

Nevada's healthcare industry plays an important role in both the medical and economic well-being of the state. The sector has been an important source of job growth and economic diversification throughout the state, and it will continue to be so, given the aging and growing population base.

Economic Briefing

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From 2003 to present, Education and Health Services has been the only sector in southern Nevada to demonstrate positive year-over-year growth in private employment every single month. The sector grew even through the economic downturn, and since 2007 it has added 21,658 jobs, more than any other sector. It has remained among the fastest-growing job sectors, recording year-over-year growth of 5 percent or better in each month since April 2015. That rate has accelerated in 2016 with year-over-year growth near or above 8 percent in each month through May, and the 8.2 percent growth recorded in that month ranked second behind only 12.4 percent growth in construction sector employment.

During this long period of consistent growth, Education and Health Services has become a larger share of the southern Nevada job base, growing from 7.7 percent in 2007 to 10.6 percent today. This trend is projected to continue into the coming decade with the addition of 20,000 jobs through 2030, according to the state demographer. Education and Health Services employment in Washoe County has also experienced a growth trend. Since 2007, the sector has expanded 15.6 percent with the addition of 3,200 jobs.

The benefits of employment growth in healthcare are enhanced by the industry's higher-than-average wages. The average

wage in the Education and Health Services sector in southern Nevada pays \$8,100 more compared to the average private wage of \$43,700. For example, paramedics (most of whom are equipped with a vocational certificate and some college) earn an average salary of \$40,400 per year. Physician assistants may begin practicing with a master's degree and earn an average salary of \$94,700 annually in Nevada. Registered nurses are trained through associate's or bachelor's degree programs and earn an average annual salary of \$79,300 in Nevada.

The growing demand for healthcare services and workers remains a critical issue for the Nevada healthcare industry. With the implementation of the Affordable Care Act ("ACA") in 2014, the uninsured rate in Nevada dropped from 20.7% in 2013 to 15.2% in 2014. Since Nevada expanded Medicaid eligibility under the ACA, enrollment in the state-run insurance program nearly doubled from 326,000 in 2013 to 623,000 today. Plans through the state's health insurance marketplace have given coverage to an additional 88,145 Nevadans this year. Enrollment in Medicare, the federal insurance plan for seniors, has increased about 5 percent each year statewide and in Clark and Washoe counties. Medicare enrollment is expected to continue to grow with the aging of the Baby Boom generation and Nevada's attractiveness as a

MONTHLY Employment Indicators

Nevada Employment		May-16
Current Period	Prev. Period	Same Period Prev. Yr.
1,285,800	1,283,000	1,260,400
GROWTH RATE	0.2% ▲	2.0% ▲

Nevada Private Average Weekly Hours Worked		May-16
Current Period	Prev. Period	Same Period Prev. Yr.
34.0	33.6	33.5
GROWTH RATE	1.2% ▲	1.5% ▲

Nevada Unemployment Rate		May-16
Current Period	Prev. Period	Same Period Prev. Yr.
6.1%	5.8%	6.8%
GROWTH RATE	0.3% ▲	-0.7% ▼

TRAILING 12-MONTH Employment Indicators

Nevada Employment ⁽¹⁾		May-16
Current Period	Prev. Period	Same Period Prev. Yr.
1,270,025	1,267,908	1,235,650
GROWTH RATE	0.2% ▲	2.8% ▲

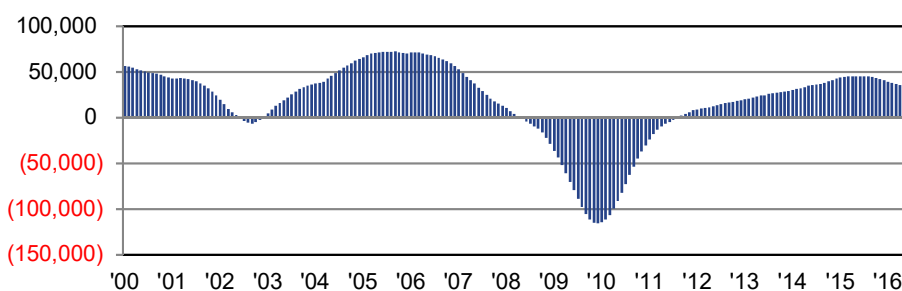
Nevada Private Average Weekly Hours Worked ⁽¹⁾		May-16
Current Period	Prev. Period	Same Period Prev. Yr.
33.6	33.6	33.5
GROWTH RATE	0.1% ▲	0.3% ▲

