

Heading into the holiday shopping season, retailers won't be the only ones closely watching consumer behavior throughout the United States and Nevada. Economists will also be watching because consumer spending plays a critical role in the national economy.

Consumer spending accounts for two-thirds of the U.S. economy, so any shift in spending, either up or down, can shift the economy's overall performance. In the latest quarter (Q3 2016), consumer spending in the U.S. climbed to \$12.8 trillion, which was up from the \$12.4 trillion of the prior year. That growth of more than \$450 billion made up 88 percent of the

year's growth in gross domestic product, which also includes domestic investment, net exports and government spending. On an annual basis, consumer spending in the U.S. grew by 3.6 percent in the third quarter of 2016. That rate was up slightly from the 3.5 percent in the prior year, but it trailed the nearly 5 percent growth rate in the third quarter of 2014.

Over the past two years, growth in Nevada's own measure of consumer spending – taxable retail sales – has generally outpaced national growth as the state economy returned to a period of stability and growth. In contrast to slowing growth for national consumer spending, Nevada's retail sales have remained near or above 4.5 percent annual growth for much of the past year. Through August (latest data available), statewide retail sales for the prior 12 months reached \$53.4 billion, an all-time high. That figure represented

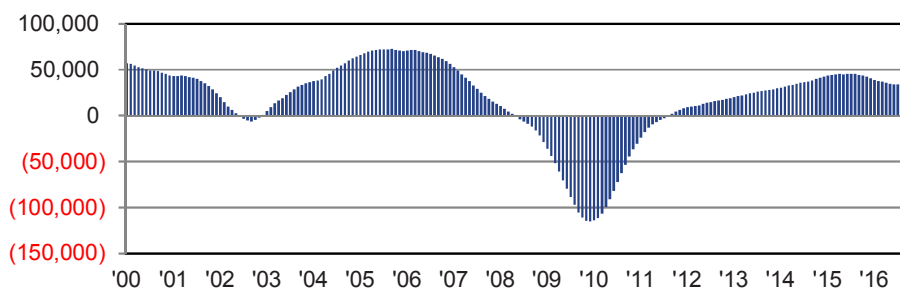
a 5.1 percent growth rate from the prior year and marked the first time in 2016 that annual growth topped the 5 percent mark.

These trends on the national and state levels bode well for their respective economies, especially in the midst of the holiday shopping season. These trends also reflect on the general confidence of the American consumer and the national economy, which remains in a period of job growth, lowered unemployment and rising wages. When consumers have more job security and more money, they tend to be more willing to spend their earnings, which benefits the overall economy.

Although consumer spending has continued on a positive trend, more insight into the consumer psyche can be gleaned from consumer confidence surveys, such as the Consumer Confidence Index published by The Conference Board. On a rolling annual average basis, the index has

Continued on Back Cover »

## NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



# Economic Briefing

NOVEMBER 2016

ISSUE ELEVEN | VOLUME NINE

## MONTHLY Employment Indicators

Nevada Employment		Sep-16
Current Period	Prev. Period	Same Period Prev. Yr.
1,302,800	1,297,300	1,269,800
GROWTH RATE	0.4% ▲	2.6% ▲

Nevada Private Average Weekly Hours Worked		Sep-16
Current Period	Prev. Period	Same Period Prev. Yr.
34.1	34.4	33.8
GROWTH RATE	-0.9% ▼	0.9% ▲

Nevada Unemployment Rate		Sep-16
Current Period	Prev. Period	Same Period Prev. Yr.
5.8%	6.3%	6.6%
GROWTH RATE	-0.5% ▼	-0.8% ▼

## TRAILING 12-MONTH Employment Indicators

Nevada Employment <sup>(1)</sup>		Sep-16
Current Period	Prev. Period	Same Period Prev. Yr.
1,282,183	1,279,433	1,249,033
GROWTH RATE	0.2% ▲	2.7% ▲

