

Economic Briefing

DECEMBER 2018

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Nevada's economy remains one of the fastest-growing in the United States, and nowhere is that more apparent than in the state's employment growth numbers. The state is approaching eight consecutive years of positive year-over-year job creation, which has been a key driver of economic recovery and expansion over that timeframe. That extended trend pushed statewide employment over 1.4 million for the first time in September 2018, and job creation trends suggest Nevada's place among the nation's fastest-growing economies will be secure into the foreseeable future.

In the most recent national job data available, Nevada employment increased by 46,900 jobs between October 2017 and October 2018, pushing total employment to a new high of 1.41 million. Those numbers equate to a 3.4 percent year-over-year job growth rate, ranking first among all the states and doubling the national growth rate of 1.7 percent. Nevada's October 2018 job growth rate extended a streak of ranking among the top five states to 29 consecutive months. During that period, Nevada has ranked first in year-over-year job growth eight times

and second 11 times. That consistent trend contributed to the addition of 128,000 jobs over the past three years, a 10.0 percent growth rate that ranks best in the nation.

Notable employment growth throughout Nevada has contributed to the statewide trends, as Southern Nevada surpassed 1.0 million jobs earlier this year and Northern Nevada is approaching 250,000 total jobs. The Las Vegas metropolitan area added 33,900 jobs between October 2017 and October 2018, equating to a 3.4 percent year-over-year growth rate that ranked fifth among the 30 largest metropolitan areas. The Reno metropolitan area reported adding 10,700 jobs during that time, a 4.5 percent growth rate.

As employment has climbed, the unemployment rates throughout Nevada have declined. The statewide unemployment rate dropped from a 10-year peak of 13.9 percent in January 2011 to 4.2 percent in October 2018, a decrease of 9.7 percentage points that was the

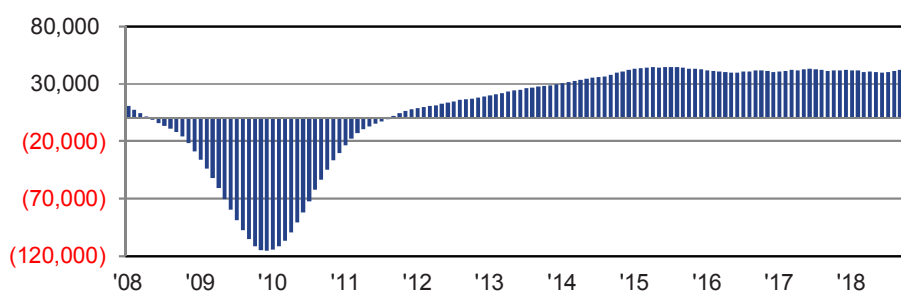
largest improvement for any state. Similarly, the Las Vegas area unemployment rate declined to 4.4 percent in October 2018, a 9.6 percentage point improvement from January 2011, while the Reno area unemployment rate dropped to 3.3 percent, a 10.6 percentage point improvement from a high of 13.9 percent.

Nevada's employment expansion over the past year has been broad based, with five major industries adding at least 6,000 jobs. The professional and business services sector led the way with 10,200 new jobs, followed by construction with 9,600 and manufacturing with 7,000. The manufacturing sector grew fastest with a 14.0 percent year-over-year growth rate, followed by the 11.2 percent growth rate for the construction industry. Construction, in particular, has reported a consistent long-term growth trend that has added 34,900 jobs over the past five years.

Growth in the construction sector has coincided with rapid population growth

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NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



MONTHLY

Employment Indicators

Nevada Employment		Oct-18
Current Period	Prev. Period	Same Period Prev. Yr.
1,409,100	1,400,500	1,362,200
GROWTH RATE	0.6% ▲	3.4% ▲

Nevada Private Average Weekly Hours Worked Oct-18

Current Period	Prev. Period	Same Period Prev. Yr.
34.0	34.6	34.5
GROWTH RATE	-1.7% ▼	-1.4% ▼

Nevada Unemployment Rate Oct-18

Current Period	Prev. Period	Same Period Prev. Yr.
4.4%	4.5%	4.9%
GROWTH RATE	-0.1% ▼	-0.5% ▼

TRAILING 12-MONTH

Employment Indicators

Nevada Employment ⁽¹⁾		Oct-18
Current Period	Prev. Period	Same Period Prev. Yr.
1,376,733	1,372,825	1,334,383
GROWTH RATE	0.3% ▲	3.2% ▲

