

# Economic Briefing

JUNE 2018

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Nevada is once again one of the fastest-growing states in the nation, a trend driven primarily by in-migration of new residents from around the United States. About three-quarters of incoming new residents move to southern Nevada, which had the second-fastest growth rate among the 30 largest metropolitan areas in 2017. The reasons for southern Nevada's attractiveness remain the same as those that have driven the region's rapid growth over the past 50 years – job growth and economic opportunity, a beneficial tax environment for both individuals and businesses, and a relatively low cost of living.

The last factor is especially relevant in comparison to California, which alone accounts for one-third of all residents moving into the Silver State. Southern Nevada's affordability is illustrated by the cost-of-living index, a comparative measure of affordability for metro areas across the nation

published by The Council for Community and Economic Research. The overall index consists of separate indices that compare the costs of essentials, such as food, housing, transportation and healthcare, to the national average. In 2017, the Las Vegas metro area recorded a cost-of-living index of 102.5, or 2.5 percent higher than the national average of 100. While southern Nevada's cost of living has traditionally been slightly higher than the national average, it is significantly more affordable compared to southern California.

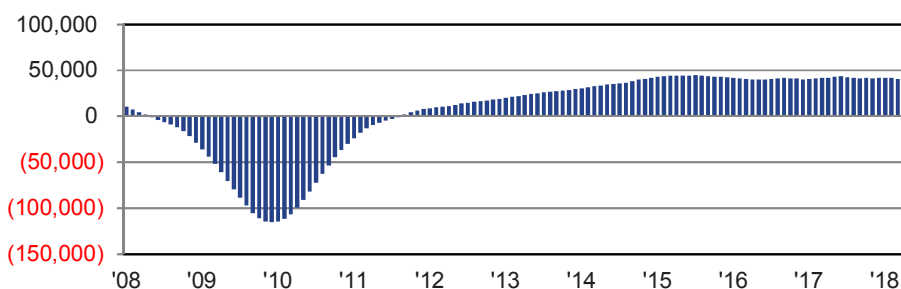
Los Angeles County, the main source for new Nevada residents, recorded a cost-of-living index of 148.0. In terms of purchasing power, this means a dollar in Los Angeles is equivalent to \$1.44 in southern Nevada. Other southern California counties that provide large portions of in-migration also have relatively high costs of living, including Orange County (152.6) and San Diego County (146.1). Data for Riverside and San Bernardino counties was unavailable.

On a category basis, the largest gap in affordability between southern Nevada and those California counties is housing. Southern Nevada recorded a housing cost-of-living index of 109.7, about 10 percent higher than the national average. In southern California, housing cost-of-living indexes were more than twice as high, ranging from 237.8 in San Diego County to 256.9 in Orange County. Southern Nevada's housing cost-of-living index did rise 1.3 percent in 2017, though while housing costs in the region have been climbing, they remain far more affordable relative to southern California and are likely to remain a key factor in relocations to southern Nevada.

Other notable, albeit smaller, cost-of-living differences exist in transportation, utilities and groceries. The 2017 transportation cost-of-living index in southern Nevada was 107.3, between 15 and 25 index points lower than the southern California counties. Southern Nevada's utilities cost-of-living index measured 86.7, ranging from

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## NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



## MONTHLY

### Employment Indicators

Nevada Employment		Apr-18
Current Period	Prev. Period	Same Period Prev. Yr.
1,373,400	1,363,700	1,330,400
GROWTH RATE	0.7% ▲	3.2% ▲

Nevada Private Average Weekly Hours Worked		Apr-18
Current Period	Prev. Period	Same Period Prev. Yr.
34.1	33.9	34.3
GROWTH RATE	0.6% ▲	-0.6% ▼

Nevada Unemployment Rate		Apr-18
Current Period	Prev. Period	Same Period Prev. Yr.
4.9%	4.9%	5.1%
GROWTH RATE	0.0% ◆	-0.2% ▼

## TRAILING 12-MONTH

### Employment Indicators

Nevada Employment <sup>(1)</sup>		Apr-18
Current Period	Prev. Period	Same Period Prev. Yr.
1,354,167	1,350,583	1,313,425
GROWTH RATE	0.3% ▲	3.1% ▲