Nevada Unemployment Rate ⁽¹⁾		May-16
Current Period	Prev. Period	Same Period Prev. Yr.
6.3%	6.4%	7.3%
GROWTH RATE	-0.1% ▼	-1.0% ▼

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

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NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



MONTHLY & QUARTERLY
Economic Indicator Series

Nevada Initial Unemployment Insurance Claims

Apr-16

Current Period	Prev. Period	Same Period Prev. Yr.
10,842	10,924	13,550
GROWTH RATE	-0.8% ▼	-20.0% ▼

Nevada Residential Housing Units Permitted

Apr-16

Current Period	Prev. Period	Same Period Prev. Yr.
1,507	1,306	1,073
GROWTH RATE	15.4% ▲	40.4% ▲

Nevada Taxable Retail Sales

Apr-16

Current Period	Prev. Period	Same Period Prev. Yr.
\$4,358,636,583	\$4,690,516,750	\$4,117,129,670
GROWTH RATE	-7.1% ▼	5.9% ▲

Nevada Gross Gaming Revenue

May-16

Current Period	Prev. Period	Same Period Prev. Yr.
\$958,055,897	\$876,138,288	\$1,003,479,007
GROWTH RATE	9.3% ▲	-4.5% ▼

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

May-16

Current Period	Prev. Period	Same Period Prev. Yr.
4,438,276	4,185,823	4,269,119
GROWTH RATE	6.0% ▲	4.0% ▲

Clark/Washoe County Visitor Volume

Apr-16

Current Period	Prev. Period	Same Period Prev. Yr.
4,234,488	4,449,146	4,180,688
GROWTH RATE	-4.8% ▼	1.3% ▲

Nevada New Business Creation

Q3 '15

Current Period	Prev. Period	Same Period Prev. Yr.
524	688	455
GROWTH RATE	-23.8% ▼	15.2% ▲

Nevada Housing Price Index

(Q1 1991 = 100)

Q4 '15

Current Period	Prev. Period	Same Period Prev. Yr.
199.3	193.4	176.6
GROWTH RATE	3.0% ▲	12.8% ▲

Clark County Office Market

Vacancy Rate

Q1 '16

Current Period	Prev. Period	Same Period Prev. Yr.
21.3%	22.0%	22.9%
GROWTH RATE	-0.7% ▼	-1.6% ▼

Nevada Hotel/Motel Occupancy

Q4 '15

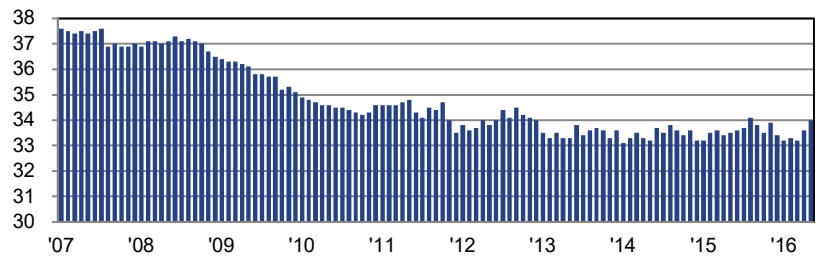
Current Period	Prev. Period	Same Period Prev. Yr.
79.2%	85.3%	77.0%
GROWTH RATE	-6.1% ▼	2.2% ▲

