

Nevada's economy reached a notable milestone recently when total employment climbed to an all-time high in October. The 1.31 million jobs reported statewide that month meant more than a new record; they also signaled an important landmark in the years-long recovery from the Great Recession as the state regained all of the jobs lost during the economic crisis.

The jobs recovery took nine years, but the state has regained the nearly 200,000 jobs it lost to surpass the pre-recession peak of 1.30 million jobs in May 2007, according to the latest

Bureau of Labor Statistics estimates. While it took almost a decade for employment to come back to the pre-recession peak, it is important to note that employment growth in the early to mid-2000s was fueled by rapid growth in construction and tourism-related jobs. Both industries are very sensitive to the business cycle, which resulted in a disproportionate amount of economic hardship in Nevada compared to the rest of the nation. As the economic crisis continued, the state employment level steadily decreased to a low of 1.1 million in January 2010. Since that point annual job growth has averaged 2.4 percent, including a nearly two-year stretch of 3.6 percent average annual growth. Over that timeframe, Nevada's job growth rate has exceeded the national rate of 1.7 percent.

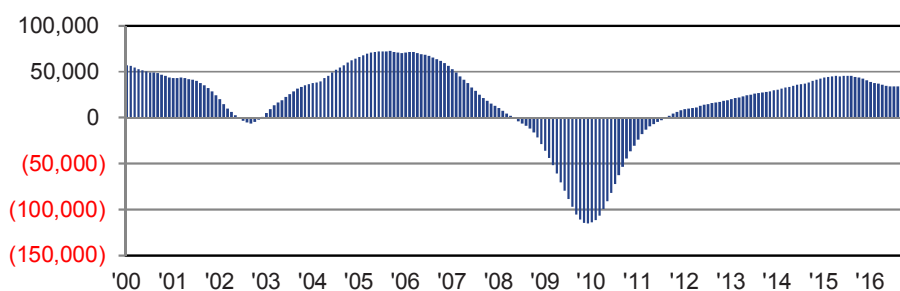
While the return of all the lost jobs is a positive development by itself, the jobs that were regained reflect a more diverse

economy than before the recession. Nevada's primary industry, leisure and hospitality, reflects this diversification. Even though total employment in the industry has increased by 5,600 over the span of nine years, the proportion of workers employed in the industry has remained relatively constant at 26 percent. However, casino hotels employment in October 2016 was 177,200, a 12 percent decline from the pre-recession peak. This trend illustrates that jobs are moving away from casino hotels and into other areas of the leisure and hospitality industry, such as full-service restaurants, which grew by 12,300 jobs over the same time period.

On a broader scale, the statewide employment mix is also more diverse now than in 2007. This is largely due to changes in the construction industry, which employed one in 10 Nevadans before the recession. The downturn resulted in a loss

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NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



Economic Briefing

DECEMBER 2016

ISSUE TWELVE | VOLUME NINE

MONTHLY Employment Indicators

Nevada Employment		Nov-16
Current Period	Prev. Period	Same Period Prev. Yr.
1,311,500	1,306,600	1,276,900
GROWTH RATE	0.4% ▲	2.7% ▲

Nevada Private Average Weekly Hours Worked		Oct-16
Current Period	Prev. Period	Same Period Prev. Yr.
34.4	34.1	33.5
GROWTH RATE	0.9% ▲	2.7% ▲

Nevada Unemployment Rate		Nov-16
Current Period	Prev. Period	Same Period Prev. Yr.
5.2%	5.5%	6.4%
GROWTH RATE	-0.3% ▼	-1.2% ▼

TRAILING 12-MONTH Employment Indicators

Nevada Employment ⁽¹⁾		Nov-16
Current Period	Prev. Period	Same Period Prev. Yr.
1,287,075	1,284,192	1,255,150
GROWTH RATE	0.2% ▲	2.5% ▲

Nevada Private Average Weekly Hours Worked ⁽¹⁾		Oct-16
Current Period	Prev. Period	Same Period Prev. Yr.
33.8	33.8	33.6
GROWTH RATE	0.2% ▲	0.8% ▲

Nevada Unemployment Rate ⁽¹⁾		Nov-16
Current Period	Prev. Period	Same Period Prev. Yr.
6.0%	6.1%	6.8%
GROWTH RATE	-0.1% ▼	-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

