

When assessing the general health of the economy, a key aspect to the equation involves a consideration of the wages that workers take home. Wages provide the most common means of earning a living for people in the United States. Rising wages typically signify a strengthening labor market, where employment opportunities are expanding and employers must raise pay to attract and retain qualified employees. Higher take home pay in turn contributes to increased consumer spending, which accounts for two-thirds of the national economy.

# Economic Briefing

DECEMBER 2017

ISSUE TWELVE | VOLUME ELEVEN

Nationally, average weekly wages grew by 2.3 percent in October 2017, continuing an extended trend that has pushed the trailing 12-month growth rate up to 2.5 percent, the highest level since 2012. This trend has come amid a positive economic environment where the unemployment rate is at its lowest point since the turn of the century, the rate of job openings is at its highest point since at least 2000, and voluntary worker quits have reached their highest point in a decade. Together, these metrics signify a national economy with too few workers to fill a growing number of job opportunities. Thus, employers competing for a limited pool of workers are raising worker compensation.

In Nevada, the economy remains on a positive trajectory of its own, including a nation-leading 2.8 percent year-over-year job growth rate in October 2017, record taxable retail sales and a population growth rate that ranked second fastest in the country. Yet the state's wage growth rate trails the national average. Average weekly wages grew 1.9 percent year-over-year in October 2017 to \$780.39. The wage level represents

the highest value on record, while the growth rate ranked 34th in the nation. The state's wage growth can be attributed to strong gains in the southern part of the state, as average weekly wages for the Las Vegas metropolitan area increased by 4.3 percent on the year to a record level of \$793.36. That year-over-year growth rate ranked as the ninth-fastest among the 30 largest metro areas. Meanwhile, average weekly wages in the Reno metropolitan area increased by 1.6 percent year over year to \$813.38 in October 2017.

Even with an overwhelmingly positive economic environment in Nevada, the state's weekly wage growth has not kept pace with the rest of the country. The state's wage growth outpaced the national rate in 2014 and 2015 but has slowed in more recent years. A key factor for the slower-than-average wage growth is the state's faster-than-average growth in employment and population. As it has for decades, Nevada is attracting new residents into the state to work, while other workers are returning to the labor force after years of discouragement. These new workers

## MONTHLY

### Employment Indicators

Nevada Employment		Oct-17
Current Period	Prev. Period	Same Period Prev. Yr.
1,360,200	1,353,700	1,323,300
GROWTH RATE	0.5% ▲	2.8% ▲

Nevada Private Average Weekly Hours Worked		Oct-17
Current Period	Prev. Period	Same Period Prev. Yr.
34.5	34.1	34.5
GROWTH RATE	1.2% ▲	0.0% ◆

Nevada Unemployment Rate		Oct-17
Current Period	Prev. Period	Same Period Prev. Yr.
5.0%	4.9%	5.3%
GROWTH RATE	0.1% ▲	-0.3% ▼

## TRAILING 12-MONTH

### Employment Indicators

Nevada Employment <sup>(1)</sup>		Oct-17
Current Period	Prev. Period	Same Period Prev. Yr.
1,333,883	1,330,808	1,293,517
GROWTH RATE	0.2% ▲	3.1% ▲

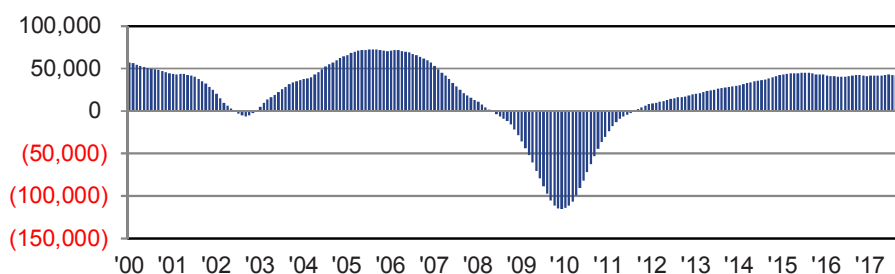
Nevada Private Average Weekly Hours Worked <sup>(1)</sup>		Oct-17
Current Period	Prev. Period	Same Period Prev. Yr.
34.1	34.1	33.8
GROWTH RATE	0.0% ◆	0.8% ▲

Nevada Unemployment Rate <sup>(1)</sup>		Oct-17
Current Period	Prev. Period	Same Period Prev. Yr.
4.9%	4.9%	5.9%
GROWTH RATE	0.0% ◆	-1.0% ▼

