

Last year finished as one of the best in recent memory for Nevada as most key economic indicators continued or improved upon the positive trends of 2014. Growth in the number of jobs, wages, taxable retail sales, and housing prices were among the primary indicators that closed 2015 on an upward trend.

The state's expanding jobs market led the good economic news headlines all year. By December 2015, the trailing 12-month employment average had grown by 37,900 jobs over the previous year, a 3.1-percent improvement. That growth rate ranked sixth-best in the nation. However, that mark ended a streak of 20 consecutive months where Nevada was ranked fifth or better. If state employment continues to expand at about the same

rate in 2016, the total number of jobs will return to pre-recession levels later this year. In both the Las Vegas and Reno metro areas, employment on a trailing 12-month basis increased by 2.9 percent.

Annual job growth reached positive levels in every sector except financial activities, and a number of sectors outperformed the statewide average, including construction (+9.0 percent), education and health services (+5.0 percent), leisure and hospitality (+4.5 percent), and transportation and warehousing (+3.9 percent).

The positive employment trend pushed Nevada's seasonally adjusted monthly unemployment rate down to 6.4 percent in December 2015, 0.6 percentage points lower than a year earlier. That was the lowest year-over-year improvement since 2011 and did little to improve Nevada's ranking among states with the highest unemployment rates.

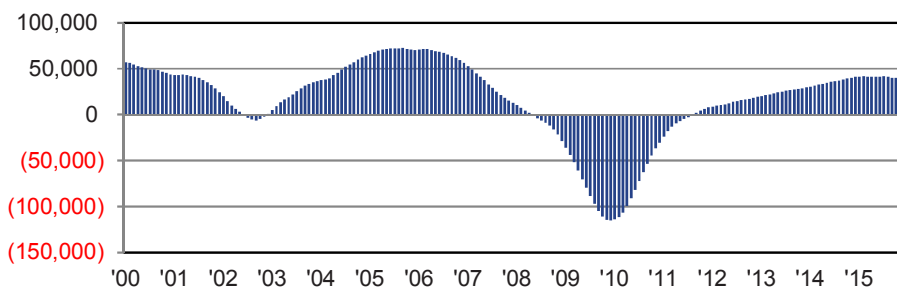
In December 2015, the state held the third-highest unemployment rate behind only Alaska and New Mexico.

However, good news concerning Nevada's labor force underlies the lagging improvement in the unemployment rate. The state's labor force, which is the group of people who are working or actively looking for a job, grew by a seasonally adjusted 1.9 percent in 2015. That rate, 11th-best in the nation, suggests that Nevada's job market is attracting new workers through a combination of residents moving in from other states and by formerly discouraged unemployed workers rejoining the labor market because of improving job prospects.

The labor market showed other signs of strength at the end of 2015. Although average weekly hours remained flat at 33.6 (+0.5 percent), average weekly wages continued a two-year surge. For the year, weekly wages

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NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



Economic Briefing

FEBRUARY 2016

ISSUE TWO | VOLUME NINE

MONTHLY Employment Indicators

Nevada Employment		Dec-15
Current Period	Prev. Period	Same Period Prev. Yr.
1,265,600	1,269,500	1,240,300
GROWTH RATE	-0.3% ▼	2.0% ▲

Nevada Private Average Weekly Hours Worked		Dec-15
Current Period	Prev. Period	Same Period Prev. Yr.
33.4	33.9	33.2
GROWTH RATE	-1.5% ▼	0.6% ▲

Nevada Unemployment Rate		Dec-15
Current Period	Prev. Period	Same Period Prev. Yr.
6.4%	6.5%	7.0%
GROWTH RATE	-0.1% ▼	-0.6% ▼

TRAILING 12-MONTH Employment Indicators

Nevada Employment ⁽¹⁾		Dec-15
Current Period	Prev. Period	Same Period Prev. Yr.
1,252,808	1,250,700	1,215,342
GROWTH RATE	0.2% ▲	3.1% ▲

Nevada Private Average Weekly Hours Worked ⁽¹⁾		Dec-15
Current Period	Prev. Period	Same Period Prev. Yr.
33.6	33.6	33.4
GROWTH RATE	0.0% ▲	0.5% ▲

Nevada Unemployment Rate ⁽¹⁾		Dec-15
Current Period	Prev. Period	Same Period Prev. Yr.
6.8%	6.9%	7.7%
GROWTH RATE	-0.1% ▼	-0.9% ▼

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

MONTHLY
Employment Indicators

Nevada Initial Unemployment Insurance Claims

Dec-15

Current Period	Prev. Period	Same Period Prev. Yr.
14,528	14,111	18,122
GROWTH RATE	3.0% ▲	-19.8% ▼

Nevada Residential Housing Units Permitted

Dec-15

Current Period	Prev. Period	Same Period Prev. Yr.
1,015	1,112	841
GROWTH RATE	-8.7% ▼	20.7% ▲

Nevada Taxable Retail Sales

Nov-15

Current Period	Prev. Period	Same Period Prev. Yr.
\$4,212,911,244	\$4,308,841,903	\$3,965,304,650
GROWTH RATE	-2.2% ▼	6.2% ▲

Nevada Gross Gaming Revenue

Dec-15

Current Period	Prev. Period	Same Period Prev. Yr.
\$982,060,730	\$944,269,870	\$950,594,006
GROWTH RATE	4.0% ▲	3.3% ▲

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Dec-15

Current Period	Prev. Period	Same Period Prev. Yr.
3,955,437	3,993,249	3,632,894
GROWTH RATE	-0.9% ▼	8.9% ▲

Clark/Washoe County Visitor Volume

Dec-15

Current Period	Prev. Period	Same Period Prev. Yr.
3,817,198	3,976,802	3,682,044
GROWTH RATE	-4.0% ▼	3.7% ▲

Nevada New Business Creation

Q2 '15

Current Period	Prev. Period	Same Period Prev. Yr.
688	596	180
GROWTH RATE	15.4% ▲	282.2% ▲

Nevada Housing Price Index

(Q1 1991 = 100)

Q3 '15

Current Period	Prev. Period	Same Period Prev. Yr.
194.0	187.9	172.6
GROWTH RATE	3.3% ▲	12.4% ▲

Clark County Office Market Vacancy Rate

Q4 '15

Current Period	Prev. Period	Same Period Prev. Yr.
23.1%	23.2%	23.6%
GROWTH RATE	-0.1% ▼	-0.5% ▼

Nevada Hotel/Motel Occupancy

Q2 '15

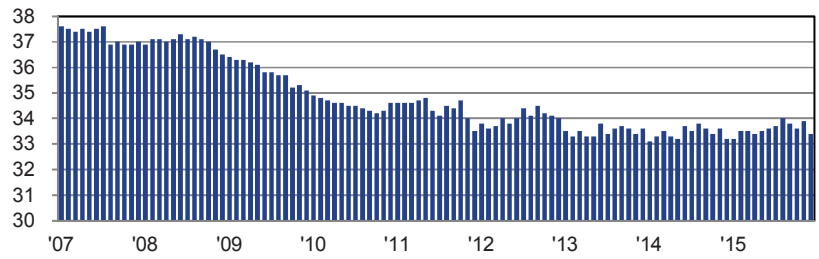
Current Period	Prev. Period	Same Period Prev. Yr.
84.6%	79.6%	84.0%
GROWTH RATE	5.0% ▲	0.6% ▲

Nevada Personal Income

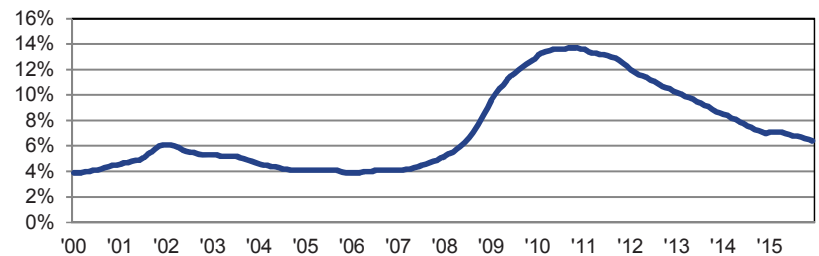
Q3 '15

Current Period	Prev. Period	Same Period Prev. Yr.
\$30,755,219,500	\$30,397,877,250	\$29,029,752,000
GROWTH RATE	1.2% ▲	5.9% ▲

