

Drivers in Nevada and the rest of the United States have enjoyed low gas prices for the past two years, thanks to the age-old fundamentals of any economy: supply and demand. When oil prices were climbing in the wake of the Great Recession, high global demand, particularly in the surging Chinese economy, and limited supply pushed oil prices above \$100 per barrel. Today, the price of oil has been cut in half as the result of increased supply and weak demand.

Double-digit economic growth in China is long gone, and the United States has been weaning itself off of foreign oil, partly due to successful efforts to increase energy independence and build domestic oil reserves. Those prevailing competitive forces in the oil market are responsible for reducing the price consumers pay at the pump, and that savings at the pump translates to more spending on other goods and services.

Consumers have enjoyed additional discretionary income from lower gas prices. According to the U.S. Consumer Expenditure Survey, an average household spent \$2,090 on gasoline in 2015, which was \$666 less than the 2012 estimate. In Nevada, this translates into \$694 million in additional discretionary income for the more than 1 million households in the state.

A recent study by JPMorgan Chase & Co. revealed people spent roughly 80 percent of savings from lower gas prices and used the remaining 20 percent to increase savings

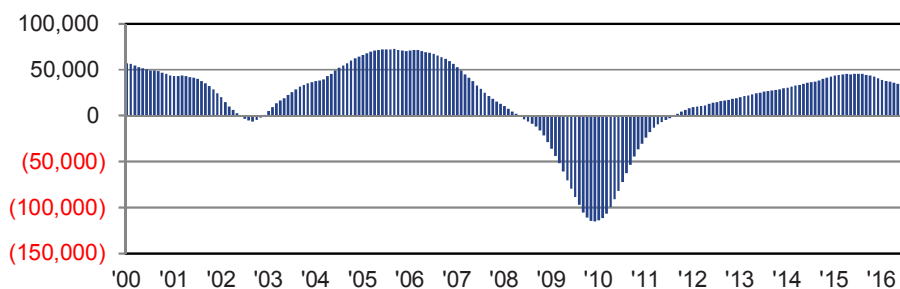
or pay down debt. In Nevada, taxable retail sales have increased nearly 10 percent from the same time last year, suggesting that Nevadans are using their gas savings to purchase more consumer goods. This additional activity helps the overall economy, of which two-thirds is driven by consumer spending.

Lower gas prices are also a positive sign for the state's core tourism economy, as they make getting to Nevada a cheaper proposition, whether by ground or by air. Traffic counts between southern Nevada and California have increased 4.7 percent over the past year, while traffic at the California border with Washoe County has climbed 7.5 percent. Lower gas prices might very well be driving additional road trips from Nevada's largest source of visitors, and those visitors will have more money to spend when they arrive.

In addition to spending more on other goods and services, Nevadans appear to be driving more because of the lower gas

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## NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



# Economic Briefing

SEPTEMBER 2016

ISSUE NINE | VOLUME NINE

## MONTHLY Employment Indicators

Nevada Employment		Jul-16
Current Period	Prev. Period	Same Period Prev. Yr.
1,285,000	1,290,500	1,251,200
GROWTH RATE	-0.4% ▼	2.7% ▲

Nevada Private Average Weekly Hours Worked		Jul-16
Current Period	Prev. Period	Same Period Prev. Yr.
34.2	34.0	33.7
GROWTH RATE	0.6% ▲	1.5% ▲

Nevada Unemployment Rate		Jul-16
Current Period	Prev. Period	Same Period Prev. Yr.
6.5%	6.4%	6.7%
GROWTH RATE	0.1% ▲	-0.2% ▼

## TRAILING 12-MONTH Employment Indicators

Nevada Employment <sup>(1)</sup>		Jul-16
Current Period	Prev. Period	Same Period Prev. Yr.
1,275,850	1,273,033	1,242,492
GROWTH RATE	0.2% ▲	2.7% ▲

Nevada Private Average Weekly Hours Worked <sup>(1)</sup>		Jul-16
Current Period	Prev. Period	Same Period Prev. Yr.
33.7	33.7	33.5
GROWTH RATE	0.1% ▲	0.5% ▲

Nevada Unemployment Rate <sup>(1)</sup>		Jul-16
Current Period	Prev. Period	Same Period Prev. Yr.
6.3%	6.3%	7.1%
GROWTH RATE	0.0% ◊	-0.8% ▼

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

MONTHLY & QUARTERLY  
Economic Indicator Series

**Nevada Initial Unemployment Insurance Claims**

Jun-16

Current Period	Prev. Period	Same Period Prev. Yr.
11,144	10,650	13,185
GROWTH RATE	4.6% ▲	-15.5% ▼

