



From going out to eat, buying a new car or getting started on that home DIY project, Nevadans have been spending at record levels since early 2021. Healthy household budgets and ample job opportunities have translated into confident consumers who were willing to spend freely even as inflation rose to 40-year highs.

The positive consumer mindset helped drive taxable retail sales in Nevada to a record of \$84.2 billion for the 12 months through October 2022, a 14.5 percent increase over the year. The annual growth rate in taxable retail sales has been steadily slowing since peaking at 32.5 percent in February 2022 as the state and national economies emerged from the pandemic-related slowdown, but it remained at more than double the typical growth rates during the years before the pandemic.

The statewide high in retail spending was driven by the record \$14.1 billion spent at bars and restaurants (+25.8 percent) and \$8.6 billion spent on motor vehicles and parts (+7.1 percent). Taxable sales for nonstore retailers, which are online stores, climbed 8.6 percent over the year to a record \$5.8 billion, tripling the pre-pandemic level as consumers shifted dollars to online shopping. Sales of building materials and garden equipment and supplies also rose to a record high of \$4.5 billion in the 12 months through October 2022, an 11.7 percent improvement over the year.

Regional spending in Southern Nevada and Northern Nevada reached respective all-time highs of \$61.6 billion in Clark County and \$12.4 billion for Washoe County between November 2021 and October 2022. Growth in

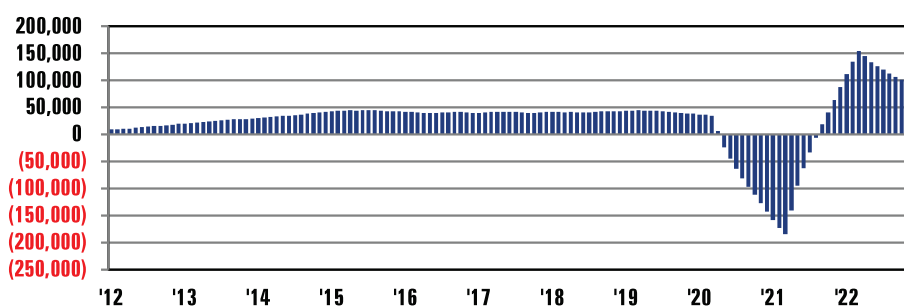
taxable retail sales for Clark County all tracked significantly higher than those of the state and country, with a year-over-year growth rate of 17.5 percent. In contrast Washoe County reported a more modest annual growth rate of 5.1 percent, less than a third of the Clark County growth.

Spending at bars and restaurants in Southern Nevada surged 28.8 percent to a high of \$12.0 billion, with merchant wholesalers of durable goods (+23.1 percent) and clothing and accessories stores (+23.6 percent) among the top sales categories to exceed 20 percent growth rates. In Washoe County, the largest sales category, motor vehicles and parts, was one of the rare categories to fall, dipping 1.1 percent over the same time span to \$1.5 billion. Sales at bars and restaurants increased 12.8 percent to \$1.4 billion, while electronics and appliance sales rose 10.9 percent to \$1.2 billion.

Retail spending in Nevada has been shattering records since early 2021. One contributor has been inflation, which peaked at over 8 percent in 2022, the highest rate in four decades. Rising prices for the same goods naturally translates into additional retail spending. However, inflation has not had an overwhelming impact on Nevada's retail sales activity. Since the beginning of 2021, the

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NEVADA EMPLOYMENT GROWTH
TRAILING 12-MONTH AVERAGES



Economic Briefing

JANUARY 2023

ISSUE ONE | VOLUME SEVENTEEN

MONTHLY Employment Indicators

Nevada Employment Dec-22

Current Period	Prev. Period	Same Period Prev. Yr.
1,483,900	1,488,000	1,431,800
GROWTH RATE	-0.3% ▼	3.6% ▲

Nevada Private Average Weekly Hours Worked Nov-22

Current Period	Prev. Period	Same Period Prev. Yr.
35.0	35.3	34.8
GROWTH RATE	-0.8% ▼	0.6% ▼

Nevada Unemployment Rate Dec-22

Current Period	Prev. Period	Same Period Prev. Yr.
5.2%	4.9%	5.3%
GROWTH RATE	0.3% ▲	-0.1% ▼

