

Nevada's attractive labor market and positive broad economic conditions continue to generate nation-leading job growth for the Silver State. The state recorded 2.7 percent year-over-year job growth in September 2017, adding 36,100 jobs over the prior year. Although the growth rate represents a four-year low, it more than doubled the national rate of 1.3 percent and ranked first among all states. In fact, job growth in Nevada has ranked first nationally for four consecutive months and has placed no lower than third in 2017. At the regional level, the Las Vegas metropolitan statistical area (2.4 percent) and the Reno metropolitan statistical area (1.9 percent) both exceeded the national job growth rate.

While statewide job growth exceeds national levels, the unemployment rate remains elevated compared to the United States. In September, Nevada's unemployment rate was 5.0 percent compared to the national figure of 4.1 percent. Over the past 12 months, Nevada's figure has fallen by 0.4 percentage points, and the United States number has dipped by 0.7 percent. This is a sign of greater underlying growth in Nevada's labor force as the economy attracts residents re-entering the workforce and new residents moving into the state to pursue employment opportunities.

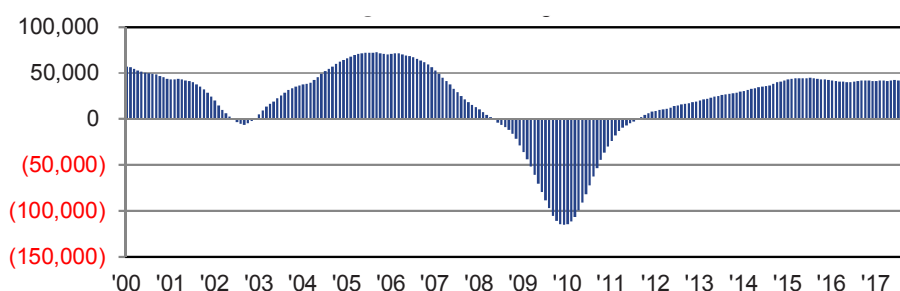
Nevada's job gains over the past 12 months have been shared across most industries. The construction industry has reported the largest gain since September 2016, adding 11,100 jobs for a 14.2 percent growth rate. In recent history, construction has been the most volatile industry in

Nevada in terms of employment, as it lost over 100,000 jobs during the economic downturn. While construction has been an important driver of the current economic expansion, it accounts for a smaller share of employment than it did a decade ago, an indication of greater economic diversity throughout the state.

Over the past year, the construction industry has led employment growth in both the Las Vegas and Reno metropolitan areas, with growth rates of 18.0 percent and 9.2 percent, respectively. After construction, the metropolitan areas have reported top job gains across varying sectors. In the Las Vegas metro area, the three fastest-growing industries beyond construction were education and health services (4.2 percent), professional and business services (3.7 percent), and financial activities (3.1 percent). Education and health services employment has been growing steadily

Continued on Back Cover »

NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



Economic Briefing

NOVEMBER 2017

ISSUE ELEVEN | VOLUME ELEVEN

MONTHLY Employment Indicators

| Nevada Employment | | Sep-17 |
|-------------------|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 1,352,600 | 1,346,500 | 1,316,500 |
| GROWTH RATE | 0.5% ▲ | 2.7% ▲ |

| Nevada Private Average Weekly Hours Worked | | Sep-17 |
|--|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 34.1 | 34.3 | 34.1 |
| GROWTH RATE | -0.6% ▼ | 0.0% ◆ |

| Nevada Unemployment Rate | | Sep-17 |
|--------------------------|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 4.9% | 4.9% | 5.4% |
| GROWTH RATE | 0.0% ◆ | -0.5% ▼ |