Nevada Private Average Weekly Hours Worked <sup>(1)</sup>		Apr-18
Current Period	Prev. Period	Same Period Prev. Yr.
34.1	34.1	34.1
GROWTH RATE	0.0% ◆	0.0% ◆

Nevada Unemployment Rate <sup>(1)</sup>		Apr-18
Current Period	Prev. Period	Same Period Prev. Yr.
4.9%	5.0%	5.5%
GROWTH RATE	-0.1% ▼	-0.6% ▼

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**

Apr-18

Current Period	Prev. Period	Same Period Prev. Yr.
9,983	9,339	10,519
GROWTH RATE	6.9% ▲	-5.1% ▼

**Nevada Residential Housing Units Permitted**

Apr-18

Current Period	Prev. Period	Same Period Prev. Yr.
1,510	1,577	1,771
GROWTH RATE	-4.2% ▼	-14.7% ▼

**Nevada Taxable Retail Sales**

Mar-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$5,413,030,851	\$4,354,573,678	\$5,393,860,743
GROWTH RATE	24.3% ▲	0.4% ▲

**Nevada Gross Gaming Revenue**

Apr-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$953,698,753	\$1,024,339,726	\$886,561,704
GROWTH RATE	-6.9% ▼	7.6% ▲

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

Mar-18

Current Period	Prev. Period	Same Period Prev. Yr.
4,654,470	3,865,388	4,560,009
GROWTH RATE	20.4% ▲	2.1% ▲

**Clark/Washoe County Visitor Volume**

Apr-18

Current Period	Prev. Period	Same Period Prev. Yr.
4,235,574	4,484,546	4,250,260
GROWTH RATE	-5.6% ▼	-0.3% ▼

**Nevada New Business Creation**

Q4 '17

Current Period	Prev. Period	Same Period Prev. Yr.
39	460	109
GROWTH RATE	-91.5% ▼	-64.2% ▼

**Nevada Housing Price Index**

(Q1 1991 = 100)

Q1 '18

Current Period	Prev. Period	Same Period Prev. Yr.
248.0	239.4	218.1
GROWTH RATE	3.6% ▲	13.7% ▲

**Clark County Office Market**

**Vacancy Rate**

Q1 '18

Current Period	Prev. Period	Same Period Prev. Yr.
18.3%	18.5%	19.6%
GROWTH RATE	-0.2% ▼	-1.3% ▼

**Nevada Hotel/Motel Occupancy**

Q4 '17

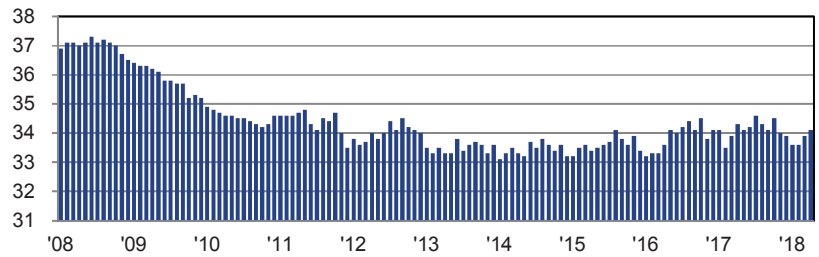
Current Period	Prev. Period	Same Period Prev. Yr.
78.8%	87.1%	79.7%
GROWTH RATE	-8.3% ▼	-0.9% ▼

**State of Nevada Personal Income**

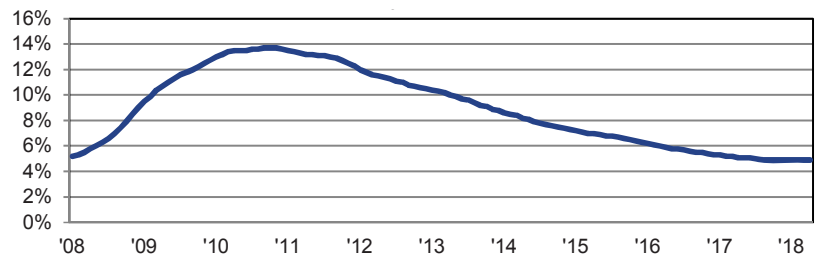
Q4 '17

Current Period	Prev. Period	Same Period Prev. Yr.
\$34,158,179,750	\$33,654,110,750	\$32,104,708,000
GROWTH RATE	1.5% ▲	6.4% ▲

