



A growing taxable retail sales base is a sign of a healthy economy as consumers and businesses have the means to purchase goods of all types. Over the past decade, sustained growth in Nevada's taxable retail sales has mirrored the recovery and growth of the state economy. Retail sales growth in the Silver State has remained strong throughout the past 10 years and was on pace to close the decade with one of the best years of the period.

Economic Briefing

JANUARY 2020

ISSUE ONE | VOLUME FOURTEEN

At their lowest point over the past decade, trailing 12-month taxable sales totaled \$38.4 billion in 2009. From 2009 to 2018 (the last full year of sales data), annual taxable retail sales increased by \$22.4 billion, or 58.4 percent with a compound annual growth rate of 5.2 percent. On a trailing 12-month basis, taxable sales have continued to grow in 2019, with the latest total in October 2019 reaching \$63.8 billion, an increase of 6.3 percent from the year before.

Clark and Washoe counties have driven the growth in taxable retail sales over the course of the last decade, as sales in these jurisdictions account for 73.4 and 14.1 percent of statewide figures, respectively. From 2009 to 2018, Clark County's annual taxable retail sales grew by \$15.8 billion, at a compound annual growth rate of 5.0 percent. During the same period, Washoe County's annual taxable retail sales grew by \$3.4 billion, at a compound annual growth rate of 5.8 percent.

Nevada's overall economic turnaround and rapid population growth have been primary drivers of taxable retail sales growth. From 2010 to 2019, Nevada's population grew by 377,800 people, or 14.0 percent. During the same period, employment grew by 321,700 to

1.4 million (an increase of 28.6 percent), while average weekly wages increased by \$308 (or 31.7 percent) to \$1,279. More people with jobs and earning more money in their pockets leads to more discretionary purchases such as dining out, buying vehicles and purchasing clothing. Over the past 12 months, these three categories have accounted for 37.1 percent of all taxable retail sales in Nevada. Food services and drinking sales totaled \$12.7 billion (19.8 percent of all sales), motor vehicle and parts dealer sales totaled \$7.2 billion (11.3 percent of all sales) and clothing and clothing accessories stores sales totaled \$3.8 billion (6.0 percent of statewide sales).

Clark County accounts for nearly three-quarters of Nevada's taxable retail sales, meaning its strong performance has been the main engine of the state's retail sales growth. In particular, food services and drinking places sales in Clark County have been important to the county's sales growth because they account for 23.6 percent of all taxable sales. From 2009 to 2018, food services and drinking places annual taxable sales grew from \$6.1 billion to \$10.5 billion, an increase of \$4.4 billion, or 6.2 percent. This positive momentum

MONTHLY

Employment Indicators

Nevada Employment		Nov-19
Current Period	Prev. Period	Same Period Prev. Yr.
1,454,700	1,444,400	1,416,800
GROWTH RATE	0.7% ▲	2.7% ▲

Nevada Private Average Weekly Hours Worked		Nov-19
Current Period	Prev. Period	Same Period Prev. Yr.
34.1	34.4	34.3
GROWTH RATE	-0.9% ▼	-0.6% ▼

Nevada Unemployment Rate		Nov-19
Current Period	Prev. Period	Same Period Prev. Yr.
4.0%	4.1%	4.4%
GROWTH RATE	-0.1% ▼	-0.4% ▼

TRAILING 12-MONTH

Employment Indicators

Nevada Employment ⁽¹⁾		Nov-19
Current Period	Prev. Period	Same Period Prev. Yr.
1,427,950	1,424,792	1,382,267
GROWTH RATE	0.2% ▲	3.3% ▲

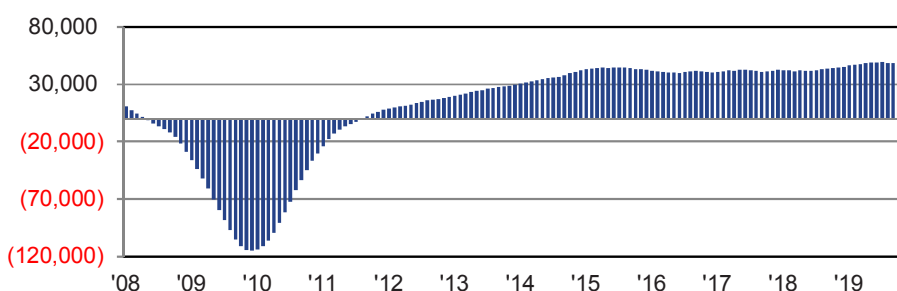
Nevada Private Average Weekly Hours Worked ⁽¹⁾		Nov-19
Current Period	Prev. Period	Same Period Prev. Yr.
34.6	34.6	34.1
GROWTH RATE	0.0% ◆	1.5% ▲