TRAILING 12-MONTH Employment Indicators

| Nevada Employment ⁽¹⁾ | | Sep-17 |
|----------------------------------|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 1,330,717 | 1,327,708 | 1,290,008 |
| GROWTH RATE | 0.2% ▲ | 3.2% ▲ |

| Nevada Private Average Weekly Hours Worked ⁽¹⁾ | | Sep-17 |
|---|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 34.1 | 34.1 | 33.8 |
| GROWTH RATE | 0.0% ◆ | 1.1% ▲ |

| Nevada Unemployment Rate ⁽¹⁾ | | Sep-17 |
|---|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 4.9% | 5.0% | 6.0% |
| GROWTH RATE | -0.1% ▼ | -1.1% ▼ |

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-17

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 9,068 | 10,728 | 9,358 |
| GROWTH RATE | -15.5% ▼ | -3.1% ▼ |

Nevada Residential Housing Units Permitted

Sep-17

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 1,043 | 1,932 | 1,164 |
| GROWTH RATE | -46.0% ▼ | -10.4% ▼ |

Nevada Taxable Retail Sales

Aug-17

| Current Period | Prev. Period | Same Period Prev. Yr. |
|-----------------|-----------------|-----------------------|
| \$4,774,184,942 | \$4,696,710,631 | \$4,619,495,494 |
| GROWTH RATE | 1.6% ▲ | 3.3% ▲ |

Nevada Gross Gaming Revenue

Sep-17

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|---------------|-----------------------|
| \$979,859,876 | \$989,518,564 | \$948,991,121 |
| GROWTH RATE | -1.0% ▼ | 3.3% ▲ |

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Aug-17

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 4,638,278 | 4,726,430 | 4,448,018 |
| GROWTH RATE | -1.9% ▼ | 4.3% ▲ |

Clark/Washoe County Visitor Volume

Sep-17

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 4,322,207 | 4,349,586 | 4,388,400 |
| GROWTH RATE | -0.6% ▼ | -1.5% ▼ |

Nevada New Business Creation

Q1 '17

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| -2,702 | 109 | 1,589 |
| GROWTH RATE | -2578.9% ▼ | -270.0% ▼ |

Nevada Housing Price Index

(Q1 1991 = 100)

Q2 '17

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 221.5 | 218.8 | 206.1 |
| GROWTH RATE | 1.2% ▲ | 7.5% ▲ |

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

Q2 '17

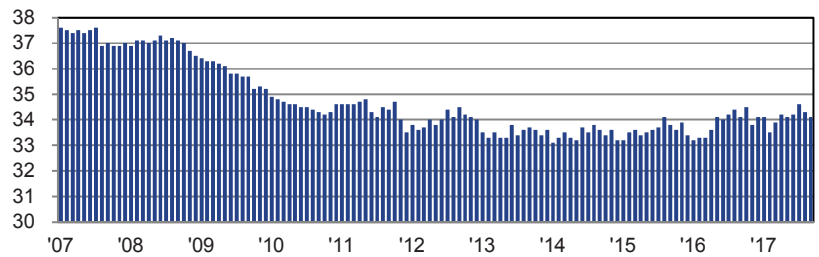
| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 84.8% | 81.5% | 84.4% |
| GROWTH RATE | 3.3% ▲ | 0.4% ▲ |

State of Nevada Personal Income

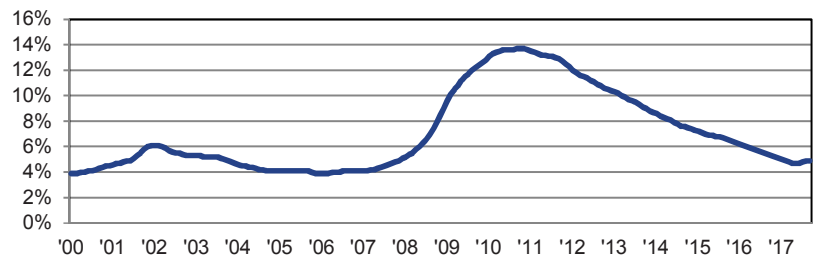
Q2 '17

| Current Period | Prev. Period | Same Period Prev. Yr. |
|------------------|------------------|-----------------------|
| \$33,313,674,750 | \$32,879,691,750 | \$31,802,621,000 |
| GROWTH RATE | 1.3% ▲ | 4.8% ▲ |

