

Economic Briefing

NOVEMBER 2018

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Governor Brian Sandoval entered office during the most trying economic environment in Nevada's modern history. The Great Recession might have ended in June 2009, but its effects lingered in the Silver State years later. By the time Sandoval was sworn into office on January 3, 2011, the economic downturn had claimed nearly 200,000 jobs, shuttered 6,400 businesses and catapulted the unemployment rate to a national high of 13.9 percent. As Sandoval prepares to leave office eight years later, Nevada is once again among the nation's leaders in job growth, population expansion, business investment and other key indicators of a solid economic footing. While the turnaround shares many causes, Sandoval's policies and administration played key roles in Nevada's economic rebound.

One of Sandoval's primary platforms upon entering the Governor's Mansion was improving economic diversification throughout the state. Nevada's reliance on the tourism and construction industries made it more susceptible to volatile national and global economic cycles, and diversification creates a broader and more stable economy to better withstand economic downturns. To this end, Sandoval established the Nevada Governor's Office of Economic Development (GOED), a collaboration between the Governor's Office and the Nevada Legislature.

In coordination with regional development agencies, GOED helped focus statewide economic development efforts and provided new tools and strategies to promote economic diversification in the state. GOED has helped in that aim through assisting companies relocating to or expanding in Nevada, supporting a range of workforce training programs in cooperation with the educational and business communities, providing grants to fund new research and commercialization efforts and expanding opportunities in global markets through trade missions around the world.

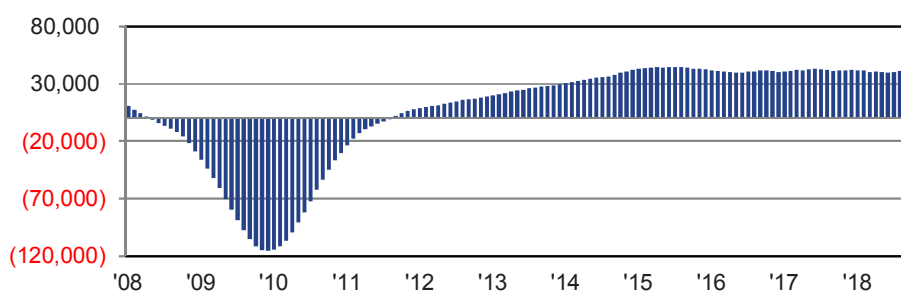
GOED's efforts have brought businesses of all sizes into the Silver State, though the most-visible of its achievements has been the rapid development of the high-tech hub in Northern Nevada. In September 2014, the Tahoe-Reno Industrial Center was selected as the site of the first Tesla Gigafactory, a partnership with Panasonic that has become the largest automotive battery factory in the world. More

than \$3.7 billion has been invested in the plant, which employs more than 3,200 workers. Other high-profile technology companies, including Apple, Google and Switch, have also established a presence in the region, boosting the number of well-paying jobs as well as the economy's diversification.

Another of Sandoval's signature achievements centered on the state's education system. Sandoval's education reform agenda added programs and funding to help improve student and school performance throughout Nevada. Funded through \$1.5 billion in revenues over the biennium, the 2015 education reform package passed with broad bipartisan support and included bills that established new funding for students who are English language learners, live in poverty or are enrolled in gifted and talented programs. It also funded full-day kindergarten at all schools, created the Read by Three program and expanded eligibility for the Millennium Scholarship.

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NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



MONTHLY

Employment Indicators

Nevada Employment		Sep-18
Current Period	Prev. Period	Same Period Prev. Yr.
1,402,100	1,392,400	1,354,500
GROWTH RATE	0.7% ▲	3.5% ▲

Nevada Private Average Weekly Hours Worked		Sep-18
Current Period	Prev. Period	Same Period Prev. Yr.
34.7	34.4	34.1
GROWTH RATE	0.9% ▲	1.8% ▲

Nevada Unemployment Rate		Sep-18
Current Period	Prev. Period	Same Period Prev. Yr.
4.5%	4.5%	4.9%
GROWTH RATE	0.0% ◆	-0.4% ▼

