



Over the past few years, Nevada has been one of the nation's fastest-growing economies. On a year-over-year basis, total nonfarm employment grew by 3.0 percent in Nevada from August 2018 to August 2019, good for second-highest behind Utah. The statewide unemployment rate has continued to drop as well, decreasing by 0.3 percentage points over the past year to 4.2 percent as of August 2019. This strong growth trend, now many years in, has naturally attracted investment and development of all kinds, including hospitality and technology investments that will help the state's economy continue to be strong, diverse and sustainable going into the future.

Economic Briefing

OCTOBER 2019

ISSUE TEN | VOLUME THIRTEEN

Hospitality remains the core of the Las Vegas metropolitan area's economy, and there are a number of investments in the pipeline that are under construction or close to completion that will help strengthen the regional economy's core by creating jobs and attracting visitors. Three of the largest tourism-related investments are Resorts World Las Vegas, Allegiant Stadium and the expansion of the Las Vegas Convention Center, all of which are scheduled to complete in 2020 for a combined cost of \$7.6 billion. These three projects will not only create a substantial number of local jobs, they all appeal to distinctive segments of the tourism market, such as the convention market or football fans, which helps diversify the visitor base. Other projects among the \$19.1 billion in total tourism-related investments include the MSG Sphere and the Wynn Convention Center, which are both under construction, and planned projects such as The Drew and the Moulin Rouge casino-hotels.

Southern Nevada has a number of impactful non-tourism projects under

construction that will help diversify the local economy. These include Union Village (expected to complete in 2025 at a cost of \$1.2 billion) and the Google Data Center (expected to complete in late 2020 at a cost of \$600 million). Union Village is a sprawling health-based community in Henderson that will include a dialysis clinic, a gym, multiple condominium projects, a hotel and retail space, among other amenities. The Google Data Center, also in Henderson, will both support internet infrastructure and create high-paying jobs.

The Reno metropolitan area is seeing a number of large-scale investments that are contributing to the ongoing transformation of the regional economy. In total, \$15.2 billion of investments are planned or under construction in Northern Nevada, with two of these, the Tesla Gigafactory (\$6.0 billion) and the Switch Citadel (\$4.0 billion) making up nearly two-thirds of this total. The second phase of the Gigafactory is anticipated to complete in 2020, while the second phase of the Switch Citadel is expected to be

MONTHLY

Employment Indicators

Nevada Employment		Aug-19
Current Period	Prev. Period	Same Period Prev. Yr.
1,433,100	1,425,600	1,391,800
GROWTH RATE	0.5% ▲	3.0% ▲

Nevada Private Average Weekly Hours Worked		Aug-19
Current Period	Prev. Period	Same Period Prev. Yr.
34.5	34.4	34.4
GROWTH RATE	0.3% ▲	0.3% ▲

Nevada Unemployment Rate		Aug-19
Current Period	Prev. Period	Same Period Prev. Yr.
4.1%	4.1%	4.5%
GROWTH RATE	0.0% ◆	-0.4% ▼

TRAILING 12-MONTH

Employment Indicators

Nevada Employment ⁽¹⁾		Aug-19
Current Period	Prev. Period	Same Period Prev. Yr.
1,418,658	1,415,217	1,370,192
GROWTH RATE	0.2% ▲	3.5% ▲

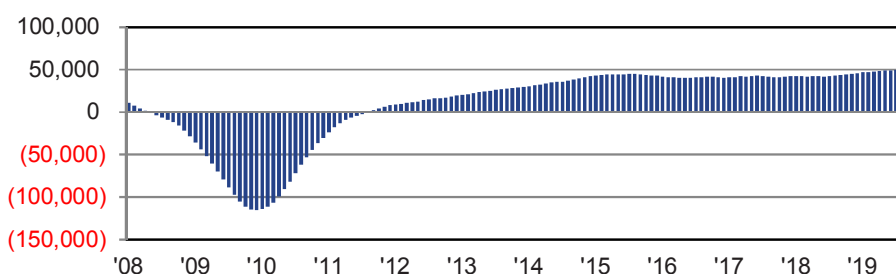
Nevada Private Average Weekly Hours Worked ⁽¹⁾		Aug-19
Current Period	Prev. Period	Same Period Prev. Yr.
34.5	34.5	34.0
GROWTH RATE	0.0% ◆	1.5% ▲

