

# Economic Briefing

JANUARY 2018

ISSUE ONE | VOLUME TWELVE

National measures of consumer confidence in the economy have showed significant improvement over the course of 2017, climbing to their highest level since 2000. People are spending more, as national retail sales have grown 4.2 percent this year compared to 3.2 percent in 2016. Nevada has easily outpaced the national average in terms of retail sales growth in recent years, and that growth accelerated in 2017, with the trailing 12-month total for taxable retail sales through October 2017 trending 6.6 percent ahead of the prior year. In 2016, taxable retail sales in Nevada grew 5.1 percent year-over-year. If that 6.6 percent growth is maintained throughout the final two months of 2017, it would be the best year for statewide taxable retail sales growth since 2011, when growth reached 7.1. Odds are that the full-year 2017 numbers will roughly maintain that level of growth, as December is traditionally the most significant month for retail sales and national retailers reported record holiday season spending of nearly \$600 billion in 2017.

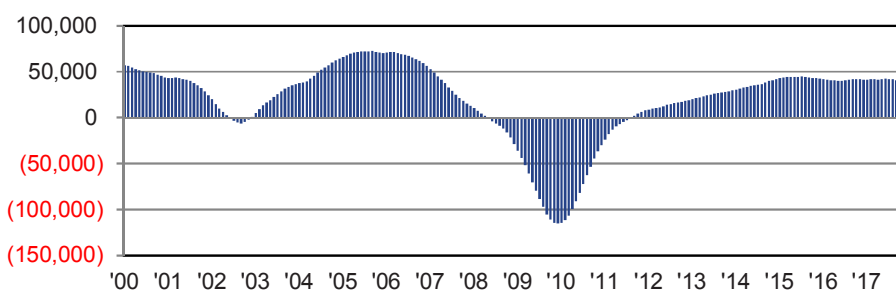
Throughout the state, growth in retail sales has varied significantly between counties. For example, for the 12 months ending in October 2017, Clark County retail sales increased 3.8 percent year-over-year while Washoe County increased by 6.0 percent, both below the state total of 6.6 percent. The biggest recent gains have come in Storey County, buoyed by the significant developments at the Tahoe-Reno Industrial Center. Retail sales in Storey County grew by 215 percent in 2016 and are up 242 percent in the 12 months through October 2017. This rapid growth has propelled Storey County, the third-smallest in Nevada by population, from 13th out of 17 Nevada counties for taxable retail sales in 2015 to third in 2017. In the past 12 months, this translates to over \$420,000 in sales per capita in Storey County, compared to roughly \$18,000 per capita in Washoe County and \$19,000 in Clark County.

While much of the state has shown strong growth in taxable retail sales, certain sectors have contributed to that growth differently throughout Nevada. Large construction projects and increasing homebuilding across the state are driving demand for building and construction materials, which has expanded taxable sales by 13.7 percent in Clark County and 9.8 percent in Washoe County over the past 12 months ending in October. Growth for specialty trade contractors, often the businesses performing construction work, has shown more significant divergence. Clark County has registered a 2.5 percent decrease in the sector this year while Washoe County saw growth of 12.4 percent. Statewide growth for the sector over the past 12 months has been 9.7 percent, well above the 6.6 growth in total taxable retail sales.

Food services and drinking places are the largest source of retail sales throughout the

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## NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



## MONTHLY

### Employment Indicators

Nevada Employment		Nov-17
Current Period	Prev. Period	Same Period Prev. Yr.
1,363,100	1,360,300	1,327,600
GROWTH RATE	0.2% ▲	2.7% ▲

Nevada Private Average Weekly Hours Worked		Nov-17
Current Period	Prev. Period	Same Period Prev. Yr.
34.0	34.5	33.8
GROWTH RATE	-1.4% ▼	0.6% ▲

Nevada Unemployment Rate		Nov-17
Current Period	Prev. Period	Same Period Prev. Yr.
5.0%	5.0%	5.2%
GROWTH RATE	0.0% ◆	-0.2% ▼

## TRAILING 12-MONTH

### Employment Indicators

Nevada Employment <sup>(1)</sup>		Nov-17
Current Period	Prev. Period	Same Period Prev. Yr.
1,336,850	1,333,892	1,296,858
GROWTH RATE	0.2% ▲	3.1% ▲

Nevada Private Average Weekly Hours Worked <sup>(1)</sup>		Nov-17
Current Period	Prev. Period	Same Period Prev. Yr.
34.1	34.1	33.8
GROWTH RATE	0.0% ◆	0.9% ▲

Nevada Unemployment Rate <sup>(1)</sup>		Nov-17
Current Period	Prev. Period	Same Period Prev. Yr.
4.9%	4.9%	5.8%
GROWTH RATE	0.0% ◆	-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**

