

When crude oil prices plummeted in 2014, most economic observers did not anticipate a long-term depression in oil prices. They predicted that OPEC, whose 14 member nations control about 40 percent of world oil production and more than 70 percent of oil reserves, would make supply corrections that would rebound oil prices above \$100 a barrel. However, for three years prices have hovered near \$50 a barrel, and no correction is in sight. While this doesn't bode well for OPEC nations, lower oil prices translate into lower gasoline prices, which have been an economic boon for Nevada consumers and businesses.

OPEC's influence in the global oil market has been weakened by sluggish worldwide demand and increasing production from other nations, such as the United States and its expanding shale oil operations. In May, OPEC announced another production cutback designed to reduce oil supplies and increase prices. The strategy has not yet had the desired effect as production has climbed in other countries, particularly the United States, which has seen its oil production surge to the near-record levels of two years ago.

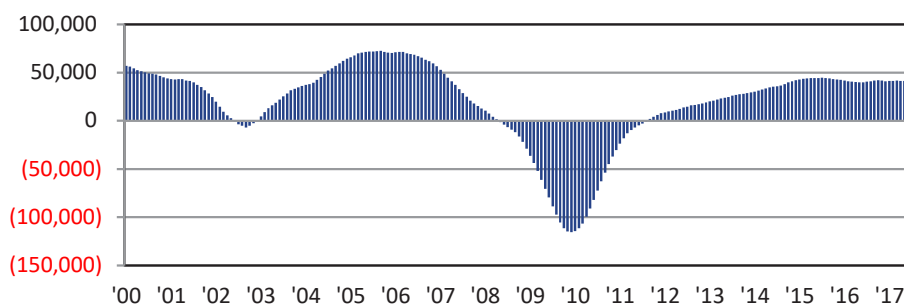
Nevadans have reaped the benefits of the long-term stagnation in gas prices. The current statewide average for regular gasoline is \$2.56 per gallon, according to AAA. While that represents a 1.5 percent price increase over the past year, it remains about a third lower than the recent price peak in the summer of 2014. According to the U.S. Consumer Expenditure Survey, the average American household spent \$1,932 on gasoline and motor oil in 2016, about \$536 less than the amount spent before gas prices fell in

2014. That difference equates to an estimated \$570 million in extra discretionary income for Nevada households to spend on other goods and services. Many of those goods are also cheaper since it costs less to drive or fly them into the state, an important consideration since Nevada imports so much of what it needs. The total impact of lower gas prices is also evident in overall gasoline sales. In the 12 months through April 2017, nearly 1.2 billion gallons of gasoline were sold in Nevada. Compared to the recent gas price peak in the summer of 2014, Nevadans pay an average of \$1.19 less per gallon today, which equates to \$1.4 billion in annual savings.

Those savings have played a role in the statewide economic rebound of the past several years, though to what degree is unclear. However, what is clear is that Nevadans are driving more today than before the Great Recession, an indicator of more population, more employment, more commerce and other positive economic factors. In 2015 Nevadans traveled 25.1

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## NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



# Economic Briefing

JULY 2017

ISSUE SEVEN | VOLUME ELEVEN

## MONTHLY

### Employment Indicators

Nevada Employment		May-17
Current Period	Prev. Period	Same Period Prev. Yr.
1,334,900	1,332,400	1,297,100
GROWTH RATE	0.2% ▲	2.9% ▲

Nevada Private Average Weekly Hours Worked		May-17
Current Period	Prev. Period	Same Period Prev. Yr.
34.2	34.2	34.1
GROWTH RATE	0.0% ◆	0.3% ▲

Nevada Unemployment Rate		May-17
Current Period	Prev. Period	Same Period Prev. Yr.
4.7%	4.7%	6.1%
GROWTH RATE	0.0% ◆	-1.4% ▼