TRAILING 12-MONTH Employment Indicators

Nevada Employment⁽¹⁾ Dec-22

Current Period	Prev. Period	Same Period Prev. Yr.
1,454,525	1,450,183	1,365,892
GROWTH RATE	0.3% ▲	6.5% ▲

Nevada Private Average Weekly Hours Worked⁽¹⁾ Nov-22

Current Period	Prev. Period	Same Period Prev. Yr.
34.9	34.9	35.0
GROWTH RATE	0.0% ◊	-0.4% ▼

Nevada Unemployment Rate⁽¹⁾ Dec-22

Current Period	Prev. Period	Same Period Prev. Yr.
4.8%	4.8%	7.3%
GROWTH RATE	0.0% ◊	-2.5% ▼

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

Nov-22

Current Period	Prev. Period	Same Period Prev. Yr.
10,665	8,658	10,087
GROWTH RATE	23.2% ▲	5.7% ▲

Nevada Residential Housing Units Permitted

Nov-22

Current Period	Prev. Period	Same Period Prev. Yr.
1,171	1,250	2,266
GROWTH RATE	-6.3% ▼	-48.3% ▼

Nevada Taxable Retail Sales

Oct-22

Current Period	Prev. Period	Same Period Prev. Yr.
\$7,242,830,650	\$7,469,340,291	\$6,622,542,010
GROWTH RATE	-3.0% ▼	9.4% ▲

Nevada Gross Gaming Revenue

Oct-22

Current Period	Prev. Period	Same Period Prev. Yr.
\$1,280,704,342	\$1,248,849,028	\$1,221,749,941
GROWTH RATE	2.6% ▲	4.8% ▲

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Nov-22

Current Period	Prev. Period	Same Period Prev. Yr.
4,904,694	5,557,377	4,312,517
GROWTH RATE	-11.7% ▼	13.7% ▲

Clark/Washoe County Visitor Volume

Nov-22

Current Period	Prev. Period	Same Period Prev. Yr.
3,537,495	4,160,690	3,490,618
GROWTH RATE	-15.0% ▼	1.3% ▲

Nevada New Business Creation

Q2 '22

Current Period	Prev. Period	Same Period Prev. Yr.
3,126	4,639	3,158
GROWTH RATE	-32.6% ▼	-1.0% ▼

Nevada Housing Price Index

(Q1 1991 = 100)

Q3 '22

Current Period	Prev. Period	Same Period Prev. Yr.
401.8	415.6	365.6
GROWTH RATE	-3.3% ▼	9.9% ▲

Clark County Office Market Vacancy Rate

Q3 '22

Current Period	Prev. Period	Same Period Prev. Yr.
15.2%	15.5%	16.3%
GROWTH RATE	-0.3% ▼	-1.1% ▼

Nevada Hotel/Motel Occupancy

Q3 '22

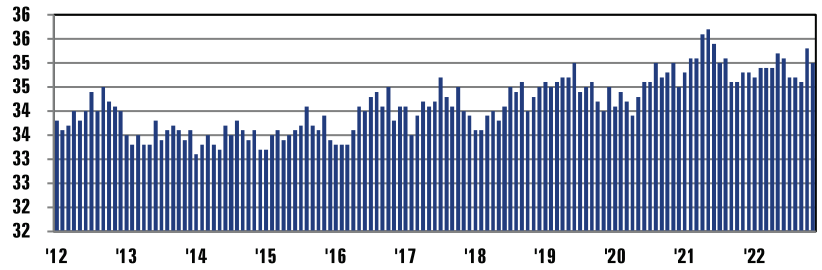
Current Period	Prev. Period	Same Period Prev. Yr.
77.3%	78.1%	72.2%
GROWTH RATE	-0.8% ▼	5.1% ▲

