

# Analysis of Fiscal Policy in Nevada

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## Section 1: Nevada Economic Overview and Baseline Assumptions

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Governor's Task Force on Tax Policy in Nevada

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## Nevada Economic Overview and Baseline Assumptions

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### Introduction

Assembly Concurrent Resolution 1 (“ACR 1”) begins with an acknowledgement that Nevada’s changing socioeconomic landscape has a direct impact on the State’s fiscal condition.<sup>1</sup> In pertinent part, ACR 1 suggests that the evolving nature of Nevada’s economy has the potential to create an imbalance between the State’s revenue generating capacity and its ability to provide services.<sup>2</sup>

An analysis of Nevada’s tax system logically begins with a review of the State’s economic and demographic characteristics, as well as the trends relating thereto. These data not only provide a framework for evaluating existing conditions but they also offer meaningful insights into the character of the State’s fiscal structure and its ability to equitably generate the revenues necessary to meet the demands of its residents.

### Assumptions and Methodology

This section reviews population, employment, income, output, industrial makeup, and other similar factors known to directly and/or indirectly impact Nevada’s demand for public services and its ability to generate public revenue. Trends cited herein are used as baselines and predictor variables for the analyses in subsequent sections.

To preserve the flow of the text, Section 1 exhibits are located at the end of this summary in Appendix 1A. Not all of the economic and demographic elements utilized in subsequent analyses are discussed herein; rather, only the most salient considerations are reviewed. These data represent the best available estimates from sources believed to be reliable. While we have no reason to doubt their accuracy, we did not audit historical data, and we are cognizant of the fact that events of local, national, or international significance may greatly impact any or all of the variables discussed. Long-term projections rarely materialize precisely as estimated due to the complex and ever-changing nature of our global economic construct. It is important that these factors be

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<sup>1</sup> Assembly Concurrent Resolution 1, 71<sup>st</sup> Leg., 17<sup>th</sup> Sp. Sec., *Governor’s Task Force on Tax Policy in Nevada*. See Cl. 1-4.

<sup>2</sup> Id. Particularly citing K-12 education and long-term term care needs.

revisited on a regular basis so that new estimates may be generated and State government officials can make necessary adjustments.<sup>3</sup>

This having been said, the Task Force recognizes that there are a number of considerations that lie on the horizon with the potential to impact Nevada's ability to generate revenues and/or provide services to its residents. Some of these considerations, and assumptions made with regard to them, are provided below.

1. **Recession**: This analysis assumes that Nevada and the nation entered a period of slower growth in early 2001. It further assumes that this condition will slowly improve, with moderate growth existing late in 2002.
2. **Acts of terrorism**: This analysis assumes that there will be no more major terrorist attacks on U. S. soil.
3. **Military Conflicts**: This analysis assumes that additional sustained military conflicts will not persist as a part of the economic landscape.
4. **Travel patterns and consumer spending**: The tragic events of September 11, 2001 dramatically changed the way individuals view their ability to travel nationally and internationally. Such a change in consumer attitudes directly impacts Nevada's hospitality-oriented industrial core. This analysis assumes that more normal consumer travel behavior and consumer spending behaviors will be reported in late 2002 and stability will return in 2003.
5. **Inflation**: This analysis assumes that sound monetary policy will keep inflation at or below historical average levels.
6. **Federal nuclear waste repository**: This analysis assumes that the nuclear waste repository that has tentatively been sited for Nevada will not become operational for several years. While there is significant evidence that such a facility would negatively impact Nevada (and in particular Southern Nevada), the long-run nature of this consideration requires that it be held as exogenous to the fiscal modeling process until more information becomes available. At that time, all estimates should be revisited.

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<sup>3</sup> The information collected herein was derived from hundreds of sources. Maintaining an inventory of available information might be helpful to similar efforts in the future.

7. **Expansion of gaming:** This analysis assumes that gaming will expand throughout California and other jurisdictions nationally and internationally during the next 20 years. The availability of close-proximity gaming alternatives is anticipated to have a negative impact on some consumer units. While it is unlikely that any emerging jurisdiction will provide an entertainment destination comparable to that of Nevada's primary offerings, some will likely be affected.

## Population

### Historical Population

It is no secret that Nevada has been among the fastest growing states in the Union for the past several decades. The State's population has increased nearly ten fold since 1960, or from 285,000 to 2.2 million.<sup>4</sup> This rate of growth equates to a compound annual growth rate ("CAGR") of approximately 5.0 percent. During the same period, the United States and Western States<sup>5</sup> averages grew at rates of 1.1 and 1.9 percent, respectively. Please see Exhibits 1-1 through 1-3, which illustrate total population and population growth for Nevada, the United States, and the Western States.

### Future Population Growth

Most observers expect Nevada's population to continue to increase over the next 10 to 20 years; however, they anticipate this growth to be at rates considerably slower than those recorded during the past two decades.<sup>6</sup> Nevada's population grew at a CAGR of 5.3 percent between 1990 and 2000; by comparison, official projected growth rates for 2000 through 2010 and 2010 through 2020 are 3.1 percent and just under 1.0 percent,

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<sup>4</sup> Population estimates utilized in this analysis are sourced to the Nevada State Demographer's office and the United States Bureau of the Census.

<sup>5</sup> The western states are defined as Arizona, Nevada, Washington, Colorado, Oregon, California, Idaho, Montana, Wyoming, Utah, and New Mexico.

<sup>6</sup> See Nevada State Demographer's Office, *Population Estimates by Age, Race and Sex*, 1990 through 2022; see also Schwer, K., Ph.D. and Riddel, Ph.D. *Population Forecasts: Long-term Projections for Clark County, Nevada 2002-2035*; Center for Business and Economic Research, University of Nevada Las Vegas, cited at <http://www.co.clark.nv.us>; see also Crowley, M. *LAS VEGAS ECONOMY: Signs pointing to strong recovery*, Las Vegas Review Journal, July 2002.

respectively.<sup>7</sup> Nevada's population, which stood at approximately 2.2 million in 2001, is projected to reach 2.65 million in 2010 and 2.85 million in 2020.

While Nevada's rate of population growth is anticipated to decline during the next several years, it is expected to continue out-pacing national averages. Please see Exhibit 1-5.

### **Population Age Distribution**

Population demographics not only provide insight into the volume of residents demanding public services, they also afford meaningful commentary regarding relative levels of demand. For example, increasing population under the age of 20 might suggest increased demand for education, while a declining population over the age of 65 may indicate less need for Medicaid and other seniors' services. While this is not likely a one-to-one relationship,<sup>8</sup> the changing character of a state's population has the potential to result in higher or lower per capita service burdens.

ACR 1 recognized that Nevada was in the midst of a somewhat ominous demographic trend by noting, "Nevada is the fastest growing state in the country, with the biggest gains being made in the populations of *school-aged children* and *senior citizens*" (emphasis added).<sup>9</sup> These groups tend to have the greatest demand on public services; and, to the extent that they are outpacing overall population growth, a strenuous fiscal condition may follow.<sup>10</sup> Residents under the age of 20 and individuals over the age of 65 are both growing at rates faster than the population as a whole. Between 1990 and 2001, Nevada's population increased each year by roughly 5.1 percent. During that same period, persons under the age of 20 and persons over the age of 65 increased by an average rate of 5.2 and 5.7 percent each year, respectively. Please see Exhibits 1-6 through 1-8.

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<sup>7</sup> Nevada State Demographer's Office, *Population Estimates by Age, Race and Sex*, 1990 through 2022.

<sup>8</sup> Due to several factors, including efficiencies gained through economies of scale.

<sup>9</sup> Assembly Concurrent Resolution 1, 71<sup>st</sup> Leg., 17<sup>th</sup> Sp. Sec., *Establishing the Governor's Task Force on Tax Policy in Nevada*. Cl. 1.

<sup>10</sup> Assembly Concurrent Resolution 1, 71<sup>st</sup> Leg., 17<sup>th</sup> Sp. Sec., *Establishing the Governor's Task Force on Tax Policy in Nevada*. Cl. 1-4.

Not surprisingly, both of these segments captured increasing shares of Nevada's overall population base. In 1990, residents under the age of 20 and persons over the age of 65 represented 27.8 percent and 10.5 percent of the population base, respectively. By 2000, their shares had increased to 28.4 percent and 11.0 percent, respectively. Please see Exhibit 1-9.

It is worth noting that in 1980, the share of Nevada's population under 20 was 30.4 percent. However, children under the age of five were only 7.0 percent of that total, suggesting that the relative burden would fall in the coming years (which it did through 1989). By comparison, children under the age of five in 2000 were 7.3 percent of the population total, suggesting expanding rather than contracting demand, particularly considering the size of the relative base.<sup>11</sup>

### **Population Migration**

Another important aspect of Nevada's population growth is the migration of residents into the State (in-migration) as well as current residents choosing to leave (out-migration). Nevada's population has not grown at the feverish pace outlined above merely by natural progression, that is to say, births out-pacing deaths. Rather, a sizable share of the State's net population growth is relocation of individuals into Nevada.

