

Economic Briefing

JULY 2019

ISSUE SEVEN | VOLUME THIRTEEN

Gasoline prices in the United States have been on a roller coaster in recent months. Following a steady rise from 2016 into October 2018, the average weekly regular gas price tumbled roughly 65 cents per gallon from \$2.88 to \$2.24 by January 2019, the lowest price in two years. Since then, the price rebounded to \$2.90 in May, dipped 25 cents by late June and climbed back to just under \$2.80 by mid-July, according to the U.S. Energy Information Administration ("EIA"). Despite the summer price bump, the average price remained 3 cents per gallon lower than a year ago.

In comparison, Nevadans are paying about 50 cents more per gallon at \$3.30, while gas prices for regular gas in the Las Vegas metropolitan area stood at \$3.27, according to AAA. Drivers in the Reno metropolitan area were paying even more with an average price per gallon of \$3.46. On average, prices per gallon compared to a year ago were up 5 cents per gallon statewide, 7 cents per gallon in the Las Vegas area and 3 cents per gallon in the Reno area.

Rising gasoline prices typically lead to reduced consumption by drivers. However, during most of the recovery period that has marked the longest economic expansion in U.S. history, total gasoline consumption has increased in Clark County every year since 2011. Notably, gasoline consumption growth outgrew the region's population growth in both the state and in Clark County between 2015 and 2017, suggesting that consumer behavior was relatively unaffected by the price increases.

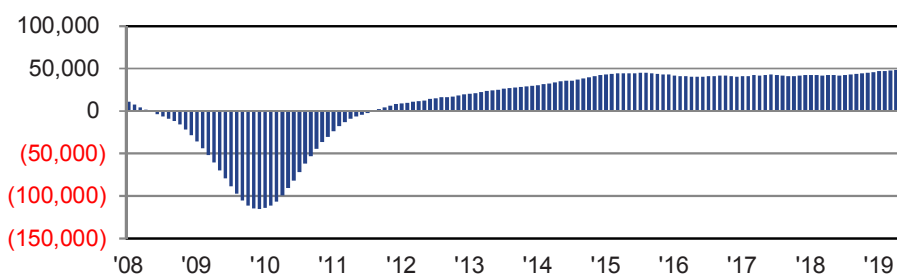
That trend has since changed. In 2017, gallons of gasoline sold per person statewide

totalled 409.7 gallons, and in Clark County they totalled 384.1 gallons per person. A year later, the statewide number dropped to 407.7, and the Clark County number dropped to 379.5 gallons per person. Rolling 12-month sales totals for gallons of gasoline were down 1 percent year over year in April 2019, while measures of population growth such as electric meter hookups and driver's license surrenders had increased by at least twice that. This data suggests that the slowing gasoline consumption trend in Nevada could continue through 2019 as population rises faster than gasoline consumption.

Any rise in gas prices also has the potential to affect Las Vegas area visitation, as just over half of visitors to Las Vegas arrive via road transportation. Southern California is the origin for about 19 percent of all annual visits to Las Vegas, and the vast majority of those eight million visitors drive up Interstate 15 as their preferred travel option. California is home to the nation's highest gas prices, which typically exceed Nevada's

Continued on Back Cover >>

NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



MONTHLY

Employment Indicators

Nevada Employment		May-19
Current Period	Prev. Period	Same Period Prev. Yr.
1,437,700	1,428,400	1,384,100
GROWTH RATE	0.7% ▲	3.9% ▲

Nevada Private Average Weekly Hours Worked		May-19
Current Period	Prev. Period	Same Period Prev. Yr.
34.6	34.7	33.8
GROWTH RATE	-0.3% ▼	2.4% ▲

Nevada Unemployment Rate		May-19
Current Period	Prev. Period	Same Period Prev. Yr.
4.0%	4.0%	4.6%
GROWTH RATE	0.0% ◆	-0.6% ▼

TRAILING 12-MONTH

Employment Indicators

Nevada Employment ⁽¹⁾		May-19
Current Period	Prev. Period	Same Period Prev. Yr.
1,408,050	1,403,583	1,358,875
GROWTH RATE	0.3% ▲	3.6% ▲

Nevada Private Average Weekly Hours Worked ⁽¹⁾		May-19
Current Period	Prev. Period	Same Period Prev. Yr.
34.5	34.4	34.0
GROWTH RATE	0.2% ▲	1.2% ▲

Nevada Unemployment Rate ⁽¹⁾		May-19
Current Period	Prev. Period	Same Period Prev. Yr.
4.3%	4.4%	4.8%
GROWTH RATE	-0.1% ▼	-0.5% ▼

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

May-19

Current Period	Prev. Period	Same Period Prev. Yr.
9,432	10,080	9,789
GROWTH RATE	-6.4% ▼	-3.6% ▼