Nevada Private Average Weekly Hours Worked⁽¹⁾ Oct-18

Current Period	Prev. Period	Same Period Prev. Yr.
34.0	34.1	34.1
GROWTH RATE	-0.1% ▼	-0.2% ▼

Nevada Unemployment Rate⁽¹⁾ Oct-18

Current Period	Prev. Period	Same Period Prev. Yr.
4.7%	4.8%	5.1%
GROWTH RATE	-0.1% ▼	-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

Oct-18

Current Period	Prev. Period	Same Period Prev. Yr.
9,903	8,289	11,203
GROWTH RATE	19.5% ▲	-11.6% ▼

Nevada Residential Housing Units Permitted

Oct-18

Current Period	Prev. Period	Same Period Prev. Yr.
1,736	1,118	1,597
GROWTH RATE	55.3% ▲	8.7% ▲

Nevada Taxable Retail Sales

Sep-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$5,071,712,546	\$5,028,001,800	\$4,949,220,069
GROWTH RATE	0.9% ▲	2.5% ▲

Nevada Gross Gaming Revenue

Oct-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$1,062,795,796	\$991,207,650	\$988,966,026
GROWTH RATE	7.2% ▲	7.5% ▲

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Oct-18

Current Period	Prev. Period	Same Period Prev. Yr.
4,784,347	4,419,422	4,675,849
GROWTH RATE	8.3% ▲	2.3% ▲

Clark/Washoe County Visitor Volume

Oct-18

Current Period	Prev. Period	Same Period Prev. Yr.
4,360,890	4,162,218	4,324,916
GROWTH RATE	4.8% ▲	0.8% ▲

Nevada New Business Creation

Q2 '18

Current Period	Prev. Period	Same Period Prev. Yr.
1,142	105	732
GROWTH RATE	987.6% ▲	56.0% ▲

Nevada Housing Price Index

(Q1 1991 = 100)

Q3 '18

Current Period	Prev. Period	Same Period Prev. Yr.
263.8	258.7	229.4
GROWTH RATE	2.0% ▲	15.0% ▲

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

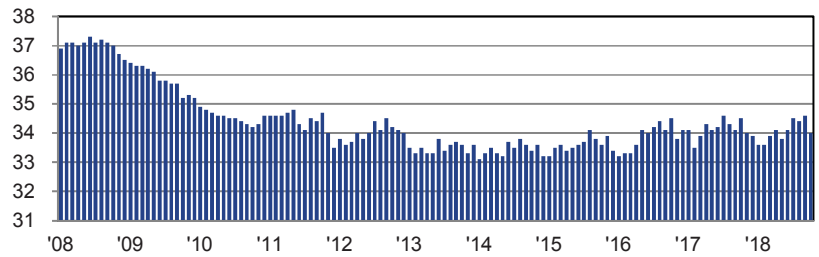
Current Period	Prev. Period	Same Period Prev. Yr.
85.5%	81.7%	85.5%
GROWTH RATE	3.8% ▲	0.0% ◀

State of Nevada Personal Income

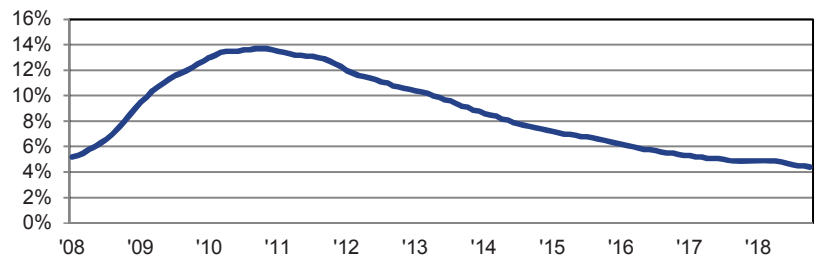
Q2 '18

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% ▲

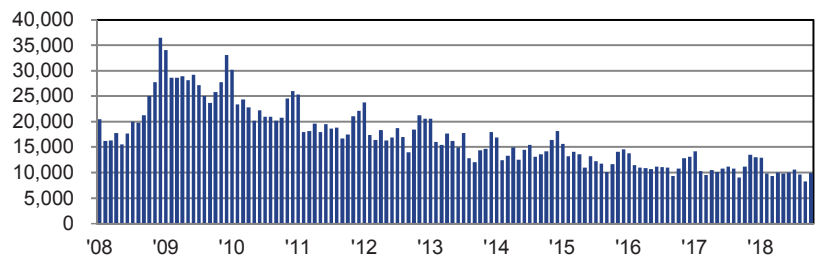
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