## TRAILING 12-MONTH

### Employment Indicators

Nevada Employment <sup>(1)</sup>		May-17
Current Period	Prev. Period	Same Period Prev. Yr.
1,316,325	1,313,175	1,274,875
GROWTH RATE	0.2% ▲	3.3% ▲

Nevada Private Average Weekly Hours Worked <sup>(1)</sup>		May-17
Current Period	Prev. Period	Same Period Prev. Yr.
34.1	34.1	33.6
GROWTH RATE	0.0% ◆	1.3% ▲

Nevada Unemployment Rate <sup>(1)</sup>		May-17
Current Period	Prev. Period	Same Period Prev. Yr.
5.4%	5.5%	6.3%
GROWTH RATE	-0.1% ▼	-0.9% ▼

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**

May-17

Current Period	Prev. Period	Same Period Prev. Yr.
10,101	10,519	10,650
GROWTH RATE	-4.0% ▼	-5.2% ▼

**Nevada Residential Housing Units Permitted**

May-17

Current Period	Prev. Period	Same Period Prev. Yr.
1,812	1,771	2,059
GROWTH RATE	2.3% ▲	-12.0% ▼

**Nevada Taxable Retail Sales**

Apr-17

Current Period	Prev. Period	Same Period Prev. Yr.
\$4,559,076,653	\$5,393,860,743	\$4,358,636,583
GROWTH RATE	-15.5% ▼	4.6% ▲

**Nevada Gross Gaming Revenue**

May-17

Current Period	Prev. Period	Same Period Prev. Yr.
\$991,604,782	\$886,501,142	\$957,937,998
GROWTH RATE	11.9% ▲	3.5% ▲

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

Apr-17

Current Period	Prev. Period	Same Period Prev. Yr.
4,364,268	4,560,009	4,185,823
GROWTH RATE	-4.3% ▼	4.3% ▲

**Clark/Washoe County Visitor Volume**

Apr-17

Current Period	Prev. Period	Same Period Prev. Yr.
4,250,292	4,528,963	4,234,488
GROWTH RATE	-6.2% ▼	0.4% ▲

**Nevada New Business Creation**

Q4 '16

Current Period	Prev. Period	Same Period Prev. Yr.
109	764	883
GROWTH RATE	-85.7% ▼	-87.7% ▼

**Nevada Housing Price Index**

(Q1 1991 = 100)

Q1 '17

Current Period	Prev. Period	Same Period Prev. Yr.
218.9	215.1	201.0
GROWTH RATE	1.8% ▲	8.9% ▲

**Clark County Office Market Vacancy Rate**

Q1 '17

Current Period	Prev. Period	Same Period Prev. Yr.
19.8%	20.1%	21.3%
GROWTH RATE	-0.3% ▼	-1.5% ▼

**Nevada Hotel/Motel Occupancy**

Q1 '17

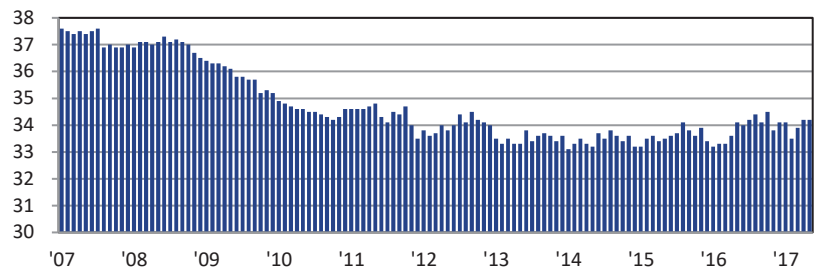
Current Period	Prev. Period	Same Period Prev. Yr.
81.5%	79.3%	81.1%
GROWTH RATE	2.2% ▲	0.4% ▲