Nevada Unemployment Rate ⁽¹⁾		Aug-19
Current Period	Prev. Period	Same Period Prev. Yr.
4.2%	4.3%	4.7%
GROWTH RATE	-0.1% ▼	-0.5% ▼

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

Continued on Back Cover >>

NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



MONTHLY & QUARTERLY
Economic Indicator Series

Nevada Initial Unemployment Insurance Claims

Aug-19

Current Period	Prev. Period	Same Period Prev. Yr.
9,685	9,872	9,580
GROWTH RATE	-1.9% ▼	1.1% ▲

Nevada Residential Housing Units Permitted

Aug-19

Current Period	Prev. Period	Same Period Prev. Yr.
1,404	1,865	1,352
GROWTH RATE	-24.7% ▼	3.8% ▲

Nevada Taxable Retail Sales

Jul-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$5,232,884,218	\$5,637,972,387	\$5,047,867,279
GROWTH RATE	-7.2% ▼	3.7% ▲

Nevada Gross Gaming Revenue

Jul-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$1,023,950,453	\$1,040,994,018	\$994,997,324
GROWTH RATE	-1.6% ▼	2.9% ▲

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Jul-19

Current Period	Prev. Period	Same Period Prev. Yr.
4,939,286	4,841,474	4,840,199
GROWTH RATE	2.0% ▲	2.0% ▲

Clark/Washoe County Visitor Volume

Aug-19

Current Period	Prev. Period	Same Period Prev. Yr.
4,311,854	4,442,217	4,286,662
GROWTH RATE	-2.9% ▼	0.6% ▲

Nevada New Business Creation

Q1 '19

Current Period	Prev. Period	Same Period Prev. Yr.
386	736	-77
GROWTH RATE	-47.6% ▼	601.3% ▲

Nevada Housing Price Index

(Q1 1991 = 100)

Q2 '19

Current Period	Prev. Period	Same Period Prev. Yr.
272.9	272.3	256.5
GROWTH RATE	0.2% ▲	6.4% ▲

Clark County Office Market Vacancy Rate

Q2 '19

Current Period	Prev. Period	Same Period Prev. Yr.
15.4%	15.4%	16.5%
GROWTH RATE	0.0% ◀	-1.1% ▼

Nevada Hotel/Motel Occupancy

Q2 '19

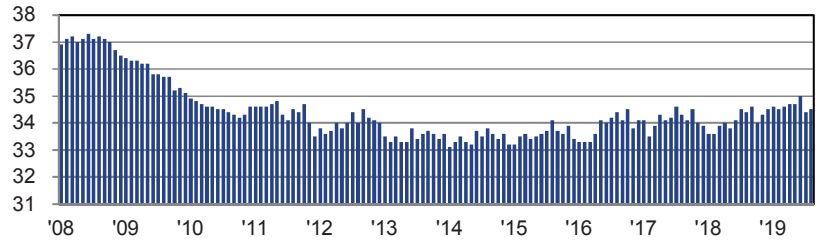
Current Period	Prev. Period	Same Period Prev. Yr.
85.5%	81.6%	85.5%
GROWTH RATE	3.9% ▲	0.0% ◀