State of Nevada Personal Income

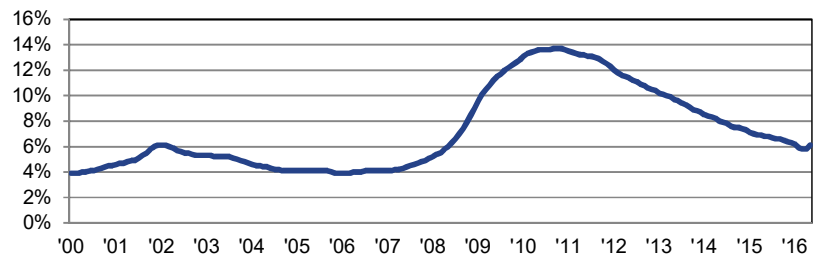
Q1 '16

Current Period	Prev. Period	Same Period Prev. Yr.
\$31,409,544,000	\$31,121,000,000	\$29,818,203,500
GROWTH RATE	0.9% ▲	5.3% ▲

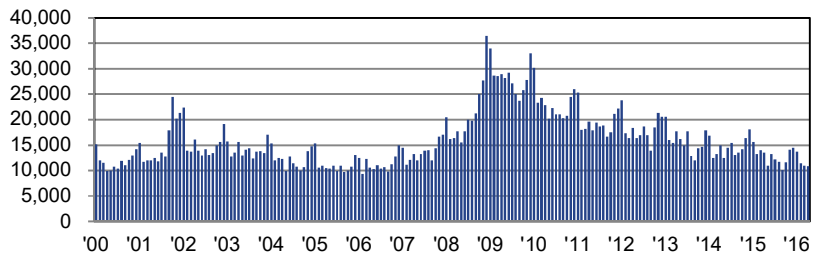
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



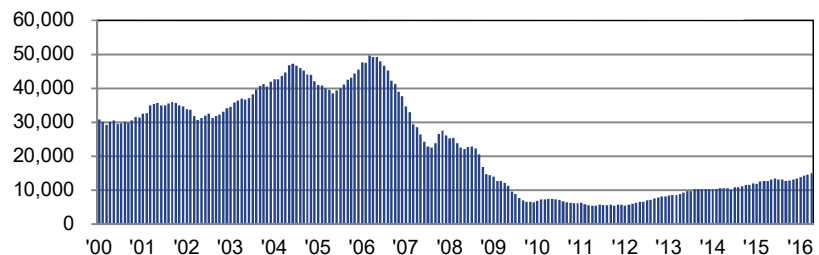
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



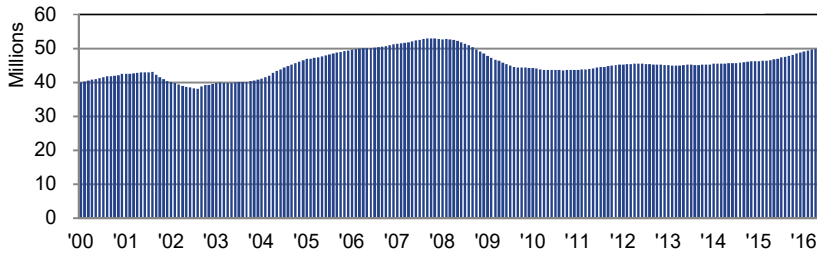
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



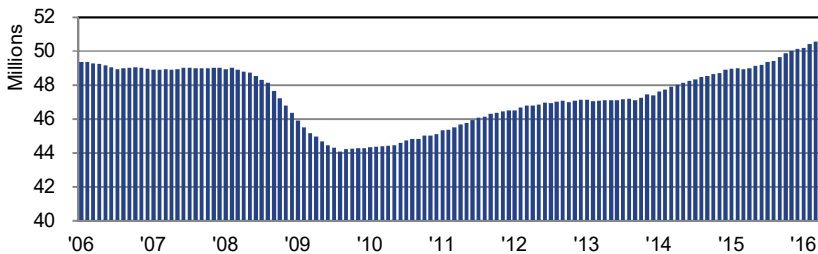
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



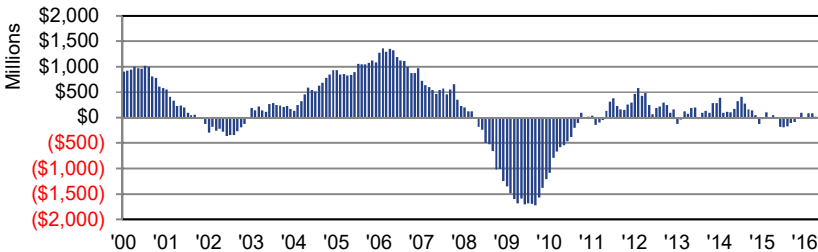
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