Nevada's population is defined by its transient nature. Each year approximately eight percent of the State's residents are new to the area, while approximately five percent of the existing resident population chooses to leave.<sup>12</sup> California accounts for the lion's share of newcomers, representing nearly 57 percent of the State's net migration total during the past 11 years. Mountain West states account for another 8.2 percent of Nevada's net in-migration total, suggesting that more than 65 percent of new residents are relocated to Nevada from other Western States. Please see Exhibit 1-10.

Approximately 35 percent of Nevada's in-migration total stems from regions east of the Rocky Mountains. Most notable are the East North Central<sup>13</sup> and the Mid Atlantic

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<sup>11</sup> In 1980, 30.4 percent of the population base was 246,000 residents; in 2000, 28.4 percent of the population base was 572,000 residents.

<sup>12</sup> Internal Revenue Service State Migration Estimates, Tax Years 1988-89 through 1999-2000.

<sup>13</sup> Includes Illinois, Indiana, Michigan, Ohio, and Wisconsin.

states,<sup>14</sup> which accounted for 8.5 and 7.8 percent, respectively, of Nevada's net in-migration during the past decade. These regions appear to be contributing an increasing share of the region's net in-migration, as they reported significantly smaller shares in 1989 as compared to 2000.

Total net migration has been falling somewhat since 1997, when the net total was reportedly 48,000 residents. By comparison, the three years following have averaged only 37,300 residents. While in-migration appears relatively stable, out-migration appears to be on the rise. This trend supports the less robust population projections provided in the preceding subsections.

Two other trends of consequence include the impacts of the recession and the incomes of relocating residents. Fewer people relocate to Nevada and more move out of Nevada in times of economic downturn. This is evidenced by total net migration figures reported during the 1991-92 and 1992-93 fiscal years, where net totals were only 69 percent of annual averages. This cuts against the "recession proof" nature some attribute to the Nevada economy. Please see Exhibit 1-11.

Newcomers to Nevada tend to have incomes below the averages reported by existing residents. In fact, their adjusted gross incomes average roughly 30 percent lower than those of existing residents. This is not necessarily surprising considering the fact that many relocating households do so with the intention of finding and/or making a better life. Nevada's average annual income has remained relatively stable; and as such, there is evidence that this goal is largely accomplished. Please see Exhibit 1-12.

## **Employment & Unemployment**

### **Historical Employment**

This analysis includes a review of both "wage and salary" and "full-time and part-time" employment by industry.<sup>15</sup> The first data set (wage and salary employment) relates only to workers covered by unemployment insurance laws and federal civilian workers covered by unemployment compensation for federal employees.<sup>16</sup> The first data set omits

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<sup>14</sup> Includes New Jersey, New York and Pennsylvania.

<sup>15</sup> United States Bureau of Economic Analysis reports both data sets. *See also*, the Nevada State Department of Employment, Training and Rehabilitation.

<sup>16</sup> *Id.*



some employment, such as those who are self-employed. Please see Exhibits 1-13 and 1-14.

The second data set (full-time and part-time employment) is essentially a “job count.” These employment estimates measure the number of full-time and part-time employees, plus the number of proprietors of unincorporated businesses. People holding more than one job are counted for each job held. Also, these data are reported by place-of-work rather than place of residence. Therefore, jobs held by residents of neighboring states who commute to work in Nevada are included in the employment count for Nevada. Please see Exhibits 1-15 and 1-16.

In 2001, Nevada's employment base was estimated at approximately 1.1 million, with a job count of 1.3 million. Employment growth, like population growth, has seen tremendous increases during the past few decades. In 1970, wage employment was a mere 225,000. During the 30 years since, employment has grown at a CAGR of more than 5.3 percent, adding an estimated 33,000 jobs to the economy each year. Employment growth, however, is not without its fluctuations. The recessions of early 1980s and early 1990s show clear evidence of the State's vulnerability to economic cycles. Please see Exhibit 1-17.

Perhaps most germane to the analyses that are the focus of this study are Nevada's employment growth rates reported during the past several months. Exhibit 1-18 illustrates monthly employment and year-over-year growth rates between January of 1981 and August of 2002.<sup>17</sup> While these monthly data have more variability than their annual counterparts, the economic troughs of the early 1980s and 1990s are still clearly present. Moreover, the declines beginning in early to mid-2001 are also apparent and reflected in the employment projections provided in the *Projected Employment Growth* subsection, below.

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<sup>17</sup> Note that the information reported in Exhibit 1-18 differs from that reported in other portions of the report due to reporting differences between the United States Bureau of Economic Analysis and the Nevada State Department of Employment, Training and Rehabilitation.

## **Employment Distribution and Shift-Share Analysis**

### ***Employment Distribution***

It is no secret that Nevada's employment base is steeped in services, and, most notably, hospitality-related services (including casino gaming). Nationally, there has been a sustained trend toward services employment. In 1970, 18 percent of U.S. employment was in services industries.<sup>18</sup> By 2000, that percentage had increased to 30 percent. During the same period, Nevada services employment increased from 39 percent to 43 percent of the State's employment base. This trend suggests, at least on the surface, that the nation is becoming more like Nevada, rather than the alternative. Please see Exhibits 1-13 through 1-15.

A more detailed review of the State and national economy provides additional insight into the unique nature of Nevada's employment structure. Please see Exhibit 1-19. In 2000, hotels and other lodging establishments represented 18.1 percent of Nevada's full-time and part-time employment, nearly 17 percentage points above the national average. It is noteworthy that while this sector remains dominant, its overall share of the total economy has been declining since the early 1990s. Please see Exhibit 1-20.

Other employment sectors where Nevada can be distinguished from national norms include manufacturing, construction, and government. Nevada's growth has led to a higher-than-average concentration of construction employment, while the State has relatively fewer manufacturing and government employees. The "shift-share" analysis, in the following section, provides greater insight into these differences.

### ***Shift-Share Analysis***

Shift-share analysis is an economic technique that provides important perspective into industry patterns at the State or local level by comparing their growth components to national averages. Shift-share analysis has three key components: 1) national growth; 2) industry mix; 3) and regional shift. It was conducted for the period of 1990 through 2000.

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<sup>18</sup> Services industries include hotels and other lodging places, personal services, private households, business services, auto repair services, and parking, miscellaneous repair services, amusement and recreation services, motion pictures, health services, legal services, educational services, social services, museums, botanical, zoological gardens, membership organizations, engineering and management services, and other miscellaneous services. *See also* Exhibit 1-18.

The analysis and its results are summarized at the employment sector level on Exhibit 1-21.

The objective of the analysis is to answer two different, but interrelated questions. First, does the difference in employment growth arise because of initial dissimilarities in the industry composition of employment? Or, does the difference arise because of disparities in the performance of local industries? Each of the three analysis components outlined above attempts to account for a unique aspect of the identified disparity between Nevada and the nation as a whole.

Between 1990 and 2000, Nevada's employment base increased from 662,000 to 1.1 million, or by 412,000 employees. This translates into 62 percent growth during the period, or a 5.0 percent compound annual growth rate. The analysis summaries below describe the characteristics of this growth.

The *national growth component* is relatively straightforward. It looks to assess what share of Nevada's growth is attributable to general national employment growth (not industry specific). Between 1990 and 2000, employment growth nationally was 19 percent. This suggests that roughly 30 percent of Nevada's overall employment growth was likely attributable to national expansions.

The second component, *industry mix*, attempts to answer the question: "Did Nevada's 62 percent employment growth between 1990 and 2000 exceed the overall national average of 19 percent because employment was concentrated in faster growing industries?" The results of this analysis suggest that Nevada's economy is somewhat skewed toward faster growing industries, as approximately 1.9 percent of the State's employment growth is attributable to its mix of industries.

The final component of the analysis is known as *regional shift* or *local share*. This segment of the analysis looks to determine the extent to which local industries outpaced their national counterparts. In other words, what share of Nevada's population growth is the result of growth not attributable to general national expansion or the mix of industries within a region? The results of this analysis suggest that 41 percent of Nevada's employment growth is attributable to local businesses' and industries' ability to outpace their national and regional counterparts. The growth component of Nevada's economy appears paramount to its success.

### **Unemployment**

Nevada's unemployment rate tends to track that of the nation. In fact, both the United States and Nevada unemployment rates have averaged 6.3 percent during the past twenty years.<sup>19</sup> During the past ten years, Nevada's unemployment rate has slightly outperformed the national average, reporting an average rate 0.2-percentage points lower than the nation's average. During the past six months, Nevada's unemployment rate has fallen again under the national average as the economy continues to rebound and expand. Please see Exhibits 1-22 and 1-23.

