



Economic Briefing

DECEMBER 2019

ISSUE TWELVE | VOLUME THIRTEEN

California has been the primary source of new residents in Nevada throughout the state's history of growth. This was true once again in 2018, when the Silver State's 2.1 percent population growth rate ranked first in the country, according to the U.S. Census Bureau. More than 50,000 Californians moved to Nevada during that time, accounting for more than four in 10 new residents relocating to Nevada. As home to three-quarters of the state population, Southern Nevada and its 2.2 percent population growth rate played a significant role in the statewide trends. And similarly to the statewide numbers, Californians typically account for more than a third of incoming residents.

For Californians, Southern Nevada has been a particularly appealing place to move to because of its comparably low cost of living. Southern Nevada's affordability is measured by the cost-of-living index, a metric published by The Council for Community and Economic Research that compares affordability of metro areas across the nation. In the third quarter of 2019, the Las Vegas metro area received a cost-of-living index score of 102.8, meaning the cost of living in the region is 2.8 percent higher than the national average. This score is substantially lower than those for California's three largest metro areas, Los Angeles, San Francisco and San Diego, meaning that Las Vegas is more affordable. The Los Angeles, San Francisco and San Diego metro areas had respective cost-of-living indices of 148.1, 200.1 and 143.3. From a purchasing power perspective, \$1.00 spent in the Las Vegas metro area has as much purchasing power as \$1.44 in Los Angeles, \$1.95 in San Francisco and \$1.39 in San Diego.

Housing accounts for the largest cost-of-living differences between Southern Nevada and the California metro areas. In the third

quarter of 2019, the Las Vegas metro area's housing cost-of-living index score was 115.8, meaning it was 15.8 percent higher than the national average, yet that was still roughly two to three times lower than the scores for the Los Angeles, San Francisco and San Diego metro areas. The Los Angeles metro area had a housing index score of 230.8, the San Francisco area had a score of 361.3 and the San Diego area had a score of 214.4. Though housing costs in Southern Nevada have increased considerably in recent years, they are likely to remain meaningfully lower than any of the three California metro areas for the foreseeable future, providing a major incentive for residents to relocate to the Las Vegas area.

Beyond housing, every other cost-of-living indicator was higher in these California metro areas compared to Las Vegas. Transportation in the Las Vegas area had an index value of 110.8, between 15 and 30 points lower than the three major California metro areas. Utilities in Las Vegas had an index value of 99.9, which was between 6 and 22 points lower than the three California metro areas. The cost of healthcare

MONTHLY

Employment Indicators

Nevada Employment		Oct-19
Current Period	Prev. Period	Same Period Prev. Yr.
1,444,400	1,442,700	1,413,500
GROWTH RATE	0.1% ▲	2.2% ▲

Nevada Private Average Weekly Hours Worked		Oct-19
Current Period	Prev. Period	Same Period Prev. Yr.
34.4	34.7	34.0
GROWTH RATE	-0.9% ▼	1.2% ▲

Nevada Unemployment Rate		Oct-19
Current Period	Prev. Period	Same Period Prev. Yr.
4.1%	4.1%	4.4%
GROWTH RATE	0.0% ◆	-0.3% ▼

TRAILING 12-MONTH

Employment Indicators

Nevada Employment ⁽¹⁾		Oct-19
Current Period	Prev. Period	Same Period Prev. Yr.
1,424,792	1,422,217	1,378,233
GROWTH RATE	0.2% ▲	3.4% ▲