Nevada Private Average Weekly Hours Worked <sup>(1)</sup>		Sep-16
Current Period	Prev. Period	Same Period Prev. Yr.
33.8	33.7	33.6
GROWTH RATE	0.1% ▲	0.6% ▲

Nevada Unemployment Rate <sup>(1)</sup>		Sep-16
Current Period	Prev. Period	Same Period Prev. Yr.
6.2%	6.2%	7.0%
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**

Sep-16

Current Period	Prev. Period	Same Period Prev. Yr.
9,358	10,962	10,098
GROWTH RATE	-14.6% ▼	-7.3% ▼

**Nevada Residential Housing Units Permitted**

Sep-16

Current Period	Prev. Period	Same Period Prev. Yr.
284	1,056	729
GROWTH RATE	-73.1% ▼	-61.0% ▼

**Nevada Taxable Retail Sales**

Aug-16

Current Period	Prev. Period	Same Period Prev. Yr.
\$4,619,495,494	\$4,460,349,844	\$4,177,072,745
GROWTH RATE	3.6% ▲	10.6% ▲

**Nevada Gross Gaming Revenue**

Sep-16

Current Period	Prev. Period	Same Period Prev. Yr.
\$948,961,678	\$861,186,040	\$916,466,663
GROWTH RATE	10.2% ▲	3.5% ▲

**Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers**

Sep-16

Current Period	Prev. Period	Same Period Prev. Yr.
4,379,060	4,448,018	4,076,404
GROWTH RATE	-1.6% ▼	7.4% ▲

**Clark/Washoe County Visitor Volume**

Sep-16

Current Period	Prev. Period	Same Period Prev. Yr.
4,388,400	4,362,848	4,225,769
GROWTH RATE	0.6% ▲	3.8% ▲

**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)

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**

Q3 '16

Current Period	Prev. Period	Same Period Prev. Yr.
20.5%	21.0%	22.4%
GROWTH RATE	-0.5% ▼	-1.9% ▼

**Nevada Hotel/Motel Occupancy**

Q1 '16

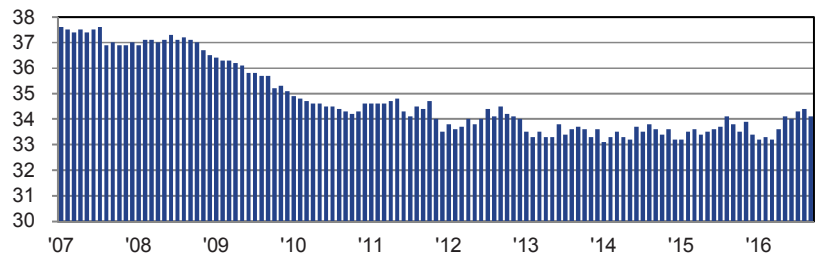
Current Period	Prev. Period	Same Period Prev. Yr.
80.9%	79.2%	79.6%
GROWTH RATE	1.7% ▲	1.3% ▲

**State of Nevada Personal Income**

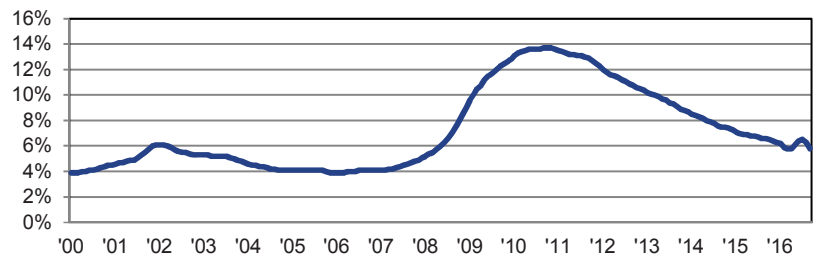
Q2 '16

Current Period	Prev. Period	Same Period Prev. Yr.
\$31,480,826,500	\$31,098,978,250	\$30,197,109,000
GROWTH RATE	1.2% ▲	4.3% ▲