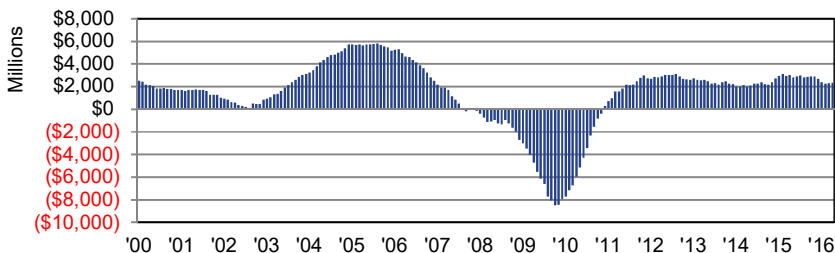
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



GROWTH IN NEVADA GROSS GAMING REVENUE
TRAILING 12-MONTH TOTALS



GROWTH IN NEVADA TAXABLE RETAIL SALES
TRAILING 12-MONTH TOTALS



TRAILING 12-MONTH
Economic Indicator Series

Nevada Initial Unemployment Insurance Claims⁽²⁾

		May-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
134,442	145,405		172,560
GROWTH RATE	-7.5% ▼		-22.1% ▼

Nevada Residential Housing Units Permitted⁽²⁾

		Apr-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
14,926	14,492		12,655
GROWTH RATE	3.0% ▲		17.9% ▲

Nevada Taxable Retail Sales⁽²⁾

		Apr-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$52,292,270,116	\$52,050,763,203		\$49,961,282,642
GROWTH RATE	0.5% ▲		4.7% ▲

Nevada Gross Gaming Revenue⁽²⁾

		May-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$11,064,936,467	\$11,110,359,577		\$11,124,223,995
GROWTH RATE	-0.4% ▼		-0.5% ▼

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

		May-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
49,951,103	49,781,946		46,772,887
GROWTH RATE	0.3% ▲		6.8% ▲

Clark/Washoe County Visitor Volume⁽²⁾

		Apr-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
50,624,927	50,571,127		48,975,501
GROWTH RATE	0.1% ▲		3.4% ▲

Nevada New Business Creation⁽²⁾

		Q3 '15	
Current Period	Prev. Period	Same Period	Prev. Yr.
2,694	2,625		1,711
GROWTH RATE	2.6% ▲		57.5% ▲

Nevada Housing Price Index⁽¹⁾

		Q4 '15	
<i>(Q1 1991 = 100)</i>			
Current Period	Prev. Period	Same Period	Prev. Yr.
191.1	185.4		170.8
GROWTH RATE	3.1% ▲		11.9% ▲

Clark County Office Market Vacancy Rate⁽¹⁾

		Q1 '16	
Current Period	Prev. Period	Same Period	Prev. Yr.
22.1%	22.5%		23.2%
GROWTH RATE	-0.4% ▼		-1.2% ▼

Nevada Hotel/Motel Occupancy⁽¹⁾

		Q4 '15	
Current Period	Prev. Period	Same Period	Prev. Yr.
82.2%	81.6%		81.2%
GROWTH RATE	0.6% ▲		1.0% ▲

State of Nevada Personal Income⁽²⁾

		Q1 '16	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$125,638,176,000	\$124,484,000,000		\$119,272,814,000
GROWTH RATE	0.9% ▲		5.3% ▲

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

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retirement destination, further increasing demand for healthcare services as older people require more frequent and higher levels of care.

These demand trends will provide both opportunities and challenges for Nevada's healthcare industry, which has a profound shortage of medical professionals. Overall, healthcare and social assistance workers comprise 9.9 percent of the statewide workforce, which is well below the national average of 15.5 percent. Nevada also trails most of the nation in its supply of doctors. The state ranks 49th in the United States in active licensed physicians per 100,000 residents (179.7 vs. 234.7). To keep par with the national average, the University of Nevada School of Medicine estimates the state needs an additional 2,900 medical doctors.