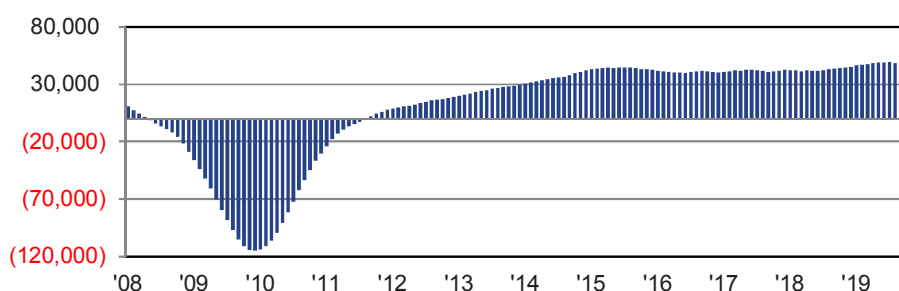
Nevada Private Average Weekly Hours Worked ⁽¹⁾		Oct-19
Current Period	Prev. Period	Same Period Prev. Yr.
34.6	34.5	34.0
GROWTH RATE	0.1% ▲	1.6% ▲

Nevada Unemployment Rate ⁽¹⁾		Oct-19
Current Period	Prev. Period	Same Period Prev. Yr.
4.2%	4.2%	4.6%
GROWTH RATE	0.0% ◆	-0.4% ▼

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

Oct-19

Current Period	Prev. Period	Same Period Prev. Yr.
9,735	8,441	9,903
GROWTH RATE	15.3% ▲	-1.7% ▼

Nevada Residential Housing Units Permitted

Oct-19

Current Period	Prev. Period	Same Period Prev. Yr.
1,699	1,378	1,736
GROWTH RATE	23.3% ▲	-2.1% ▼

Nevada Taxable Retail Sales

Sep-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$5,566,410,959	\$5,410,952,341	\$5,071,712,546
GROWTH RATE	2.9% ▲	9.8% ▲

Nevada Gross Gaming Revenue

Oct-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$1,021,909,865	\$1,060,247,230	\$1,062,880,161
GROWTH RATE	-3.6% ▼	-3.9% ▼

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Oct-19

Current Period	Prev. Period	Same Period Prev. Yr.
4,990,197	4,716,425	4,781,039
GROWTH RATE	5.8% ▲	4.4% ▲

Clark/Washoe County Visitor Volume

Oct-19

Current Period	Prev. Period	Same Period Prev. Yr.
4,341,405	4,154,202	4,360,890
GROWTH RATE	4.5% ▲	-0.4% ▼

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)

Q3 '19

Current Period	Prev. Period	Same Period Prev. Yr.
274.7	273.6	261.7
GROWTH RATE	0.4% ▲	5.0% ▲

Clark County Office Market

Vacancy Rate

Q3 '19

Current Period	Prev. Period	Same Period Prev. Yr.
15.0%	15.4%	16.3%
GROWTH RATE	-0.4% ▼	-1.3% ▼

Nevada Hotel/Motel Occupancy

Q2 '19

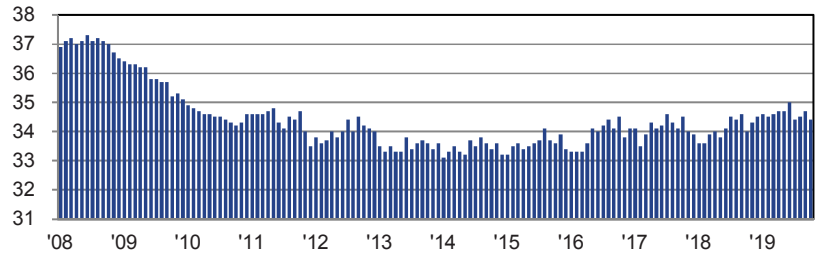
Current Period	Prev. Period	Same Period Prev. Yr.
85.5%	81.6%	85.5%
GROWTH RATE	3.9% ▲	0.0% ◀