Oct-16

Current Period	Prev. Period	Same Period Prev. Yr.
10,795	9,358	11,620
GROWTH RATE	15.4% ▲	-7.1% ▼

Nevada Residential Housing Units Permitted

Sep-16

Current Period	Prev. Period	Same Period Prev. Yr.
1,013	1,056	729
GROWTH RATE	-4.1% ▼	39.0% ▲

Nevada Taxable Retail Sales

Sep-16

Current Period	Prev. Period	Same Period Prev. Yr.
\$4,759,350,990	\$4,619,495,494	\$4,449,694,560
GROWTH RATE	3.0% ▲	7.0% ▲

Nevada Gross Gaming Revenue

Oct-16

Current Period	Prev. Period	Same Period Prev. Yr.
\$986,203,125	\$948,992,843	\$887,510,784
GROWTH RATE	3.9% ▲	11.1% ▲

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Oct-16

Current Period	Prev. Period	Same Period Prev. Yr.
4,582,432	4,379,060	4,400,720
GROWTH RATE	4.6% ▲	4.1% ▲

Clark/Washoe County Visitor Volume

Oct-16

Current Period	Prev. Period	Same Period Prev. Yr.
4,458,564	4,388,400	4,482,068
GROWTH RATE	1.6% ▲	-0.5% ▼

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% ▲

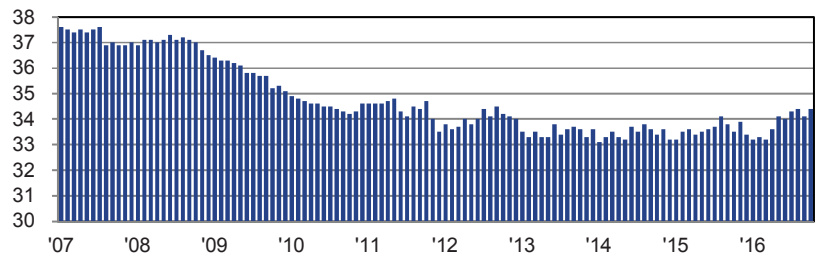
State of Nevada Personal Income

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% ▲

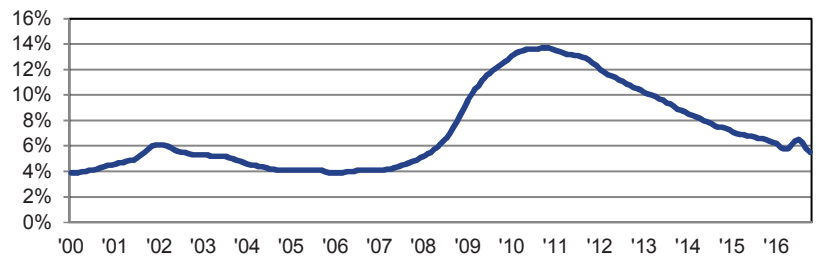
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED

MONTHLY SERIES



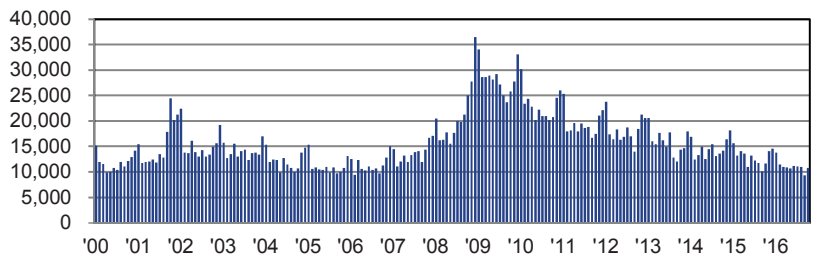
NEVADA UNEMPLOYMENT RATE

MONTHLY SERIES



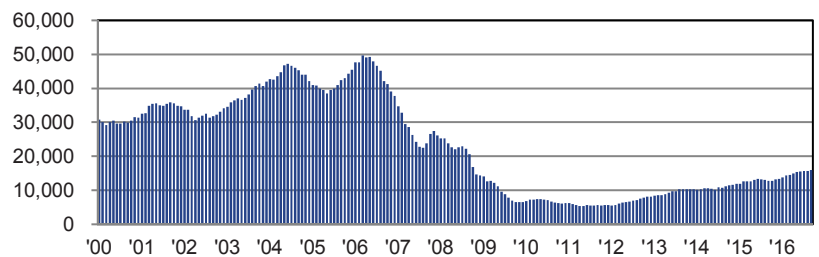
NEVADA UNEMPLOYMENT INSURANCE CLAIMS

MONTHLY SERIES

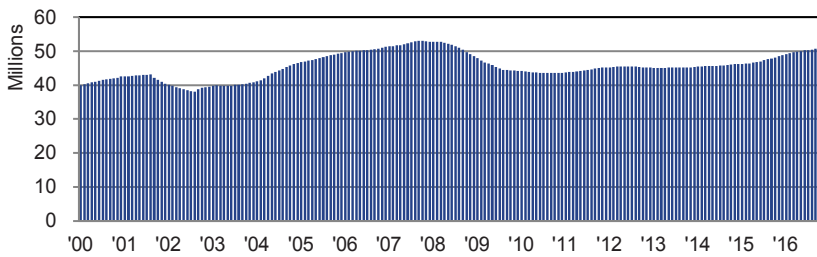


NEVADA RESIDENTIAL UNITS PERMITTED

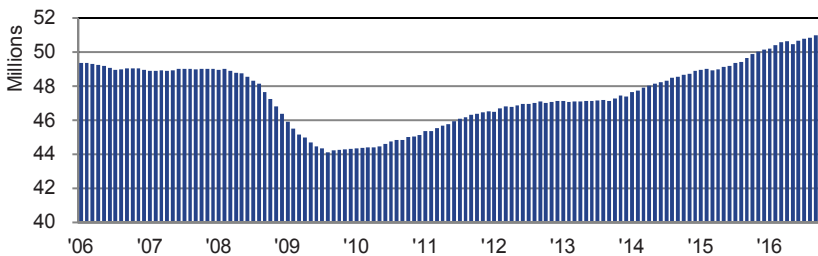
TRAILING 12-MONTH TOTALS



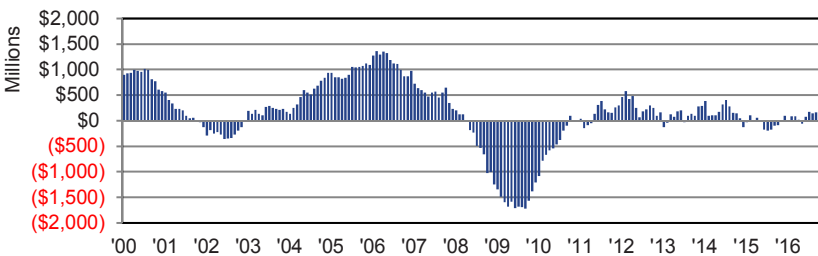
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



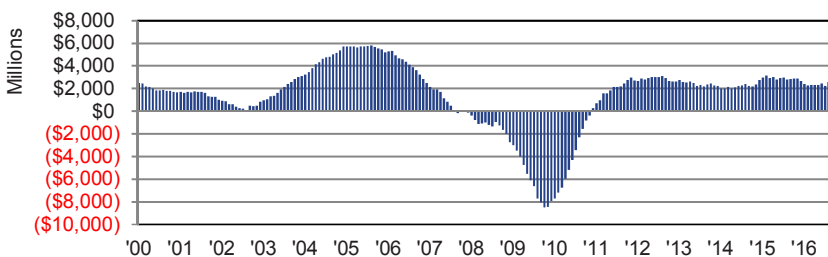
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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 ⁽²⁾

		Oct-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
139,525	140,350	160,732	
GROWTH RATE	-0.6% ▼	-13.2% ▼	

Nevada Residential Housing Units Permitted ⁽²⁾

		Sep-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
15,954	15,670	12,735	
GROWTH RATE	1.8% ▲	25.3% ▲	

Nevada Taxable Retail Sales ⁽²⁾

		Sep-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$53,668,613,320	\$53,358,956,890	\$50,976,241,554	
GROWTH RATE	0.6% ▲	5.3% ▲	

Nevada Gross Gaming Revenue ⁽²⁾

		Oct-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$11,298,070,485	\$11,199,378,144	\$11,014,776,284	
GROWTH RATE	0.9% ▲	2.6% ▲	

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

		Oct-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
50,891,371	50,709,659	48,125,761	
GROWTH RATE	0.4% ▲	5.7% ▲	