TRAILING 12-MONTH

Employment Indicators

Nevada Employment ⁽¹⁾		Sep-18
Current Period	Prev. Period	Same Period Prev. Yr.
1,372,958	1,368,992	1,330,875
GROWTH RATE	0.3% ▲	3.2% ▲

Nevada Private Average Weekly Hours Worked ⁽¹⁾		Sep-18
Current Period	Prev. Period	Same Period Prev. Yr.
34.1	34.0	34.1
GROWTH RATE	0.1% ▲	-0.1% ▼

Nevada Unemployment Rate ⁽¹⁾		Sep-18
Current Period	Prev. Period	Same Period Prev. Yr.
4.8%	4.8%	5.2%
GROWTH RATE	0.0% ◆	-0.4% ▼

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-18

Current Period	Prev. Period	Same Period Prev. Yr.
8,289	9,580	9,068
GROWTH RATE	-13.5% ▼	-8.6% ▼

Nevada Residential Housing Units Permitted

Sep-18

Current Period	Prev. Period	Same Period Prev. Yr.
1,118	1,352	1,043
GROWTH RATE	-17.3% ▼	7.2% ▲

Nevada Taxable Retail Sales

Aug-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$5,028,001,800	\$5,047,867,279	\$4,774,184,942
GROWTH RATE	-0.4% ▼	5.3% ▲

Nevada Gross Gaming Revenue

Sep-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$991,222,034	\$913,148,677	\$978,932,772
GROWTH RATE	8.5% ▲	1.3% ▲

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Sep-18

Current Period	Prev. Period	Same Period Prev. Yr.
4,419,422	4,709,128	4,416,408
GROWTH RATE	-6.2% ▼	0.1% ▲

Clark/Washoe County Visitor Volume

Sep-18

Current Period	Prev. Period	Same Period Prev. Yr.
4,162,218	4,286,662	4,322,207
GROWTH RATE	-2.9% ▼	-3.7% ▼

Nevada New Business Creation

Q1 '18

Current Period	Prev. Period	Same Period Prev. Yr.
1,205	-550	-2,841
GROWTH RATE	319.1% ▲	142.4% ▲

Nevada Housing Price Index

(Q1 1991 = 100)

Q2 '18

Current Period	Prev. Period	Same Period Prev. Yr.
258.9	248.2	221.2
GROWTH RATE	4.3% ▲	17.0% ▲

Clark County Office Market

Vacancy Rate

Q3 '18

Current Period	Prev. Period	Same Period Prev. Yr.
17.7%	17.8%	18.5%
GROWTH RATE	-0.1% ▼	-0.8% ▼

Nevada Hotel/Motel Occupancy

Q2 '18

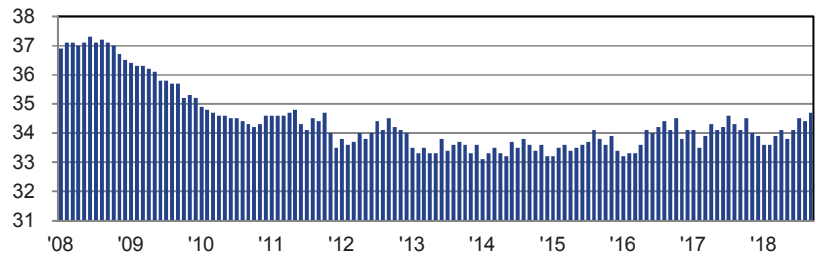
Current Period	Prev. Period	Same Period Prev. Yr.
85.5%	81.7%	85.5%
GROWTH RATE	3.8% ▲	0.0% ◀

