

Millions of students across the United States are heading to college campuses this month to start or continue their higher education. The majority of those students are learning, training and preparing to take the next steps in their lives and enter the workforce. For the students who complete their degrees, their academic achievements will give them an advantage in the job search over candidates who haven't finished college, and they will earn bigger paychecks and enjoy more job stability throughout their lives.

These advantages highlight the importance of a post-secondary education, which is more vital today than ever as the national labor market demands more skills and knowledge from its workers. College enrollment is rising as a result. The number of students enrolled in college nationwide has been increasing at a steady rate of 2.2 percent for the past decade, bringing the total to about 17 million in 2015 (latest available), according to the U.S. Census Bureau. Nevada has experienced a similar trend, with annual average enrollment growth of 3.4 percent since 2005. In 2015, the number of college students in the Silver State climbed to 141,000, and more recent enrollment data may reflect even stronger growth as the state's population has expanded at one of the fastest rates in the country over the past two years.

The payoff for college students is the promise of more income and more stability in their economic lives. According to a 2016 study by the Federal Reserve on the economic well-being of U.S. households, adults with a college degree were more likely to be "doing okay" or "living comfortably" than their counterparts without degrees. The study also found that

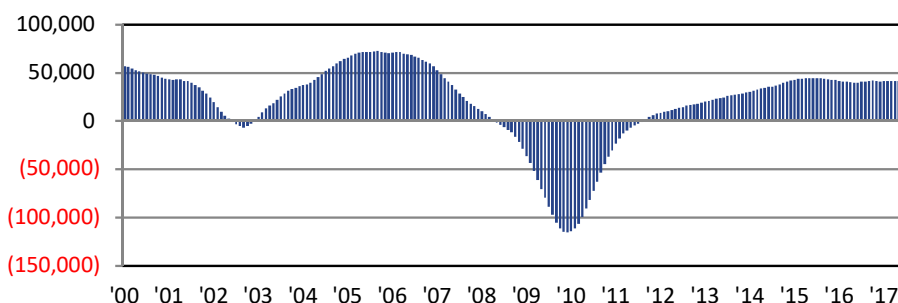
people with a bachelor's degree or more were nearly five times more likely than those without any college to live in households earning more than \$100,000 per year.

The link between higher education and income is clear. In Nevada, the median individual income in 2015 was about \$33,800, according to Census Bureau data. Workers with only a high school diploma earned about 10 percent less at \$30,300. Those with some college or an associate's degree earned slightly less than the median at \$33,300, according to the data. Meanwhile, workers with a bachelor's degree earned \$46,000, about 1.5 times more than the median earnings for high school graduates and 1.4 times the earnings of associate's degree holders. Workers who completed an advanced degree earned \$62,200, double the earnings of those who never went to college.

For many students, financial hurdles threaten their ability to complete their degrees. College affordability is an increasing concern for households across the nation, as rising tuition, escalating costs and climbing student loan debt can push dreams of higher education out of reach. While many Nevadans face these

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NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



Economic Briefing

AUGUST 2017

ISSUE EIGHT | VOLUME ELEVEN

MONTHLY Employment Indicators

| Nevada Employment | | Jun-17 |
|-------------------|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 1,349,200 | 1,339,400 | 1,295,800 |
| GROWTH RATE | 0.7% ▲ | 4.1% ▲ |

| Nevada Private Average Weekly Hours Worked | | Jun-17 |
|--|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 34.1 | 34.1 | 34.0 |
| GROWTH RATE | 0.0% ◆ | 0.3% ▲ |

| Nevada Unemployment Rate | | Jun-17 |
|--------------------------|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 4.7% | 4.7% | 6.4% |
| GROWTH RATE | 0.0% ◆ | -1.7% ▼ |

TRAILING 12-MONTH Employment Indicators

| Nevada Employment ⁽¹⁾ | | Jun-17 |
|----------------------------------|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 1,321,150 | 1,316,700 | 1,278,158 |
| GROWTH RATE | 0.3% ▲ | 3.4% ▲ |

| Nevada Private Average Weekly Hours Worked ⁽¹⁾ | | Jun-17 |
|---|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 34.1 | 34.1 | 33.7 |
| GROWTH RATE | 0.0% ▲ | 1.2% ▲ |

| Nevada Unemployment Rate ⁽¹⁾ | | Jun-17 |
|---|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 5.3% | 5.4% | 6.3% |
| GROWTH RATE | -0.1% ▼ | -1.0% ▼ |

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

May-17

| Current Period | Prev. Period | Same Period Prev. Yr. |
|-----------------|-----------------|-----------------------|
| \$4,820,041,932 | \$4,559,076,653 | \$4,413,202,682 |
| GROWTH RATE | 5.7% ▲ | 9.2% ▲ |