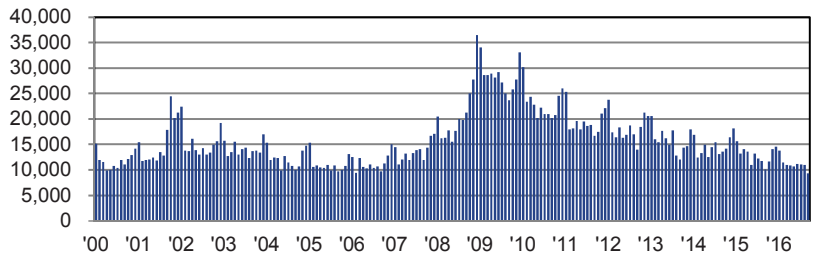
**NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED**  
MONTHLY SERIES



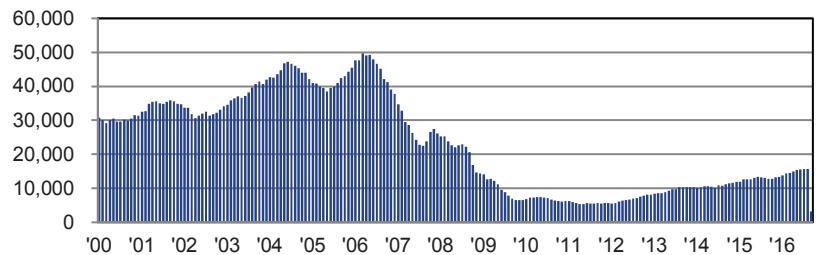
**NEVADA UNEMPLOYMENT RATE**  
MONTHLY SERIES



**NEVADA UNEMPLOYMENT INSURANCE CLAIMS**  
MONTHLY SERIES

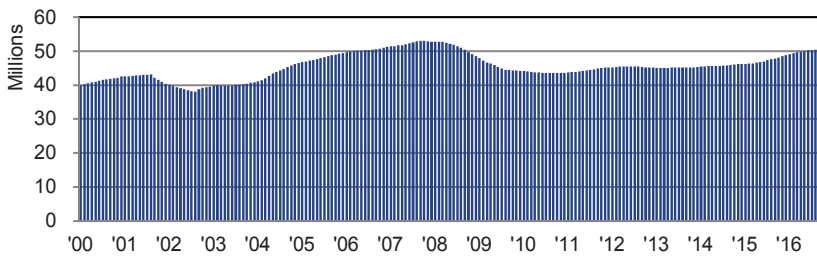


**NEVADA RESIDENTIAL UNITS PERMITTED**  
TRAILING 12-MONTH TOTALS



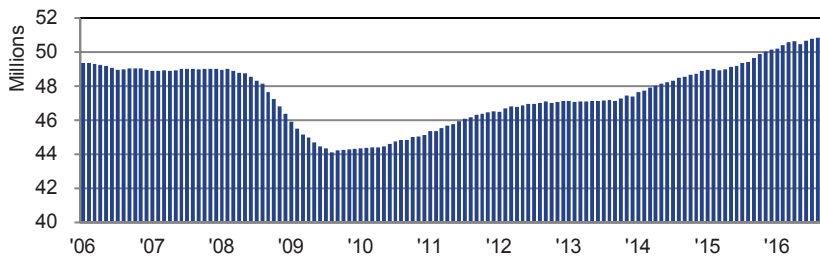
**LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS**