State of Nevada Personal Income

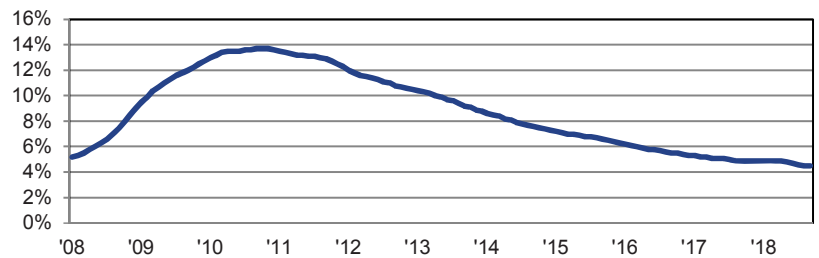
Q2 '18

Current Period	Prev. Period	Same Period Prev. Yr.
\$36,291,792,250	\$35,992,089,000	\$34,309,158,000
GROWTH RATE	0.8% ▲	5.8% ▲

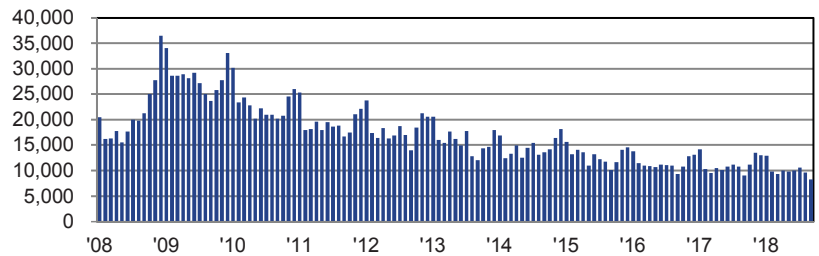
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



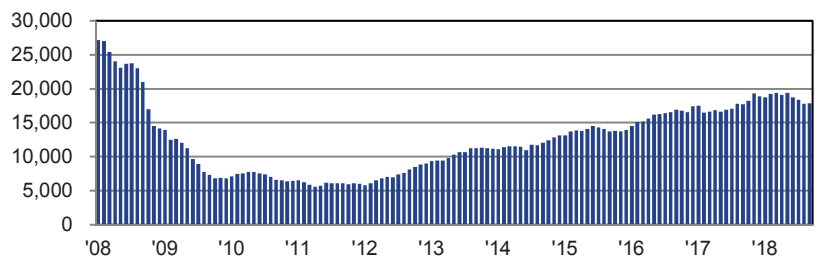
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES

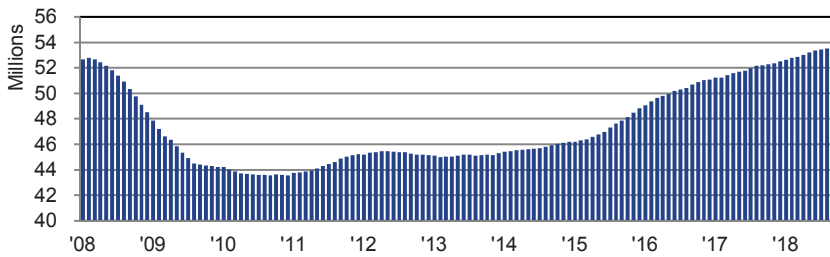


NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



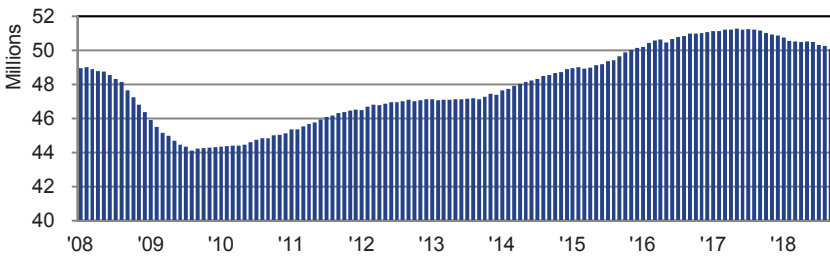
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS

TRAILING 12-MONTH TOTALS



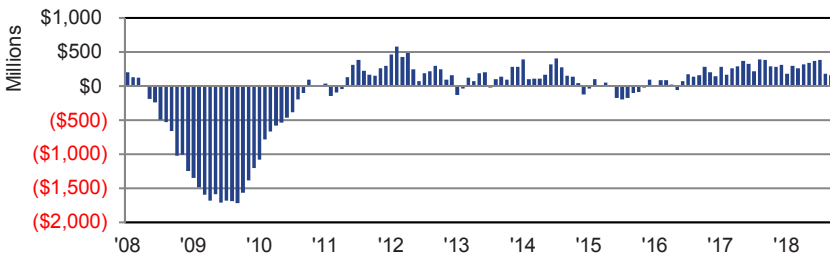
CLARK/WASHOE COUNTY VISITOR VOLUME

TRAILING 12-MONTH TOTALS



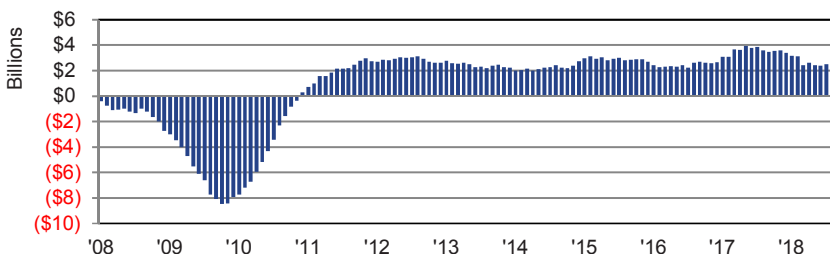
GROWTH IN NEVADA GROSS GAMING REVENUE

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-18

Current Period	Prev. Period	Same Period Prev. Yr.
128,015	128,794	133,001
GROWTH RATE	-0.6% ▼	-3.7% ▼

Nevada Residential Housing Units Permitted ⁽²⁾

Sep-18

Current Period	Prev. Period	Same Period Prev. Yr.
17,899	17,824	17,693
GROWTH RATE	0.4% ▲	1.2% ▲

Nevada Taxable Retail Sales ⁽²⁾

Aug-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$59,552,797,026	\$59,298,980,168	\$56,938,791,765
GROWTH RATE	0.4% ▲	4.6% ▲

Nevada Gross Gaming Revenue ⁽²⁾

Sep-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$11,745,717,825	\$11,733,428,563	\$11,585,489,637
GROWTH RATE	0.1% ▲	1.4% ▲

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

Sep-18

Current Period	Prev. Period	Same Period Prev. Yr.
53,534,203	53,531,189	52,195,697
GROWTH RATE	0.0% ▲	2.6% ▲

Clark/Washoe County Visitor Volume ⁽²⁾

Sep-18

Current Period	Prev. Period	Same Period Prev. Yr.
50,092,929	50,252,918	51,151,285
GROWTH RATE	-0.3% ▼	-2.1% ▼

Nevada New Business Creation ⁽²⁾

Q1 '18

Current Period	Prev. Period	Same Period Prev. Yr.
1,847	-2,199	-1,579
GROWTH RATE	184.0% ▲	217.0% ▲

Nevada Housing Price Index ⁽¹⁾

(Q1 1991 = 100)

Q2 '18

Current Period	Prev. Period	Same Period Prev. Yr.
243.8	234.4	215.1
GROWTH RATE	4.0% ▲	13.3% ▲

Clark County Office Market Vacancy Rate ⁽¹⁾

Q3 '18

Current Period	Prev. Period	Same Period Prev. Yr.
17.9%	18.1%	19.1%
GROWTH RATE	-0.2% ▼	-1.2% ▼

Nevada Hotel/Motel Occupancy ⁽¹⁾

Q2 '18

Current Period	Prev. Period	Same Period Prev. Yr.
83.3%	83.3%	83.6%
GROWTH RATE	0.0% ◊	-0.3% ▼

State of Nevada Personal Income ⁽²⁾

Q2 '18

Current Period	Prev. Period	Same Period Prev. Yr.
\$145,167,169,000	\$143,968,356,000	\$137,236,632,000
GROWTH RATE	0.8% ▲	5.8% ▲

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

« Continued From Cover

Sandoval continued his push for education during the 2017 legislative session, increasing funding for the Opportunity Scholarship program in a compromise over establishing education savings accounts, creating the Nevada Promise Scholarship to cover community college tuition costs beyond state and federal aid and providing operational and capital funding for the University of Nevada, Las Vegas School of Medicine, among other legislative achievements. These many investments in education are expected to provide lasting impacts throughout Nevada long after the Sandoval administration ends.

As he closes out his two terms as governor, Sandoval remains one of the most popular chief executives in the U.S. His political leadership and administrative style certainly contribute to that standing. So too does his economic track record. In purely economic terms, under Sandoval statewide employment grew from roughly 1.1 million to approximately 1.4 million, an increase of 295,200 jobs, or 26.7 percent. Average weekly wages grew from \$661 to \$813, an increase of 23.0 percent. Lastly, Nevada's unemployment rate returned to pre-recession levels, dropping by 9.5 percentage points to 4.4 percent, the largest improvement of any state. By nearly every economic measure, Nevada is better off today than when Sandoval took office, leaving a lasting legacy and an indelible fingerprint on the Silver State.

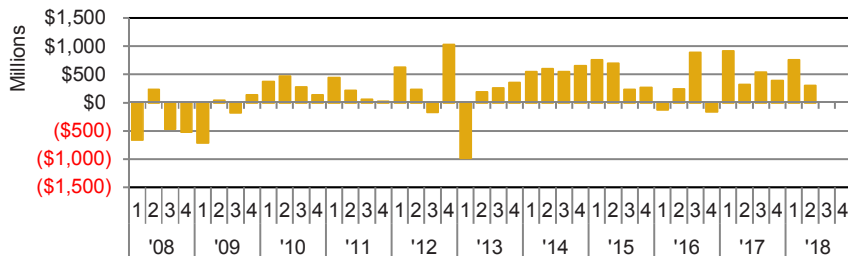
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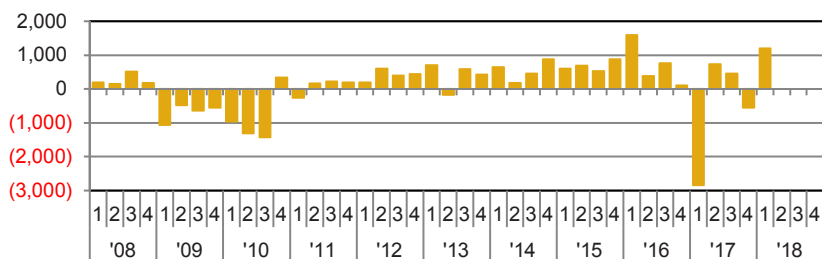
appliedanalysis.com

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.

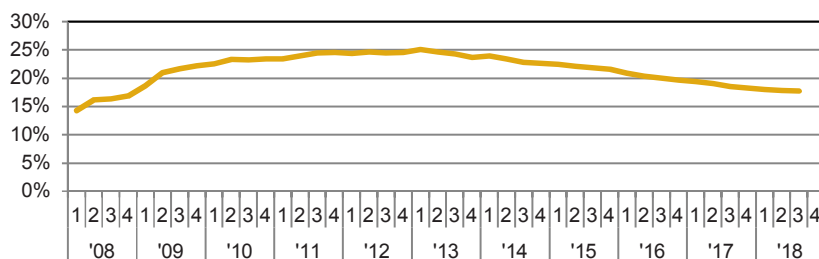
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



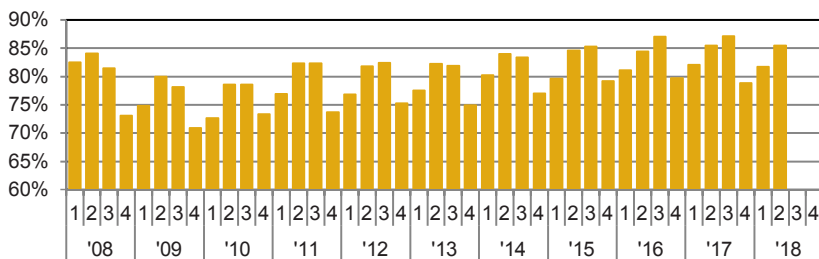
NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES



NEVADA STATE BANK

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