**State of Nevada Personal Income**

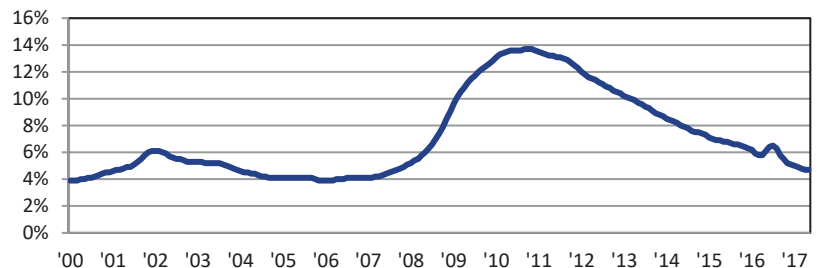
Q4 '16

Current Period	Prev. Period	Same Period Prev. Yr.
\$32,634,792,750	\$32,271,540,750	\$31,152,252,250
GROWTH RATE	1.1% ▲	4.8% ▲

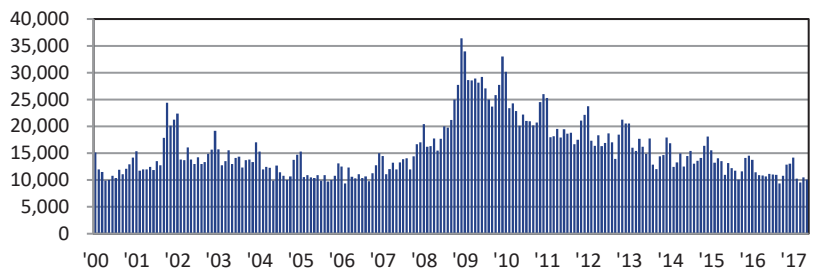
**NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED**  
MONTHLY SERIES



