

NEVADA STATE BANK

Economic Briefing

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In the United States, consumer spending on goods and services accounts for two-thirds of the economy. With such a large – and growing – share of the national economy, consumer activity provides an important gauge to measure the overall economic health of the country. Consumer spending is constantly influenced by a complex mix of fluctuations in employment, wages, interest rates, housing prices, consumer confidence, the ability to borrow money, tax rates, personal feelings held by consumers, and other factors in the economy.

In Nevada, consumer spending is reflected in taxable retail sales volumes, which have been on the upswing as several economic indicators continue to report positive trends through June 2015. Taxable retail sales in Nevada have consistently grown since June 2010 when 12-month totals bottomed out at \$37.8 billion. Total taxable retail sales surpassed their March 2007 historical high of \$49.6 billion in March 2015, and they have continued to post new highs in each of the following months. Through June 2015, statewide taxable sales stood at a record-high of \$50.3 billion over the previous 12 months. Additionally, trailing 12-month figures have rebounded 33.3 percent from the June 2010 low point.

Changes in taxable retail sales volumes for Nevada are influenced mostly by activities within Clark County, where

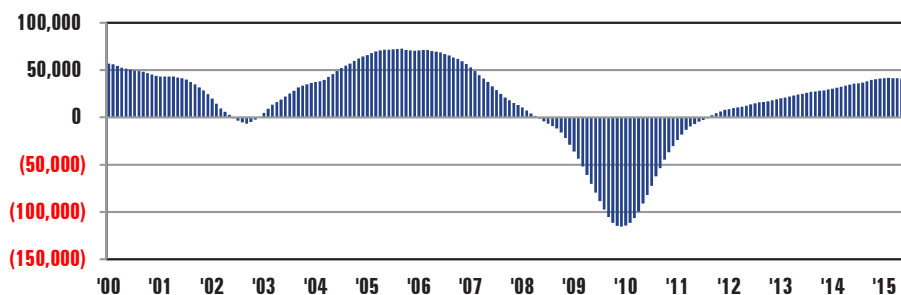
trailing 12-month taxable sales climbed to nearly \$37.5 billion in June 2015, a 34.2 percent rebound from the recession-low of \$27.9 billion in March 2010. Nearly every significant spending category reported gains in trailing 12-month retail sales over the past year. Food services and drinking places (+4.8 percent), motor vehicle and parts dealers (+9.1 percent), merchant wholesalers, durable goods (+11.1 percent) and building materials and garden equipment and supplies (+10.7 percent) were among the best performing categories in the current period.

Another positive economic trend has been the number of private businesses in Nevada, which has grown consistently in each month since July 2011. By the end of the first quarter of 2015, Nevada surpassed its pre-recession high of 76,234 businesses by reporting a record total of

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NEVADA EMPLOYMENT GROWTH

TRAILING 12-MONTH AVERAGES



MONTHLY

Employment Indicators

Nevada Employment Jul-15

Current Period	Prev. Period	Same Period Prev. Yr.
1,253,900	1,259,600	1,209,800

GROWTH RATE	-0.5% ▼	3.6% ▲
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Nevada Private Average Weekly Hours Worked Jul-15

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

GROWTH RATE	0.0% ◆	0.3% ▲
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Nevada Unemployment Rate Jul-15

Current Period	Prev. Period	Same Period Prev. Yr.
6.8%	6.9%	7.6%

GROWTH RATE	-0.1% ▼	-0.8% ▼
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Nevada Initial Unemployment Insurance Claims Jul-15

Current Period	Prev. Period	Same Period Prev. Yr.
12,230	13,185	15,441

GROWTH RATE	-7.2% ▼	-20.8% ▼
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TRAILING 12-MONTH

Employment Indicators

Nevada Employment⁽¹⁾ Jul-15

Current Period	Prev. Period	Same Period Prev. Yr.
1,238,917	1,235,242	1,197,133

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

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

GROWTH RATE	0.0% ◆	0.0% ◆
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Nevada Unemployment Rate⁽¹⁾ Jul-15