State of Nevada Personal Income

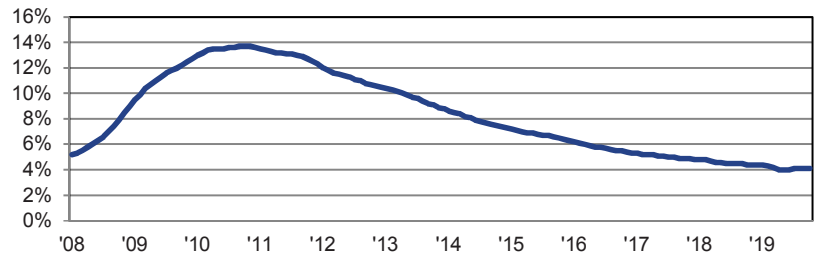
Q2 '19

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% ▲

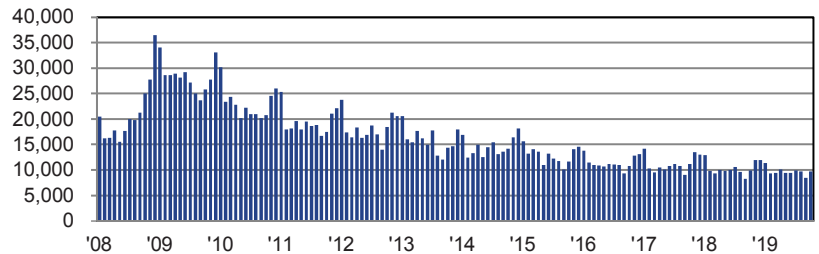
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



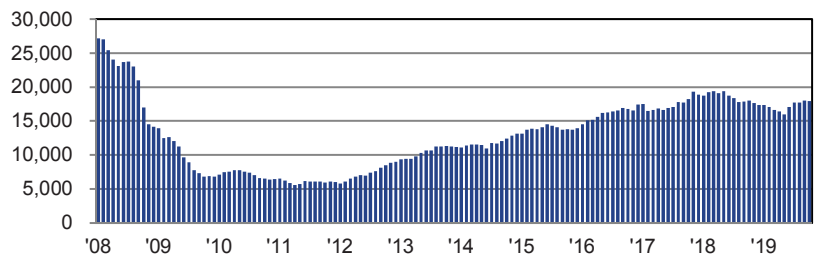
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES

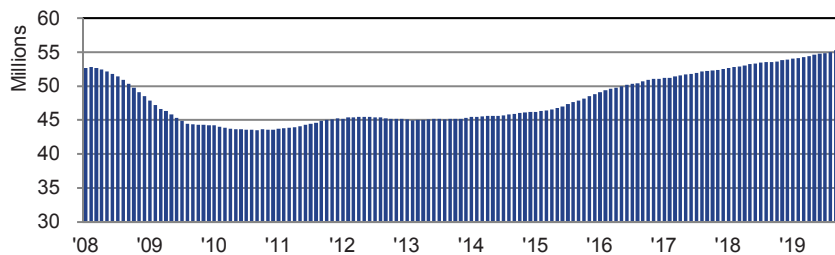


NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



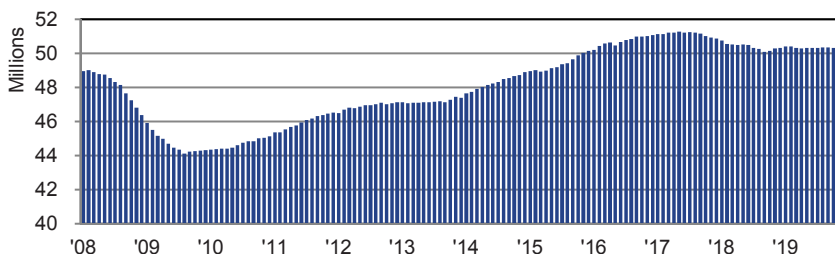
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS