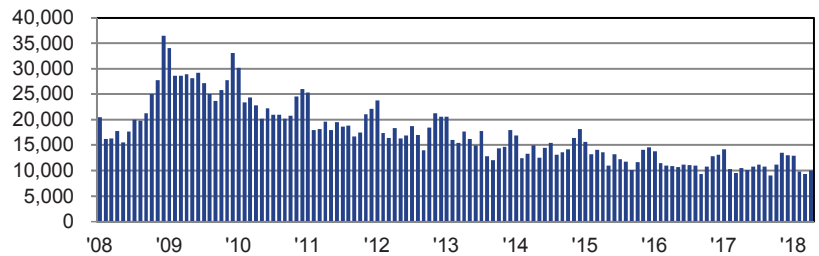
**NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED**  
MONTHLY SERIES



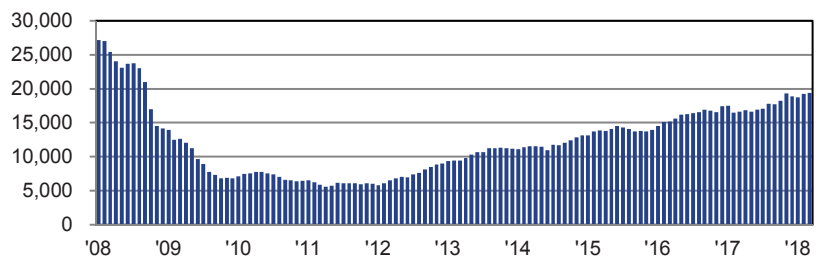
**NEVADA UNEMPLOYMENT RATE**  
MONTHLY SERIES



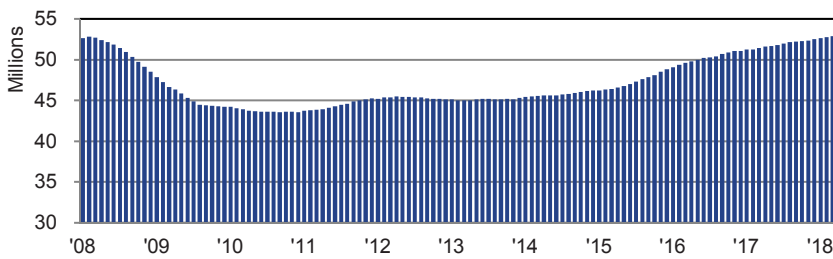
**NEVADA UNEMPLOYMENT INSURANCE CLAIMS**  
MONTHLY SERIES



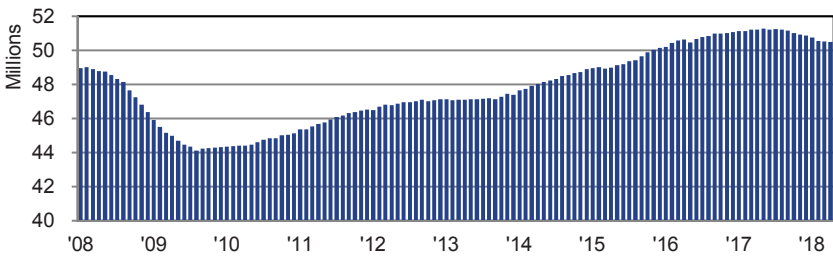
**NEVADA RESIDENTIAL UNITS PERMITTED**  
TRAILING 12-MONTH TOTALS



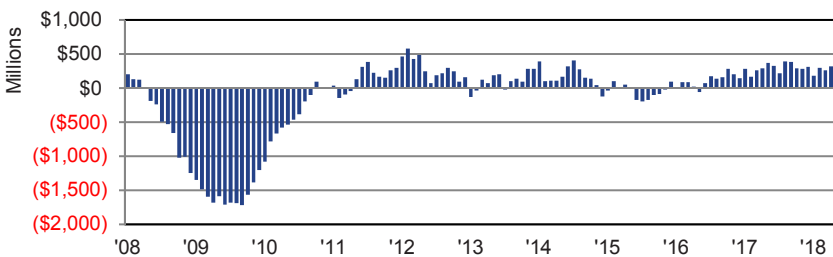
**LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS**  
TRAILING 12-MONTH TOTALS