Nevada Residential Housing Units Permitted

May-19

Current Period	Prev. Period	Same Period Prev. Yr.
1,673	1,310	2,080
GROWTH RATE	27.7% ▲	-19.6% ▼

Nevada Taxable Retail Sales

Mar-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$5,628,409,110	\$4,563,698,099	\$5,413,030,851
GROWTH RATE	23.3% ▲	4.0% ▲

Nevada Gross Gaming Revenue

May-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$981,842,080	\$936,478,914	\$1,044,072,414
GROWTH RATE	4.8% ▲	-6.0% ▼

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Apr-19

Current Period	Prev. Period	Same Period Prev. Yr.
4,621,760	4,795,353	4,513,674
GROWTH RATE	-3.6% ▼	2.4% ▲

Clark/Washoe County Visitor Volume

May-19

Current Period	Prev. Period	Same Period Prev. Yr.
4,379,050	4,211,055	4,335,581
GROWTH RATE	4.0% ▲	1.0% ▲

Nevada New Business Creation

Q4 '18

Current Period	Prev. Period	Same Period Prev. Yr.
422	635	-550
GROWTH RATE	-33.5% ▼	176.7% ▲

Nevada Housing Price Index

(Q1 1991 = 100)

Q1 '19

Current Period	Prev. Period	Same Period Prev. Yr.
272.9	267.9	247.9
GROWTH RATE	1.9% ▲	10.1% ▲

Clark County Office Market Vacancy Rate

Q1 '19

Current Period	Prev. Period	Same Period Prev. Yr.
16.0%	16.6%	17.3%
GROWTH RATE	-0.6% ▼	-1.3% ▼

Nevada Hotel/Motel Occupancy

Q4 '18

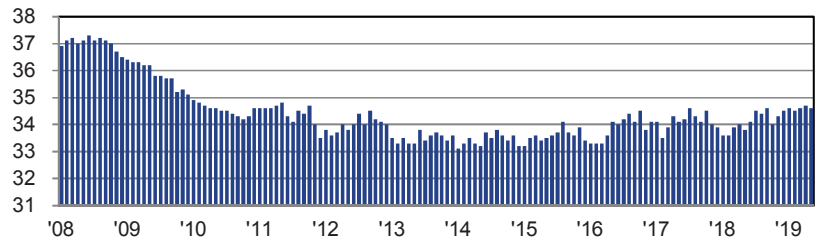
Current Period	Prev. Period	Same Period Prev. Yr.
80.2%	85.0%	78.7%
GROWTH RATE	-4.8% ▼	1.5% ▲

State of Nevada Personal Income

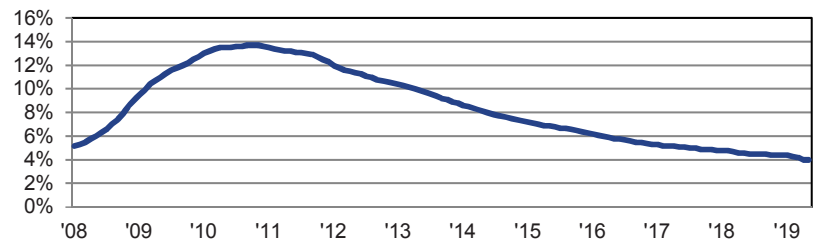
Q1 '19

Current Period	Prev. Period	Same Period Prev. Yr.
\$38,011,400,000	\$37,606,175,000	\$36,064,775,000
GROWTH RATE	1.1% ▲	5.4% ▲

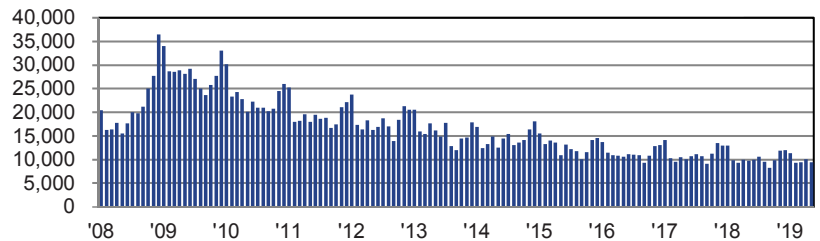
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



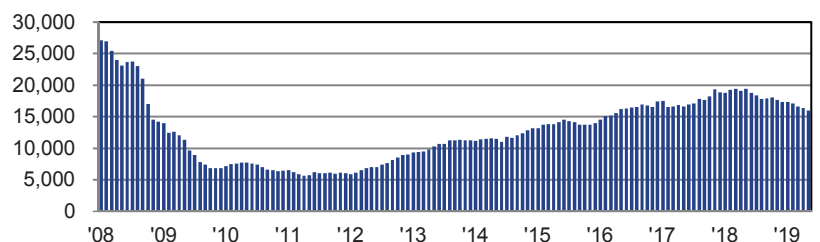
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