Changes in the rate of employment can also be an indicator of changing economic conditions. Rising unemployment is usually accompanied by slower economic growth; however, there are occasions where falling unemployment can constrain economic growth (i.e., in situations where a labor shortage arises). During the last 24 months, Nevada's rate of unemployment rose from a low of 3.5 percent in May of 2000 to a high of 6.8 percent in January 2002. From that point forward, it has slowly declined to the 4.9 percent reported in September 2002.

### **Projected Employment Growth**

Projections of employment growth are essential to evaluating how Nevada's economic landscape (and its fiscal condition) may change over the next several years. Employment projections prepared by the Nevada State Demographer and the Nevada Department of Employment, Training, and Rehabilitation were used as a baseline for mid and long-term projections; however, short-term estimates were revised to reflect information made available after these estimates were last prepared.<sup>20</sup> Please see Exhibits 1-24 and 1-25.

Nevada's overall employment growth through the end of FY 2001-02 has increased by 1.3 percent, less than half the increase reported for the previous fiscal year. Again, it is important to note that there is a great deal of uncertainty in the short run, so these estimates may need to be revised as the direction of the overall economy becomes more

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<sup>19</sup> See Nevada Department of Employment, Training and Rehabilitation and the United States Bureau of Economic Analysis.

<sup>20</sup> Note that the State Demographer estimates were prepared using the Regional Economic Models Inc., input-output model.

apparent. Based on information available today, however, a period of moderate growth appears most likely.

Estimates indicate a recovery beginning in the second half of 2002. Growth between fiscal year 2002 and 2003 is projected to be approximately 2.6 percent. From that point on, the data provided by the Nevada State Demographer suggests positive, yet considerably slower growth through the balance of the projection period. Such a trend is generally reflective of the assumption that a smaller share of the population will participate in the workforce as Nevada's population ages.

By 2010, employment is anticipated to reach 1.2 million, with an employment-to-population ratio of 0.46. That ratio stands at 0.50 today. Please see Exhibit 1-26.

## Income & Earnings

### Per Capita Incomes

Nevada's per capita income was estimated at \$29,900 in 2001, placing Nevada 18<sup>th</sup> out of the 50 states plus the District of Columbia.<sup>21</sup> Nevada has reported per capita incomes above the national average since 1960; however, the gap between Nevada's per capita average and that of the nation has been thinning since the mid to late-1980s. Nevada's per capita income was 5.3 percent above the national average in 1990. By 2000, that gap had fallen to 0.3 percent. Please see Exhibits 1-27 through 1-31.<sup>22</sup>

The erosion of per capita income growth has a number of causes, not all of which are addressed or considered in this review. They include growth in population segments with a lower workforce participation rate (i.e., under the age of 18 and over the age of 65)<sup>23</sup> and the mix of industries within which employment is concentrated (i.e., heavy growth in services and retail trade, which have lower than average wages), the level of government

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<sup>21</sup> United States Bureau of Economic Analysis, By Place of Residence Data Set. See also Nevada Department of Employment, Training and Rehabilitation.

<sup>22</sup> We note that there are some reporting inconsistencies in the United States Census population estimates. It appears that Nevada's population has been undercounted in a number of years. Because per capita income is calculated by applying these population estimates, they have the potential to be overestimated.

<sup>23</sup> Please see *Population Age Distribution* subsection.

transfer payments, and amount of retirement income.<sup>24</sup> As these trends continue to develop, per capita income growth will also likely flatten or continue its downward trend.

For analysis purposes, incomes are projected to increase by approximately 3.3 percent annually during the next five years and then flatten out at or around the rate of inflation for the balance of the study period.<sup>25</sup> These assumptions are consistent with the trends cited above. They result in a per capita income of \$38,900 in 2010 and \$50,300 in 2020. Please see Exhibit 1-32.

### **Total Personal Incomes**

Personal income growth is a function of growth in population per capita incomes of residents.<sup>26</sup> Nevada's total personal income in 2001 was estimated at \$63.5 billion. By 2010, that figure is anticipated to reach an estimated \$105 billion, and by 2020 it is expected to total more than \$146 billion.

### **Industrial Wages by Sector**

As noted above, the distribution of employees among industrial sectors has the ability to impact incomes and income growth. Some jobs pay more than others; thus, a concentration of employment in relatively high-paying sectors directly correlates to higher average household incomes. The reverse is also true.

In 2001, an average employee in Nevada earned \$35,650 per year.<sup>27</sup> That compares to the national average of \$37,250. Employers in Nevada do not necessarily pay their employees less for doing the same job; in fact, the opposite is often the case. Nevada's employment mix, however, is shifted toward lower paying industries. As a result, the average employee earns less. Please see Exhibit 1-33.

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<sup>24</sup> Please see *Industrial Wage by Sector* subsection.

<sup>25</sup> Please note that the reported growth for 1999 and 2000 was 2.5 percent and 2.3 percent, respectively. These estimates may be somewhat aggressive in the near term; however, they do reflect the growth trends over the past five to ten years. Such an assumption was made based on the concern over the reporting inconsistencies cited in Note 16. The rate of inflation is estimated at 2.97 percent, please see also *Inflation* subsection.

<sup>26</sup> Note that in practice, per capita income is often calculated as function of total personal income growth.

<sup>27</sup> Bureau of Economic Analysis, Regional Accounts Data, *State Economic Profiles*. Table SA30.

Average wage is largely an economic function of the demand for labor as it relates to available (or projected) supply. Nevada's core industry, generally classified as hotels and lodging places, pays an average wage only 92 percent of the statewide average; however, it also pays an average wage some 39 percent above the national average for employees in that sector. Nevada's higher-than-average wages reflect the sector's relative importance within the local economy, and a vital equilibrium.<sup>28</sup> Please see Exhibits 1-34 and 1-35.

Wages paid to Nevada employees are growing, but at a relatively slower average rate than reported during the past decade. Between 1995 and 2001, the average wage increased by 3.1 percent on a compounded annual basis. This compares with 3.9 percent nationwide. Please see Exhibits 1-36 and 1-37. Government and agricultural services were the only two sectors to outpace national averages during the last five years.

## Industry Analysis

### Gross State Product

Gross State Product ("GSP") is a measure of a state's business and industry output.<sup>29</sup> It is an indication of growth within the economy, providing meaningful insights into the economy's performance and underlying industrial trends. In 2000, Nevada's GSP was \$74 billion. Overall, GSP growth has been positive, but trending downward. We anticipate that Nevada's GSP growth rate will continue to decline, approaching national average annual growth rates of roughly 6.0 percent by 2005 and flatten from that point through the end of the study period. Please see Exhibits 1-38 and 1-40.

### Economic Characteristics of Major Industries

In 2001, Nevada businesses generated an estimated \$125 billion annually in business sales, receipts and shipments. This translates into roughly \$135,900 per employee. Please see Exhibit 1-41.<sup>30</sup>

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<sup>28</sup> Please see the *Employment Distribution and Shift-Share Analysis* subsection.

<sup>29</sup> Gross State Product data provided by the United States Bureau of Economic Analysis.

<sup>30</sup> Due to the way these data are reported it is difficult to assess their year-over-year growth rates. A more extensive treatment is provided in Section 7; however, we note that if no growth in revenue per employee were to be assumed, this figure would have been \$119 billion, and if a 2.6 percent annual growth rate were

In a very broad sense, two tax bases are generally available to governments from economic activity: 1) taxes on the transfer of wealth; and 2) taxes on consumption. The first category is often subdivided into two classes, business and personal, due to the material differences between the two. There are several characteristics of industries that can provide insight into their relative ability to contribute to the State's fiscal system via the broad bases outlined above. They include, but are not limited to, an industry's share of total employment, share of wages paid, growth rate, relative wage scale, sales activity, and marginal profitability. These industry characteristics are provided in Exhibit 1-42.

Generally, the goal of a tax system is to capture the fiscal benefits of economic expansion. ACR 1 embraced this point of view by calling a broad-based tax structure that is reflective of Nevada's economy "desirable policy."<sup>31</sup> As such, an industry can have a high fiscal contribution potential where it has moderate growth, but a large base. Similarly, an industry with a relatively small base, but a higher-than-average growth rate, may also have considerable potential. Industries that pay higher-than-average wages generate greater promise with regard to consumption taxes, due to the close relationship between income and spending on goods and services. These considerations, of course, must be balanced against the full spectrum of quantitative and qualitative factors resident to each potential or existing revenue source.<sup>32</sup>

### **Base Industry: Tourism (Hospitality-Related Businesses)**

There is little argument that tourism is Nevada's most significant industry. Hospitality-related businesses are estimated to directly employ more than 25 percent of the State's workforce, pay more than 22 percent of the State's annual wages and salaries, and generate more than 20 percent of the State's total output. The industry's *indirect* and *induced* impacts substantially add to these direct estimates.<sup>33</sup>

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assumed (the estimated inflation rate), this figure would have been \$134 billion. The mid-point was used for analysis purposes.