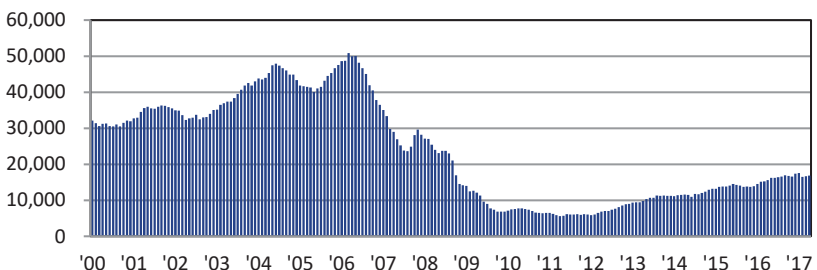
**NEVADA UNEMPLOYMENT RATE**  
MONTHLY SERIES



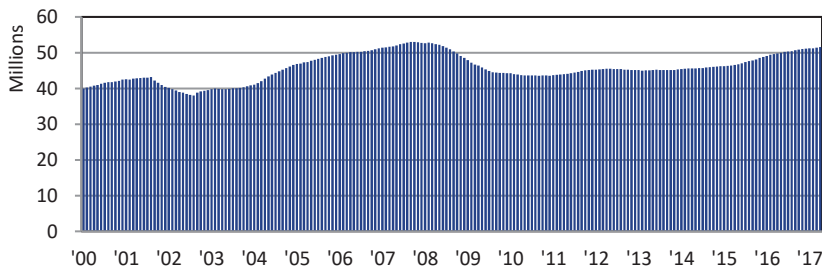
**NEVADA UNEMPLOYMENT INSURANCE CLAIMS**  
MONTHLY SERIES



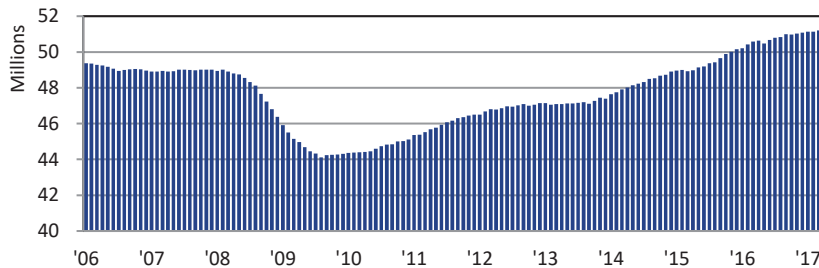
**NEVADA RESIDENTIAL UNITS PERMITTED**  
TRAILING 12-MONTH TOTALS



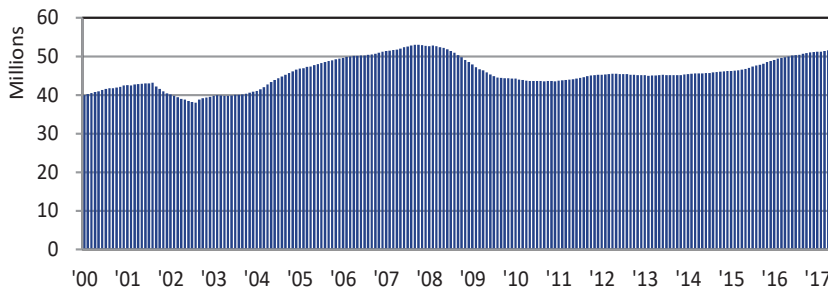
**LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS**  
TRAILING 12-MONTH TOTALS



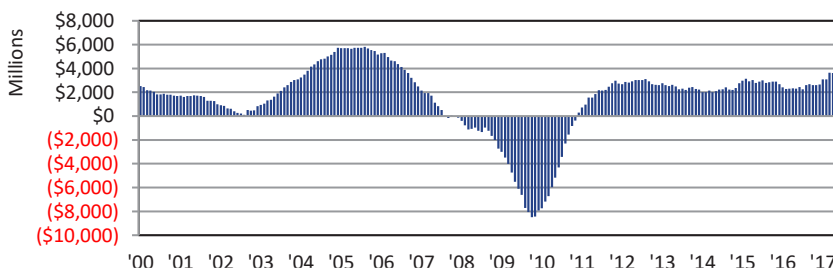
**CLARK/WASHOE COUNTY VISITOR VOLUME**  
TRAILING 12-MONTH TOTALS



**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>**

		May-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
133,820	134,369	145,092	
GROWTH RATE	-0.4% ▼	-7.8% ▼	

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

		May-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
16,625	16,872	16,214	
GROWTH RATE	-1.5% ▼	2.5% ▲	

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

		Apr-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$55,903,692,162	\$55,703,252,092	\$52,292,270,116	
GROWTH RATE	0.4% ▲	6.9% ▲	

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

		May-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$11,436,423,475	\$11,402,756,691	\$11,064,858,673	
GROWTH RATE	0.3% ▲	3.4% ▲	

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

		Apr-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
51,592,837	51,414,392	49,781,946	
GROWTH RATE	0.3% ▲	3.6% ▲	

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

		Apr-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
51,229,313	51,213,509	50,627,601	
GROWTH RATE	0.0% ◊	1.2% ▲	

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

		Q4 '16	
Current Period	Prev. Period	Same Period	Prev. Yr.
2,851	3,625	2,691	
GROWTH RATE	-21.4% ▼	5.9% ▲	

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

		Q1 '17	
<i>(Q1 1991 = 100)</i>			
Current Period	Prev. Period	Same Period	Prev. Yr.
211.9	207.5	194.1	
GROWTH RATE	2.1% ▲	9.2% ▲	

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

		Q1 '17	
Current Period	Prev. Period	Same Period	Prev. Yr.
20.3%	20.6%	22.0%	
GROWTH RATE	-0.3% ▼	-1.7% ▼	

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

		Q1 '17	
Current Period	Prev. Period	Same Period	Prev. Yr.
83.1%	83.0%	82.6%	
GROWTH RATE	0.1% ▲	0.5% ▲	

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

		Q4 '16	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$130,539,171,000	\$129,086,163,000	\$124,609,009,000	
GROWTH RATE	1.1% ▲	4.8% ▲	

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

« Continued From Cover

billion miles on roads and highways in the state, an increase of 13.0 percent from 2007, according to the most recent data available from the Nevada Department of Transportation. In southern Nevada, average daily traffic counts on major highways climbed to 115,200 last year, the highest level ever recorded and 32.5 percent higher than the pre-recession peak of 87,000 in 2006. Clark County's population rose 21.4 percent during that period, suggesting that more economic activity has been responsible for about a third of the increase in highway traffic.