TRAILING 12-MONTH TOTALS



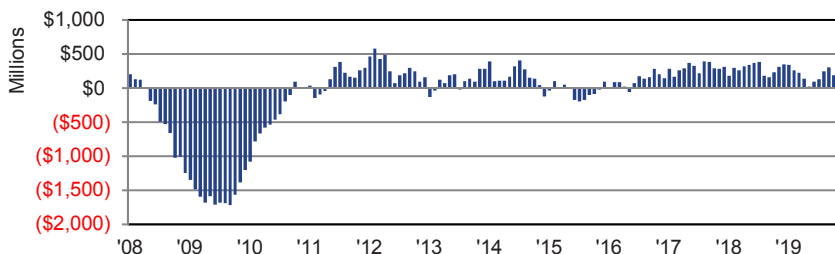
CLARK/WASHOE COUNTY VISITOR VOLUME

TRAILING 12-MONTH TOTALS



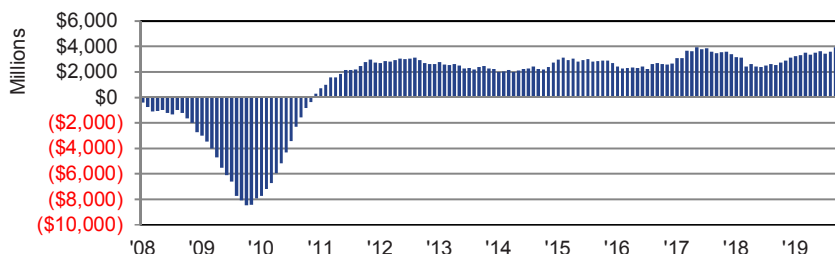
GROWTH IN NEVADA GROSS GAMING REVENUE

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⁾ Oct-19

Current Period	Prev. Period	Same Period Prev. Yr.
120,657	120,825	126,715
GROWTH RATE	-0.1% ▼	-4.8% ▼

Nevada Residential Housing

Units Permitted ⁽²⁾ Oct-19

Current Period	Prev. Period	Same Period Prev. Yr.
17,970	18,007	18,038
GROWTH RATE	-0.2% ▼	-0.4% ▼

Nevada Taxable Retail Sales ⁽²⁾

Sep-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$63,623,691,768	\$63,128,993,355	\$59,675,289,503
GROWTH RATE	0.8% ▲	6.6% ▲

Nevada Gross Gaming Revenue ⁽²⁾

Oct-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$12,005,495,757	\$12,046,466,052	\$11,819,697,834
GROWTH RATE	-0.3% ▼	1.6% ▲

Las Vegas/Reno-Tahoe

Enplaned and Deplaned Passengers ⁽²⁾ Oct-19

Current Period	Prev. Period	Same Period Prev. Yr.
55,511,558	55,302,400	53,639,393
GROWTH RATE	0.4% ▲	3.5% ▲

Clark/Washoe County Visitor Volume ⁽²⁾

Oct-19

Current Period	Prev. Period	Same Period Prev. Yr.
50,313,557	50,333,042	50,128,903
GROWTH RATE	0.0% ◆	0.4% ▲

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⁾

(Q1 1991 = 100) Q3 '19

Current Period	Prev. Period	Same Period Prev. Yr.
271.4	268.1	250.6
GROWTH RATE	1.2% ▲	8.3% ▲

Clark County Office

Market Vacancy Rate ⁽¹⁾ Q3 '19

Current Period	Prev. Period	Same Period Prev. Yr.
15.5%	15.8%	16.7%
GROWTH RATE	-0.3% ▼	-1.2% ▼

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.

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in Las Vegas had an index value of 99.6, between 10 and 28 percent lower than the three major California metro areas, while the cost of groceries in Las Vegas had an index value of 95.1, between 21 and 32 points lower than the three major California metro areas.

The substantially lower cost of living in Southern Nevada helps make up for the region's comparatively lower wages. Average weekly wages in the Las Vegas metro area were \$830.03 in of October 2019, compared to between \$1,047 and \$1,374 for the three major California metropolitan areas. On its face, this difference would seem to be a disadvantage for workers in Southern Nevada. However, after accounting for the cost-of-living differences, weekly wages in the California metro areas would equate to between \$706 and \$765 in Southern Nevada, significantly lower than the average weekly wage in the Las Vegas area. Simply, this means that a dollar earned in Southern Nevada goes farther than a dollar earned in the California metro areas.

