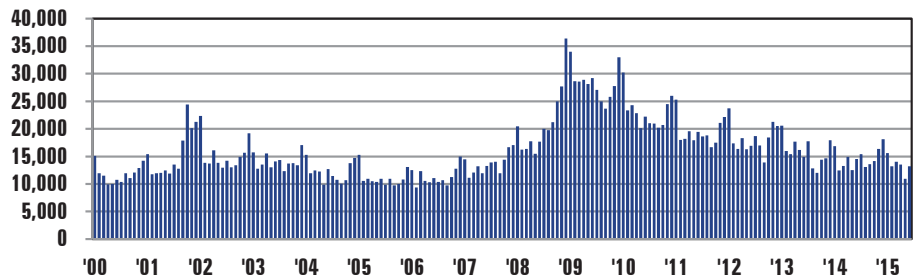
NEVADA UNEMPLOYMENT RATE

MONTHLY SERIES



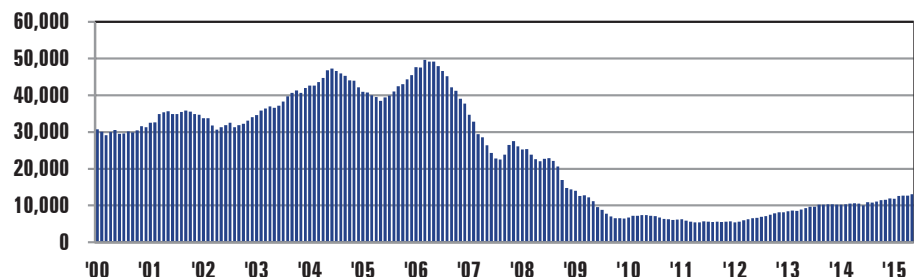
NEVADA UNEMPLOYMENT INSURANCE CLAIMS

MONTHLY SERIES

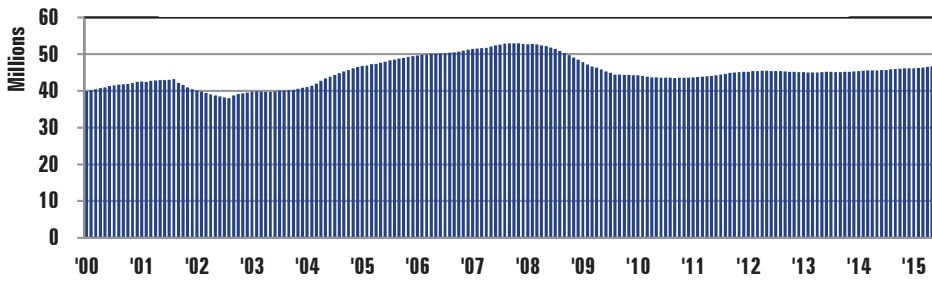


NEVADA RESIDENTIAL UNITS PERMITTED

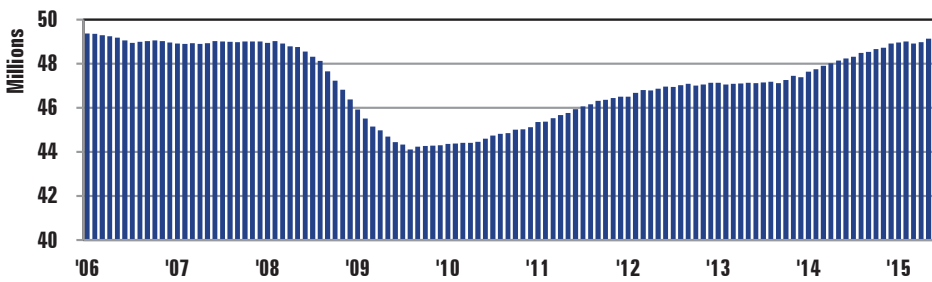
TRAILING 12-MONTH TOTALS



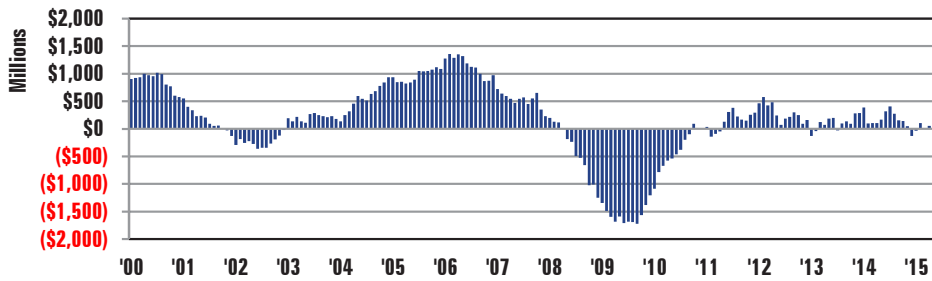
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS TRAILING 12-MONTH TOTALS



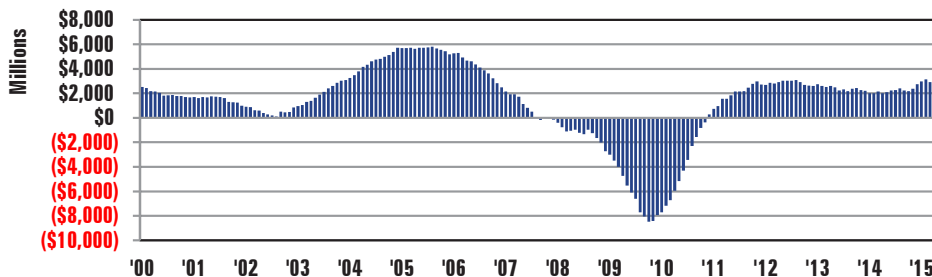
CLARK/WASHOE COUNTY VISITOR VOLUME TRAILING 12-MONTH TOTALS



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 ⁽²⁾ May-15

Current Period	Prev. Period	Same Period Prev. Yr.
13,041	12,655	10,503
GROWTH RATE	3.1% ▲	24.2% ▲

Nevada Taxable Retail Sales ⁽²⁾ May-15

Current Period	Prev. Period	Same Period Prev. Yr.
\$50,051,713,558	\$49,961,282,642	\$47,253,017,526
GROWTH RATE	0.2% ▲	5.9% ▲

Nevada Gross Gaming Revenue ⁽²⁾ Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
\$11,048,775,285	\$11,124,686,884	\$11,226,673,435
GROWTH RATE	-0.7% ▼	-1.6% ▼

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers ⁽²⁾ Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
46,928,818	46,712,789	45,635,489
GROWTH RATE	0.5% ▲	2.8% ▲

Clark/Washoe County Visitor Volume ⁽²⁾ Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
49,187,106	49,131,356	48,234,605
GROWTH RATE	0.1% ▲	2.0% ▲

Nevada New Business Creation ⁽²⁾ Q4 '14