Nevada Gross Gaming Revenue

Jun-17

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|---------------|-----------------------|
| \$895,427,384 | \$991,604,782 | \$887,464,756 |
| GROWTH RATE | -9.7% ▼ | 0.9% ▲ |

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Jun-17

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 4,565,196 | 4,525,954 | 4,472,718 |
| GROWTH RATE | 0.9% ▲ | 2.1% ▲ |

Clark/Washoe County Visitor Volume

May-17

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 4,297,554 | 4,250,260 | 4,260,535 |
| GROWTH RATE | 1.1% ▲ | 0.9% ▲ |

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

Q2 '17

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 19.3% | 19.7% | 20.6% |
| GROWTH RATE | -0.4% ▼ | -1.3% ▼ |

Nevada Hotel/Motel Occupancy

Q1 '17

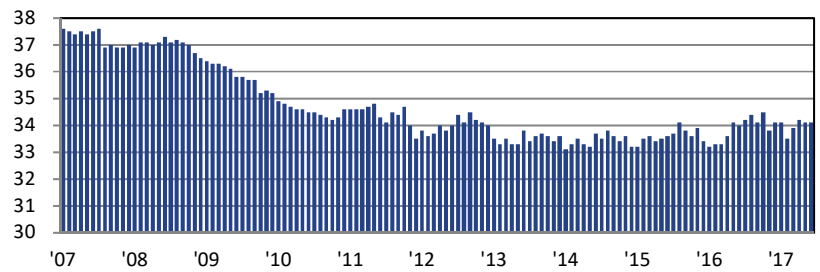
| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 81.5% | 79.3% | 81.1% |
| GROWTH RATE | 2.2% ▲ | 0.4% ▲ |

State of Nevada Personal Income

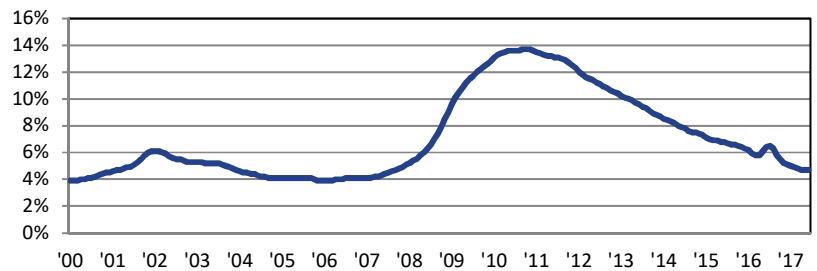
Q1 '17

| 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% ▲ |

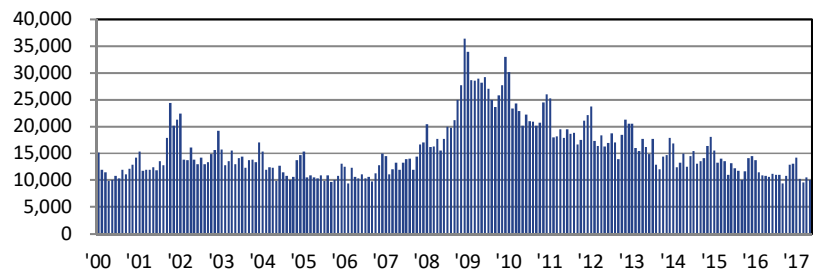
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



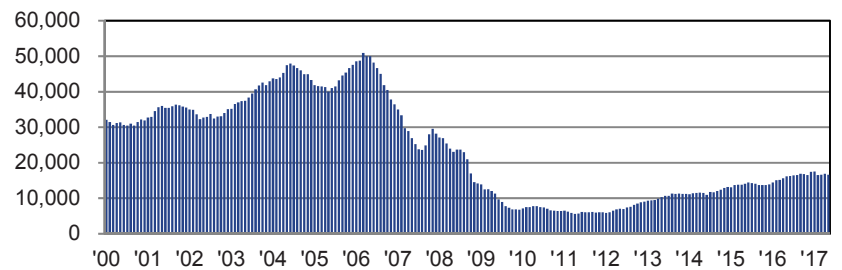
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



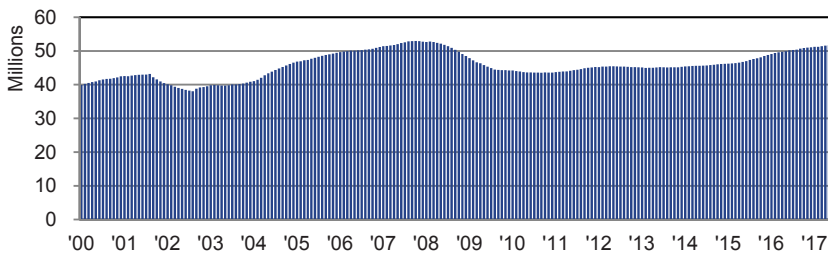
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



