

Economic Briefing

NOVEMBER 2019
ISSUE ELEVEN | VOLUME THIRTEEN

Nevada has experienced some of the strongest employment growth in the country in recent years, and although annual job growth in both the country and state has slowed, the Silver State remains well ahead of the national average. Since the start of 2019, year-over-year employment growth in the United States has dipped from 2.0 percent to 1.5 percent in September. In Nevada, job growth has dipped from 4.2 percent to 3.2 percent during the same period; however, Nevada's latest job growth rate was more than twice the national rate and topped all other states.

Nevada's job growth over the past year equated to 45,100 more jobs. This growth was primarily driven by gains in two major sectors, with the construction sector adding 9,800 new jobs and the professional and business services sector adding 9,700. These two sectors alone accounted for 43.2 percent of all jobs added in Nevada during the past year.

Continued population growth and major construction projects throughout the state helped drive job gains in the construction sector, which led all sectors with a year-over-year job growth rate of 10.6 percent. Employment in the professional and business services sector also experienced strong growth over the past year, increasing by 5.0 percent. The statewide demand for workers has driven wages upward, with the strongest gains in construction. Average weekly wages in the industry increased by \$326, or 29.4 percent, from \$1,107 to \$1,432. Overall average weekly wages increased by 6.6 percent to \$865. Broad employment growth has driven down the statewide unemployment rate from 4.5 percent in September 2018 to 3.8 percent a year later,

marking the fourth time this year that the statewide rate has dipped below 4.0 percent. Prior to 2019, the unemployment rate hadn't reached that level since 2006.

The Las Vegas metropolitan area experienced solid employment job gains as total employment increased by 2.3 percent, or 23,100 jobs, over the past year. The leisure and hospitality sector and the construction sector contributed the majority of new jobs to the region, adding 8,300 jobs and 5,900 jobs, respectively. The combined 14,200 new jobs in these sectors accounted for 61.5 percent of all new jobs in the Las Vegas area during the past year. Construction was also the fastest-growing sector in the Las Vegas region, with total employment increasing by 9.0 percent. Job growth in the Las Vegas region has been reflected in the local unemployment rate, which dropped to 4.0 percent in September 2019, an improvement from the 4.8 percent recorded a year ago and among the lowest rates recorded in more than a dozen years.

The Reno metro area has experienced more robust employment growth over the past

MONTHLY Employment Indicators

Nevada Employment		Sep-19
Current Period	Prev. Period	Same Period Prev. Yr.
1,445,300	1,433,100	1,400,200
GROWTH RATE	0.9% ▲	3.2% ▲

Nevada Private Average Weekly Hours Worked		Sep-19
Current Period	Prev. Period	Same Period Prev. Yr.
34.7	34.5	34.6
GROWTH RATE	0.6% ▲	0.3% ▲

Nevada Unemployment Rate		Sep-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⁾		Sep-19
Current Period	Prev. Period	Same Period Prev. Yr.
1,422,417	1,418,658	1,373,983
GROWTH RATE	0.3% ▲	3.5% ▲

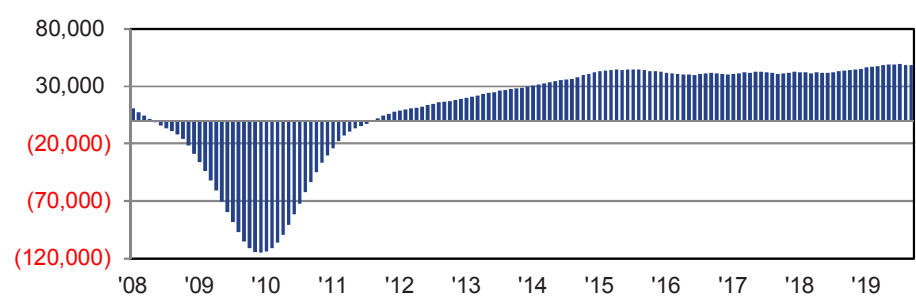
Nevada Private Average Weekly Hours Worked ⁽¹⁾		Sep-19
Current Period	Prev. Period	Same Period Prev. Yr.
34.5	34.5	34.1
GROWTH RATE	0.0% ◆	1.4% ▲

Nevada Unemployment Rate ⁽¹⁾		Sep-19
Current Period	Prev. Period	Same Period Prev. Yr.
4.2%	4.2%	4.7%
GROWTH RATE	0.0% ◆	-0.5% ▼

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

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NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