Current Period	Prev. Period	Same Period Prev. Yr.
2,165	1,711	1,548
GROWTH RATE	26.5% ▲	39.9% ▲

Nevada Housing Price Index ⁽¹⁾ Q1 '15

Current Period	Prev. Period	Same Period Prev. Yr.
175.7	171.5	157.8
GROWTH RATE	2.5% ▲	11.3% ▲

Clark County Office Market Vacancy Rate ⁽¹⁾ Q2 '15

Current Period	Prev. Period	Same Period Prev. Yr.
23.3%	23.5%	24.4%
GROWTH RATE	-0.2% ▼	-1.1% ▼

Nevada Hotel/Motel Occupancy ⁽¹⁾ Q4 '14

Current Period	Prev. Period	Same Period Prev. Yr.
81.4%	80.8%	79.1%
GROWTH RATE	0.6% ▲	2.3% ▲

State of Nevada Personal Income ⁽²⁾ Q1 '15

Current Period	Prev. Period	Same Period Prev. Yr.
\$117,273,846,000	\$116,068,573,000	\$112,221,916,000
GROWTH RATE	1.0% ▲	4.5% ▲

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

and stopped looking for new jobs, often because they believed none existed for them. Others left the state for other markets with better job prospects. As Nevada's employment picture improved, the size of the labor force grew modestly over the past five years before surging in the first half of 2015. Between January and June, the state's labor force added 23,264 workers, the best six-month stretch since 2006. That surge in the labor force has limited the effect of recent job growth on the standard unemployment rate. The net takeaway, however, is that more jobs are available and more people are looking for work as confidence in the job market rises.