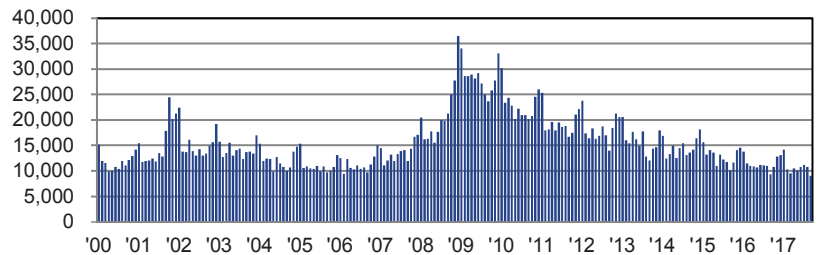
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



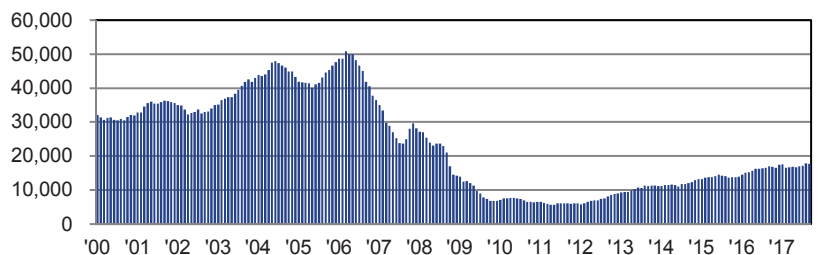
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



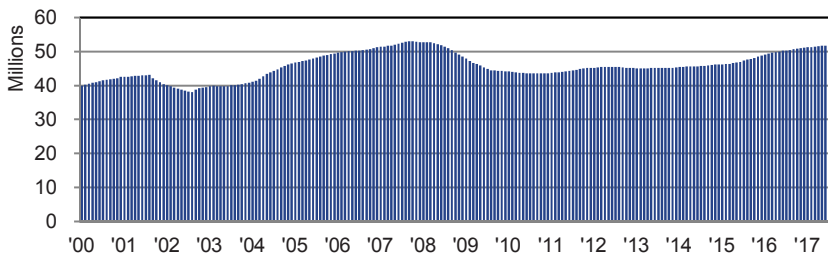
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



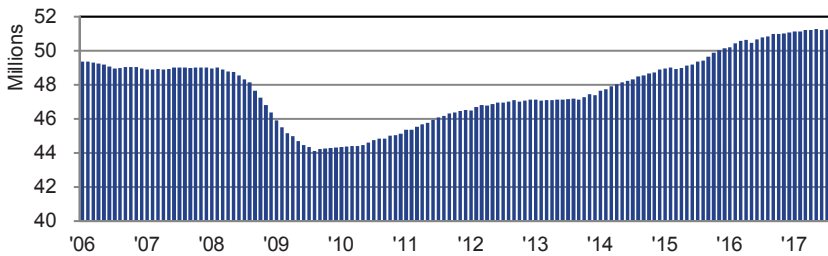
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



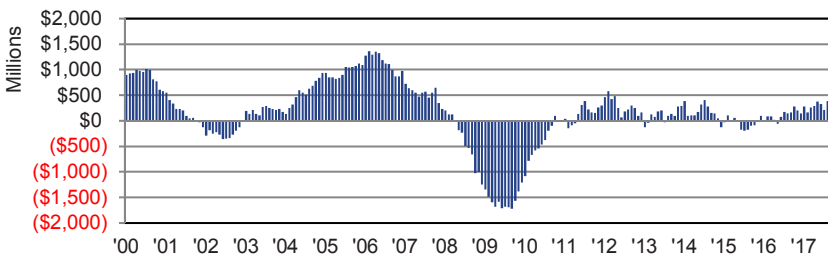
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