<sup>31</sup> Assembly Concurrent Resolution 1, 71<sup>st</sup> Leg., 17<sup>th</sup> Sp. Sec., *Establishing the Governor's Task Force on Tax Policy in Nevada*. Cl. 6.

<sup>32</sup> See also Section 6: *Identification and Review of Revenue Alternatives*.

<sup>33</sup> Indirect impacts relate to those generated by purchase of goods and services by the hospitality industry, while induced impacts relate to those generated by the spending of hospitality industry's employees. See also Bybee, S. et. al. *The Hospitality Industry's Impact on the State of Nevada: A Review and Analysis*. UNLV International Gaming Institute. 1999.



It is important not to lose sight of the fact that three quarters of Nevada's employment base is not directly tied to hospitality-related businesses. Several indicators suggest that the State's economy has been diversifying over the past decade. That having been said, recent history has clearly evidenced that a downturn in Nevada's hospitality-related industry has the potential to impact nearly every sector of the State's economy, to say nothing of its fiscal system. The industry's ability to remain healthy and competitive is an essential element to the State's economic stability.

Other sections of this report offer greater treatment of the hospitality industry's contributions to Nevada's economic and fiscal condition. Below, a select set of key indicators and considerations are briefly reviewed.

### *Visitation*

Statewide visitor volume in 2001 was estimated at 48.4 million.<sup>34</sup> Staying an average of 3.5 nights per visit, tourist and convention travelers account for nearly 18 percent of the State's full-time equivalent population. Please see Exhibit 1-43. While visitors do not demand the full breadth of public services (i.e., they do not send their children to Nevada's public schools), they do impact public service costs and have a substantial effect on the State's revenue generating ability. Moreover, the money spent by visitors positively impacts businesses in nearly every sector of the State's interconnected economy.<sup>35</sup>

Statewide visitation statistics are only available from the Nevada Commission on Tourism going back to 1993.<sup>36</sup> In that year, total visitation was approximately 34 million. Growth reported between 1993 and 2001 translates into a CAGR of 4.5 percent. Please see Exhibit 1-44.

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<sup>34</sup> Nevada Commission on Tourism, *Discover the Facts; 15-Year Report* and supplemental annual statistics. See also Las Vegas Convention and Visitor Authority website, [www.vegasfreedom.com](http://www.vegasfreedom.com); and Reno Sparks Convention and Visitors Authority 1999 Annual Marketing Report.

<sup>35</sup> Bybee, S. et. al. *The Hospitality Industry's Impact on the State of Nevada: A Review and Analysis*. UNLV International Gaming Institute. 1999.

<sup>36</sup> Clark County figures prior to 1988 omit Laughlin and figures prior to 1993 omit Mesquite. Additionally, tourism figures for jurisdiction outside of Clark and Washoe Counties were not compiled and reported prior to 1993.

Through the first six months of 2002, visitor volume, statewide, was down more than three percent, with rural Nevada and Washoe County experiencing the greatest declines.<sup>37</sup> Monthly data from Clark County,<sup>38</sup> which accounts for approximately 85 percent of the State's visitor volume, were also analyzed. Please see Exhibits 1-45 and 1-46. These data suggest a moderate slowing trend in overall visitor volume growth, with the impacts of September 11<sup>th</sup> clearly evident. That tragedy notwithstanding, Clark County's visitor volume growth had been somewhat sluggish since mid-2000. Average increases in visitor volume were only 1.6 percent between September of 2000 and August of 2001, significantly lower than in previous periods.<sup>39</sup>

Large increases in tourism are most often associated with the opening of new projects. Growth spikes in 1990, 1994 and 1999 generally coincide with the opening of highly publicized "mega-resorts." Fewer of these of these properties are anticipated to enter the market during the next several years; and as such, most analysts tend to believe that Nevada's visitor volume will grow at rates slower than those reported during the mid to late-1990s.

The events of September 11<sup>th</sup> have clearly taken a toll on visitor volumes through the first half of 2002. Tourism is projected to slowly return to historical growth patterns during the next two to four quarters (late-2002/early-2003), and then grow at an average annual rate of between 1.0 and 1.9 percent. At this rate, Nevada's visitor volume would reach roughly 56 million by 2010.

### ***Gross Gaming Revenue***

Taxes on gross gaming revenue (or win) represent the second largest source of revenue for the State's general fund, following closely behind retail sales and use tax

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<sup>37</sup> Nevada Commission on Tourism, *Discover the Facts*; Second Quarter 2002. (citing Las Vegas as down 2.7 percent in the second quarter; Washoe County down 6.6 percent in the second quarter; Laughlin down 4.7 percent in the second quarter; and Mesquite down 3.5 percent in the second quarter.)

<sup>38</sup> Data for both Clark County and the Las Vegas Valley, which accounts for 85 to 90 percent of Clark County's visitor volume total, are available through August 2002. Data for all of Clark County are available going back only through January 1996. Data for the Las Vegas Valley are available going back to January of 1980. Both data sets were reviewed. *See also* Las Vegas Convention and Visitor Authority website, [www.vegasfreedom.com](http://www.vegasfreedom.com).

<sup>39</sup> Las Vegas Convention and Visitors Authority.

collections.<sup>40</sup> It follows that growth in the State's gross gaming revenue will have a material impact on the State's fiscal condition.

In 2001, Nevada's gross gaming revenue was \$9.5 billion, down approximately 1.4 percent from the previous year.<sup>41</sup> Again, the impacts of the State's sluggish economy leading up to and following the events of September 11<sup>th</sup> are evident. The first six months of 2002 reported average declines of 3.0 percent over the comparable months of 2001. Looking at the 12-month period immediately preceding September (e.g., September 2000 through August 2001) suggests that Nevada's gross gaming revenues were growing at an annual pace of only 0.6 percent. This is considerably slower than the 5.3 percent average growth reported since January of 1991, and suggests that the slowdown is not solely attributable to the events of September 11, 2001. Please see Exhibit 1-47.

Perhaps the most troubling trend emerging from the review of these data is that while visitor volume statistics have begun showing signs of a rebound, the same is not necessarily true of gross gaming revenue.<sup>42</sup> Gaming revenues have continued to decline versus the same period of the previous year almost consistently since September 2001. It has been suggested that this is due to changes in visitor demographics as well as local gambler consumer patterns. It is too soon to fully assess this trend, and the existing evidence is at best, unclear.<sup>43</sup> Reports issued on the gaming industry's performance in the fourth quarter of 2002 (after this report was drafted), will be important indicators as to the extent of the economy's road to recovery.

Projections for gross gaming revenue growth are estimated as a function of population and tourist visitation.<sup>44</sup> Using the growth trends reported for 1993 through 2001, it

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<sup>40</sup> Fees on gross gaming win were the largest source of revenue for the State until fiscal year 2001, when retail sales and use tax collections out-paced gross gaming tax fees.

<sup>41</sup> Nevada Commission on Tourism, *Discover the Facts*; Second Quarter 2002; *see also* Nevada State Gaming Control Board, monthly gross gaming win estimates. Selected issues, 1998 through 2002.

<sup>42</sup> *See Visitation* subsection. Note that the level of declines in visitor volume has been getting smaller since September, while the declines in gross gaming revenue have been increasing.

<sup>43</sup> Note that non-strip and downtown properties appear to be less affected by this trend, suggesting that changes in local spending patterns may actually be benefiting some properties. Again, this trend must be balanced against market factors, such as the opening of the Palms and Green Valley Ranch Station casino-hotels during the period.

<sup>44</sup> We note that other factors, including income and spending trends are also contributing factors. They are considered in more detail in subsequent sections of this report, including actual revenue modeling. Gross gaming win fees do not necessarily reflect gross gaming revenue trends on a month-to-month basis, due to the way the revenues are collected and accounted.

appears that on an inflation adjusted basis, gross gaming revenues have been declining on a per capita and per visitor basis since the mid-1990s. Please see Exhibits 1-48 and 1-49. Looking forward, it is estimated that gross gaming revenues will grow to roughly \$10.3 billion by 2005 and \$11.4 billion by 2010. Please see Exhibits 1-50 and 1-51.<sup>45</sup>

### ***Room Inventory/Construction Activity***

As of December 2001, Nevada's room inventory was estimated at 174,400, with more than 126,000 rooms located in the Las Vegas valley. As noted above, the development of new mega-resorts is closely coupled with visitor volume and gross gaming revenue growth. Since 1991, an average of 5,200 hotel rooms entered the market each year.<sup>46</sup> These included highly anticipated properties like Mandalay Bay, Luxor, the MGM Grand, New York-New York, the Aladdin, the Venetian, Bellagio, Bally's Paris, the Monte Carlo, and others. Visitor volume growth "spiked" as these properties, or groups of properties, came on-line. Please see Exhibit 1-52.