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

Continued on Back Cover »

## NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



**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**

Oct-17

Current Period	Prev. Period	Same Period Prev. Yr.
1,597	1,043	1,044
GROWTH RATE	53.1% ▲	53.0% ▲

**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**

Oct-17

Current Period	Prev. Period	Same Period Prev. Yr.
\$988,744,450	\$978,945,277	\$986,075,384
GROWTH RATE	1.0% ▲	0.3% ▲

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

Oct-17

Current Period	Prev. Period	Same Period Prev. Yr.
4,675,849	4,416,408	4,581,019
GROWTH RATE	5.9% ▲	2.1% ▲

**Clark/Washoe County Visitor Volume**

Oct-17

Current Period	Prev. Period	Same Period Prev. Yr.
4,324,916	4,322,207	4,450,564
GROWTH RATE	0.1% ▲	-3.0% ▼

**Nevada New Business Creation**

Q2 '17

Current Period	Prev. Period	Same Period Prev. Yr.
732	-2,841	389
GROWTH RATE	-125.8% ▼	88.2% ▲

**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**

Q3 '17

Current Period	Prev. Period	Same Period Prev. Yr.
18.9%	19.4%	20.3%
GROWTH RATE	-0.5% ▼	-1.4% ▼

**Nevada Hotel/Motel Occupancy**

Q2 '17

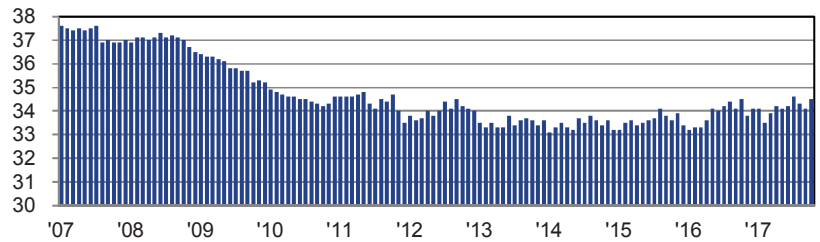
Current Period	Prev. Period	Same Period Prev. Yr.
84.8%	81.5%	84.4%
GROWTH RATE	3.3% ▲	0.4% ▲

**State of Nevada Personal Income**

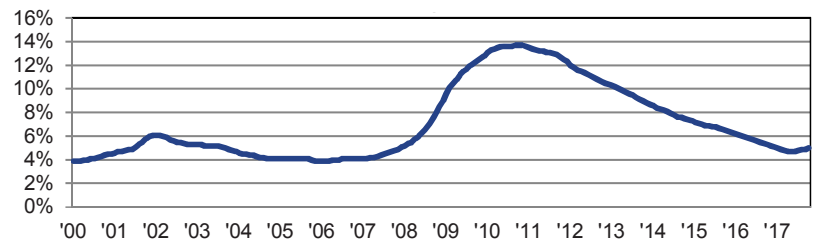
Q2 '17

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% ▲

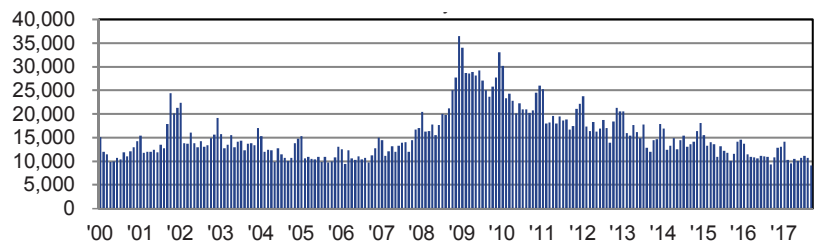
**NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED**  
MONTHLY SERIES