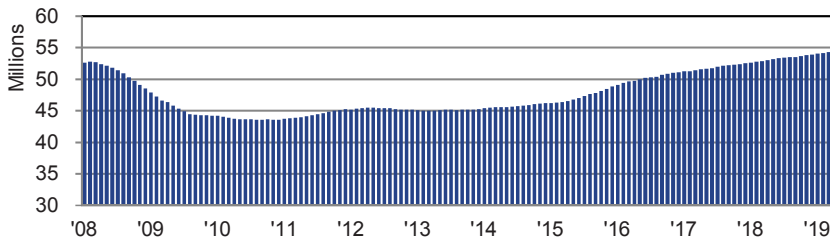
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



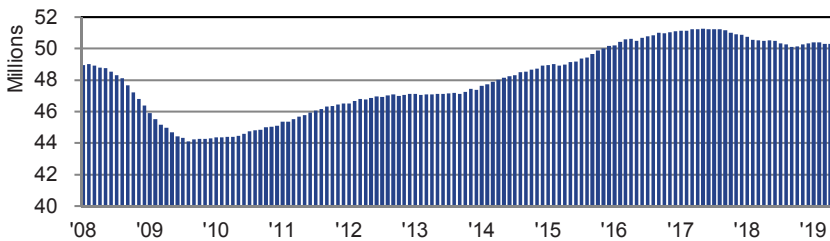
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



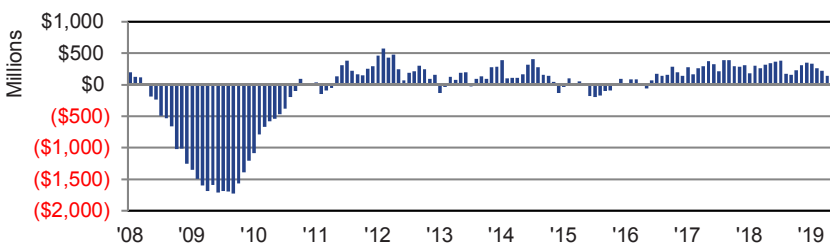
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



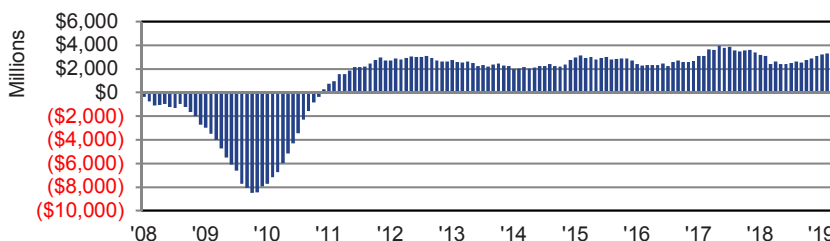
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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 ⁽²⁾

		May-19	
Current Period	Prev. Period	Same Period	Prev. Yr.
121,793	122,150	131,278	
GROWTH RATE	-0.3% ▼	-7.2% ▼	

Nevada Residential Housing Units Permitted ⁽²⁾

		May-19	
Current Period	Prev. Period	Same Period	Prev. Yr.
15,999	16,406	19,399	
GROWTH RATE	-2.5% ▼	-17.5% ▼	

Nevada Taxable Retail Sales ⁽²⁾

		Mar-19	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$61,627,020,944	\$61,411,642,685	\$58,120,491,376	
GROWTH RATE	0.4% ▲	6.0% ▲	

Nevada Gross Gaming Revenue ⁽²⁾

		May-19	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$11,799,691,982	\$11,861,922,316	\$11,775,210,828	
GROWTH RATE	-0.5% ▼	0.2% ▲	

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

		Apr-19	
Current Period	Prev. Period	Same Period	Prev. Yr.
54,401,541	54,293,455	53,025,906	
GROWTH RATE	0.2% ▲	2.6% ▲	

Clark/Washoe County Visitor Volume ⁽²⁾

		May-19	
Current Period	Prev. Period	Same Period	Prev. Yr.
50,328,506	50,285,037	50,533,881	
GROWTH RATE	0.1% ▲	-0.4% ▼	

Nevada New Business Creation ⁽²⁾

		Q4 '18	
Current Period	Prev. Period	Same Period	Prev. Yr.
2,305	1,333	-2,199	
GROWTH RATE	72.9% ▲	204.8% ▲	

Nevada Housing Price Index ⁽¹⁾

		Q1 '19	
<i>(Q1 1991 = 100)</i>			
Current Period	Prev. Period	Same Period	Prev. Yr.
265.8	259.6	234.4	
GROWTH RATE	2.4% ▲	13.4% ▲	