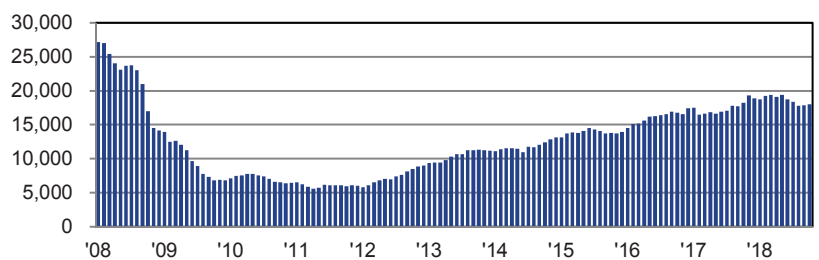
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



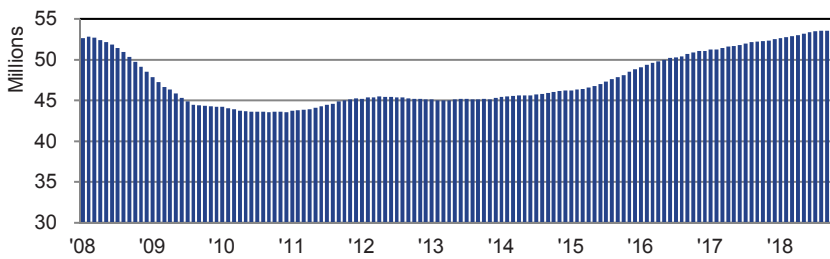
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



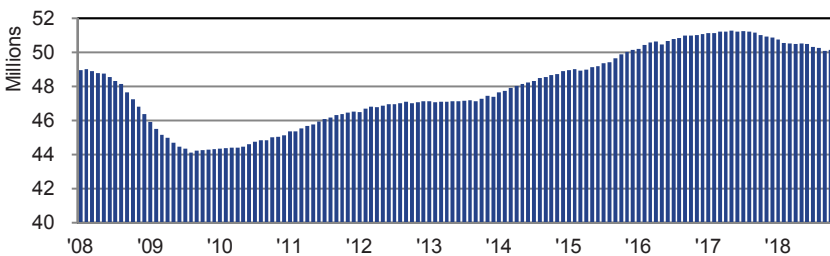
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



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



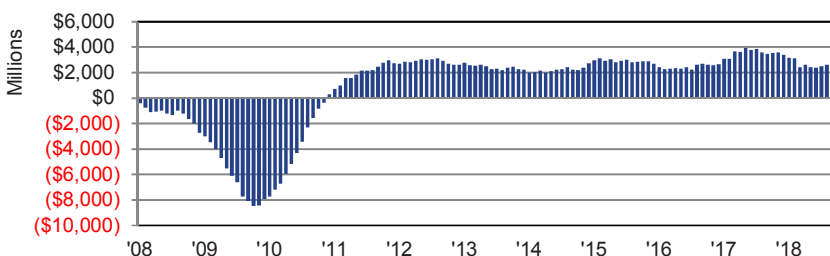
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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⁾ Oct-18

Current Period	Prev. Period	Same Period Prev. Yr.
126,715	128,015	133,409
GROWTH RATE	-1.0% ▼	-5.0% ▼

Nevada Residential Housing Units Permitted ⁽²⁾ Oct-18

Current Period	Prev. Period	Same Period Prev. Yr.
18,038	17,899	18,246
GROWTH RATE	0.8% ▲	-1.1% ▼

Nevada Taxable Retail Sales ⁽²⁾ Sep-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$59,675,289,503	\$59,552,797,026	\$57,128,660,844
GROWTH RATE	0.2% ▲	4.5% ▲

Nevada Gross Gaming Revenue ⁽²⁾ Oct-18

Current Period	Prev. Period	Same Period Prev. Yr.
\$11,819,290,256	\$11,745,460,485	\$11,588,380,279
GROWTH RATE	0.6% ▲	2.0% ▲

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers ⁽²⁾ Oct-18

Current Period	Prev. Period	Same Period Prev. Yr.
53,642,701	53,534,203	52,289,727
GROWTH RATE	0.2% ▲	2.6% ▲

Clark/Washoe County Visitor Volume ⁽²⁾ Oct-18

Current Period	Prev. Period	Same Period Prev. Yr.
50,128,903	50,092,929	51,017,637
GROWTH RATE	0.1% ▲	-1.7% ▼

Nevada New Business Creation ⁽²⁾ Q2 '18

Current Period	Prev. Period	Same Period Prev. Yr.
1,157	747	-1,236
GROWTH RATE	54.9% ▲	193.6% ▲

Nevada Housing Price Index ⁽¹⁾ Q3 '18
(Q1 1991 = 100)

Current Period	Prev. Period	Same Period Prev. Yr.
252.5	243.9	220.3
GROWTH RATE	3.5% ▲	14.6% ▲

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.