Nov-17

Current Period	Prev. Period	Same Period Prev. Yr.
13,507	11,203	12,850
GROWTH RATE	20.6% ▲	5.1% ▲

**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**

Oct-17

Current Period	Prev. Period	Same Period Prev. Yr.
\$4,672,847,151	\$4,949,220,069	\$4,440,092,377
GROWTH RATE	-5.6% ▼	5.2% ▲

**Nevada Gross Gaming Revenue**

Nov-17

Current Period	Prev. Period	Same Period Prev. Yr.
\$909,007,025	\$988,992,413	\$930,405,599
GROWTH RATE	-8.1% ▼	-2.3% ▼

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

Oct-17

Current Period	Prev. Period	Same Period Prev. Yr.
4,675,849	4,416,408	4,581,819
GROWTH RATE	5.9% ▲	2.1% ▲

**Clark/Washoe County Visitor Volume**

Nov-17

Current Period	Prev. Period	Same Period Prev. Yr.
3,930,064	4,324,916	4,028,812
GROWTH RATE	-9.1% ▼	-2.5% ▼

**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)

Q3 '17

Current Period	Prev. Period	Same Period Prev. Yr.
227.9	222.0	208.3
GROWTH RATE	2.6% ▲	9.4% ▲

**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**

Q3 '17

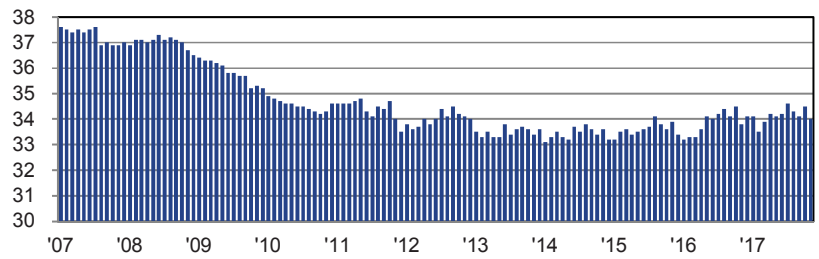
Current Period	Prev. Period	Same Period Prev. Yr.
87.1%	84.8%	87.0%
GROWTH RATE	2.3% ▲	0.1% ▲

**State of Nevada Personal Income**

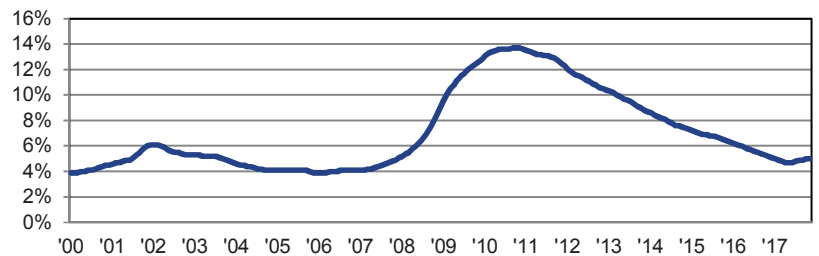
Q3 '17

Current Period	Prev. Period	Same Period Prev. Yr.
\$33,405,022,000	\$33,125,131,500	\$32,681,949,000
GROWTH RATE	0.8% ▲	2.2% ▲

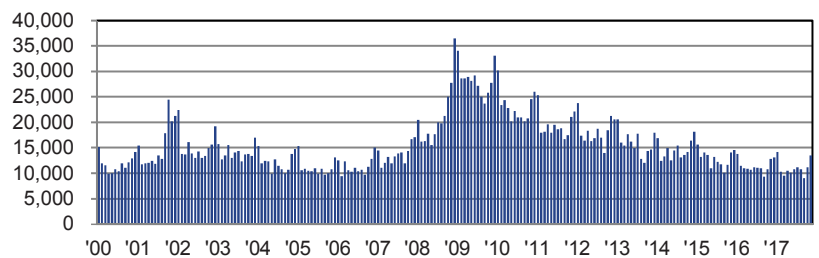
**NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED**  
MONTHLY SERIES