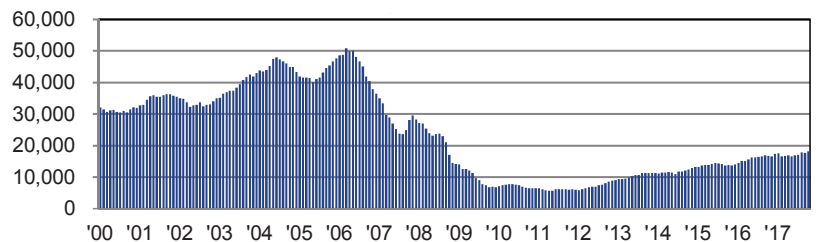
**NEVADA UNEMPLOYMENT RATE**  
MONTHLY SERIES



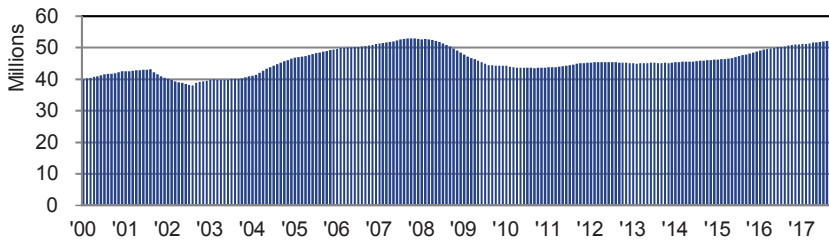
**NEVADA UNEMPLOYMENT INSURANCE CLAIMS**  
MONTHLY SERIES



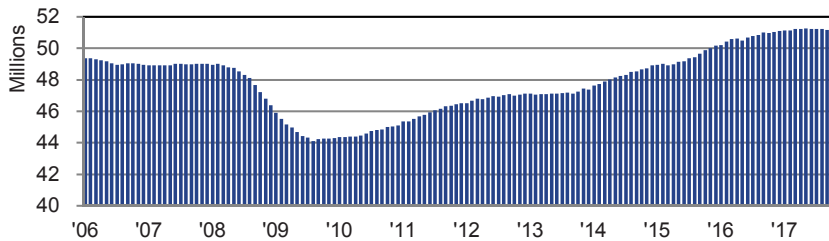
**NEVADA RESIDENTIAL UNITS PERMITTED**  
TRAILING 12-MONTH TOTALS



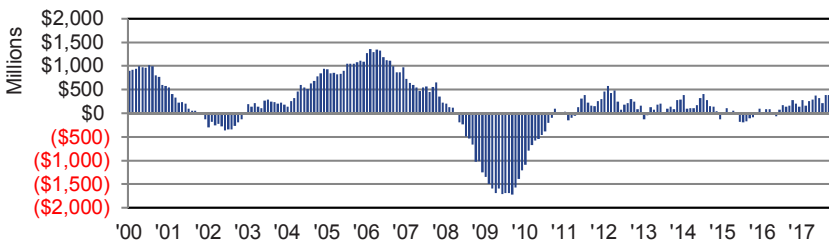
**LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS**  
TRAILING 12-MONTH TOTALS



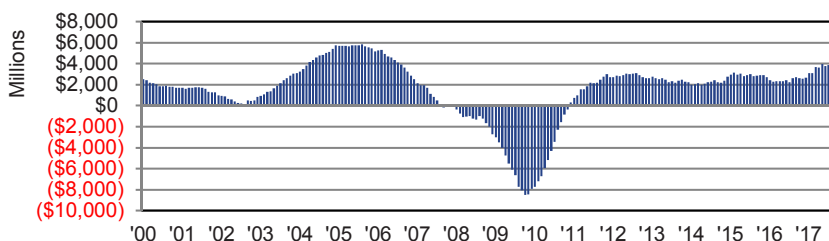
**CLARK/WASHOE COUNTY VISITOR VOLUME**  
TRAILING 12-MONTH TOTALS



**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 <sup>(2)</sup>**

		Oct-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
122,206	133,001		139,525
GROWTH RATE	-8.1% ▼		-12.4% ▼

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

		Oct-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
18,246	17,693		16,786
GROWTH RATE	3.1% ▲		8.7% ▲

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

		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 <sup>(2)</sup>**

		Oct-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$11,588,053,796	\$11,585,384,730		\$11,297,923,387
GROWTH RATE	0.0% ◊		2.6% ▲

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

		Oct-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
52,289,727	52,195,697		50,890,758
GROWTH RATE	0.2% ▲		2.7% ▲

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

		Oct-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
51,017,637	51,151,285		50,974,664
GROWTH RATE	-0.3% ▼		0.1% ▲

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

		Q2 '17	
Current Period	Prev. Period	Same Period	Prev. Yr.
-1,236	-1,579		3,385
GROWTH RATE	-21.7% ▼		-136.5% ▼

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

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

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

(Q1 1991 = 100) Q3 '17

		Q3 '17	
Current Period	Prev. Period	Same Period	Prev. Yr.
19.6%	19.9%		21.0%
GROWTH RATE	-0.3% ▼		-1.4% ▼

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

		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 <sup>(2)</sup>**

		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

increased the size of the labor force, or the pool of workers in jobs or actively seeking a job, by 1.3 percent in October 2017, nearly twice the national average of 0.7 percent. Growth in the available labor pool generally reduces upward pressure on wages as employers have more workers to choose from.