**Nevada Residential Housing Units Permitted**

Jun-16

Current Period	Prev. Period	Same Period Prev. Yr.
1,447	2,002	1,425
GROWTH RATE	-27.7% ▼	1.5% ▲

**Nevada Taxable Retail Sales**

Jun-16

Current Period	Prev. Period	Same Period Prev. Yr.
\$4,872,754,936	\$4,413,202,682	\$4,445,624,174
GROWTH RATE	10.4% ▲	9.6% ▲

**Nevada Gross Gaming Revenue**

Jul-16

Current Period	Prev. Period	Same Period Prev. Yr.
\$1,015,014,676	\$887,462,939	\$923,035,888
GROWTH RATE	14.4% ▲	10.0% ▲

**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**

Jun-16

Current Period	Prev. Period	Same Period Prev. Yr.
4,431,190	4,260,535	4,233,736
GROWTH RATE	4.0% ▲	4.7% ▲

**Nevada New Business Creation**

Q1 '16

Current Period	Prev. Period	Same Period Prev. Yr.
1,589	883	596
GROWTH RATE	80.0% ▲	166.6% ▲

**Nevada Housing Price Index**

(Q1 1991 = 100)

Q2 '16

Current Period	Prev. Period	Same Period Prev. Yr.
205.8	201.5	188.1
GROWTH RATE	2.1% ▲	9.4% ▲

**Clark County Office Market**

**Vacancy Rate**

Q2 '16

Current Period	Prev. Period	Same Period Prev. Yr.
21.0%	21.5%	22.5%
GROWTH RATE	-0.5% ▼	-1.5% ▼

**Nevada Hotel/Motel Occupancy**

Q4 '15

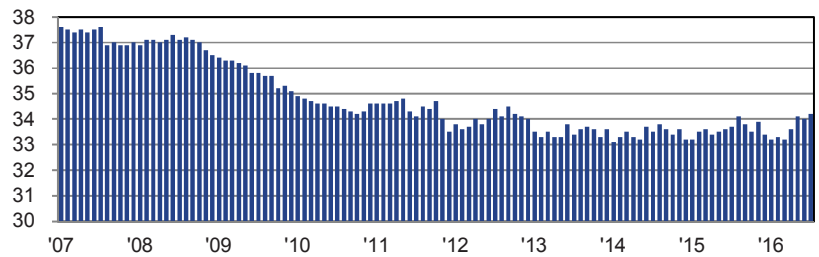
Current Period	Prev. Period	Same Period Prev. Yr.
79.2%	85.3%	77.0%
GROWTH RATE	-6.1% ▼	2.2% ▲

**State of Nevada Personal Income**

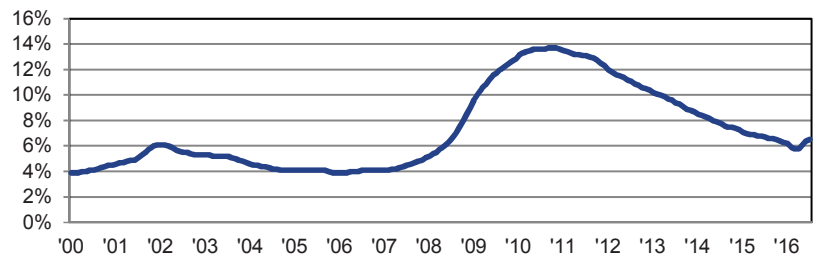
Q1 '16

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% ▲

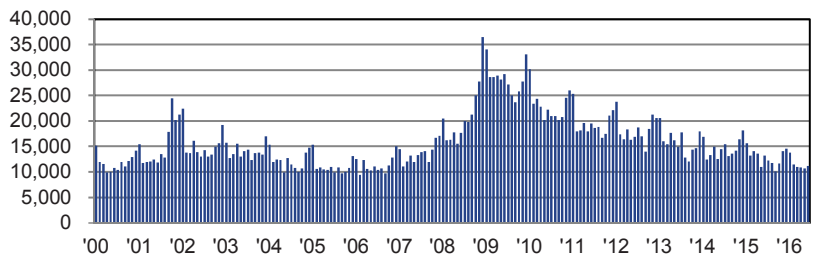
**NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED**  
MONTHLY SERIES