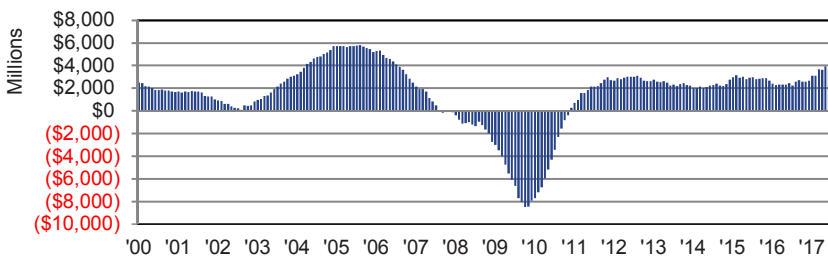
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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⁾

| | | Sep-17 |
|----------------|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 133,001 | 133,291 | 140,350 |
| GROWTH RATE | -0.2% ▼ | -5.2% ▼ |

Nevada Residential Housing Units Permitted ⁽²⁾

| | | Sep-17 |
|----------------|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 17,693 | 17,814 | 16,943 |
| GROWTH RATE | -0.7% ▼ | 4.4% ▲ |

Nevada Taxable Retail Sales ⁽²⁾

| | | Aug-17 |
|------------------|------------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| \$56,938,791,765 | \$56,784,102,317 | \$53,358,956,890 |
| GROWTH RATE | 0.3% ▲ | 6.7% ▲ |

Nevada Gross Gaming Revenue ⁽²⁾

| | | Sep-17 |
|------------------|------------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| \$11,586,313,747 | \$11,555,444,992 | \$11,199,358,787 |
| GROWTH RATE | 0.3% ▲ | 3.5% ▲ |

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

| | | Aug-17 |
|----------------|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 52,158,962 | 51,968,702 | 50,407,003 |
| GROWTH RATE | 0.4% ▲ | 3.5% ▲ |

Clark/Washoe County Visitor Volume ⁽²⁾

| | | Sep-17 |
|----------------|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 51,151,285 | 51,217,478 | 50,998,168 |
| GROWTH RATE | -0.1% ▼ | 0.3% ▲ |

Nevada New Business Creation ⁽²⁾

| | | Q1 '17 |
|----------------|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| -1,440 | 2,851 | 3,684 |
| GROWTH RATE | -150.5% ▼ | -139.1% ▼ |

Nevada Housing Price Index ⁽¹⁾

| | | Q2 '17 |
|----------------|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 215.8 | 212.0 | 199.6 |
| GROWTH RATE | 1.8% ▲ | 8.1% ▲ |

Las Vegas Office Market Vacancy Rate ⁽¹⁾

(Q1 1991 = 100)

| | | 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⁾

| | | Q2 '17 |
|----------------|--------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| 83.2% | 83.1% | 82.5% |
| GROWTH RATE | 0.1% ▲ | 0.7% ▲ |

State of Nevada Personal Income ⁽²⁾

| | | Q2 '17 |
|-------------------|-------------------|-----------------------|
| Current Period | Prev. Period | Same Period Prev. Yr. |
| \$133,254,699,000 | \$131,518,767,000 | \$127,210,484,000 |
| GROWTH RATE | 1.3% ▲ | 4.8% ▲ |

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

◀ Continued From Cover

around the state for years as the healthcare industry keeps pace with the state's significant population growth. The recovery of the real estate market has been an important factor in the growing number of financial jobs, and as new businesses continue to locate themselves in the Las Vegas area, the demand for professional services grows as well.