MONTHLY & QUARTERLY
Economic Indicator Series

Nevada Initial Unemployment Insurance Claims

Sep-19

Current Period	Prev. Period	Same Period Prev. Yr.
8,441	9,685	8,289
GROWTH RATE	-12.8% ▼	1.8% ▲

Nevada Residential Housing Units Permitted

Sep-19

Current Period	Prev. Period	Same Period Prev. Yr.
1,462	1,404	1,118
GROWTH RATE	4.1% ▲	30.8% ▲

Nevada Taxable Retail Sales

Aug-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$5,410,952,341	\$5,232,884,218	\$5,028,001,800
GROWTH RATE	3.4% ▲	7.6% ▲

Nevada Gross Gaming Revenue

Sep-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$1,059,291,018	\$952,406,472	\$991,600,256
GROWTH RATE	11.2% ▲	6.8% ▲

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Sep-19

Current Period	Prev. Period	Same Period Prev. Yr.
4,716,425	4,863,248	4,419,422
GROWTH RATE	-3.0% ▼	6.7% ▲

Clark/Washoe County Visitor Volume

Sep-19

Current Period	Prev. Period	Same Period Prev. Yr.
4,147,765	4,311,854	4,162,218
GROWTH RATE	-3.8% ▼	-0.3% ▼

Nevada New Business Creation

Q2 '19

Current Period	Prev. Period	Same Period Prev. Yr.
1,321	-273	1,143
GROWTH RATE	583.9% ▲	15.6% ▲

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% ◀

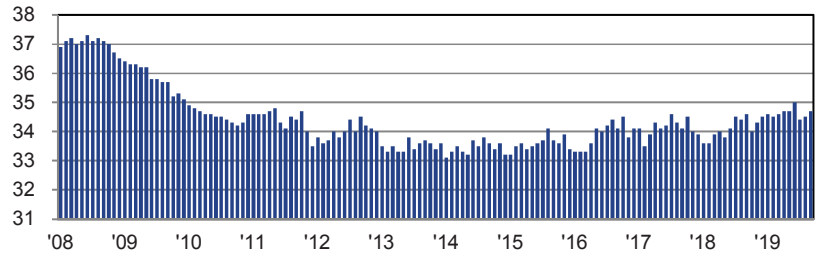
State of Nevada Personal Income

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% ▲

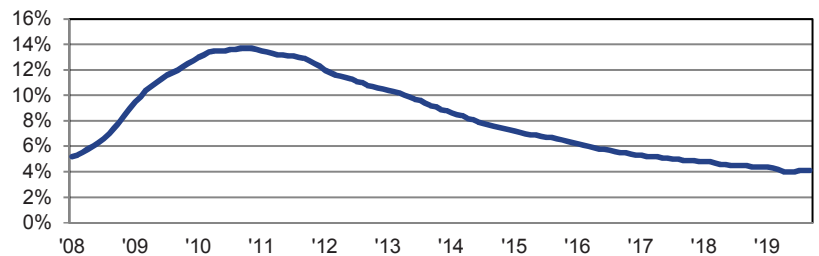
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED

MONTHLY SERIES



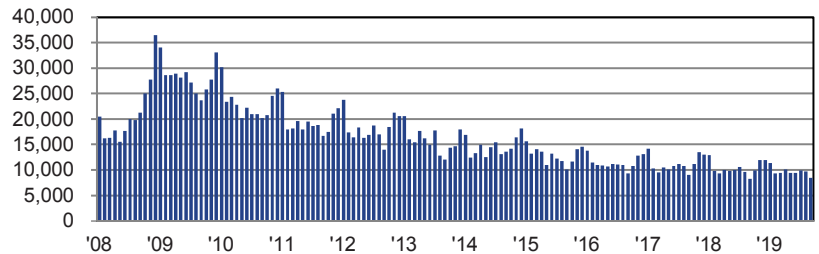
NEVADA UNEMPLOYMENT RATE

MONTHLY SERIES



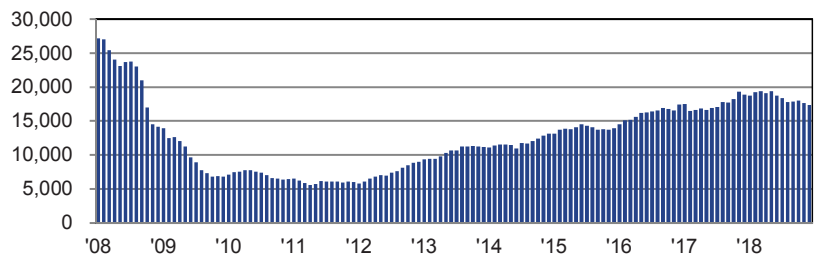
NEVADA UNEMPLOYMENT INSURANCE CLAIMS

MONTHLY SERIES

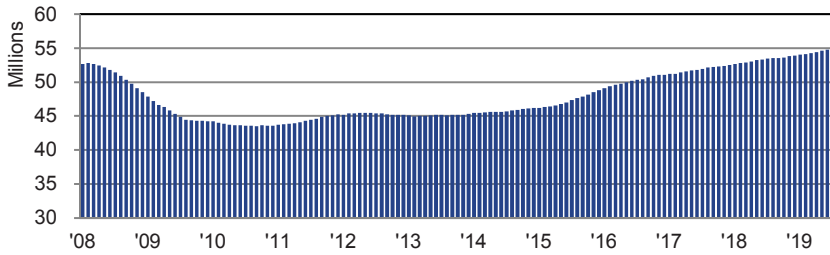


NEVADA RESIDENTIAL UNITS PERMITTED

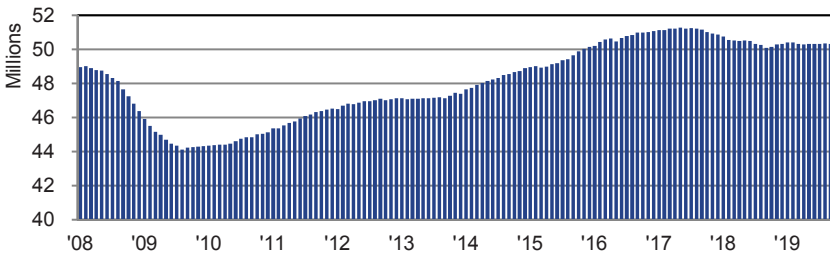
TRAILING 12-MONTH TOTALS



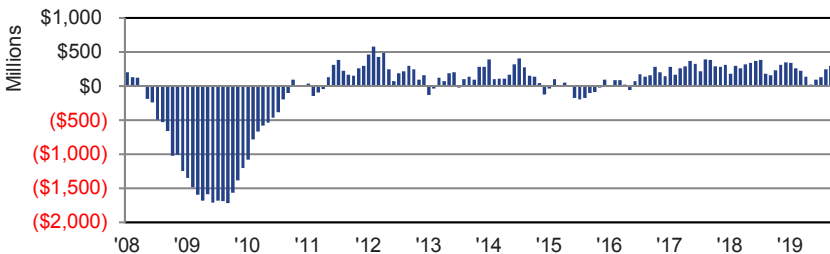
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



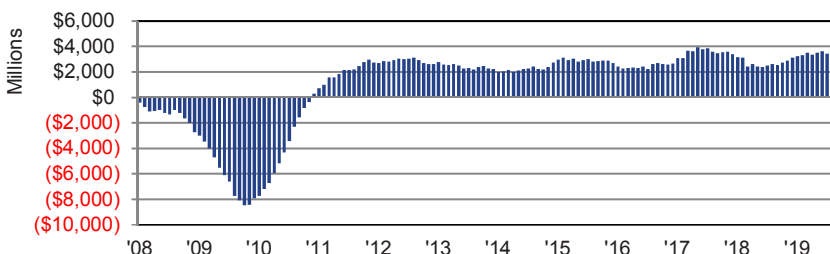
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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⁾

		Sep-19	
Current Period	Prev. Period	Same Period	Prev. Yr.
120,825	120,673	128,015	
GROWTH RATE	0.1% ▲	-5.6% ▼	

Nevada Residential Housing Units Permitted ⁽²⁾

		Sep-19	
Current Period	Prev. Period	Same Period	Prev. Yr.
18,091	17,747	17,899	
GROWTH RATE	1.9% ▲	1.1% ▲	

Nevada Taxable Retail Sales ⁽²⁾

		Aug-19	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$63,128,993,355	\$62,746,042,814	\$59,552,797,026	
GROWTH RATE	0.6% ▲	6.0% ▲	

Nevada Gross Gaming Revenue ⁽²⁾

		Sep-19	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$12,043,413,050	\$11,975,722,288	\$11,745,783,699	
GROWTH RATE	0.6% ▲	2.5% ▲	