Nevada Unemployment Rate ⁽¹⁾		Nov-19
Current Period	Prev. Period	Same Period Prev. Yr.
4.1%	4.2%	4.6%
GROWTH RATE	-0.1% ▼	-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

Nov-19

Current Period	Prev. Period	Same Period Prev. Yr.
10,477	9,735	11,941
GROWTH RATE	7.6% ▲	-12.3% ▼

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

Oct-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$5,376,257,718	\$5,566,410,959	\$5,102,487,212
GROWTH RATE	-3.4% ▼	5.4% ▲

Nevada Gross Gaming Revenue

Nov-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$937,471,737	\$1,021,933,125	\$967,117,904
GROWTH RATE	-8.3% ▼	-3.1% ▼

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Nov-19

Current Period	Prev. Period	Same Period Prev. Yr.
4,497,015	4,990,197	4,406,260
GROWTH RATE	-9.9% ▼	2.1% ▲

Clark/Washoe County Visitor Volume

Nov-19

Current Period	Prev. Period	Same Period Prev. Yr.
4,106,446	4,341,405	4,081,314
GROWTH RATE	-5.4% ▼	0.6% ▼

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

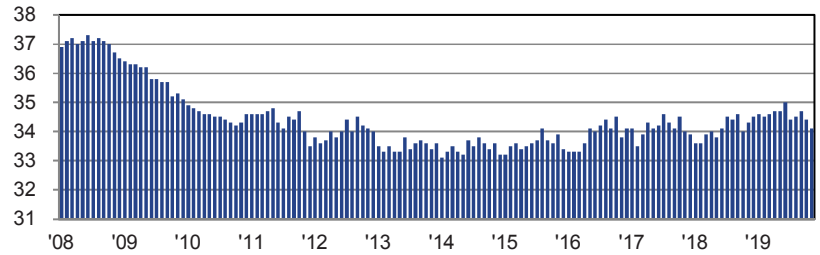
Current Period	Prev. Period	Same Period Prev. Yr.
85.5%	81.6%	85.5%
GROWTH RATE	3.9% ▲	0.0% ◀

State of Nevada Personal Income

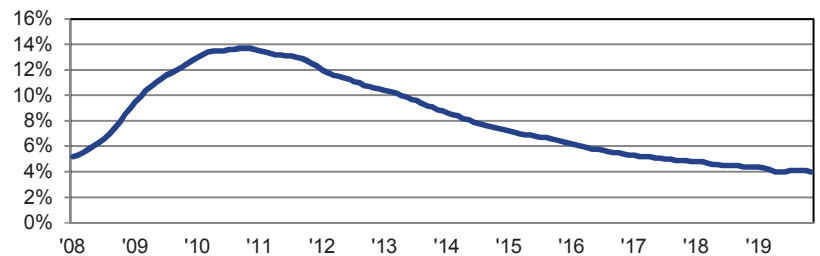
Q3 '19

Current Period	Prev. Period	Same Period Prev. Yr.
\$39,348,575,000	\$39,011,825,000	\$37,517,150,000
GROWTH RATE	0.9% ▲	4.9% ▲

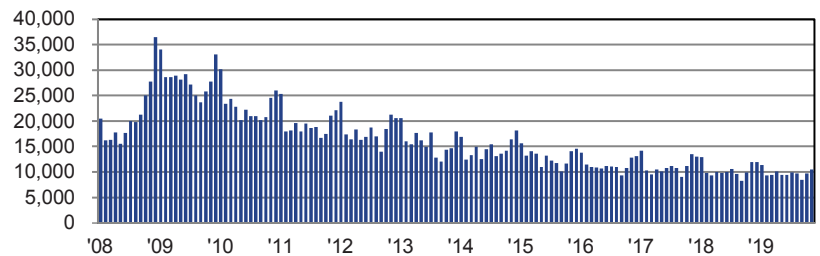
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



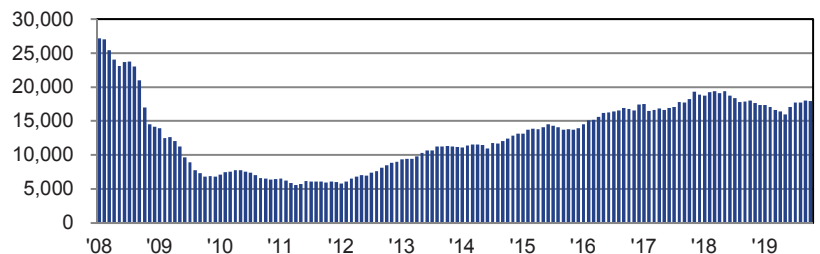
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES

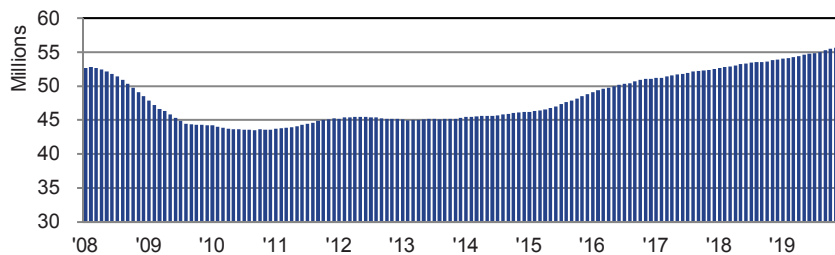


NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



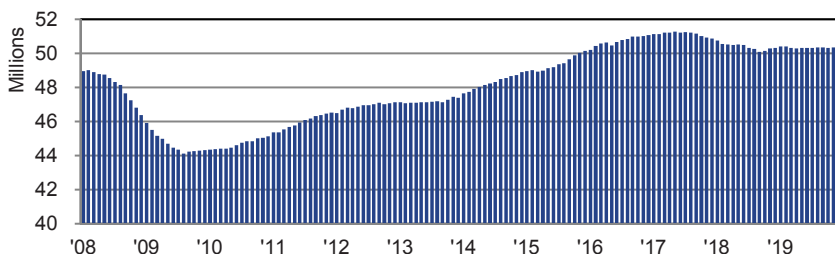
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS

TRAILING 12-MONTH TOTALS



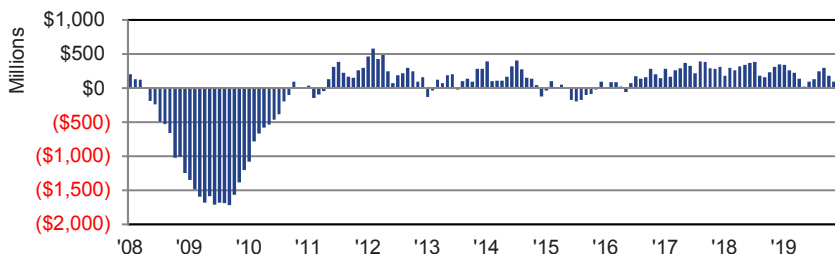
CLARK/WASHOE COUNTY VISITOR VOLUME

TRAILING 12-MONTH TOTALS



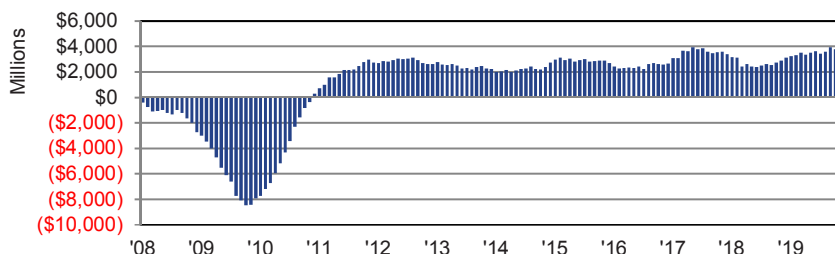
GROWTH IN NEVADA GROSS GAMING REVENUE

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⁾ Nov-19

Current Period	Prev. Period	Same Period Prev. Yr.
119,193	120,657	125,149
GROWTH RATE	-1.2% ▼	-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⁾ Oct-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$63,897,462,274	\$63,623,691,768	\$60,104,929,564
GROWTH RATE	0.4% ▲	6.3% ▲

Nevada Gross Gaming Revenue ⁽²⁾ Nov-19

Current Period	Prev. Period	Same Period Prev. Yr.
\$11,973,551,073	\$12,003,197,241	\$11,877,802,221
GROWTH RATE	-0.2% ▼	0.8% ▲

Las Vegas/Reno-Tahoe

Enplaned and Deplaned Passengers ⁽²⁾ Nov-19

Current Period	Prev. Period	Same Period Prev. Yr.
55,602,313	55,511,558	53,839,334
GROWTH RATE	0.2% ▲	3.3% ▲

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

Current Period	Prev. Period	Same Period Prev. Yr.
50,338,689	50,313,557	50,280,153
GROWTH RATE	0.0% ◊	0.1% ▲

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⁾ Q3 '19

Current Period	Prev. Period	Same Period Prev. Yr.
\$157,394,300,000	\$156,047,300,000	\$150,068,600,000
GROWTH RATE	0.9% ▲	4.9% ▲

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

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has continued into 2019, with trailing 12-month sales up to \$10.8 billion as of October 2019, an increase of 4.1 percent from the year before.