State of Nevada Personal Income

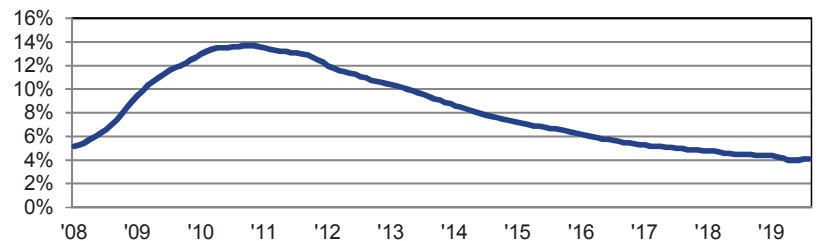
Q2 '19

Current Period	Prev. Period	Same Period Prev. Yr.
\$39,139,900,000	\$38,542,525,000	\$36,925,525,000
GROWTH RATE	1.5% ▲	6.0% ▲

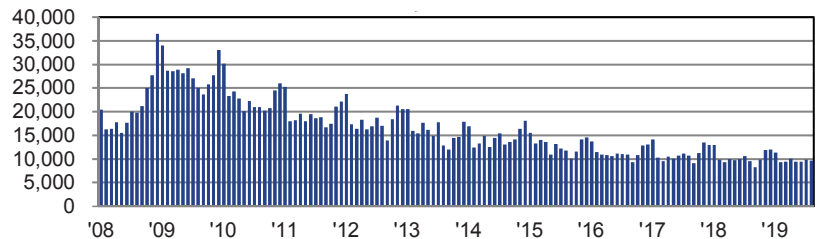
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



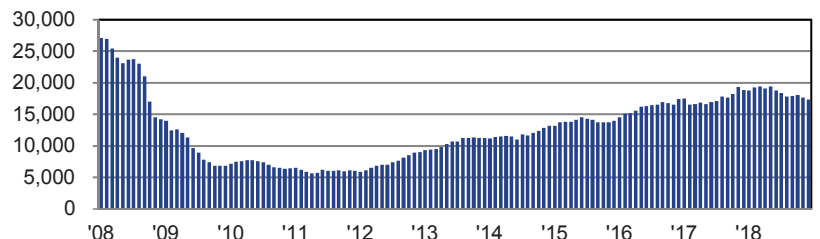
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES

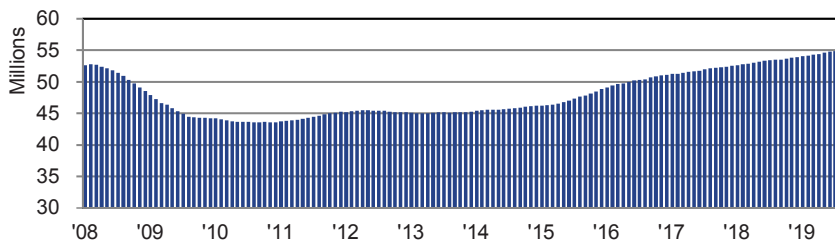


NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



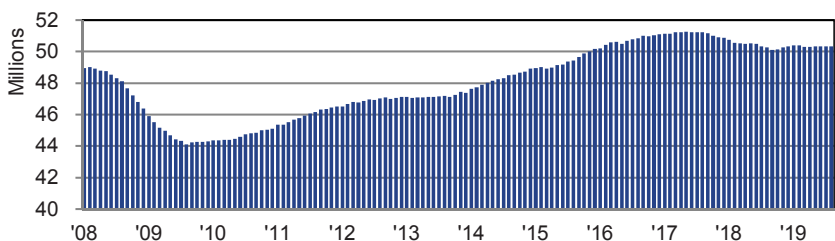
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS

TRAILING 12-MONTH TOTALS



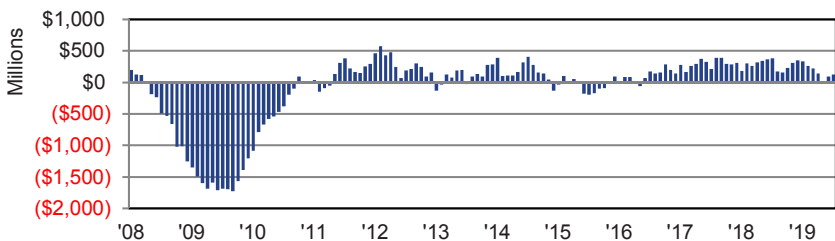
CLARK/WASHOE COUNTY VISITOR VOLUME

TRAILING 12-MONTH TOTALS



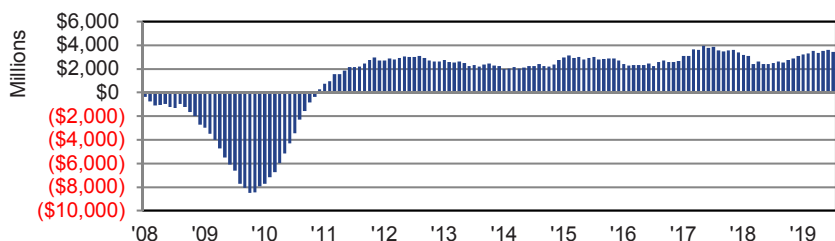
GROWTH IN NEVADA GROSS GAMING REVENUE

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⁾ Aug-19

Current Period	Prev. Period	Same Period Prev. Yr.
120,673	120,568	128,794
GROWTH RATE	0.1% ▲	-6.3% ▼

Nevada Residential Housing

Units Permitted ⁽²⁾ Aug-19

Current Period	Prev. Period	Same Period Prev. Yr.
17,747	17,695	17,824
GROWTH RATE	0.3% ▲	-0.4% ▼

Nevada Taxable Retail Sales ⁽²⁾ Jul-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$62,746,042,814	\$62,561,025,875	\$59,298,980,168
GROWTH RATE	0.3% ▲	5.8% ▲

Nevada Gross Gaming Revenue ⁽²⁾ Jul-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$11,936,551,860	\$11,907,598,731	\$11,809,539,740
GROWTH RATE	0.2% ▲	1.1% ▲

Las Vegas/Reno-Tahoe

Enplaned and Deplaned Passengers ⁽²⁾ Jul-19

Current Period	Prev. Period	Same Period Prev. Yr.
54,851,277	54,752,190	53,460,339
GROWTH RATE	0.2% ▲	2.6% ▲

Clark/Washoe County Visitor Volume ⁽²⁾ Aug-19

Current Period	Prev. Period	Same Period Prev. Yr.
50,340,891	50,315,699	50,252,918
GROWTH RATE	0.1% ▲	0.2% ▲

Nevada New Business Creation ⁽¹⁾ Q1 '19

Current Period	Prev. Period	Same Period Prev. Yr.
1,469	1,108	-1,057
GROWTH RATE	32.6% ▲	239.0% ▲

Nevada Housing Price Index ⁽¹⁾

(Q1 1991 = 100) Q2 '19

Current Period	Prev. Period	Same Period Prev. Yr.
268.3	264.2	242.6
GROWTH RATE	1.6% ▲	10.6% ▲

Clark County Office

Market Vacancy Rate ⁽¹⁾ Q2 '19

Current Period	Prev. Period	Same Period Prev. Yr.
15.8%	16.1%	16.9%
GROWTH RATE	-0.2% ▼	-1.1% ▼

Nevada Hotel/Motel Occupancy ⁽¹⁾ Q2 '19

Current Period	Prev. Period	Same Period Prev. Yr.
83.1%	83.1%	83.4%
GROWTH RATE	0.0% ◆	-0.3% ▼

State of Nevada Personal Income ⁽²⁾ Q2 '19

Current Period	Prev. Period	Same Period Prev. Yr.
\$156,559,600,000	\$154,170,100,000	\$147,702,100,000
GROWTH RATE	1.5% ▲	6.0% ▲

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

« Continued From Cover

completed in 2025. Upon completion, the Tesla Gigafactory is expected to be the largest building in the world and entirely powered by renewable energy. Similarly, the Switch Citadel is also expected to be entirely powered by renewable energy, and at final build will include 7.2 million square feet of data center space. Switch's current 1.3 million-square-foot facility is the largest data center in the world. These two investments are helping make Northern Nevada a major technology hub with global significance.