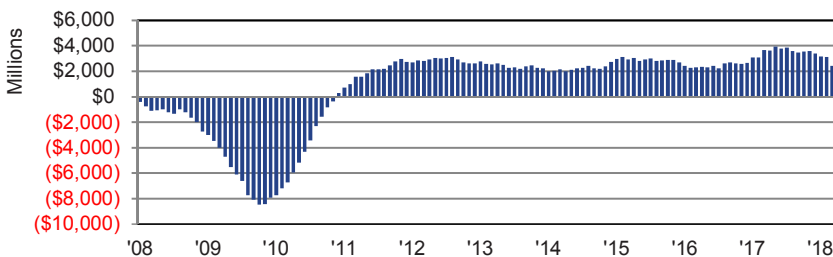
**CLARK/WASHOE COUNTY VISITOR VOLUME**  
TRAILING 12-MONTH TOTALS



**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>** Apr-18

Current Period	Prev. Period	Same Period Prev. Yr.
131,590	132,126	134,369
GROWTH RATE	-0.4% ▼	-2.1% ▼

**Nevada Residential Housing Units Permitted <sup>(2)</sup>** Apr-18

Current Period	Prev. Period	Same Period Prev. Yr.
19,131	19,392	16,872
GROWTH RATE	-1.3% ▼	13.4% ▲

**Nevada Taxable Retail Sales <sup>(2)</sup>** Mar-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$58,120,491,376	\$58,101,321,268	\$55,703,252,092
GROWTH RATE	0.0% ◆	4.3% ▲

**Nevada Gross Gaming Revenue <sup>(2)</sup>** Apr-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$11,723,160,128	\$11,656,023,079	\$11,402,747,402
GROWTH RATE	0.6% ▲	2.8% ▲

**Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers <sup>(2)</sup>** Mar-18

Current Period	Prev. Period	Same Period Prev. Yr.
52,876,500	52,782,039	51,413,779
GROWTH RATE	0.2% ▲	2.8% ▲

**Clark/Washoe County Visitor Volume <sup>(2)</sup>** Apr-18

Current Period	Prev. Period	Same Period Prev. Yr.
50,495,854	50,510,540	51,229,281
GROWTH RATE	0.0% ◆	-1.4% ▼

**Nevada New Business Creation <sup>(2)</sup>** Q4 '17

Current Period	Prev. Period	Same Period Prev. Yr.
-1,610	-1,540	2,851
GROWTH RATE	-4.5% ▼	-156.5% ▼

**Nevada Housing Price Index <sup>(1)</sup>** Q1 '18  
*(Q1 1991 = 100)*

Current Period	Prev. Period	Same Period Prev. Yr.
234.3	226.9	211.1
GROWTH RATE	3.3% ▲	11.0% ▲

**Clark County Office Market Vacancy Rate <sup>(1)</sup>** Q1 '18

Current Period	Prev. Period	Same Period Prev. Yr.
18.7%	19.0%	20.0%
GROWTH RATE	-0.3% ▼	-1.3% ▼

**Nevada Hotel/Motel Occupancy <sup>(1)</sup>** Q4 '17

Current Period	Prev. Period	Same Period Prev. Yr.
83.1%	83.3%	83.1%
GROWTH RATE	-0.3% ▼	0.0% ◆

**State of Nevada Personal Income <sup>(2)</sup>** Q4 '17

Current Period	Prev. Period	Same Period Prev. Yr.
\$136,632,719,000	\$134,616,443,000	\$128,418,832,000
GROWTH RATE	1.5% ▲	6.4% ▲

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

◀ Continued From Cover

16 to 20 index points lower than the three California counties. Over the same period, the cost of groceries index in southern Nevada decreased 2.5 percent to 102.3, while grocery costs increased between 1.3 percent and 1.6 percent in southern California. Overall, the cost of living in southern Nevada improved in 2017 as the index decreased by 1.7 percent. During the same period, the southern California counties each reported rising costs of living, with Los Angeles County reporting the highest increase of 4.0 percent.