In the Reno metro area, the three top-growing industries after construction were information (4.8 percent), manufacturing (4.2 percent), and education and health services (3.9 percent). Reno's information job growth, which exceeded state and national levels, is tied to the region's expanding data center operations such as Apple and Switch, while manufacturing job growth can be attributed in part to rising employment at Tesla's Gigafactory.

Over the past year, Nevada has reported some of the most consistent and notable employment growth in the United States. The expanding labor market is a primary factor behind the return of prolific population growth in the state in recent years, and that population growth is a key driver of the overall economic health of Nevada. The underlying conditions that made that possible appear poised to carry the nation-leading job market of 2017 well into 2018.

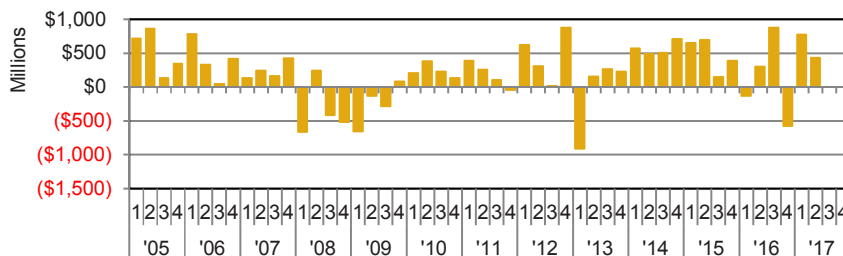
Prepared by:



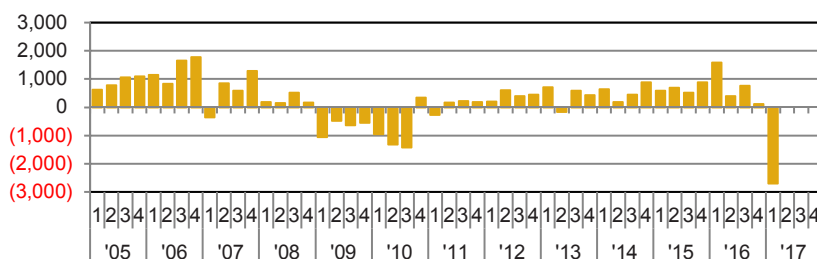
appliedanalysis.com

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.

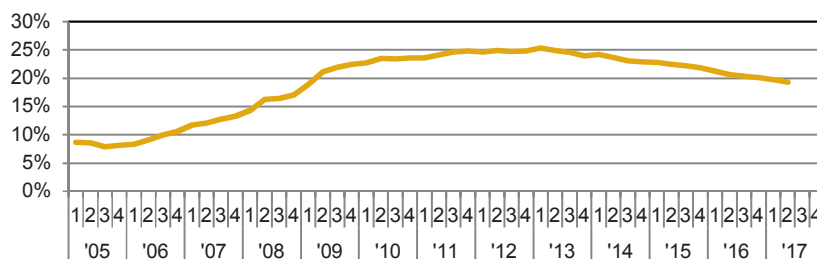
NEVADA PERSONAL INCOME GROWTH QUARTER-OVER-QUARTER



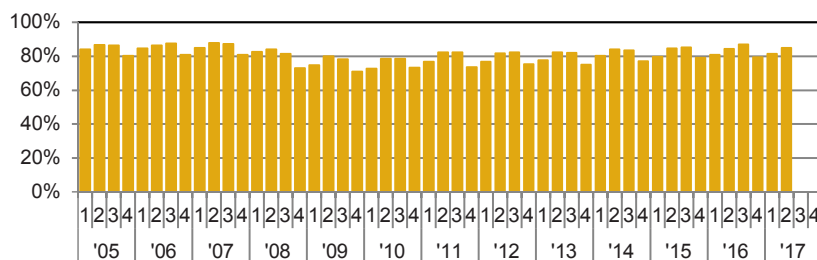
NEVADA NEW BUSINESS CREATION QUARTER-OVER-QUARTER



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