The Las Vegas Convention and Visitor's Authority (the "LVCVA") and Reno-Sparks Convention Authority report significantly fewer new developments in the pipeline than existed during the last several years. While neither of these groups could estimate how many new rooms may come on-line during the next 10 to 20 years, both indicated that near-term development (e.g., planned during the next three to five years) is likely to be well below historical averages. The LVCVA estimates that 1,327 (2002), 3,270 (2003), and 1,385 (2004) new rooms will enter the market in the near term.<sup>47</sup> The majority of these properties are expansions or projects far below the size and caliber of the mega-report properties alluded to above. Only the proposed *Le Reve* project, anticipated to enter the market in April 2005, appears to be of the echelon historically required to generate a spike in visitor volume.

This is not to say that new mega-resorts will not enter the market during the next decade or that there will be no further spikes in visitor volume growth. In fact, the opposite is by

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<sup>45</sup> It should be noted that while these growth trends are positive, they represent declines in inflation adjusted and per capita terms.

<sup>46</sup> These additions include only those in Washoe and Clark Counties, as information on hotel/motel construction was available in those areas. See also the Las Vegas Convention Authority and the Reno-Sparks Convention and Visitors Authority.

<sup>47</sup> See the Las Vegas Convention and Visitors Authority Hotel/Casino Construction Report. December 14, 2001.

far a more likely scenario. This review simply concludes that fewer new premier properties are likely to enter the market during the next five years; and as such, any large visitor volume increases may need to be inspired by some alternative catalyst.

### *Hotel Occupancy*

Even with the construction activity cited above, Nevada's hotel occupancy rate has hovered between 81 and 84 percent during the 12-year period ending December 2001. At the close of 2001, the average rate was estimated at 81 percent, down 3.6 percent from the 84 percent reported for 2000. Please see Exhibit 1-53.

Near-term trends appear to illustrate a slow recovery for statewide occupancies. For the 12 months ending June 2002, the State's average monthly occupancy rate was reportedly 79.3 percent; however, in April, May and June, an average rate was nearly 83 percent.<sup>48</sup> Not surprisingly, hotel and motel occupancy data for Southern Nevada also reflect a similar trend over the past 12 months.<sup>49</sup> While slightly below historical levels, the Las Vegas average occupancy rate in August was nearly 90 percent. Please see Exhibit 1-54.

When adjusted for seasonality, occupancy rates have an inverse relationship to average daily room rates.<sup>50</sup> Generally, the lower the cost of the room, the more demand that exists. One circumstance that has been discussed is the fact that hotel occupancies have been artificially inflated by the attracting power of reduced room rates. It is difficult to fully assess this trend because room rate data, even for Clark County, is only available through January 2002. In that month, average room rates were down eight percent over the same period of 2001. Please see Exhibit 1-55.

While there is too little information available to date to fully evaluate this trend, the factors underlying its existence are meaningful. Changes to the visitor demographic and/or consumer behavior patterns of visitors have the potential to impact Nevada's economy as well as its revenue generating capacity. To use the example outlined above, if Nevada's hotel-casinos are attracting more "cost-conscious" customers (i.e., through incentives like lower room rates), those visitors will likely have a lower per capita

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<sup>48</sup> Nevada Commission on Tourism, *Discover the Facts*; Second Quarter 2002; *see also* Nevada State Gaming Control Board, monthly gross gaming win estimates. Selected issues, 1998 through 2002.

<sup>49</sup> Please see the *Visitor Volume* subsection.

<sup>50</sup> Average daily room rate or average daily rate is the average amount paid for all rooms occupied in Nevada.

contribution to the economy and government revenue base. These trends will be treated in greater detail in subsequent analyses.

### *Conventions, Tradeshows, and Special Events*

Nevada is becoming increasingly event driven. The State plays host to some of the world's largest conventions (i.e., Comdex, the Automotive Aftermarket Industry Week Convention, and the Consumer Electronics Show) and provides a venue for global broadcast concerts and sporting events (i.e., NASCAR and the National Finals Rodeo).<sup>51</sup> The ability of the hospitality industry to continue to attract these types of events, as well as the visitor traffic and exposure associated with them, will be an important element in the industry's future growth.

For the 12 months ending June 2002, statewide convention attendance was an estimated 5.4 million, representing approximately 11.1 percent of the State's visitor total.<sup>52</sup> This growth translates into a 3 percent increase from the 5.2 million convention attendees reported for the year ending June 2001. Growth in convention travel has largely served to stabilize the Nevada's visitor traffic. Total visitor volume, by comparison, decreased by 3.9 percent during the same 12 month period. Through August of 2002, the LVCVA reports that convention travel in Las Vegas is up 1.2 percent for the first eight months of the year, while overall visitor volume is down 2.1 percent.<sup>53</sup> Moreover, the LVCVA suggests the convention bookings have remained stable, even in light of recent economic instability.<sup>54</sup>

### *Competition*

Nevada has fared well considering the proliferation of gaming across the United States during the past 15 years. As of 2001, every state in the Union had approved some type of gaming activity, barring Hawaii and Utah. Please see Exhibit 1-56. Nevada's visitor

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<sup>51</sup> Las Vegas Convention and Visitors Authority.

<sup>52</sup> Nevada Commission on Tourism, *Discover the Facts*; Second Quarter 2002; *see also* Nevada State Gaming Control Board, monthly gross gaming win estimates. Selected issues, 1998 through 2002.

<sup>53</sup> Las Vegas Convention and Visitors Authority.

<sup>54</sup> Las Vegas Review Journal, *Extra space pays off for convention center*, Feb. 7, 2002, quoting Rossi Ralenkotter, the LVCVA's vice president of marketing as saying, "[c]onvention bookings are steady and the Las Vegas convention calendar remains full."

volume and gross gaming revenue totals have increased with expansion of gaming opportunities nationally. Surprisingly, some 70 percent of visitors to Las Vegas reported having gaming alternatives near them; however, these establishments were cited as having had no impact on their decision to visit Las Vegas.<sup>55</sup>

Nationwide, gross gaming revenues were estimated to total \$37.9 billion in 2000, with land-based and riverboat gaming establishments contributing between \$24 and \$27 billion of that annual total.<sup>56</sup> Nevada's gross gaming revenue for the year was \$9.5 billion, or roughly one-third of the land-based and riverboat sum.

The expansion of gaming is not without its threats. Most notable are Native American gaming establishments, particularly those in California and Arizona. Native American gaming facilities have a competitive advantage in that, with few exceptions,<sup>57</sup> they pay no taxes and can retain a higher share of their gross revenues.<sup>58</sup> Native American casinos in California currently offer Class III slots and house-banked card games. They are limited to 2,000 slot machines per tribe, with no limitations on the number of card games they may offer. In 2000, there were approximately 40 Native American casinos operating in California. Some estimate that by the close of 2002, California may pass Nevada in terms of total gross gaming win.

Native American casinos in Arizona are permitted to offer machines but no table games, and all machines must return minimum and maximum paybacks as determined by the State. Several of the tribes currently offer table games and are in arbitration with the State as to their legality. In 2000, there were 19 tribal casinos operating in Arizona with a total of 7,700 slot machines and 234 table games.

California and Arizona represent 30 percent and 4 percent, respectively, of Las Vegas's visitor traffic each year.<sup>59</sup> Californians alone represent 46 percent of Washoe County's visitor total.<sup>60</sup> Gaming in California and Arizona are passing the infancy stages and are

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<sup>55</sup> *North American Gaming Almanac*, Bear Stearns. 2001 Ed.

<sup>56</sup> See *State of the States: The AGA Survey of Casino Entertainment*, American Gaming Association, 2000. See also *North American Gaming Almanac*, Bear Stearns. 2001 Ed.

<sup>57</sup> One example is the Foxwoods Casino, which received an exclusive right to operate in the State of Connecticut in exchange for a percentage of gross revenues.

<sup>58</sup> California and Arizona are not among the exceptional states.

<sup>59</sup> Las Vegas Convention and Visitor's Authority, *Visitor Profile*, 2000 Ed.

<sup>60</sup> Reno-Sparks Convention and Visitor's Authority, *1999 Visitor Profile Study – Final Report*. 1999.

beginning to mature. This is evidenced by newer projects in Palm Springs, San Diego, Barona, Cabazon, Oroville, and Highland, which are more competitive than their predecessors. While it is unlikely that these facilities will directly compete with the multi-faceted entertainment destination that Las Vegas has evolved to become, it would be naïve to ignore this evolution or to believe that some market share, at a minimum, will not be drawn away from Nevada.