State of Nevada Personal Income

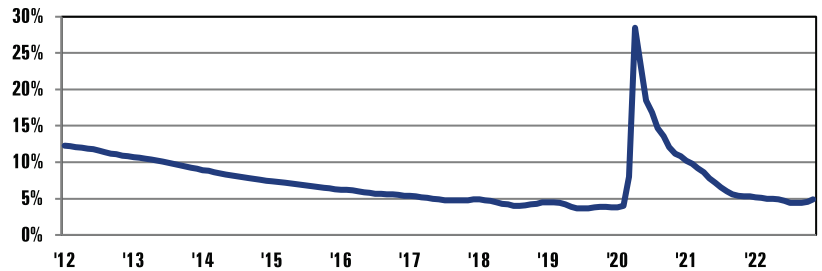
Q3 '22

Current Period	Prev. Period	Same Period Prev. Yr.
\$48,952,350,000	\$48,252,200,000	\$46,881,050,000
GROWTH RATE	1.5% ▲	4.4% ▲

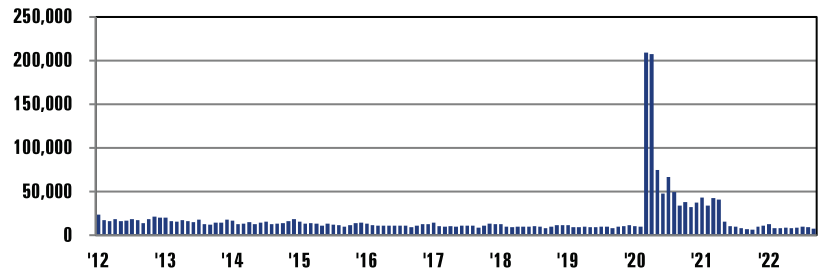
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



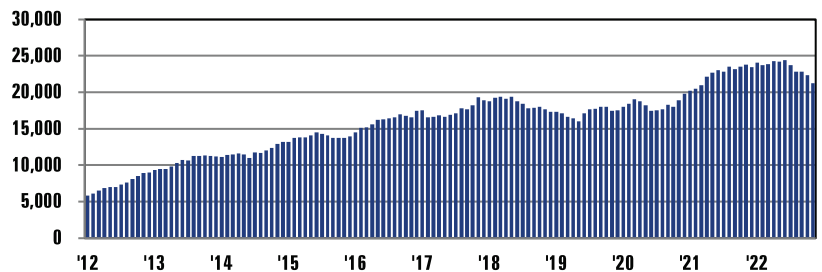
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



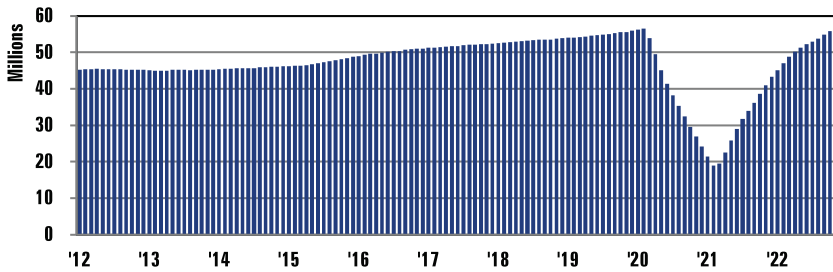
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



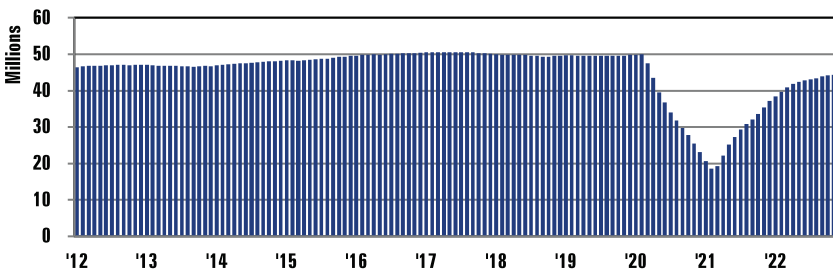
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