Recognizing the state's medical needs and economic opportunities, the Governor's Office of Economic Development and regional development agencies such as the Las Vegas Global Economic Alliance have identified the healthcare industry as a priority for investment. Other initiatives and investments are focused on growing the healthcare supply, including the ongoing development of the University of Nevada Las Vegas Medical School, the \$1.2 billion Union Village medical and wellness project in Henderson, and a potential 165,000-square-foot expansion of the VA Sierra Nevada Health Care System in Reno.

These projects, and many others, will be key to expanding Nevada's healthcare sector and capitalizing on opportunities to improve and diversify the state economy while enhancing the quality of life for its residents.

Prepared by:

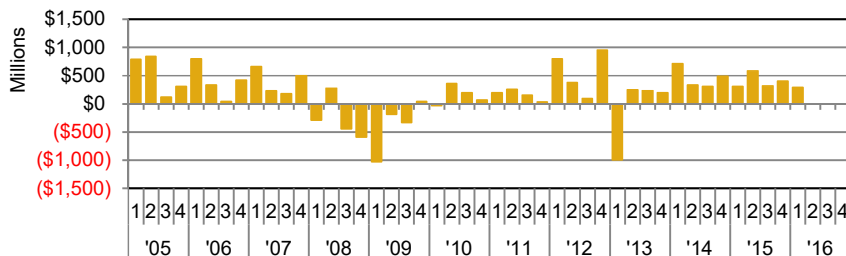


appliedanalysis.

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.

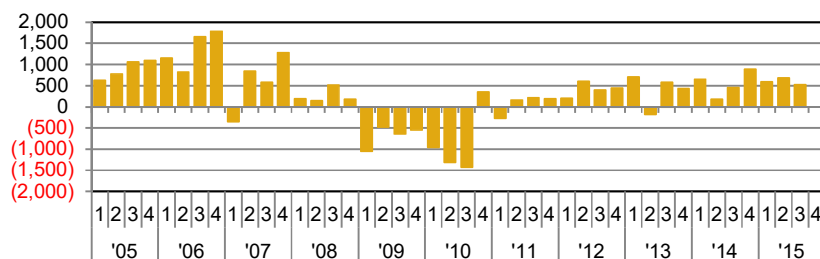
NEVADA PERSONAL INCOME GROWTH

QUARTER-OVER-QUARTER



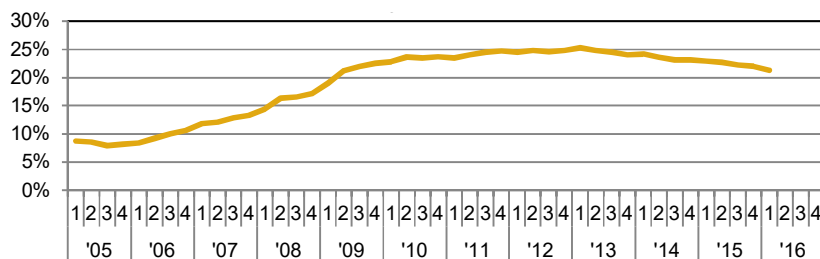
NEVADA NEW BUSINESS CREATION

QUARTER-OVER-QUARTER



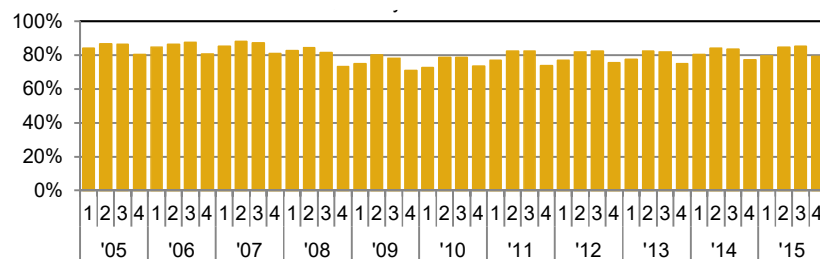
LAS VEGAS OFFICE MARKET VACANCY RATE

QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY

QUARTERLY SERIES



NEVADA STATE BANK

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