Southern California's high cost of living is tempered somewhat by higher wages for workers. In the fourth quarter of 2017, average weekly wages in the three southern California counties ranged from \$1,221 to \$1,343, while the average southern Nevada worker earned \$938. However, after adjusting wages by the respective cost-of-living indexes, average weekly wages in southern Nevada rise to an equivalent of between \$1,337 and \$1,396 among the three southern California counties, significantly minimizing or eliminating the pay gap in terms of true purchasing power.

Southern Nevada's relatively low cost of living compared to southern California has long served as a key driver of relocations between the Golden State and the Silver State. That trend is ongoing and appears likely to extend into the foreseeable future, motivating tens of thousands of southern Californians each year to make the trip up Interstate 15 and call Nevada home.

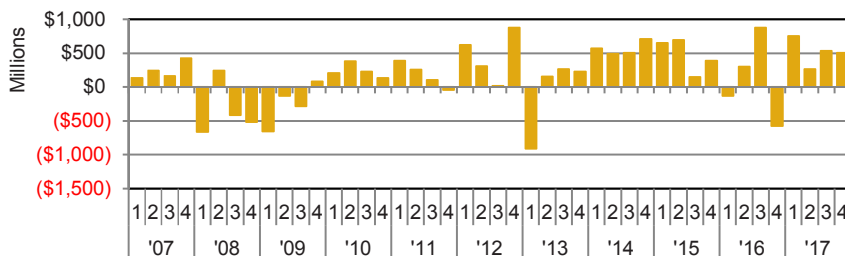
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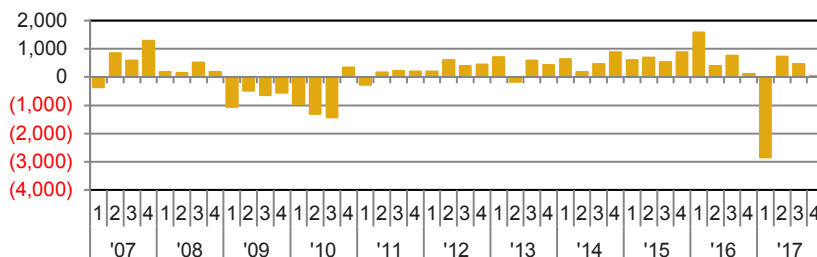
appliedanalysis.com

**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.

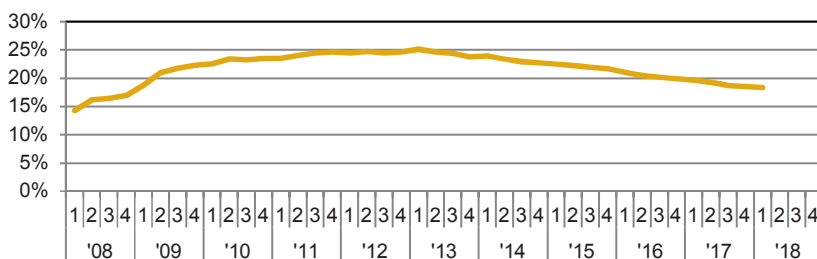
**NEVADA PERSONAL INCOME GROWTH**  
QUARTER-OVER-QUARTER



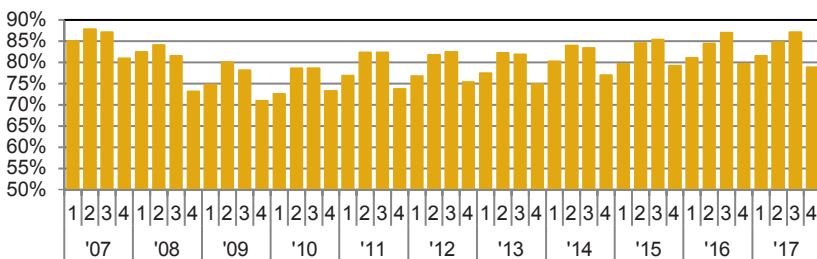
**NEVADA NEW BUSINESS CREATION**  
QUARTER-OVER-QUARTER



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



**NEVADA HOTEL/MOTEL OCCUPANCY**  
QUARTERLY SERIES



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