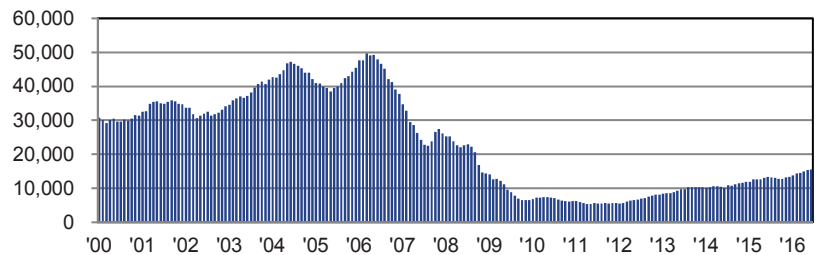
**NEVADA UNEMPLOYMENT RATE**  
MONTHLY SERIES



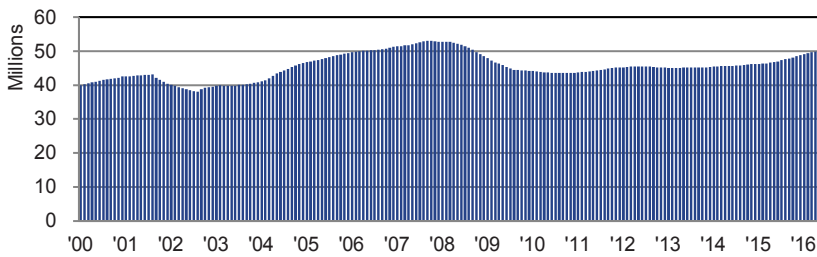
**NEVADA UNEMPLOYMENT INSURANCE CLAIMS**  
MONTHLY SERIES



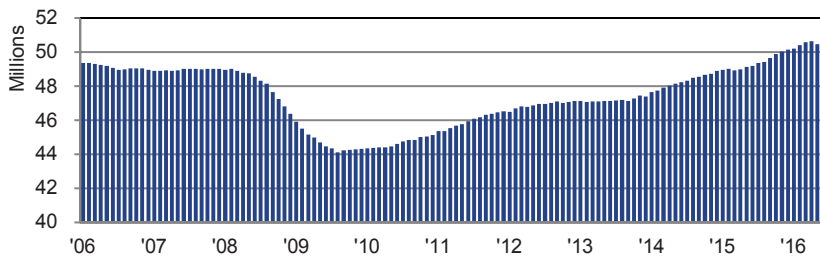
**NEVADA RESIDENTIAL UNITS PERMITTED**  
TRAILING 12-MONTH TOTALS



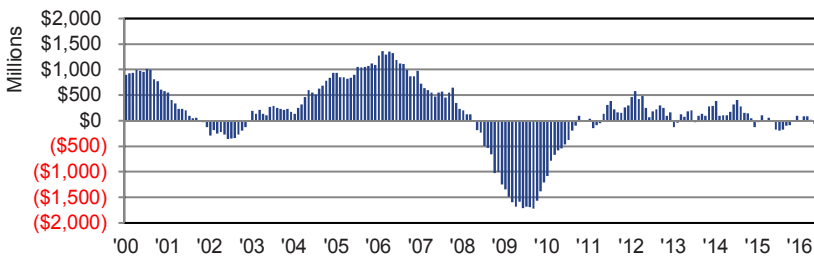
**LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS**  
TRAILING 12-MONTH TOTALS



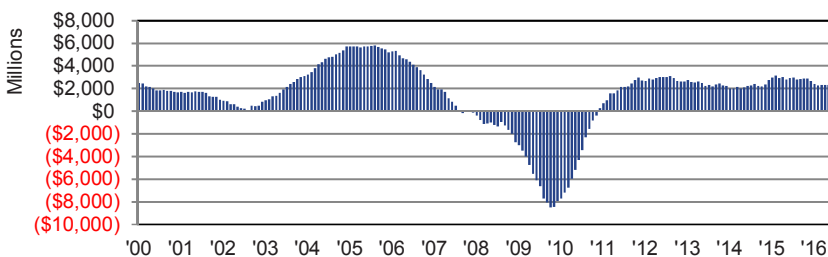
**CLARK/WASHOE COUNTY VISITOR VOLUME**  
TRAILING 12-MONTH TOTALS



**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 <sup>(2)</sup>**

		Jul-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
130,821	143,051	168,031	
GROWTH RATE	-8.5% ▼	-22.1% ▼	

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

		Jun-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
15,479	15,457	13,403	
GROWTH RATE	0.1% ▲	15.5% ▲	

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

		Jun-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$52,788,295,421	\$52,361,164,659	\$50,347,535,591	
GROWTH RATE	0.8% ▲	4.8% ▲	

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

		Jul-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$11,213,403,828	\$11,121,425,040	\$11,039,813,248	
GROWTH RATE	0.8% ▲	1.6% ▲	