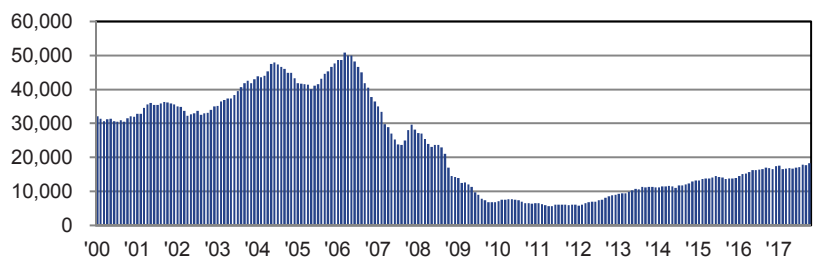
**NEVADA UNEMPLOYMENT RATE**  
MONTHLY SERIES



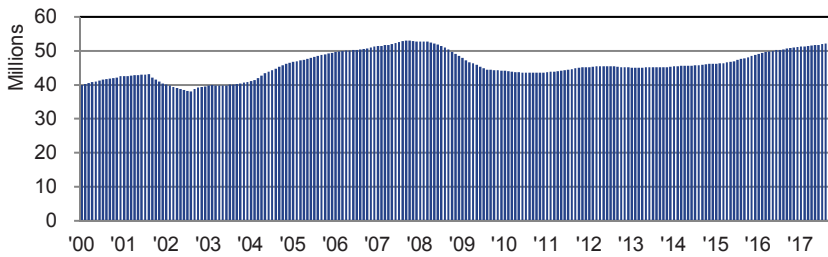
**NEVADA UNEMPLOYMENT INSURANCE CLAIMS**  
MONTHLY SERIES



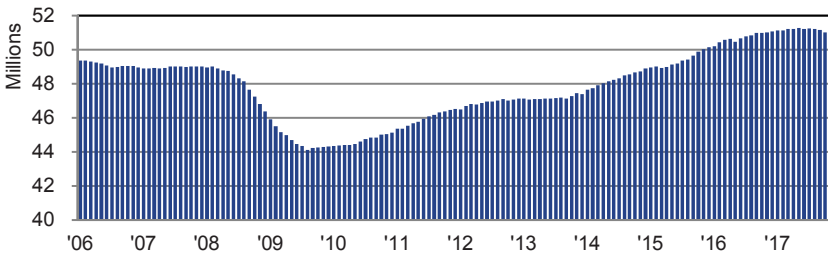
**NEVADA RESIDENTIAL UNITS PERMITTED**  
TRAILING 12-MONTH TOTALS



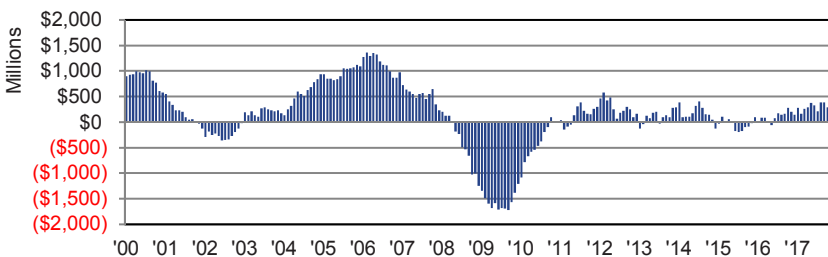
**LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS**  
TRAILING 12-MONTH TOTALS



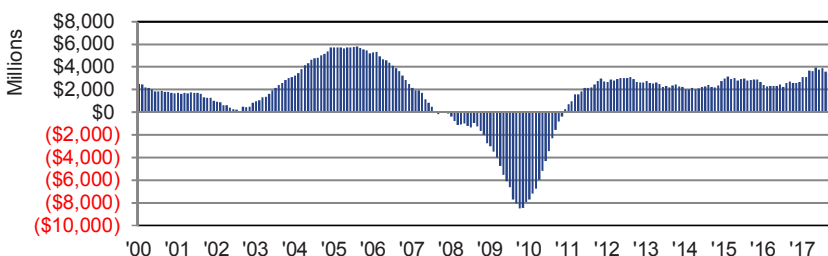
**CLARK/WASHOE COUNTY VISITOR VOLUME**  
TRAILING 12-MONTH TOTALS



**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>**

		Nov-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
134,066	133,409		138,264
GROWTH RATE	0.5% ▲		-3.0% ▼

**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>**

		Oct-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$57,361,415,618	\$57,128,660,844		\$53,799,863,794
GROWTH RATE	0.4% ▲		6.6% ▲

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

		Nov-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$11,566,921,963	\$11,588,320,537		\$11,283,982,533
GROWTH RATE	-0.2% ▼		2.5% ▲

**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>**

		Nov-17	
Current Period	Prev. Period	Same Period	Prev. Yr.
50,918,889	51,017,637		51,026,674
GROWTH RATE	-0.2% ▼		-0.2% ▼

**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>**

		Q3 '17	
Current Period	Prev. Period	Same Period	Prev. Yr.
220.8	216.0		203.4
GROWTH RATE	2.3% ▲		8.6% ▲

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

(Q1 1991 = 100)

		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>**

		Q3 '17	
Current Period	Prev. Period	Same Period	Prev. Yr.
83.2%	83.2%		82.9%
GROWTH RATE	0.0% ◆		0.3% ▲

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

		Q3 '17	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$133,620,088,000	\$132,500,526,000		\$130,727,796,000
GROWTH RATE	0.8% ▲		2.2% ▲

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

◀ Continued From Cover

state, but unlike construction have not captured an outsize proportion of the recent growth. In Washoe County, bars and restaurants have performed well, with sales growth of 8.6 percent through October. In Clark County, growth was above average, expanding by 4.1 percent compared to the 3.8 percent average across all sectors. Across the state, the sector has shown below-average growth of 4.4 percent during the period.