## Consumer Behavior

### Retail Sales Activity

#### *Nevada*

Because Nevada has such a high dependence on retail sales and use taxes, trends with regard to consumer expenditures are an important consideration when reviewing the State's fiscal system. Retail sales FY2001-02, were up 0.6 percent over those reported in FY 2000-01.<sup>61</sup> Please see Exhibit 1-57. This circumstance notwithstanding, the downward trend in retail sales beginning in mid-1999 is evident. Compare Exhibit 1-57 with 1-58 (annualized totals versus year-over-year monthly growth comparisons).

A closer look at taxable sales activity by industrial sector provides greater insight into market trends and Nevada's relative dependence on certain sectors of the economy. Exhibits 1-59 and 1-60 furnish a review of two-digit Standard Industry Classification ("SIC") code in-state taxable retail sales for FY 1996-97 through FY 2001-02.<sup>62</sup> These data have been ranked by their contribution to the tax base, and indicate that out of the 82 industries listed, the top five account for 54 percent of in-state collections.<sup>63</sup> Please see Exhibit 1-61. They include eating and drinking places, automotive dealers and gasoline, general merchandise stores, building materials and hardware, and wholesale trade for durable goods. In addition, these five sectors have been accounting for an increasing share of the retail sales tax collection since FY 1996-97.

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<sup>61</sup> See Nevada Department of Taxation, Retail Sales Summaries for 1997 – 2002. Note that these data reflect collections by industry and not spending by that industry.

<sup>62</sup> *Id.*

<sup>63</sup> Note that miscellaneous retail, accounts for 11 percent of total in state sales. Because this category is not a sector it has been omitted. If it had been included, the top six industries would have represented 64 percent of the statewide total.



When contrasting the annual data noted above with monthly collections reported for September 2001 through August 2002, it appears as though retail sales activity has been at least partially “held up” by sales in the automotive sector. Please see Exhibit 1-62. This is largely attributed to aggressive financing terms and buy-now-pay-later programs. The robust performance of the automotive sector must be balanced against weaker performing sectors such as eating and drinking places and apparel and accessory stores, both of which were down considerably during the six months following September, but have seen steady improvement during the last six months. While there are mixed signals with regard to how the economy will rebound, it is possible that some of the reported automobile sales are borrowing from the future. Retail performance of the approaching holiday season will be a critical indication of the direction of the economy.

Another trend of consequence is the declining share of retail sales and use tax collection in the building materials sector. Between FY 1996-97 and FY 2001-02, this sector grew at a compounded annual growth rate of 1.5 percent, some 3.8 percentage points below the overall growth rate of statewide taxable sales. As a result, the building material sector declined from 7.8 percent of in-state collections in FY 1996-97 to 6.5 percent in FY 2001-02. This is likely the result of less construction activity, particularly with regard to Nevada's hotel-casino industry. Should population and employment growth slow as projected, this trend is likely to continue, and the taxable sales base will continue to erode.

### ***Retail Sales Nationally***

Nationally, retail sales have remained relatively strong. Total sales for 2001 were \$3.2 trillion, up 0.3% on the year. While growth following the events of September 11<sup>th</sup> was among the lowest reported during the past eight years, the last six months have showed improvement. Please see Exhibits 1-63 and 1-64. This is at least one indication that the national economy is holding up well amidst the mild recessionary condition.

### **Consumer Confidence**

The Consumer Confidence Board produces a series of indices that are used as one measure of American's sentiment towards the current economy as well as its overall direction. Three indices were reviewed in this analysis; they include, 1) the consumer

confidence index; 2) the present situation index; and 3) the expectation index.<sup>64</sup> These series are illustrated in Exhibit 1-65. The consumer confidence index's relation to Nevada visitor volume and taxable retail sales trends is provided in Exhibit 1-66.

Not surprisingly, consumer confidence fell sharply in and after September 2001. By October it had reached a low of 84.9, or 36 percent below where it stood 12 months earlier. Consumer confidence increased into the summer months, but has fallen off again recently. As of September 2002, consumer confidence was reportedly 93.3, 4 percent below where it stood in September 2001. Consumer's future expectations stood at 96.5 in September 2002, roughly 24 percent above the index score reported 12 months earlier. American's expectations for the future, however, have also fallen off since mid 2000, when the index reached a high of 110.

### **Intention to Travel via Airplane**

Another important national indicator, particularly to Nevada, is national attitudes toward travel. Every other month, the Consumer Confidence Board asks a population sample if they plan to vacation during the next six months. They follow that question by asking if the consumer intends to travel via airplane. Considering the context of current world events, this indicator is particularly timely. Please see Exhibits 1-67 and 1-68.

The portion of the nation's population that intends to travel as well as that which intends to travel via airplane during the next six months continues to be down versus pre-September 11<sup>th</sup> levels. In August 2002, the number of households reporting plans to travel during the next six months was down eight percent versus August 2001. Intent to travel via airplane was down 11 percent for the same period. A continued national economic recovery and increased confidence in the security surrounding air travel are expected to put upward pressure on both of these indicators during the 12 to 24 months.

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<sup>64</sup> Consumer Confidence Board, selected series, 1980 – 2001.

## Inflation

The rate of inflation is an indication of how prices are changing. High inflation rates can lead to any number of economic concerns.<sup>65</sup> For the past several years, sound monetary policy and relatively strong economic conditions have been credited with keeping inflation in check.<sup>66</sup> The inflation index used for analysis purposes is based on the Consumer Price Index for all Western Urban Consumers ("CPI-UW").<sup>67</sup> The index currently stands at 185.7 (September 2002). The CPI-UW has grown by an annual rate of between 1.8 percent and 4.4 percent for several years, averaging just under 3.0 percent during the past 10 years, and 3.5 percent during the last 20 years. We anticipate the rate of inflation will average just over 2.6 percent through the study period.<sup>68</sup> Please see Exhibit 1-69.

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<sup>65</sup> Hellerstien, B. *The Impact of Inflation*, The Federal Reserve Bank of Boston; see also U.S. Department of Labor, Bureau of Labor Statistics, *Inflation and Consumer Spending*. 2002. <http://www.bls.gov>.

<sup>66</sup> Id.

<sup>67</sup> Please see the US Census Bureau of Labor Statistics at . <http://www.bls.gov>.

<sup>68</sup> We note that there is evidence that the Consumer Price Index may tend to overestimate actual increases in the costs of living. Thus, we have attempted to be conservative in our projected rate of inflation. See Jonker, N. *Constructing Quality Adjusted Price Indices: A Comparison of Hedonic and Discrete Choice Models*, European Central Bank World Bank. September 2002; see also *The Consumer Price Index: and Update*. 1998. The Concord Coalition Issue Brief; see also Gordon, R.J. *The Boskin Commission Report and Its Aftermath*, National Bureau of Economic Research, Working Paper No. w7759. June 2000. Also, discussion with Dr. Steven Miller, PhD, Chair UNLV Department of Economics. Noting caution regarding the use of inflation rates which may tend to overstate the actual rate of inflation.

# Analysis of Fiscal Policy in Nevada

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## Appendix 1A: Supporting Exhibits

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Governor's Task Force on Tax Policy in Nevada

November 15, 2002

**Exhibit 1A-1: Historical Population Estimates  
United States, Nevada, and Other Western States, 1960 - 2001**

Area	1960	1970	1980	1990	2000	2001
Nevada - US Census Bureau	291,000	493,223	810,215	1,233,409	2,017,988	2,127,116
Nevada - State Demographer (1)	291,000	493,223	810,215	1,233,409	2,017,988	2,127,116
United States	179,972,000	203,798,722	227,224,719	249,622,814	282,124,631	284,796,887
Western States	30,769,000	37,384,518	45,369,402	54,562,399	64,286,444	65,231,086
Arizona	1,321,000	1,794,912	2,737,774	3,684,097	5,165,274	5,307,331
California	15,870,000	20,023,181	23,800,800	29,959,515	34,000,446	34,501,130
Colorado	1,769,000	2,223,979	2,908,803	3,307,618	4,323,410	4,417,714
Idaho	671,000	717,255	947,983	1,012,384	1,299,258	1,321,006
Montana	4,326,000	4,684,768	4,921,966	5,128,880	5,603,553	5,629,707
New Mexico	954,000	1,023,206	1,309,400	1,521,574	1,821,282	1,829,146
Oregon	1,772,000	2,100,388	2,641,218	2,860,375	3,429,293	3,472,867
Utah	900,000	1,065,672	1,472,595	1,731,223	2,241,555	2,269,789
Washington	2,855,000	3,417,362	4,154,678	4,903,043	5,908,372	5,987,973
Wyoming	331,000	333,795	474,185	453,690	494,001	494,423

Sources: US Census Bureau Current Population Surveys; 1960 Census, 1970 Census, 1980 Census, 1990 Census, 2000 Census, Nevada State Demographer's Office.