Clark County Office Market Vacancy Rate ⁽¹⁾

		Q1 '19	
Current Period	Prev. Period	Same Period	Prev. Yr.
16.7%	17.0%	17.8%	
GROWTH RATE	-0.4% ▼	-1.2% ▼	

Nevada Hotel/Motel Occupancy ⁽¹⁾

		Q4 '18	
Current Period	Prev. Period	Same Period	Prev. Yr.
83.1%	82.7%	83.5%	
GROWTH RATE	0.4% ▲	-0.4% ▼	

State of Nevada Personal Income ⁽²⁾

		Q1 '19	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$152,045,600,000	\$150,424,700,000	\$144,259,100,000	
GROWTH RATE	1.1% ▲	5.4% ▲	

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

« Continued From Cover

average price by about 50 cents. For example, the latest average price per gallon for regular gasoline was \$3.75, nearly a dollar higher than the national average and about 10 cents per gallon higher than the state's average a year ago.

Yet that price increase appears to have had little effect so far on driving visitors, as daily average auto traffic at the Nevada-California border has dipped only 0.1 percent year over year on a trailing 12-month average basis. Fortunately for drivers from California and the rest of the nation, the EIA believes that gasoline prices have already peaked in 2019 when they approached \$2.90 per gallon in May. The agency forecasts the average national gas price to hover around \$2.65 per gallon for the remainder of the year, providing Nevadans, Californians and Americans with additional income to spend on other goods or services.

The EIA's forecast is based on global supply and demand trends in the crude oil market. On the supply side, the 14-member Organization of the Petroleum Exporting Countries ("OPEC") is expected to continue to slow production. However, that slowdown is expected to be offset by supply growth by non-OPEC nations including the United States, which surpassed 12 million barrels a month for the first time in April. On the demand side, the EIA forecasts slowing global oil consumption due to a slowing worldwide economy. Combined, these factors are expected to keep downward pressure on gasoline prices across the nation through the end of the year and into the next.

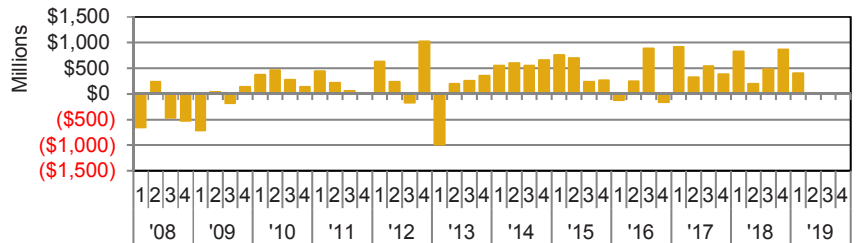
Prepared by:



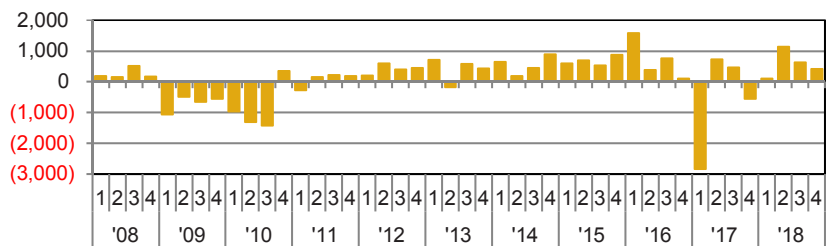
appliedanalysis.com

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.

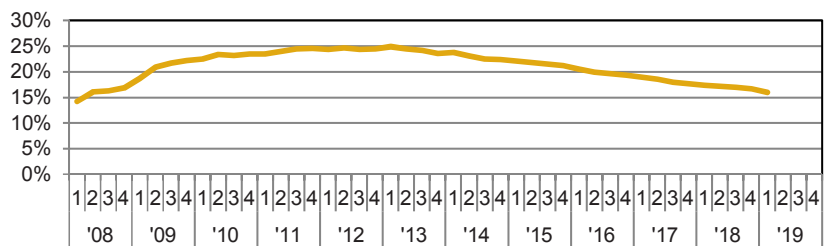
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



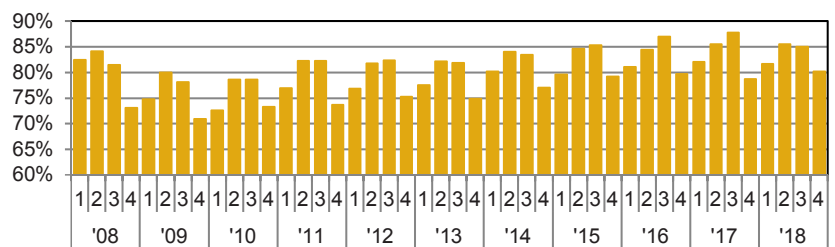
NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES



NEVADA STATE BANK
THE DOOR TO YOUR FUTURE