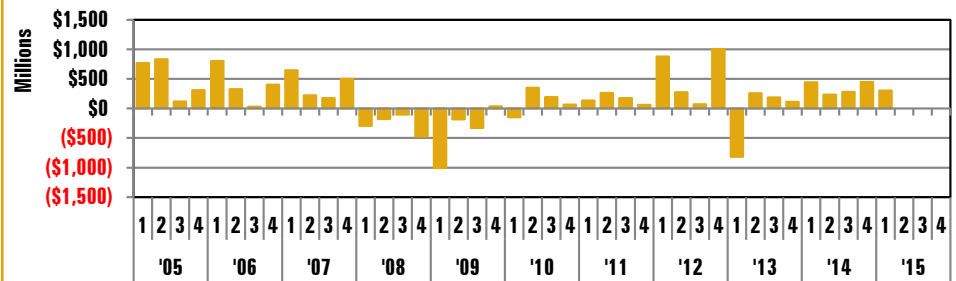
Those trends have also slowed improvement in the broader measure of employment (the U-6 rate), which includes discouraged workers who have stopped looking for jobs as well as part-time workers who would like full-time jobs. In the latest figures, the Silver State's nation-worst U-6 unemployment rate was 15.2 percent. That result was down a full percentage point from the 16.2 percent reported a year earlier, but only slightly below the 15.3 percent reported in the two most recent quarters. Those levels are well below the peak of 23.7 percent in early 2011, yet well above the recent annual low of 6.8 percent in 2006. The numbers make clear the significant improvement in Nevada's labor market since the economic downturn and the ground still left to make up to reach pre-recession levels. As new unemployment figures are released in coming months, remember that they tell only part of the story about the ongoing rebound in the state's job market and overall economy. 🔄

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.

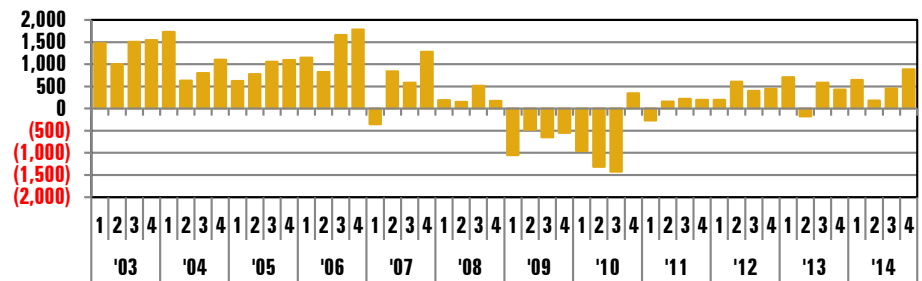
STATE OF NEVADA PERSONAL INCOME GROWTH

QUARTER-OVER-QUARTER



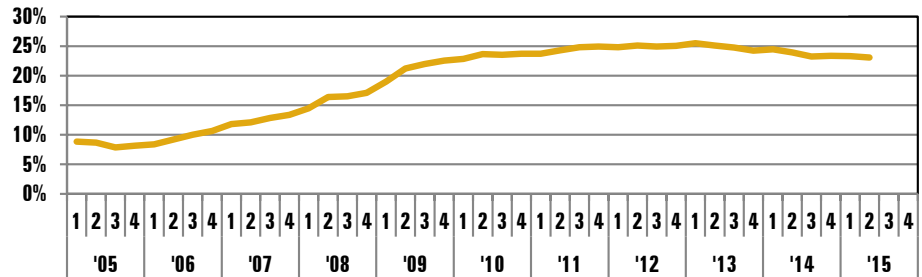
NEVADA NEW BUSINESS CREATION

QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE

QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY

QUARTERLY SERIES