Notes:

(1) Nevada State Demographer's population estimates do not necessarily coincide with estimates generated by the US Census Bureau.

(2) Census estimates are for April of the respective year; interim estimates are for July of the respective year.

**Exhibit 1A-2: Historical Population Growth Estimates  
United States, Nevada, and Other Western States, 1960 - 2001**

Area	1960-1970	1970-1980	1980-1990	1990-2000	2000-2001	1960-2000
Nevada - US Census Bureau	5.42%	5.09%	4.29%	5.05%	5.41%	4.96%
Nevada - State Demographer (1)	5.42%	5.09%	4.29%	5.05%	5.41%	4.96%
United States	1.25%	1.09%	0.94%	1.23%	0.95%	1.13%
Western States	1.97%	1.95%	1.86%	1.65%	1.47%	1.86%
Arizona	3.11%	4.31%	3.01%	3.44%	2.75%	3.47%
California	2.35%	1.74%	2.33%	1.27%	1.47%	1.92%
Colorado	2.32%	2.72%	1.29%	2.71%	2.18%	2.26%
Idaho	0.67%	2.83%	0.66%	2.53%	1.67%	1.67%
Montana	0.80%	0.50%	0.41%	0.89%	0.47%	0.65%
New Mexico	0.70%	2.50%	1.51%	1.81%	0.43%	1.63%
Oregon	1.71%	2.32%	0.80%	1.83%	1.27%	1.66%
Utah	1.70%	3.29%	1.63%	2.62%	1.26%	2.31%
Washington	1.81%	1.97%	1.67%	1.88%	1.35%	1.83%
Wyoming	0.08%	3.57%	-0.44%	0.85%	0.09%	1.01%

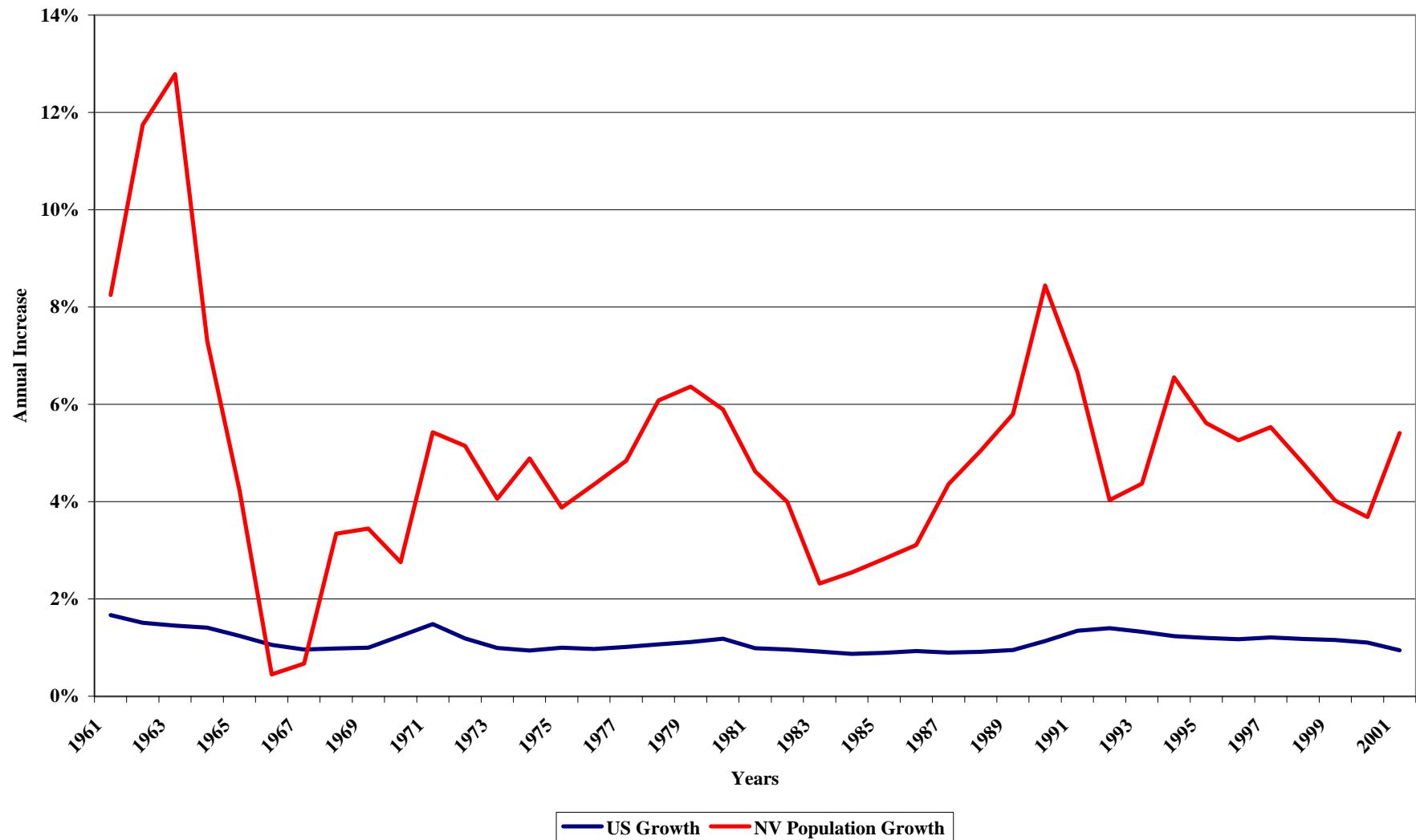
Sources: US Census Bureau Current Population Surveys; 1960 Census, 1970 Census, 1980 Census, 1990 Census, 2000 Census, Nevada State Demographer's Office.

Notes:

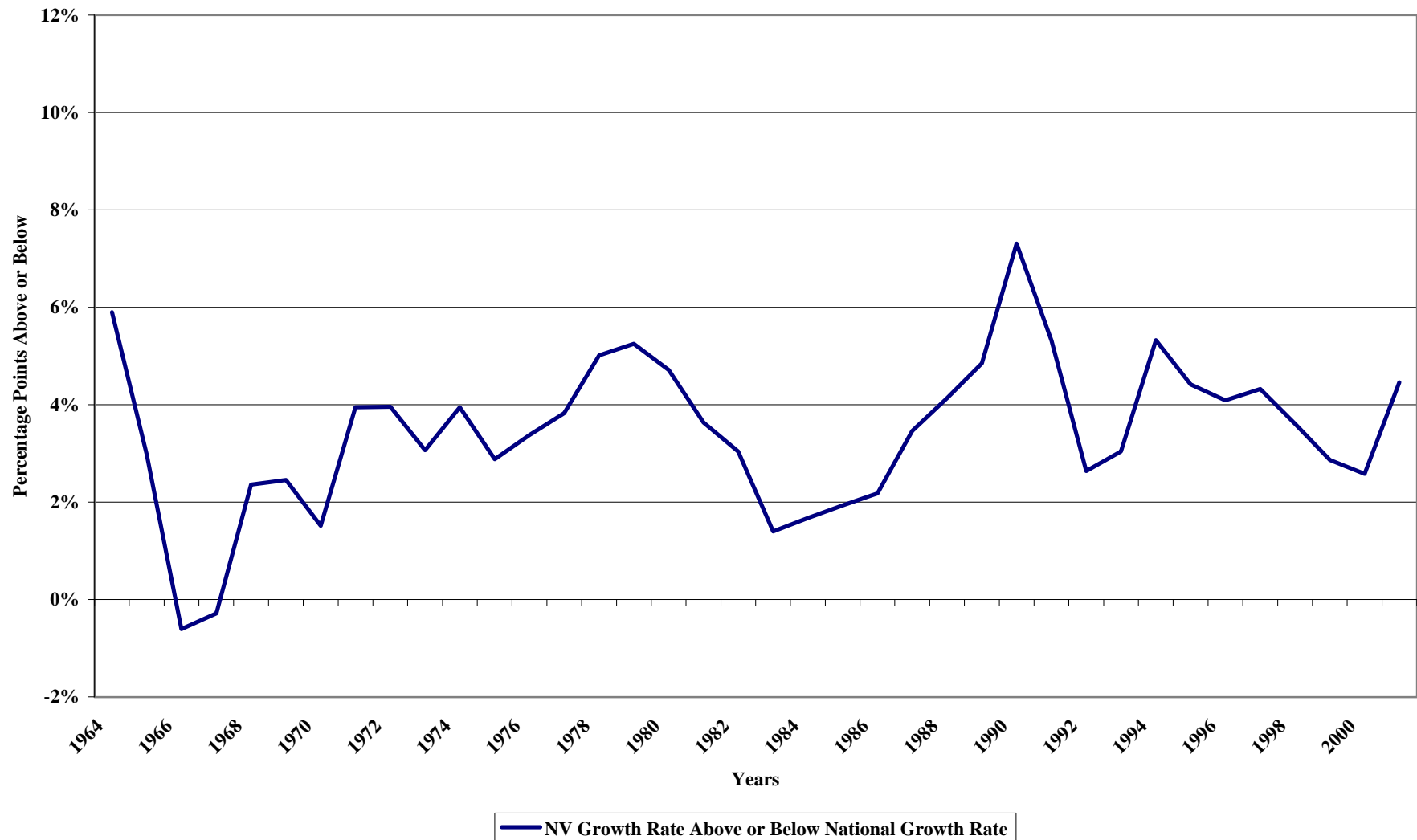
(1) Nevada State Demographer's population estimates do not necessarily coincide with estimates generated by the US Census Bureau.

