



## Nevada Resident Profile

### An Economic Portrait

With national and state elections behind us and a team of newly-elected and newly-reaffirmed representatives preparing to head to Washington and Carson City, we thought it would be a good time to look at a portrait of Nevada's economy and how it is impacting Nevadans.

#### **Jobs**

*Thousands of Nevadans continue to look for work.* Statewide, employment declined 10.1-percent from September 2008 to the same month in 2009; in the past 12 months it declined another 2.1 percent. Nevada has lost 150,700 jobs in the past two years, and the unemployment rate is currently nearly 15 percent. The unemployment rate does not include Nevadans who have given up looking for a job nor does it include those who lost full-time employment and are instead working part-time.

#### **Income**

*Working Nevadans are making less money.* Annual wages per capita are around \$16,400 in 2010, compared to \$18,000 in 2009 and \$20,100 in 2008, based on first quarter wages (latest available). Total quarterly wages were \$11.1 billion in the first quarter of 2010, compared to \$12.2 billion in the prior year, and \$13.8 billion two years ago. Quarterly wages in Nevada are down \$2.7 billion compared to two years ago.

#### **Spending Habits**

*Nevadans have reduced their spending nearly as much as their wages have decreased.* The latest data (August) indicates monthly taxable spending increased 4.8-percent over the prior year – however, this is following a decline of 24.1-percent in 2009 compared to 2008, so we are nowhere near where we were two years ago. However, with much of the state's taxable sales coming from visitor spending on shopping, dining, accommodations and entertainment, it is difficult to ascertain with much precision the trend among residents. Monthly spending per capita has fallen from \$1,480 in 2008 to \$1,190 in 2010, a decline of \$291 per person. With monthly wages down approximately \$311 over the same period, it appears that either Nevadans' wages haven't kept up with their spending habits, or we can attribute this gap to increased visitor spending.

#### **Housing**

*Most Nevada homeowners are in the red.* Median existing home prices fell nearly 40-percent between 2008 and 2009, and they have remained at that level for the past year, according to the latest Clark County figures. It is a well-known fact that Nevada has one of, if not the most, hardest-hit



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#### **Mission Statement:**

*Our Mission is to strengthen the business environment for Nevada Retailers and Associates by providing a government relationship program which supports retail industry needs through effective lobbying at federal, state and local levels.*

#### **Looking out for Business**

At RAN we make it our business to support and protect your business. From monitoring local, county, state and some federal issues RAN is there to inform you on the events that can have a real impact to your business.

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#### **About The Author**

**Applied Analysis**, founded in 1997, is a Nevada-based advisory services firm providing information and analyses for both the public and private sectors.



housing markets in the nation, and for many, there is no light at the end of the tunnel. The only silver lining is that the steep drops in value appear to have already taken place.

### Unemployment Benefits

*Nevada is in the red, significantly.* The state has been borrowing money from the federal government since October 2009 to pay regular unemployment benefits to claimants. By the end of calendar year 2010, the state estimates it will owe between \$750 million and \$1 billion. Based on the latest official quarterly data, unemployment benefits paid per capita are \$76 compared to \$41 two years ago; the trust fund balance (including loans) holds \$37 per capita compared to \$754 two years ago, and the unemployment benefit debt (outstanding loan balance) is at \$162 for every man, woman and child in the state, compared to \$0 two years ago.

According to the latest estimates regarding a potential unemployment insurance rate increase for 2011, the average amount owed by employers will increase by around \$173 per employee to help cover the shortfall.

<b>Nevada Resident Profile</b>						
Latest Data Available						
	<u>Value</u>			<u>Change</u>		
	2010	2009	2008	2010 vs 2009	2009 vs 2008	
<b><u>Jobs</u></b>						
Employment (millions)	Sep	1.11	1.13	1.26	-2.1%	-10.1%
Employment per 1,000 Capita	Sep	409.74	418.49	460.65	-2.1%	-9.2%
Unemployment	Sep	196,235	180,676	105,466	8.6%	71.3%
Unemployed Persons per 1,000 Capita	Sep	72.38	66.64	38.51	8.6%	73.1%
<b><u>Income</u></b>						
Total Quarterly Wages (Billions)	Q1	\$11.1	\$12.2	\$13.8	-9.0%	-11.4%
Wages per Capita (Annualized)	Q1	\$16,402	\$18,024	\$20,138	-9.0%	-10.5%
<b><u>Spending Habits</u></b>						
Monthly Taxable Spending (Billions)	Aug	\$3.2	\$3.1	\$4.1	4.8%	-24.1%
Monthly Taxable Spending per Capita	Aug	\$1,190	\$1,135	\$1,480	4.8%	-23.3%
<b><u>Housing</u></b>						
Median Existing Home Price (Clark County) (thousands)	Aug	\$122.0	\$122.0	\$200.0	0.0%	-39.0%
<b><u>Unemployment Benefits</u></b>						
Quarterly Unemployment Benefits Paid (Millions)	Q2	\$205.1	\$295.7	\$115.0	-30.6%	157.2%

<i>Quarterly Unemployment Benefits Paid per Capita</i>	Q2	\$75.67	\$109.07	\$41.98	-30.6%	159.8%
UI Trust Fund Balance (Including Loans)	Q2	\$37.1	\$285.2	\$754.1	-87.0%	-62.2%
<i>UI Trust Fund Balance (Including Loans) per Capita</i>	Q2	\$13.69	\$105.20	\$275.36	-87.0%	-61.8%
Unemployment Benefit Debt (Outstanding Loan Balance)	Q2	\$438.3	\$0	\$0	100%	0%
<i>Unemployment Benefit Debt per Capita</i>	Q2	\$161.67	\$0.00	\$0.00	100.0%	0.0%

Source: Nevada Department of Employment, Training and Rehabilitation; Nevada Department of Taxation; and UNLV Center for Business and Economic Research

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