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

		Sep-19	
Current Period	Prev. Period	Same Period	Prev. Yr.
55,302,400	55,005,397	53,534,203	
GROWTH RATE	0.5% ▲	3.3% ▲	

Clark/Washoe County Visitor Volume ⁽²⁾

		Sep-19	
Current Period	Prev. Period	Same Period	Prev. Yr.
50,326,438	50,340,891	50,092,929	
GROWTH RATE	0.0% ◆	0.5% ▲	

Nevada New Business Creation ⁽²⁾

		Q2 '19	
Current Period	Prev. Period	Same Period	Prev. Yr.
1,707	1,529	1,158	
GROWTH RATE	11.6% ▲	47.4% ▲	

Nevada Housing Price Index ⁽¹⁾

		Q2 '19	
<i>(Q1 1991 = 100)</i>			
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

year, with employment increasing by 5.4 percent to 13,300. This growth was driven by increases in the professional and business services sector, the manufacturing sector and the trade, transportation and utilities sector. On a combined basis, employment in these three sectors grew by 9,700 jobs over the past year, accounting for 72.9 percent of all job growth in the Reno area.

The professional and business services sector and the manufacturing sector not only accounted for the largest number of new jobs, they also represented the two fastest-growing sectors in the region. Over the past year, employment in the professional and business services sector increased by 14.1 percent, while manufacturing employment grew by 10.5 percent. Trade, transportation and utilities employment also experienced a strong year, with annual growth of 4.7 percent to 2,500 new jobs. Reno's striking employment growth during the past year has driven the unemployment rate to 2.9 percent, the first sub-3.0 percent rate since 1999.

Continued investment in both Las Vegas and Reno bodes well for future job growth. With \$39.7 billion of planned and under construction investments throughout the state, there is likely to be sustained demand for construction jobs in the near-term future. Furthermore, \$19.1 billion of tourism investments either planned or under construction in the Las Vegas region alone will help support new leisure and hospitality jobs, while large non-tourism investments throughout the state, such as the Tesla Gigafactory, Google Data Center and Switch Citadel, will support further growth in the state's technology-related sectors.

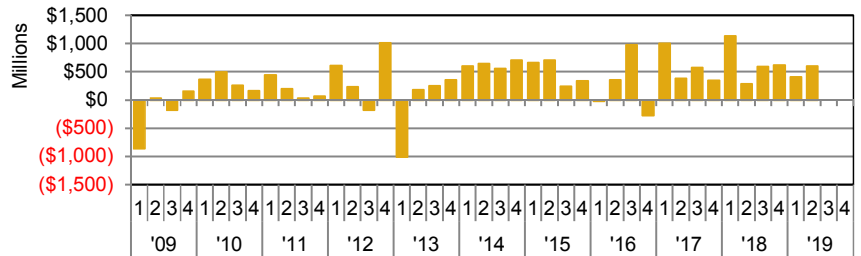
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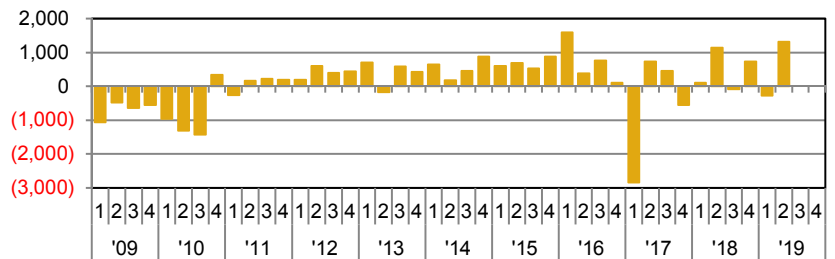
appliedanalysis.com

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.

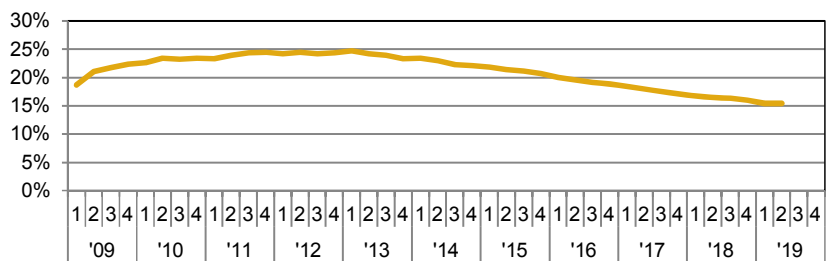
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES