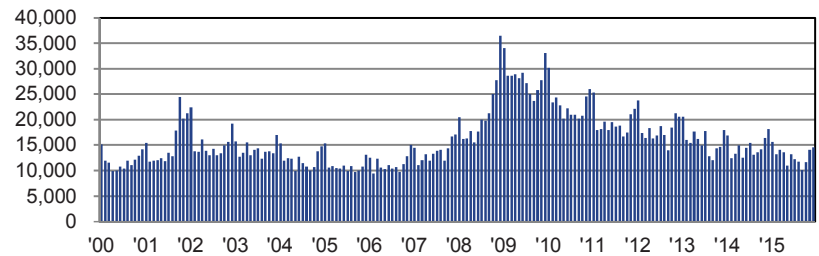
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



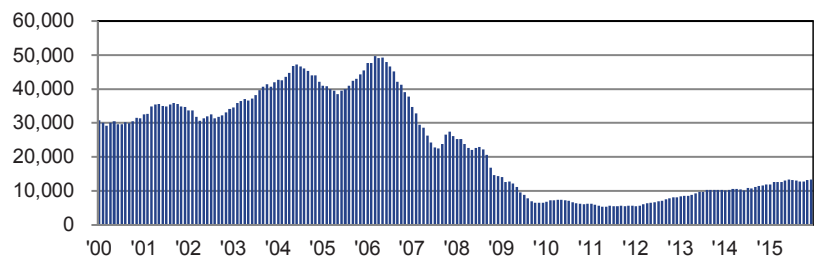
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



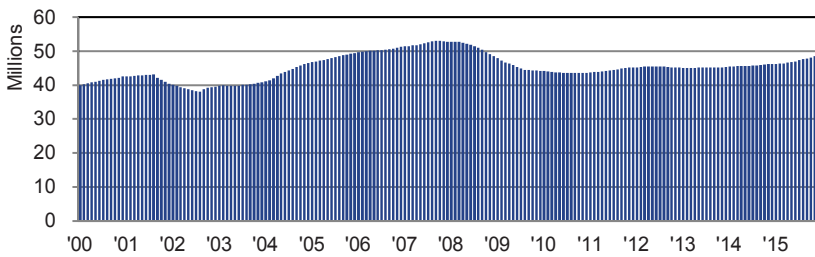
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



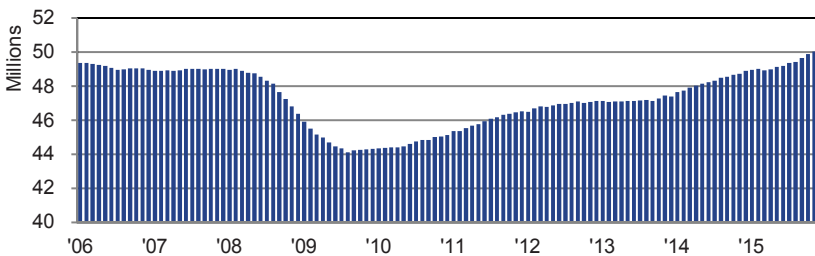
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



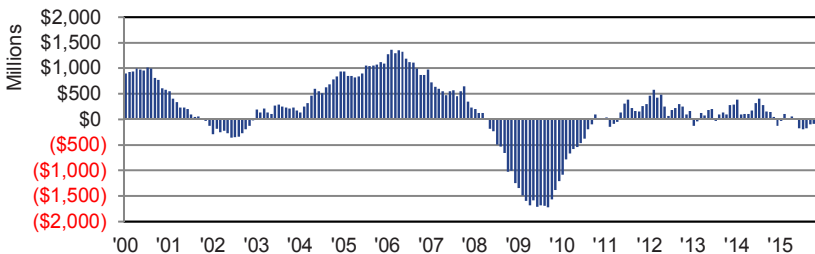
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