Overall, individuals and businesses in Nevada continue to show an increasing willingness to spend money, whether on consumer products or business investments. The growth in taxable retail sales is relatively evenly distributed around the state as 12 of 17 counties have recorded growth while the two most populous counties, which account for over 86 percent of all taxable retail sales in the state, actually lowered the state average. This growth is also well distributed throughout the economy, contributing positively to manufacturing, construction, retail, and various service industries. As construction projects around the state continue providing short-term stimulus and an increasingly tight labor market puts upward pressure on wages, Nevada should continue to see taxable retail sales increase and extend the streak of annual growth that dates back to 2010.

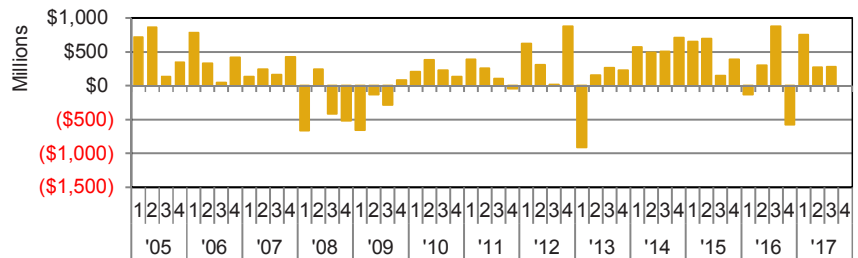
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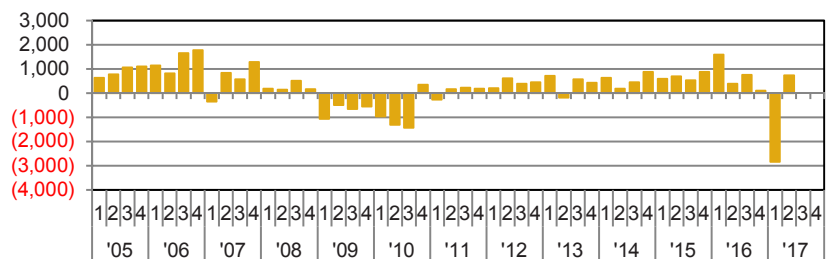
appliedanalysis.com

**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.

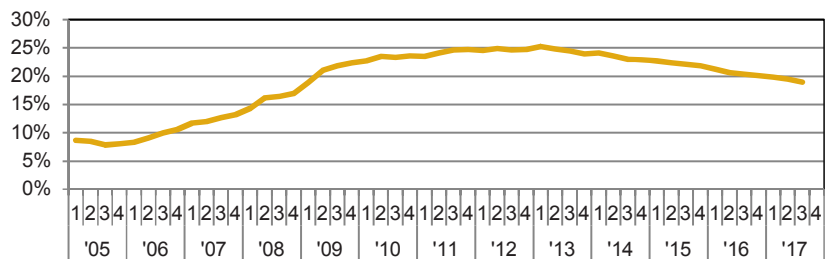
**NEVADA PERSONAL INCOME GROWTH**  
QUARTER-OVER-QUARTER



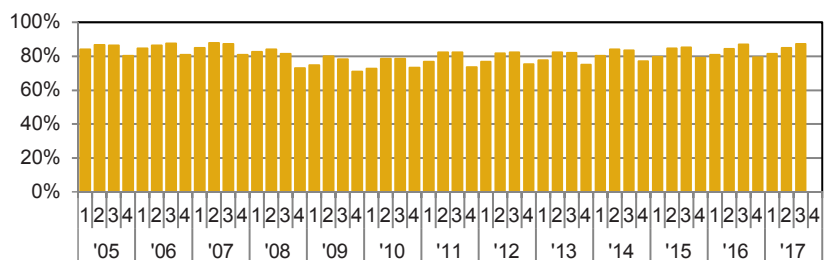
**NEVADA NEW BUSINESS CREATION**  
QUARTER-OVER-QUARTER



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



**NEVADA HOTEL/MOTEL OCCUPANCY**  
QUARTERLY SERIES



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