TRAILING 12-MONTH TOTALS



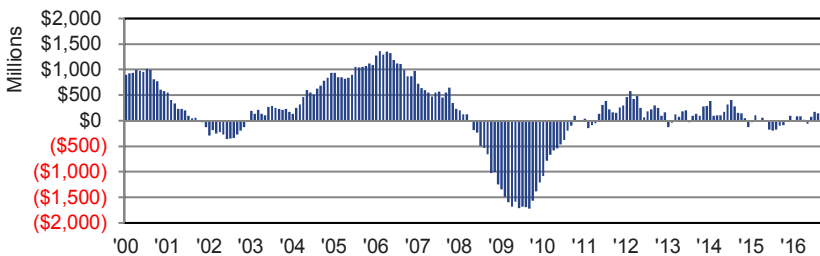
**CLARK/WASHOE COUNTY VISITOR VOLUME**

TRAILING 12-MONTH TOTALS



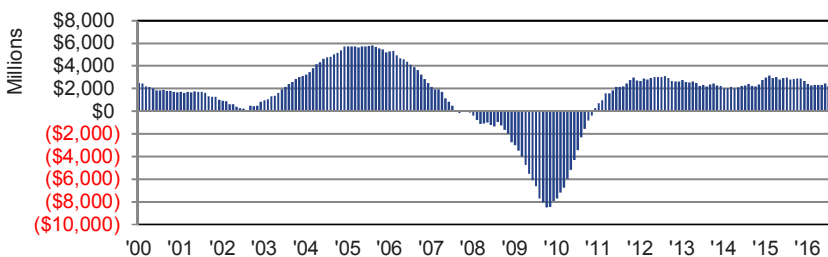
**GROWTH IN NEVADA GROSS GAMING REVENUE**

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>**

Sep-16

Current Period	Prev. Period	Same Period Prev. Yr.
140,350	141,090	163,236
GROWTH RATE	-0.5% ▼	-14.0% ▼

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

Sep-16

Current Period	Prev. Period	Same Period Prev. Yr.
3,230	15,670	12,735
GROWTH RATE	-79.4% ▼	-74.6% ▼

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

Aug-16

Current Period	Prev. Period	Same Period Prev. Yr.
\$53,358,956,890	\$52,916,534,141	\$50,758,616,029
GROWTH RATE	0.8% ▲	5.1% ▲

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

Sep-16

Current Period	Prev. Period	Same Period Prev. Yr.
\$11,199,485,779	\$11,166,990,764	\$11,040,885,689
GROWTH RATE	0.3% ▲	1.4% ▲

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

Sep-16

Current Period	Prev. Period	Same Period Prev. Yr.
50,709,659	50,407,003	47,848,915
GROWTH RATE	0.6% ▲	6.0% ▲

**Clark/Washoe County Visitor Volume <sup>(2)</sup>**

Sep-16

Current Period	Prev. Period	Same Period Prev. Yr.
50,995,494	50,832,863	49,646,528
GROWTH RATE	0.3% ▲	2.7% ▲

**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>**

(Q1 1991 = 100)

Q4 '15

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 <sup>(1)</sup>**

Q3 '16

Current Period	Prev. Period	Same Period Prev. Yr.
21.3%	21.7%	22.7%
GROWTH RATE	-0.4% ▼	-1.4% ▼

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

Q1 '16

Current Period	Prev. Period	Same Period Prev. Yr.
82.5%	82.2%	81.0%
GROWTH RATE	0.3% ▲	1.5% ▲

**State of Nevada Personal Income <sup>(2)</sup>**

Q2 '16

Current Period	Prev. Period	Same Period Prev. Yr.
\$125,923,306,000	\$124,395,913,000	\$120,788,436,000
GROWTH RATE	1.2% ▲	4.3% ▲

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

◀ Continued From Cover

remained relatively stable in the past 12 months through October (latest data available), ranging between a low of 96.3 and a high of 98.0.

The Consumer Confidence Index is composed of two parts – an assessment of consumers’ present situation and their expectations for the six months ahead of them. On a rolling annual average basis, the present situation index has remained well above 110 for most of the past year and in October climbed to 117.8, the highest level since early 2008. In contrast, the expectations index has been gradually falling over the past year on an annual rolling average basis. In October, the index reached a two-year low of 82.9, a signal that consumers aren’t as optimistic about the near future as they are about the here and now.