The extended run of reduced gas prices likely helped win voter support for Fuel Revenue Indexing in Clark County. Passed in November 2016, the indexing will add roughly 3 cents per gallon to fund important road and highway infrastructure projects over the next decade. According to the Regional Transportation Commission of Southern Nevada, Fuel Revenue Indexing will generate up to \$3 billion for roadway projects and is expected to create 25,000 jobs. These infrastructure investments will be critical to supporting continued economic growth for the fast-growing region.

The long-term prospects for lower gas prices are unknown, as OPEC continues to evaluate the global market and adjust production in an attempt to boost prices. Additionally, world events can suddenly shift supply and demand factors that could trigger a rise in gas prices. For now, however, Nevadans can enjoy paying less at the pump and all the benefits that entails.

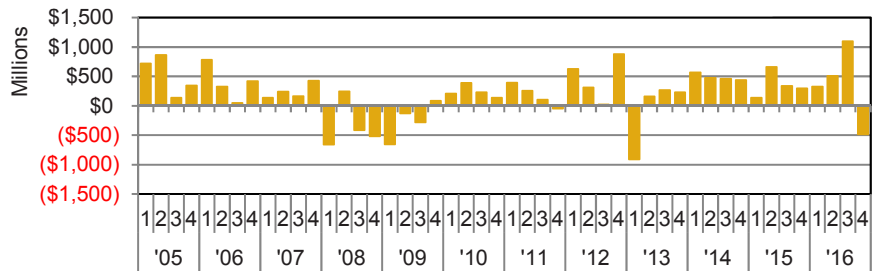
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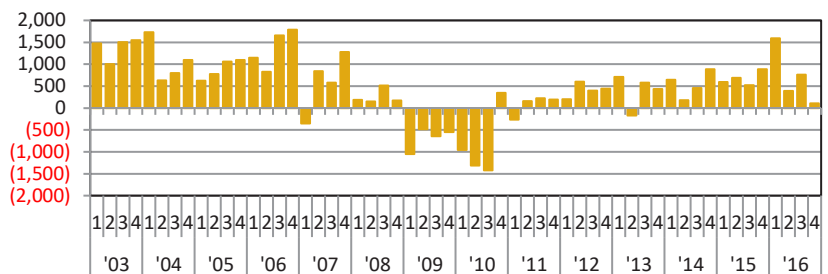
appliedanalysis.com

**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.

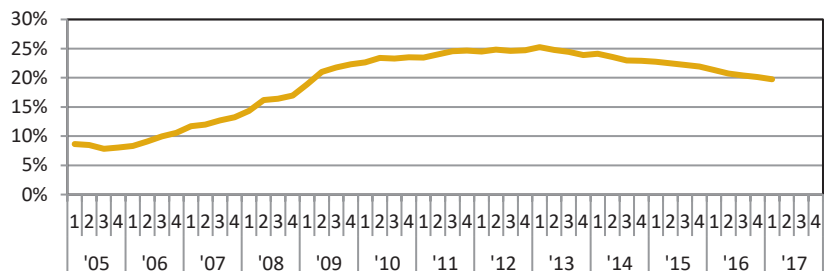
**NEVADA PERSONAL INCOME GROWTH**  
QUARTER-OVER-QUARTER



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



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



**NEVADA HOTEL/MOTEL OCCUPANCY**  
QUARTERLY SERIES