Clark/Washoe County Visitor Volume ⁽²⁾

		Oct-16	
Current Period	Prev. Period	Same Period	Prev. Yr.
50,971,990	50,995,494	49,891,873	
GROWTH RATE	0.0% ▼	2.2% ▲	

Nevada New Business Creation ⁽²⁾

		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 ⁽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⁾

		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 ⁽¹⁾

		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 ⁽²⁾

		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

of 90,000 construction jobs by February 2012. Currently, the construction industry employs 82,100 people in Nevada, or 6.3 percent of workers compared to 10.2 percent before the recession. This decrease in the concentration of employment with increasing total employment means less dependence on the volatile construction industry. Meanwhile, those lost construction jobs have been replaced by strong employment gains across a number of industries, notably the trade, transportation and utilities and education and health services sectors. These two industries added 26,000 and 19,200 jobs over the past four years, respectively.

Nevada's rising employment diversity is reflected in the Hachman Diversity Index, which measures regional concentration of employment relative to the national average. An index value of 100 indicates that a region's industry concentration is the same as the national average. While Nevada's score of 76 remains below the national average, it is six points higher than before the recession as a result of improving diversification. This increase in economic diversity signals that the Nevada economy is maturing and more prepared to weather the next downturn.

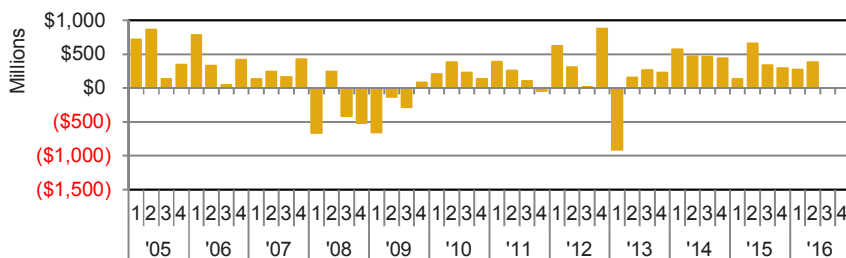
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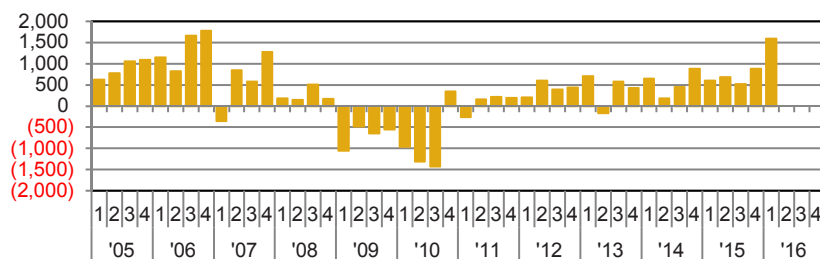
appliedanalysis.com

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.

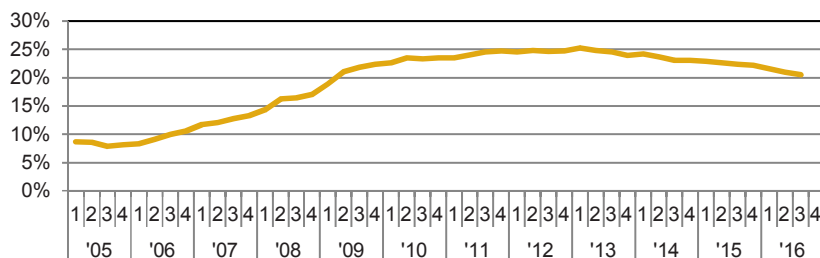
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



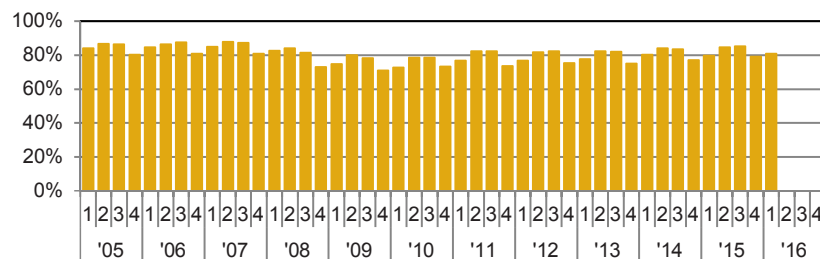
NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES



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