Like the state as a whole, a strong local economy means that consumer discretionary spending at places such as bars and restaurants will help drive growth for food services and drinking places and taxable retail sales as a whole. Employment in Clark County increased by 236,700 jobs to 1.04 million (29.4 percent growth) between October 2009 and October 2019. During the same period, average weekly wages grew by 32.1 percent from \$710 to \$937. This suggests that residents were finding work and experiencing growing wages, two factors that would likely increase discretionary spending.

A healthy national economy is also critical to Clark County's taxable retail sales as visitor spending on dining and shopping contribute more than \$9 billion in annual taxable retail sales, or more than a 21 percent of all taxable sales in the county. A low national unemployment rate of 3.4 percent in December 2019 and other positive national economic indicators that have contributed to the longest economic expansion in United States history should support stable visitor volume trends (42.3 million visitors in the 12 months through October) while contributing to further growth in taxable retail sales.

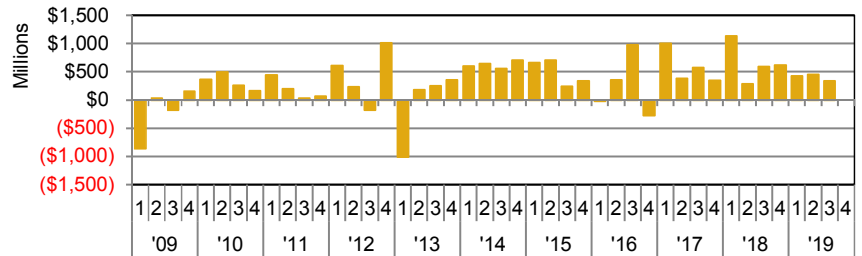
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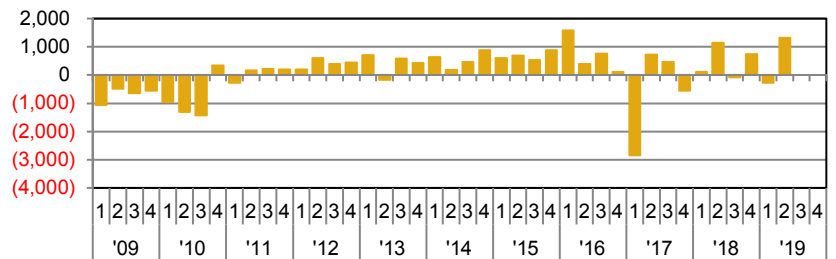
appliedanalysis.com

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.

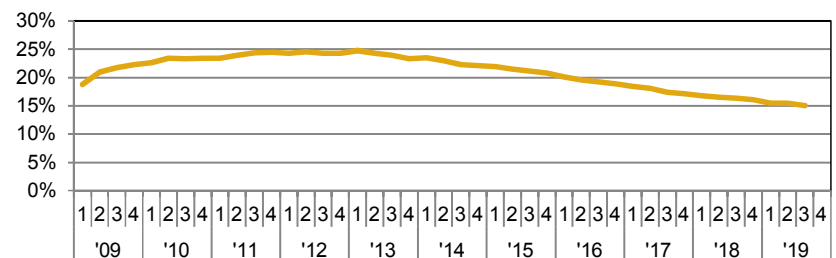
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



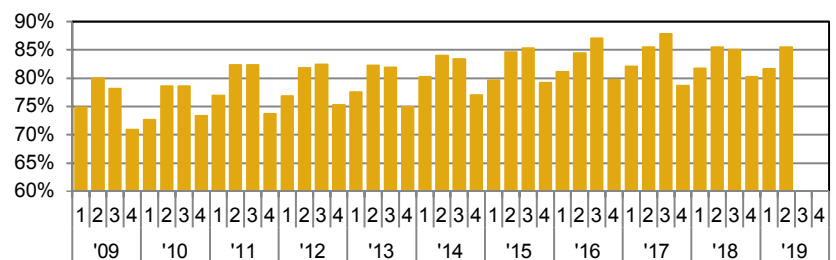
NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES



NEVADA STATE BANK
THE DOOR TO YOUR FUTURE