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throughout the state. Nevada ranked second in annual population growth in each of the past two years and surpassed 3 million residents for the first time in 2017. The influx of new residents has increased demand for housing, and homebuilders have responded with new construction activity. On a trailing 12-month basis, total residential permits in Nevada have grown by 24.3 percent, with homebuilders adding 18,000 units per year. The majority of that activity is taking place in Southern Nevada, where, on a trailing 12-month basis, total new home permits issued over the past year climbed 16.8 percent from 9,262 to 10,816 permits.

Throughout the state, more than \$25 billion in major new investments and ongoing construction projects are underway. In Southern Nevada, ongoing projects include the \$7 billion Resorts World Las Vegas, the \$1.8 billion Las Vegas Stadium, and the \$1.4 billion expansion and renovation of the Las Vegas Convention Center. In Northern Nevada, projects include the \$5.4 billion Tesla Gigafactory, the \$4.0 billion Switch Citadel and the \$2.6 billion Apple Data Center Expansion.

These projects, along with more than \$9 billion in other planned investments, suggest continued expansion of not only the construction industry but of the Nevada economy as a whole. And as the economy's expansion continues, so too will statewide employment.

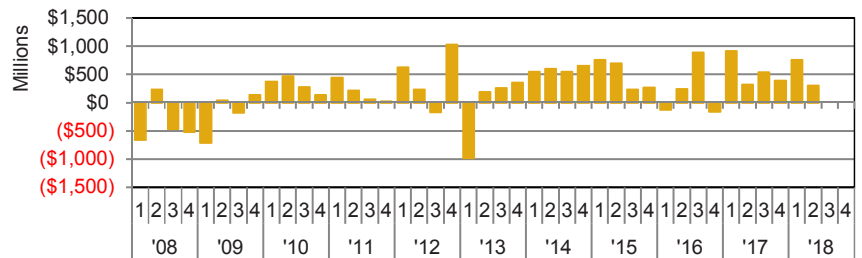
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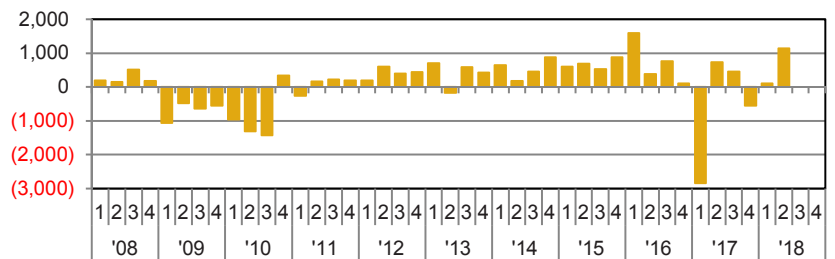
appliedanalysis.com

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.

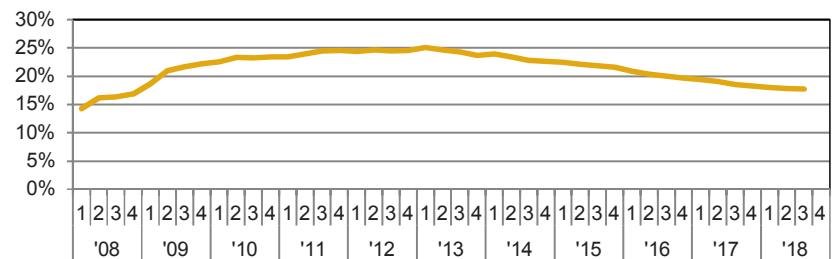
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



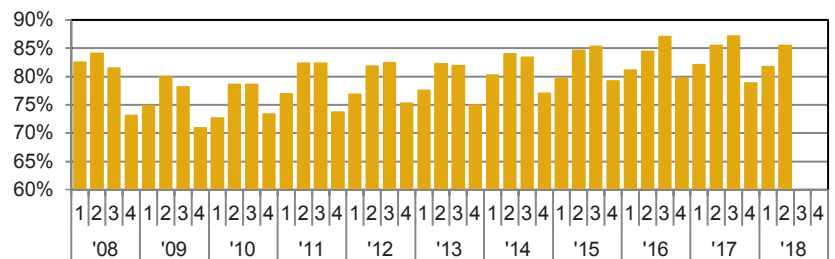
NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES



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