Current Period	Prev. Period	Same Period Prev. Yr.
7.1%	7.2%	8.4%

GROWTH RATE	-0.1% ▼	-1.3% ▼
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Nevada Initial Unemployment Insurance Claims⁽²⁾ Jul-15

Current Period	Prev. Period	Same Period Prev. Yr.
168,031	171,242	171,861

GROWTH RATE	-1.9% ▼	-2.2% ▼
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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

Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
1,425	1,471	1,063
GROWTH RATE	-3.1% ▼	34.1% ▲

Nevada Taxable Retail Sales

Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
\$4,445,624,174	\$4,344,308,139	\$4,149,802,141
GROWTH RATE	2.3% ▲	7.1% ▲

Nevada Gross Gaming Revenue

Jul-15

Current Period	Prev. Period	Same Period Prev. Yr.
\$922,886,804	\$830,916,429	\$931,875,046
GROWTH RATE	11.1% ▲	-1.0% ▼

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Jul-15

Current Period	Prev. Period	Same Period Prev. Yr.
4,414,919	4,231,122	4,067,216
GROWTH RATE	4.3% ▲	8.5% ▲

Clark/Washoe County Visitor Volume

Jul-15

Current Period	Prev. Period	Same Period Prev. Yr.
4,484,285	4,233,736	4,301,457
GROWTH RATE	5.9% ▲	4.3% ▲

Nevada New Business Creation

Q1 '15

Current Period	Prev. Period	Same Period Prev. Yr.
596	886	644
GROWTH RATE	-32.7% ▼	-7.5% ▼

Nevada Housing Price Index

(Q1 1991 = 100)

Q2 '15

Current Period	Prev. Period	Same Period Prev. Yr.
188.1	183.6	169.0
GROWTH RATE	2.5% ▲	11.3% ▲

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

Q1 '15

Current Period	Prev. Period	Same Period Prev. Yr.
79.6%	77.0%	80.2%
GROWTH RATE	2.6% ▲	-0.6% ▼

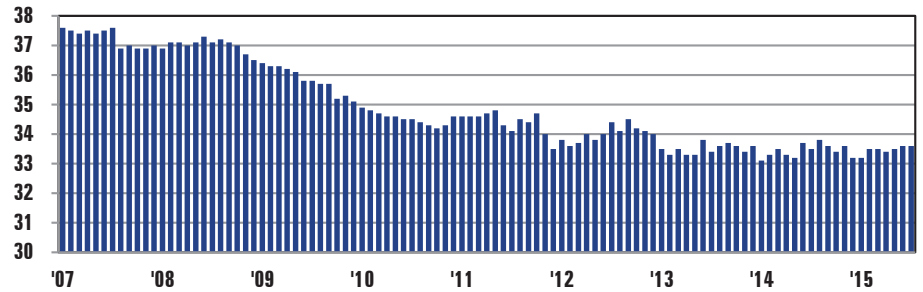
State of Nevada Personal Income

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% ▲

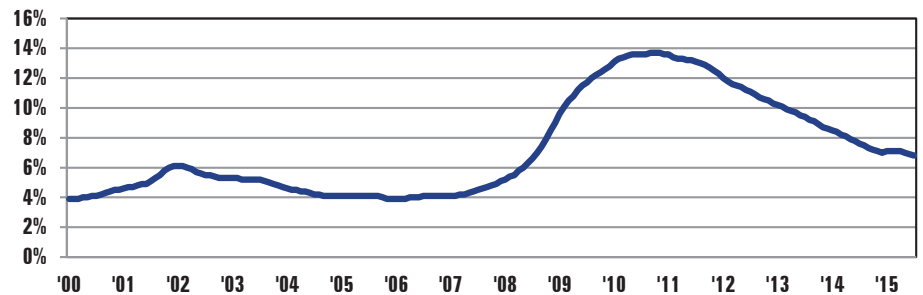
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED

MONTHLY SERIES



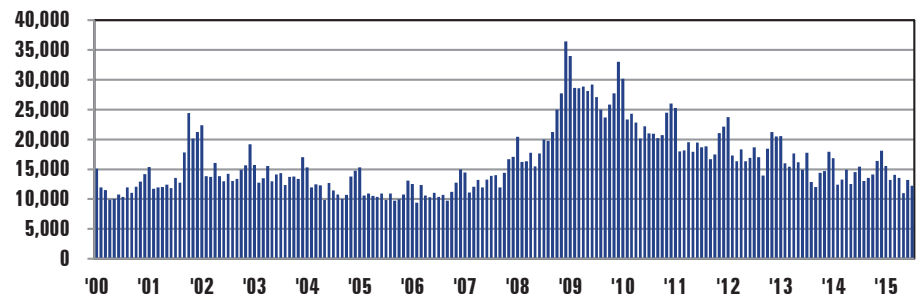
NEVADA UNEMPLOYMENT RATE

MONTHLY SERIES



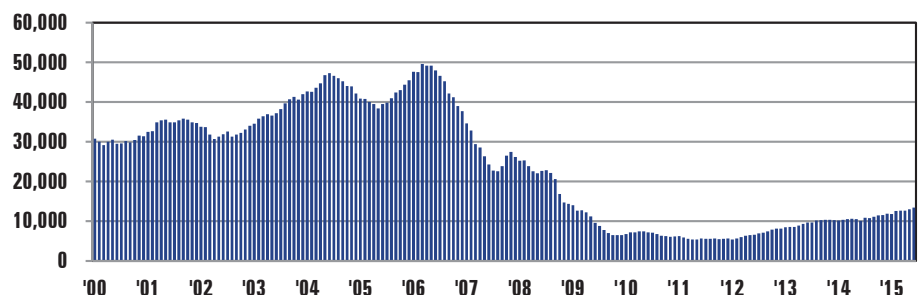
NEVADA UNEMPLOYMENT INSURANCE CLAIMS

MONTHLY SERIES

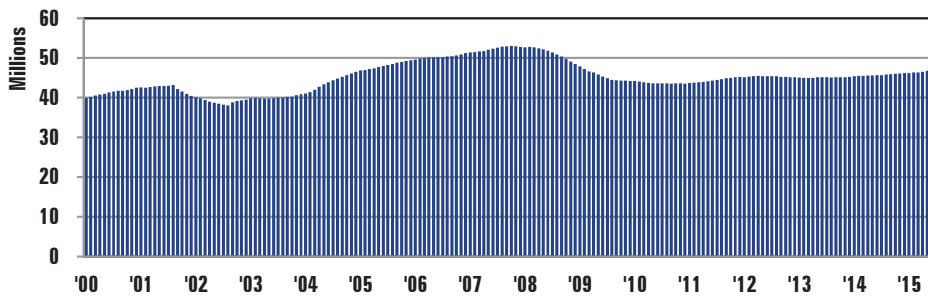


NEVADA RESIDENTIAL UNITS PERMITTED

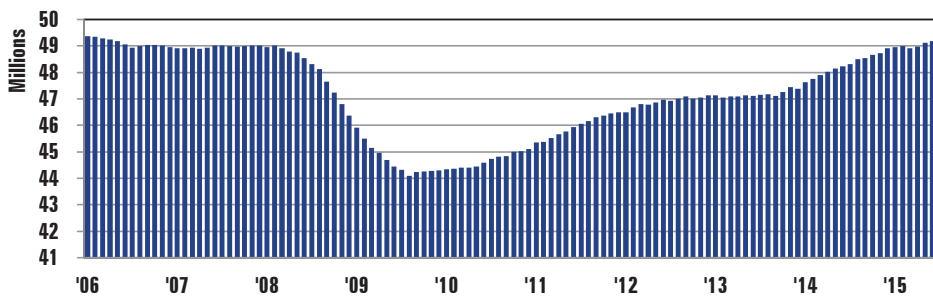
TRAILING 12-MONTH TOTALS



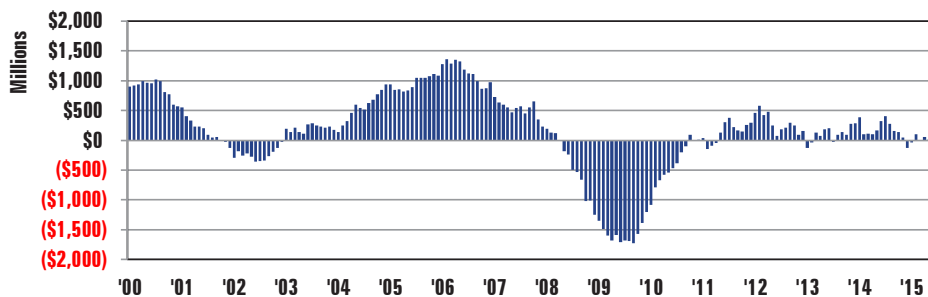
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS TRAILING 12-MONTH TOTALS



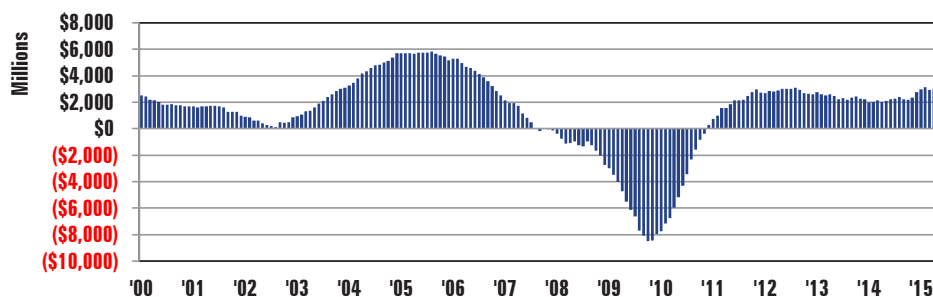
CLARK/WASHOE COUNTY VISITOR VOLUME TRAILING 12-MONTH TOTALS



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⁾ Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
13,403	13,041	10,090
GROWTH RATE	2.8% ▲	32.8% ▲

Nevada Taxable Retail Sales ⁽²⁾ Jun-15

Current Period	Prev. Period	Same Period Prev. Yr.
\$50,347,535,591	\$50,051,713,558	\$47,440,345,167
GROWTH RATE	0.6% ▲	6.1% ▲

Nevada Gross Gaming Revenue ⁽²⁾ Jul-15

Current Period	Prev. Period	Same Period Prev. Yr.
\$11,039,554,473	\$11,048,542,715	\$11,232,784,870
GROWTH RATE	-0.1% ▼	-1.7% ▼

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

Current Period	Prev. Period	Same Period Prev. Yr.
47,336,619	46,988,916	45,705,683
GROWTH RATE	0.7% ▲	3.6% ▲

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

Current Period	Prev. Period	Same Period Prev. Yr.
49,370,400	49,187,572	48,321,804
GROWTH RATE	0.4% ▲	2.2% ▲

Nevada New Business Creation ⁽²⁾ Q1 '15

Current Period	Prev. Period	Same Period Prev. Yr.
2,117	2,165	1,485
GROWTH RATE	-2.2% ▼	42.6% ▲

Nevada Housing Price Index ⁽¹⁾ Q2 '15

Current Period	Prev. Period	Same Period Prev. Yr.
180.4	175.7	163.3
GROWTH RATE	2.7% ▲	10.5% ▲

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⁾ Q1 '15

Current Period	Prev. Period	Same Period Prev. Yr.
81.1%	81.3%	79.8%
GROWTH RATE	-0.2% ▼	1.3% ▲

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.

76,413 businesses, many of them retail establishments where consumers can shop and eat. Not surprisingly, 68.9 percent of private businesses were in Clark County, 18.2 percent were in Washoe County, and the remaining 12.9 percent were located in rural counties.