Worker supply and demand trends apply to industry level wages, as well. Wages earned by Nevada construction workers increased 5.7 percent to \$1,054.02, compared to 4.0 percent growth for the entire United States. The construction industry wage trend is notable as construction has been the fastest-growing employment sector in the state, expanding by 13.6 percent in the past year. This suggests that demand for construction workers remains high as homebuilding escalates and major commercial projects are either underway or on the horizon. Average weekly earnings by financial services professionals have also exceeded national growth, rising 6.7 percent to \$999.40 from one year ago, doubling the national growth rate of 3.2 percent.

National and state economic indicators suggest continued growth for their relative economies into the foreseeable future, and statewide population and employment growth trends remain pointed toward positive territory. As the national and state economies expand, wages stand poised to benefit, improving the financial well-being of workers and their families while spurring additional consumer expenditures in support of broader economic growth.

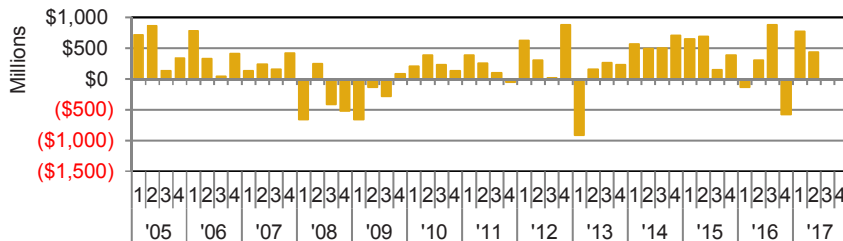
Prepared by:



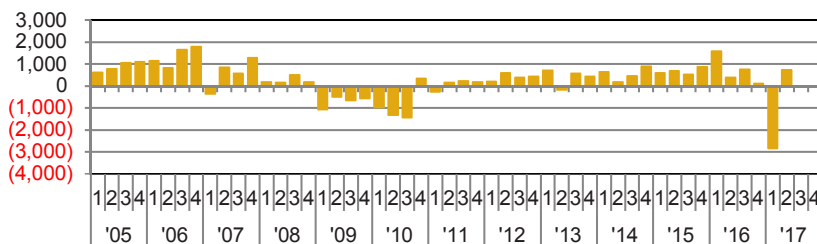
appliedanalysis.com

**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.

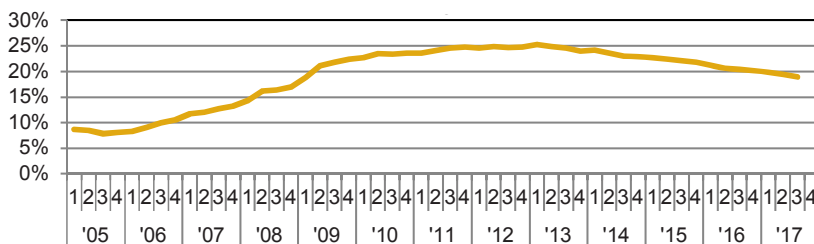
### NEVADA PERSONAL INCOME GROWTH QUARTER-OVER-QUARTER



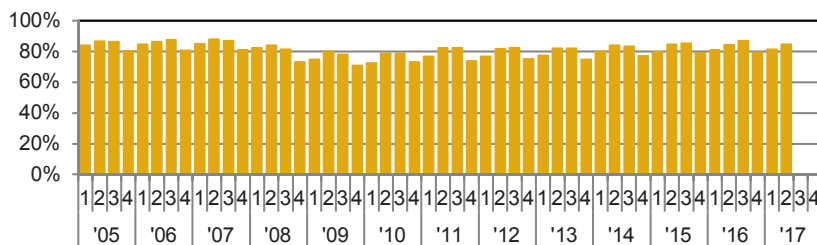
### NEVADA NEW BUSINESS CREATION QUARTER-OVER-QUARTER



### LAS VEGAS OFFICE MARKET VACANCY RATE QUARTERLY SERIES



### NEVADA HOTEL/MOTEL OCCUPANCY QUARTERLY SERIES



A division of ZB, N.A. Member FDIC