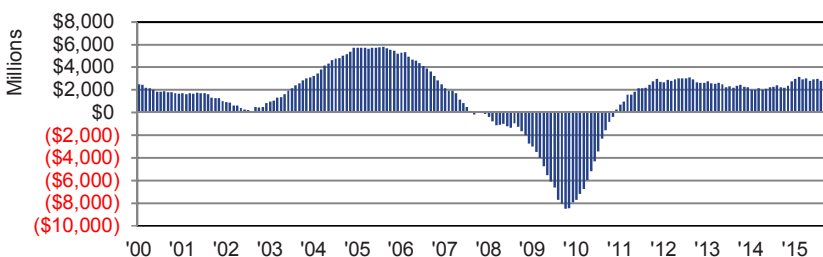
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



GROWTH IN NEVADA GROSS GAMING REVENUE
TRAILING 12-MONTH TOTALS



GROWTH IN NEVADA TAXABLE RETAIL SALES
TRAILING 12-MONTH TOTALS



TRAILING 12-MONTH
Employment Indicators

Nevada Initial Unemployment Insurance Claims ⁽²⁾

Current Period	Prev. Period	Same Period Prev. Yr.	Dec-15
154,860	158,454	175,232	
GROWTH RATE	-2.3% ▼	-11.6% ▼	

Nevada Residential Housing Units Permitted ⁽²⁾

Current Period	Prev. Period	Same Period Prev. Yr.	Dec-15
13,385	13,211	11,916	
GROWTH RATE	1.3% ▲	12.3% ▲	

Nevada Taxable Retail Sales ⁽²⁾

Current Period	Prev. Period	Same Period Prev. Yr.	Nov-15
\$51,449,593,733	\$51,201,987,139	\$48,567,880,856	
GROWTH RATE	0.5% ▲	5.9% ▲	

Nevada Gross Gaming Revenue ⁽²⁾

Current Period	Prev. Period	Same Period Prev. Yr.	Dec-15
\$11,114,081,118	\$11,082,614,394	\$11,018,480,278	
GROWTH RATE	0.3% ▲	0.9% ▲	

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

Current Period	Prev. Period	Same Period Prev. Yr.	Dec-15
48,821,731	48,499,188	46,190,440	
GROWTH RATE	0.7% ▲	5.7% ▲	

Clark/Washoe County Visitor Volume ⁽²⁾

Current Period	Prev. Period	Same Period Prev. Yr.	Dec-15
50,154,381	50,019,227	48,907,203	
GROWTH RATE	0.3% ▲	2.6% ▲	

Nevada New Business Creation ⁽²⁾

Current Period	Prev. Period	Same Period Prev. Yr.	Q2 '15
2,625	2,117	1,838	
GROWTH RATE	24.0% ▲	42.8% ▲	

Nevada Housing Price Index ⁽¹⁾

Current Period	Prev. Period	Same Period Prev. Yr.	Q3 '15
185.6	180.2	167.0	
GROWTH RATE	3.0% ▲	11.1% ▲	

Clark County Office Market Vacancy Rate ⁽¹⁾

Current Period	Prev. Period	Same Period Prev. Yr.	Q4 '15
23.3%	23.5%	23.9%	
GROWTH RATE	-0.2% ▼	-0.6% ▼	

Nevada Hotel/Motel Occupancy ⁽¹⁾

Current Period	Prev. Period	Same Period Prev. Yr.	Q2 '15
81.2%	81.0%	80.3%	
GROWTH RATE	0.2% ▲	1.0% ▲	

Nevada Personal Income ⁽²⁾

Current Period	Prev. Period	Same Period Prev. Yr.	Q3 '15
\$123,020,878,000	\$121,591,509,000	\$116,119,008,000	
GROWTH RATE	1.2% ▲	5.9% ▲	

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

« Continued From Cover

on a trailing 12-month average grew by a nation-leading 5.2 percent to \$736.92. Over the past two years, weekly wages have increased by 8.9 percent. The rise in wages in Nevada mirrors the national trend where private employers are increasing pay to attract and retain workers in a more competitive labor market. That trend is more pronounced in Nevada, which doubled the U.S. weekly wage growth rate of 2.4 percent.