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

		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 <sup>(2)</sup>**

		Jun-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
50,668,823	50,471,369	49,187,572	
GROWTH RATE	0.4% ▲	3.0% ▲	

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

		Q1 '16	
Current Period	Prev. Period	Same Period	Prev. Yr.
3,684	2,691	2,117	
GROWTH RATE	36.9% ▲	74.0% ▲	

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

		Q2 '16	
<i>(Q1 1991 = 100)</i>			
Current Period	Prev. Period	Same Period	Prev. Yr.
199.5	195.0	180.2	
GROWTH RATE	2.3% ▲	10.7% ▲	

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

		Q2 '16	
Current Period	Prev. Period	Same Period	Prev. Yr.
21.7%	22.1%	22.9%	
GROWTH RATE	-0.4% ▼	-1.2% ▼	

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

		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 <sup>(2)</sup>**

		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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prices. When Nevadans were paying more than \$4.20 per gallon at the pump in recent years, car owners reduced their gas consumption by driving less or buying fuel-efficient cars. From 2008 to 2012, overall gas consumption in Nevada decreased at an average annual rate of 1.3 percent. By contrast, the number of gallons of gasoline sold statewide in June was 8.7 percent higher than June 2014, when gas prices were near their recent peak.

Motorists are also driving more today. In the past 15 years, vehicle miles traveled in Nevada grew at about 2.5 percent annually, according to the Nevada Department of Transportation. In 2014 (most recent year available), annual vehicle miles traveled climbed 8 percent over the prior year, suggesting that drivers in the state were driving more, at least in part because of reduced spending at the pump.

Historically, gas prices were inflated due to high demands and OPEC's monopoly power. Since 2014, the presence of competition in the oil market, particularly from the United States, has kept downward pressure on gas prices. This trend is forecast to continue through at least next year, putting more money in the pockets of Nevadans and providing a significant boost to the statewide economy.

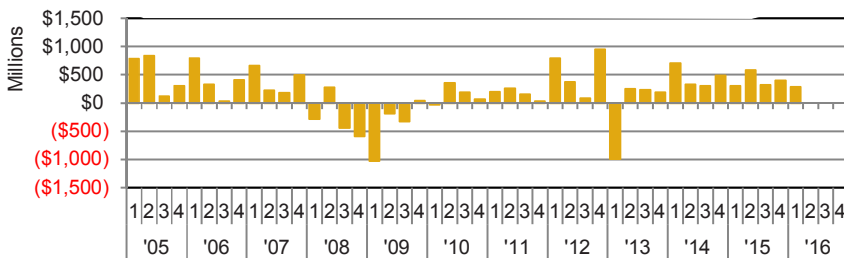
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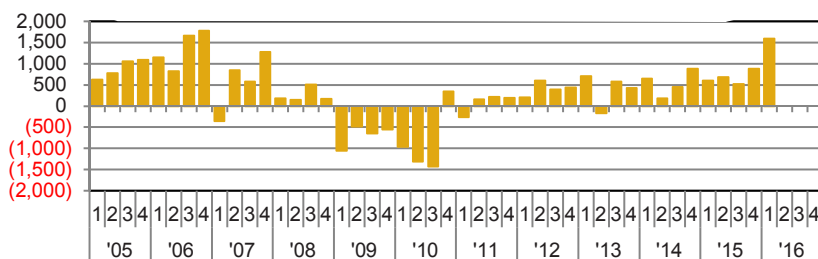
appliedanalysis.com

**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.

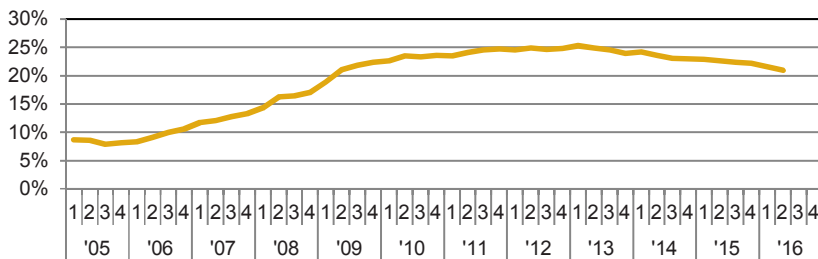
**NEVADA PERSONAL INCOME GROWTH**  
QUARTER-OVER-QUARTER



**NEVADA NEW BUSINESS CREATION**  
QUARTER-OVER-QUARTER



**LAS VEGAS OFFICE MARKET VACANCY RATE**  
QUARTERLY SERIES



**NEVADA HOTEL/MOTEL OCCUPANCY**  
QUARTERLY SERIES