The takeaway is that American consumers feel better today than nearly a decade ago, yet they don’t feel as confident about the future. One potential factor influencing consumer confidence has been the national election. Now that the uncertain and contentious campaign has concluded, American consumers are likely to shift their attention to shopping for Christmas and other wintertime holidays. And you can bet that retailers and economists will be watching very closely.

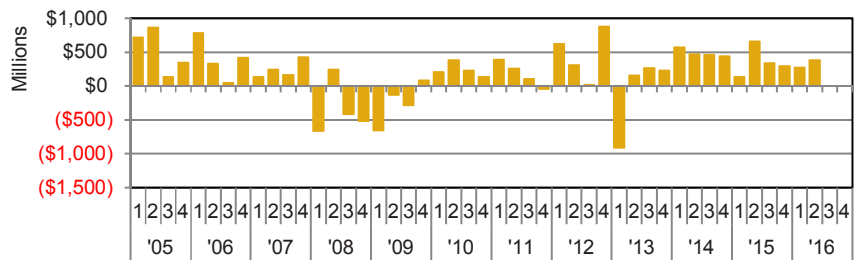
Prepared by:



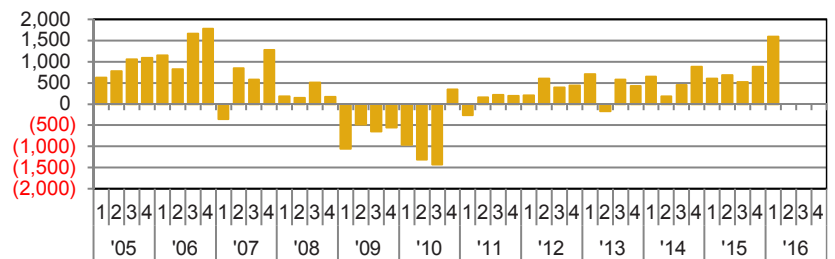
appliedanalysis.com

**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.

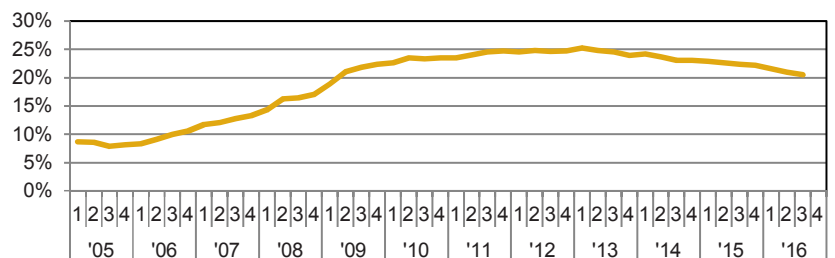
**NEVADA PERSONAL INCOME GROWTH**  
QUARTER-OVER-QUARTER



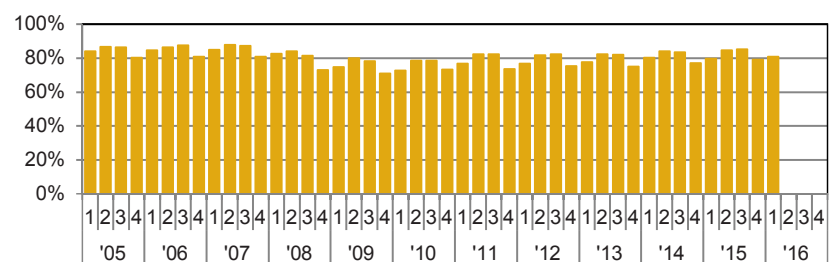
**NEVADA NEW BUSINESS CREATION**  
QUARTER-OVER-QUARTER



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



**NEVADA HOTEL/MOTEL OCCUPANCY**  
QUARTERLY SERIES



NEVADA STATE BANK

THE DOOR TO YOUR FUTURE

A division of ZB, N.A. Member FDIC