Many of the state's recently completed and ongoing projects are part of a sustained effort to diversify and bolster Nevada's economy. One metric of economic diversity, the Hachman Index, measures the overall diversity of an area's economy compared to the country as a whole, with a score closer to 100 meaning that the local economy is more diverse. In the last 10 years, Nevada's economy has become substantially more diverse, as its Hachman score increased from 73.6 to 80.7, an increase of 7.1 percentage points or 9.6 percent. The Hachman Index for the Las Vegas metropolitan area increased by 7.2 points to 73.3, an increase of 10.9 percent, and the Northern Nevada economy saw its Hachman score increase by 1.6 points, or 1.8 percent. Continued investment plays a critical role in driving these scores upwards, as new developments create jobs that attract people, which in turn leads to the creation of new jobs across different industries.

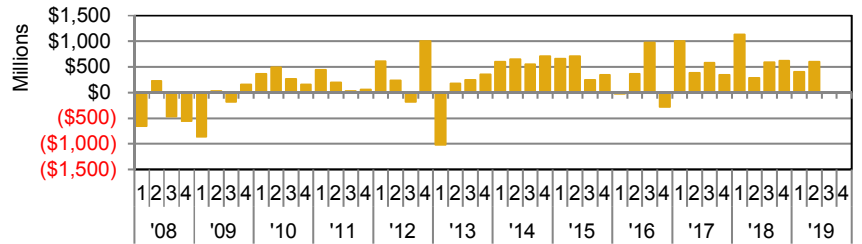
Prepared by:



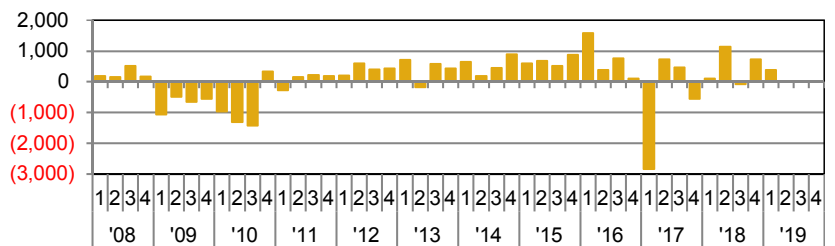
appliedanalysis.com

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.

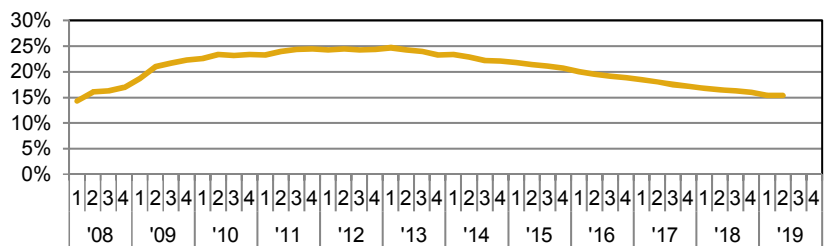
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



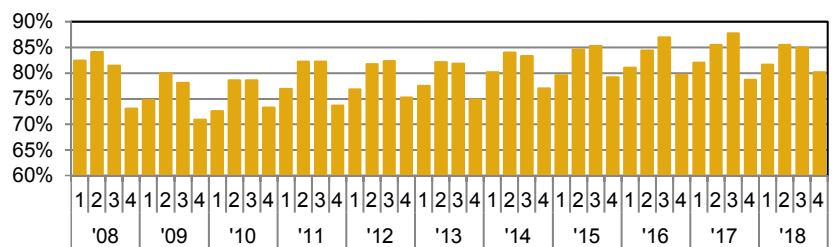
NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES



NEVADA STATE BANK
THE DOOR TO YOUR FUTURE