Over many decades, the relative affordability of Southern Nevada has been a primary factor in convincing thousands of Californians to relocate there. Though the Las Vegas metro area's cost-of-living index, especially for housing, has increased in recent the years, it is likely to remain meaningfully lower than in the Los Angeles, San Francisco and San Diego metro areas, and the trend of tens of thousands of Californians becoming new Nevadans each year appears unlikely to change anytime soon.

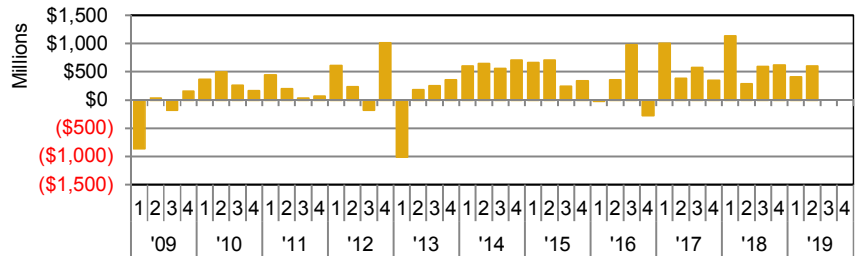
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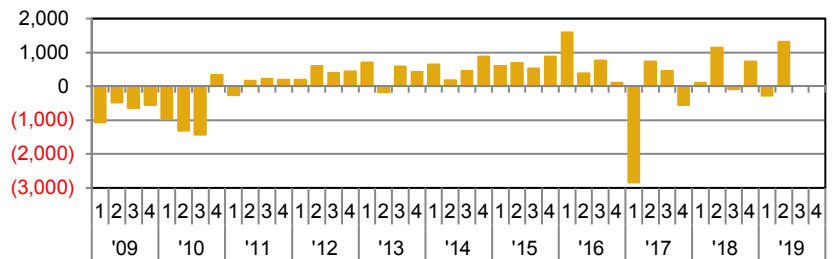
appliedanalysis.com

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.

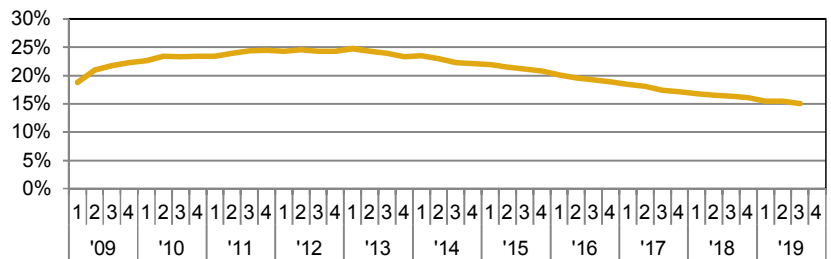
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



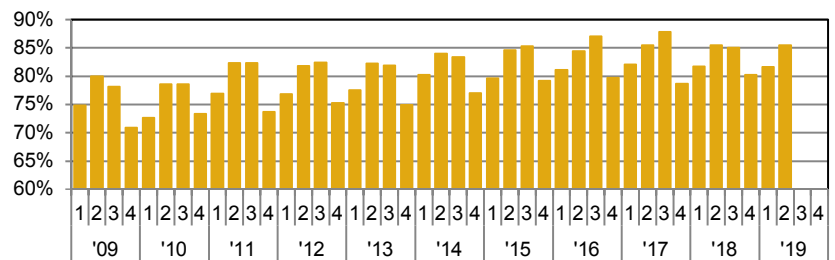
NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES



NEVADA STATE BANK
THE DOOR TO YOUR FUTURE