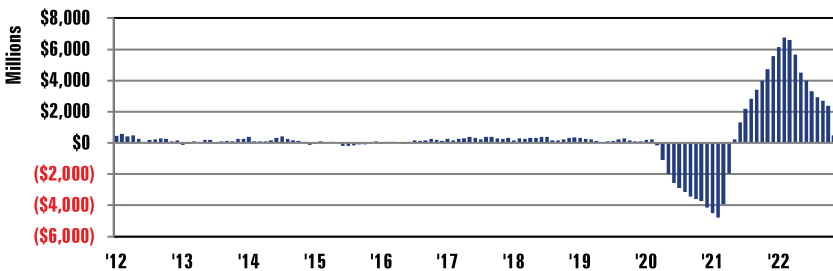
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



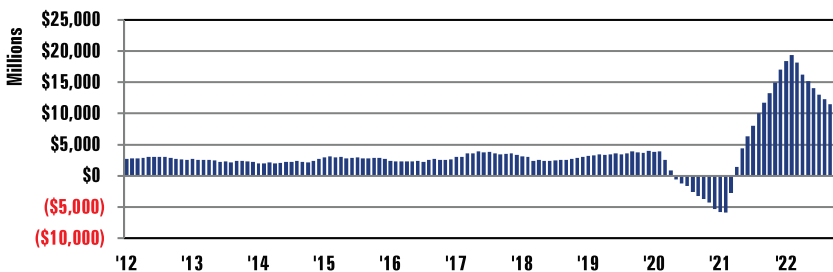
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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⁾

		Nov-22	
Current Period	Prev. Period	Same Period	Prev. Yr.
110,833	110,255	264,362	
GROWTH RATE	0.5% ▲	-58.1%	▼

Nevada Residential Housing Units Permitted ⁽²⁾

		Nov-22	
Current Period	Prev. Period	Same Period	Prev. Yr.
21,222	22,317	23,800	
GROWTH RATE	-4.9% ▼	-10.8%	▼

Nevada Taxable Retail Sales ⁽²⁾

		Oct-22	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$84,191,955,253	\$83,571,666,613	\$73,514,341,532	
GROWTH RATE	0.7% ▲	14.5%	▲

Nevada Gross Gaming Revenue ⁽²⁾

		Oct-22	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$14,778,453,910	\$14,719,499,509	\$12,414,955,627	
GROWTH RATE	2.6% ▲	4.8%	▲

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

		Nov-22	
Current Period	Prev. Period	Same Period	Prev. Yr.
56,460,262	55,868,085	40,957,075	
GROWTH RATE	1.1% ▲	37.9%	▲

Clark/Washoe County Visitor Volume ⁽²⁾

		Nov-22	
Current Period	Prev. Period	Same Period	Prev. Yr.
44,283,489	44,236,612	35,336,154	
GROWTH RATE	0.1% ▲	25.3%	▲

Nevada New Business Creation ⁽²⁾

		Q2 '22	
Current Period	Prev. Period	Same Period	Prev. Yr.
14,660	14,692	7,269	
GROWTH RATE	-0.2% ▼	101.7%	▲

Nevada Housing Price Index ⁽¹⁾

		Q3 '22	
<i>(Q1 1991 = 100)</i>			
Current Period	Prev. Period	Same Period	Prev. Yr.
396.7	387.6	331.4	
GROWTH RATE	2.3% ▲	19.7%	▲

Clark County Office Market Vacancy Rate ⁽¹⁾

		Q3 '22	
Current Period	Prev. Period	Same Period	Prev. Yr.
15.6%	15.9%	16.3%	
GROWTH RATE	-0.3% ▼	-0.7%	▼

Nevada Hotel/Motel Occupancy ⁽¹⁾

		Q3 '22	
Current Period	Prev. Period	Same Period	Prev. Yr.
73.3%	72.0%	56.2%	
GROWTH RATE	1.2% ▲	17.0%	▲

State of Nevada Personal Income ⁽²⁾

		Q3 '22	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$195,809,400,000	\$193,008,800,000	\$187,524,200,000	
GROWTH RATE	1.5% ▲	4.4%	▲