Other key indicators made positive strides in 2015. Statewide taxable retail sales, the primary measure of consumer activity, climbed to \$51.5 billion in November 2015 (latest data available). The 12-month total increased by \$2.9 billion for a 5.9-percent annual growth rate. Meanwhile, gross gaming revenue finished the year at \$11.1 billion, a 0.9-percent increase over 2014. Finally, housing prices in Nevada continued their strong recovery by recording year-over-year price appreciation of 12.4 percent in the third quarter of 2015 (latest available). Nevada's housing price increase was second-best in the nation and double the U.S. average of 5.7 percent.

As 2016 began, the Nevada economy was poised to continue building upon the many positive trends that carried it through 2015 and repair more of the lingering damage left behind by the Great Recession.

Prepared by:

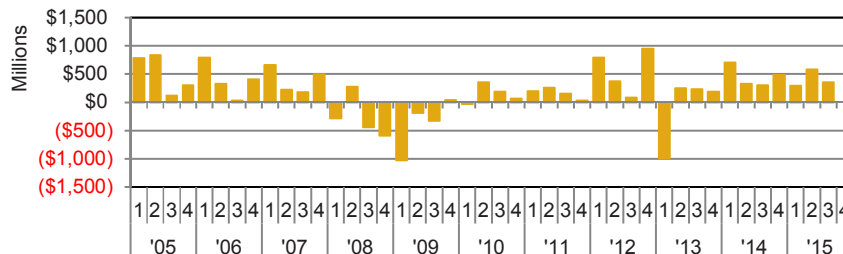


appliedanalysis.com

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.

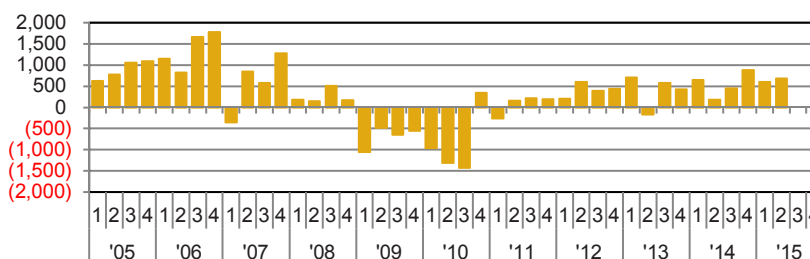
NEVADA PERSONAL INCOME GROWTH

QUARTER-OVER-QUARTER



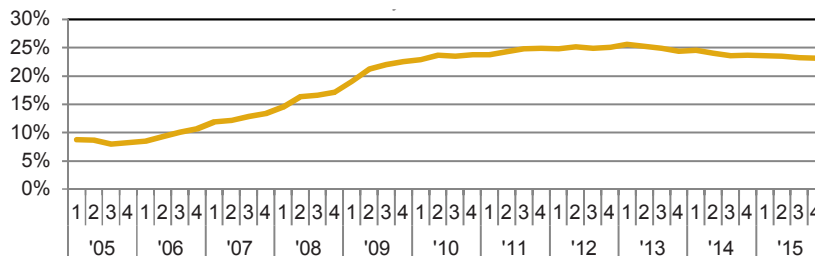
NEVADA NEW BUSINESS CREATION

QUARTER-OVER-QUARTER



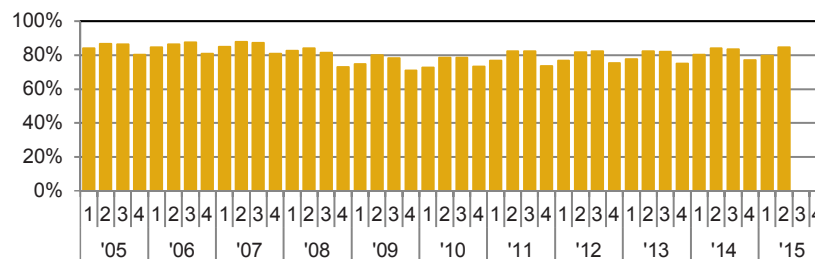
LAS VEGAS OFFICE MARKET VACANCY RATE

QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY

QUARTERLY SERIES



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