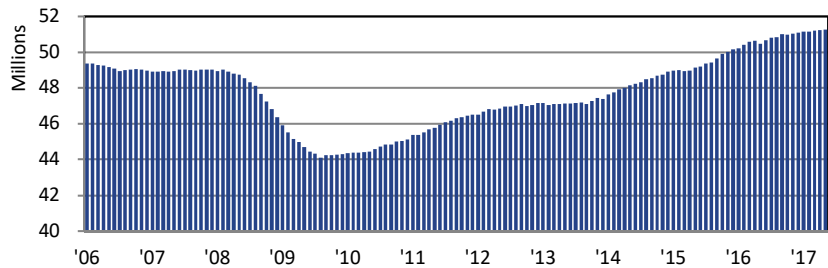
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



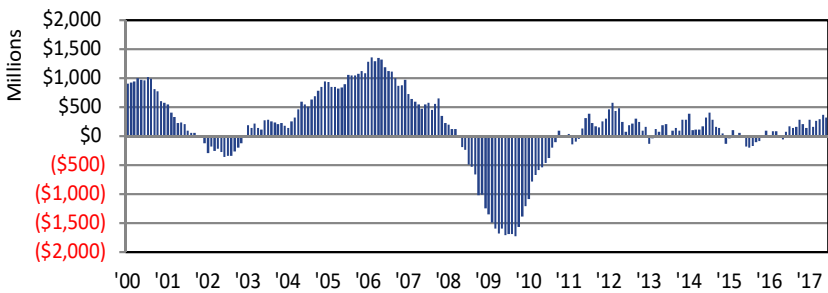
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



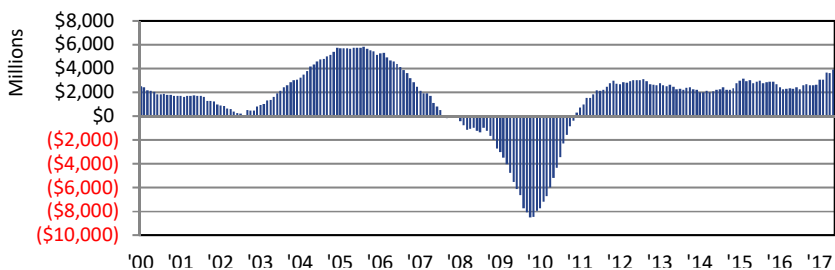
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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 ⁽²⁾

| | | Jun-17 | |
|----------------|--------------|-------------|-----------|
| Current Period | Prev. Period | Same Period | Prev. Yr. |
| 122,676 | 133,820 | 143,051 | |
| GROWTH RATE | -8.3% ▼ | -14.2% ▼ | |

Nevada Residential Housing Units Permitted ⁽²⁾

| | | 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 ⁽²⁾

| | | May-17 | |
|------------------|------------------|------------------|-----------|
| Current Period | Prev. Period | Same Period | Prev. Yr. |
| \$56,310,531,412 | \$55,903,692,162 | \$52,361,164,659 | |
| GROWTH RATE | 0.7% ▲ | 7.5% ▲ | |

Nevada Gross Gaming Revenue ⁽²⁾

| | | Jun-17 | |
|------------------|------------------|------------------|-----------|
| Current Period | Prev. Period | Same Period | Prev. Yr. |
| \$11,444,388,103 | \$11,436,425,475 | \$11,121,414,524 | |
| GROWTH RATE | 0.1% ▲ | 2.9% ▲ | |

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

| | | Jun-17 | |
|----------------|--------------|-------------|-----------|
| Current Period | Prev. Period | Same Period | Prev. Yr. |
| 51,772,993 | 51,680,515 | 50,192,699 | |
| GROWTH RATE | 0.2% ▲ | 3.1% ▲ | |

Clark/Washoe County Visitor Volume ⁽²⁾

| | | May-17 | |
|----------------|--------------|-------------|-----------|
| Current Period | Prev. Period | Same Period | Prev. Yr. |
| 51,266,300 | 51,229,281 | 50,474,043 | |
| GROWTH RATE | 0.1% ▲ | 1.6% ▲ | |

Nevada New Business Creation ⁽²⁾

| | | 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 ⁽¹⁾

| | | 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 ⁽¹⁾

| | | Q2 '17 | |
|----------------|--------------|-------------|-----------|
| Current Period | Prev. Period | Same Period | Prev. Yr. |
| 19.8% | 20.2% | 21.5% | |
| GROWTH RATE | -0.4% ▼ | -1.7% ▼ | |

Nevada Hotel/Motel Occupancy ⁽¹⁾

| | | 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 ⁽²⁾

| | | Q1 '17 | |
|-------------------|-------------------|-------------------|-----------|
| 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

same obstacles, pursuing a post-secondary education in the Silver State is less of a financial burden than in most other states.