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

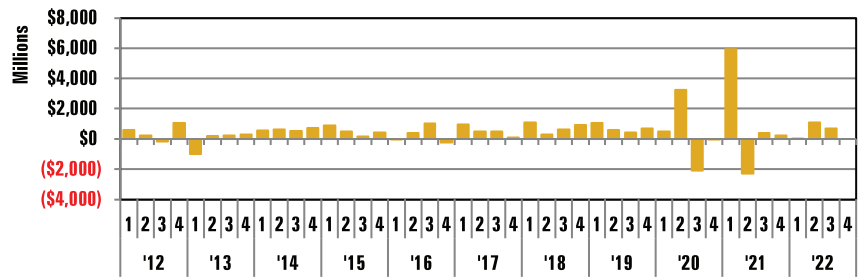
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consumer price index increased 14.5 percent, while total taxable retail sales in Nevada climbed nearly three times as fast, rising 41.9 percent. Put another way, even after adjusting for inflation, trailing 12-month taxable sales in October 2022 were 24.0 percent higher than in January 2021.

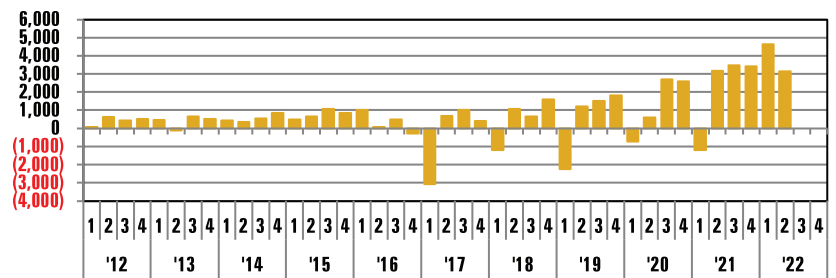
After accounting for inflation, taxable retail sales figures show that Americans and Nevadans have been simply spending at unprecedented levels over the past year and a half. The reasons for today’s spending trends relate to the pandemic era. When the pandemic curtailed eating out, traveling and many other social activities, Americans saw their savings climb by spending less, and the injection of multiple rounds of federal stimulus aid provided an additional boost to the bottom lines of U.S. households. The excess savings that accrued has been evident in sales activity since early 2021. A strong labor market and rising wages have also contributed to consumer confidence and spending, while ongoing population growth has increased the number of households spending throughout the state.

Looking into 2023, the record-setting spending of 2021 and 2022 appears unlikely to continue. Over the past year, spending activity has trended toward normalization as households burned through their excess savings, and other economic fundamentals could influence the path of retail spending in the new year. Consumer confidence has been mixed, with the present situation holding relatively stable and positive while future expectations have dipped from the recent 2021 peak. Employment and wages in Nevada and the U.S. continue to rise, though many economists are warning of a potential recession. How these factors influence the minds of U.S. consumers will determine the trajectory of retail spending and the national economy as a whole, where consumer spending accounts for two-thirds of economic activity.

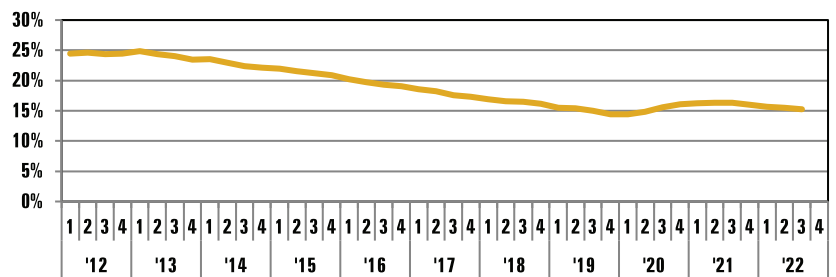
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



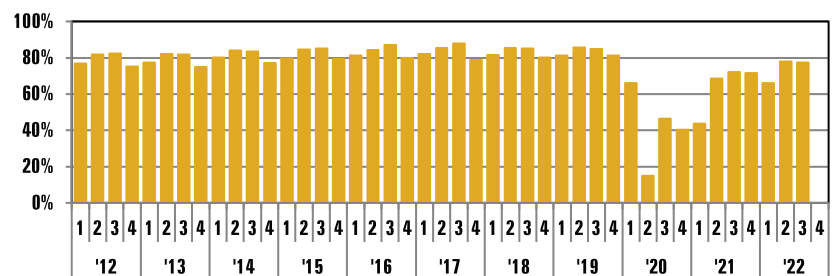
Prepared by:



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 HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES



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