Positive trends in employment and average weekly wages have significant effects on consumer spending as they put more disposable income in the pockets of consumers. Trailing 12-month employment totals for Nevada have remained positive in every period since September 2011. Although total employment of 1.25 million in July 2015 still trails the pre-recession high of 1.30 million, it is on track to exceed that mark within the next six to 12 months. Statewide employment in July 2015 stood 13.6 percent higher than the recession low of 1.1 million in January 2010. Despite employment growth that is among the best in the nation, Nevada's unemployment rate remains near the bottom with a seasonally adjusted rate of 6.8 percent in July 2015.

Average weekly hours statewide have been relatively flat since the end of the Great Recession, remaining at or near 33.5 hours per week in every period since December 2012. However, average weekly wages have risen 6.8 percent since the same period, with a post-recession high of \$733.82 reported in July 2015 (latest data available), equating to a 5.7 percent year-over-year increase.

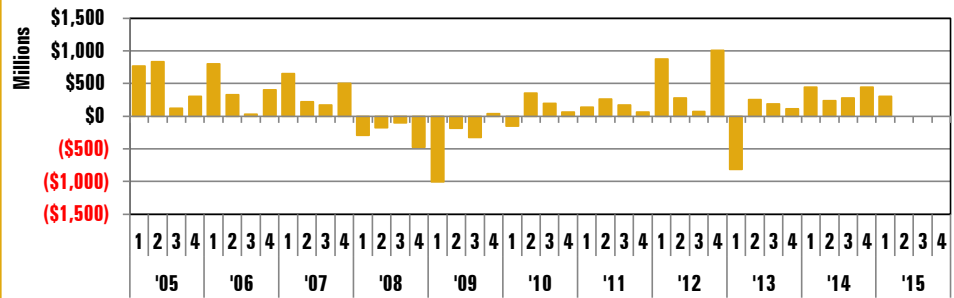
Consumer spending and the state's economy are expected to further improve as businesses continue to grow and Nevadans have more disposable income through more jobs, less unemployment, higher wages, and greater opportunity. 🌀

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.

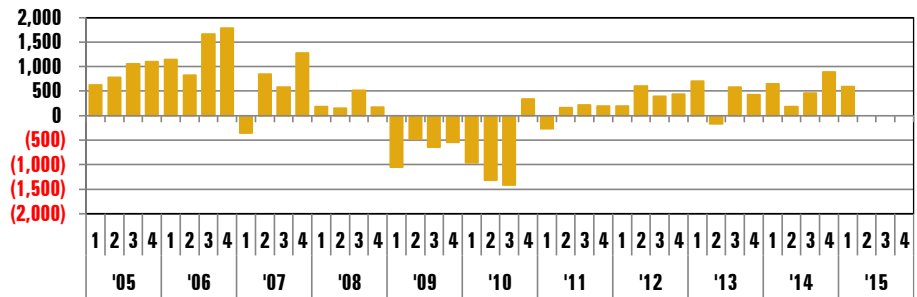
STATE OF NEVADA PERSONAL INCOME GROWTH

QUARTER-OVER-QUARTER



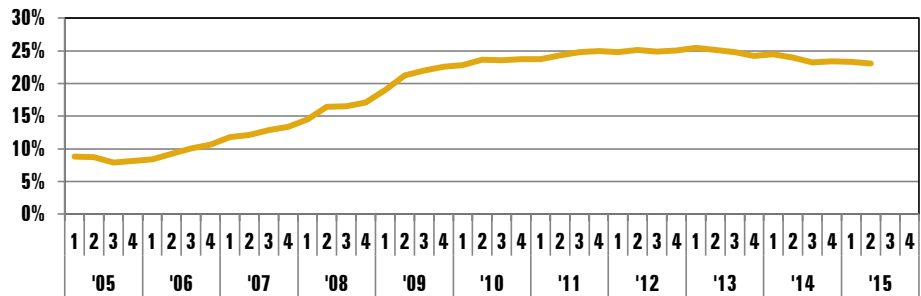
NEVADA NEW BUSINESS CREATION

QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE

QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY

QUARTERLY SERIES