Average in-state tuition and fees for Nevada's four-year public institutions increased a modest 2.8 percent in 2016-17 to \$6,904 per year, according to The College Board data. Tuition growth over the past five years was 7.3 percent, lower than the national average of 9.4 percent. Nevada's in-state public university tuition costs also fall 28.4 percent lower than the national average of \$9,650, which equates to saving nearly \$11,000 over a four-year college education.

Lower costs combined with financial aid programs such as the Millennium Scholarship and federal Pell grants have kept loan debt to a minimum for Nevada's students. According to the Institute for College Access and Success, Nevada's average debt for students at public and private four-year colleges in 2013-14 was \$20,200, the third-lowest in the U.S. Additionally, the state's proportion of students with student loan debt was 46 percent, the second-lowest rate in the nation.

Nevada has long had one of the lowest rates of college-level educational attainment in the U.S. That has improved in recent years as the state has attracted and developed a more educated workforce. As Nevada continues to develop industries such as advanced manufacturing and healthcare, higher education will prove to be a critical component for improving the lives of individual workers while helping to diversify and strengthen the statewide economy as a whole.

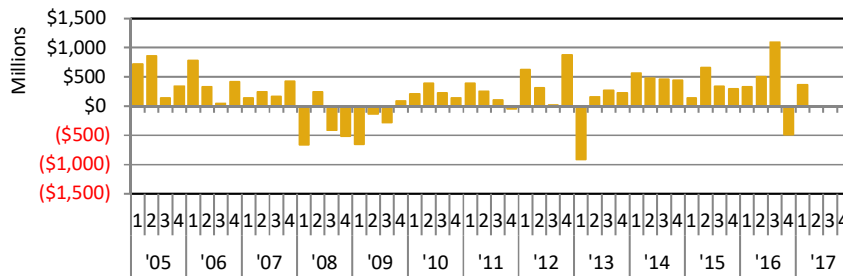
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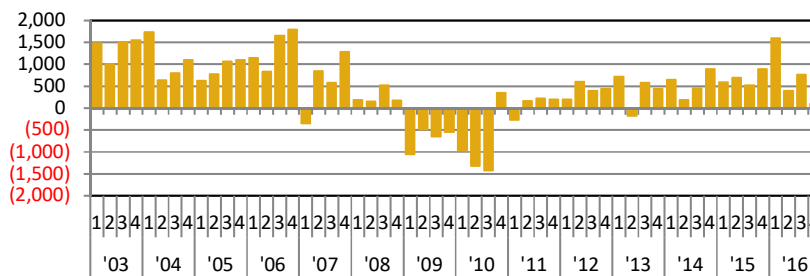
appliedanalysis.com

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.

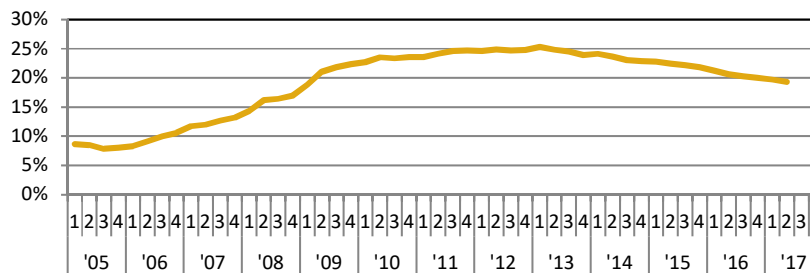
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



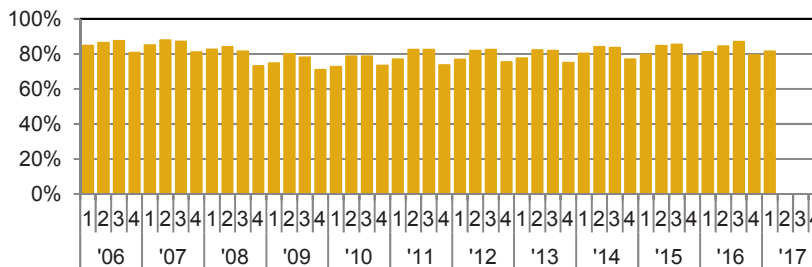
NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES



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