(2) Census estimates are for April of the respective year; interim estimates are for July of the respective year.

**Exhibit 1A-3: Population Growth Comparison  
United States and Nevada, 1960 - 2001**

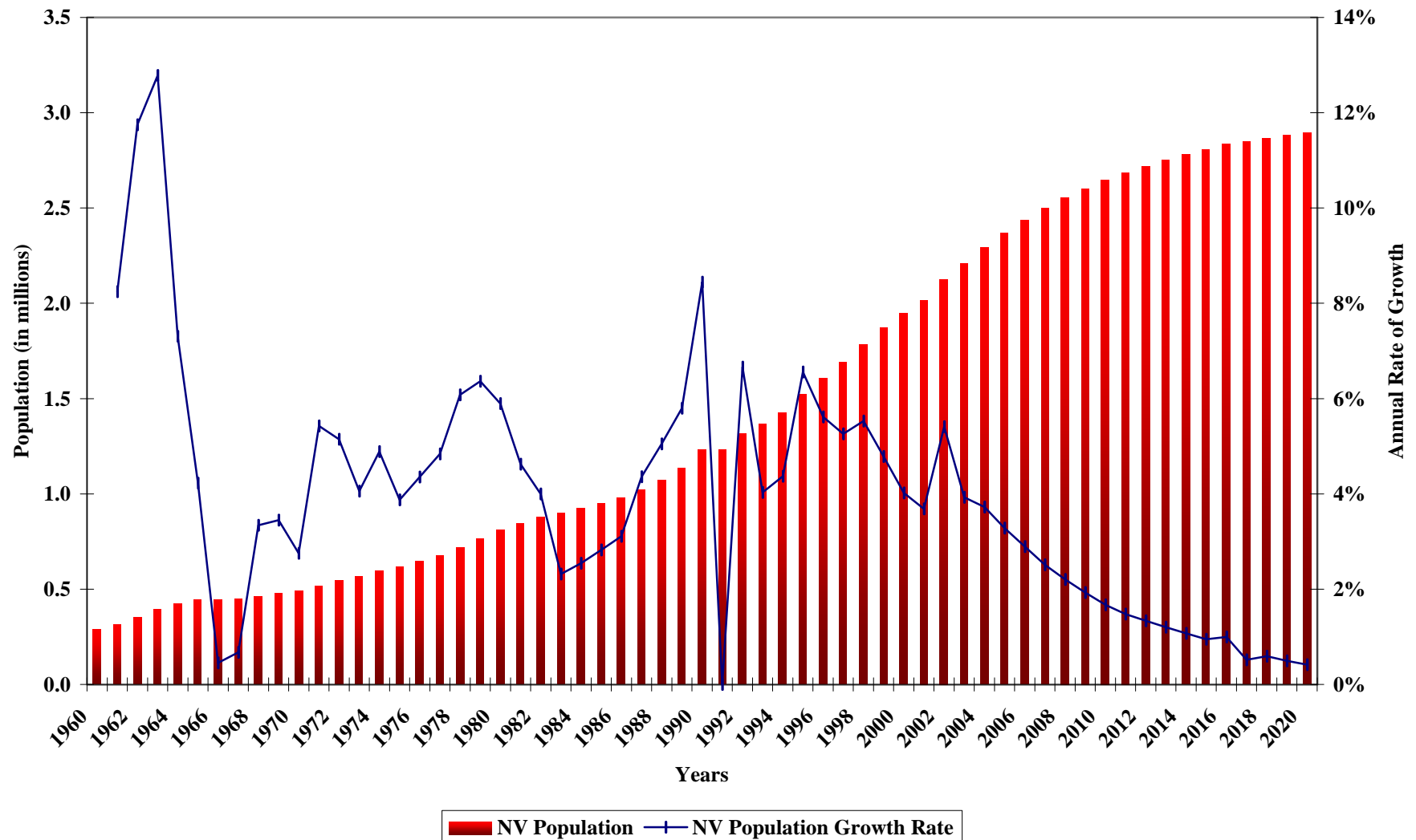


**Exhibit 1A-4: Nevada's Population Growth Rate Above or Below U.S. Growth Rate  
1964 - 2001**





**Exhibit 1A-5: Historical and Projected Population  
Nevada, 1960 - 2020**

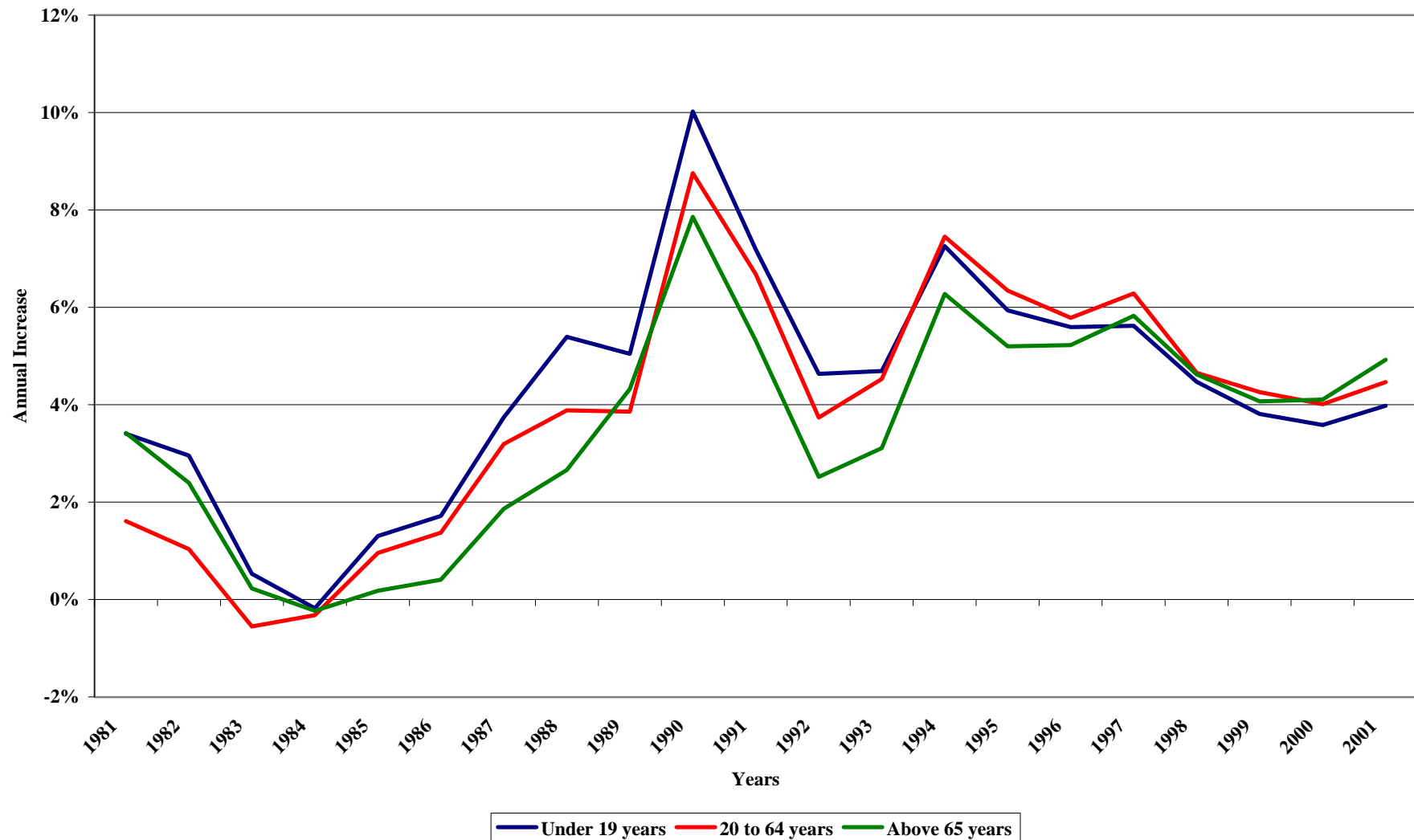


**Exhibit 1A-6: Age Distribution Comparison  
United States and Nevada, 1980 - 1999**

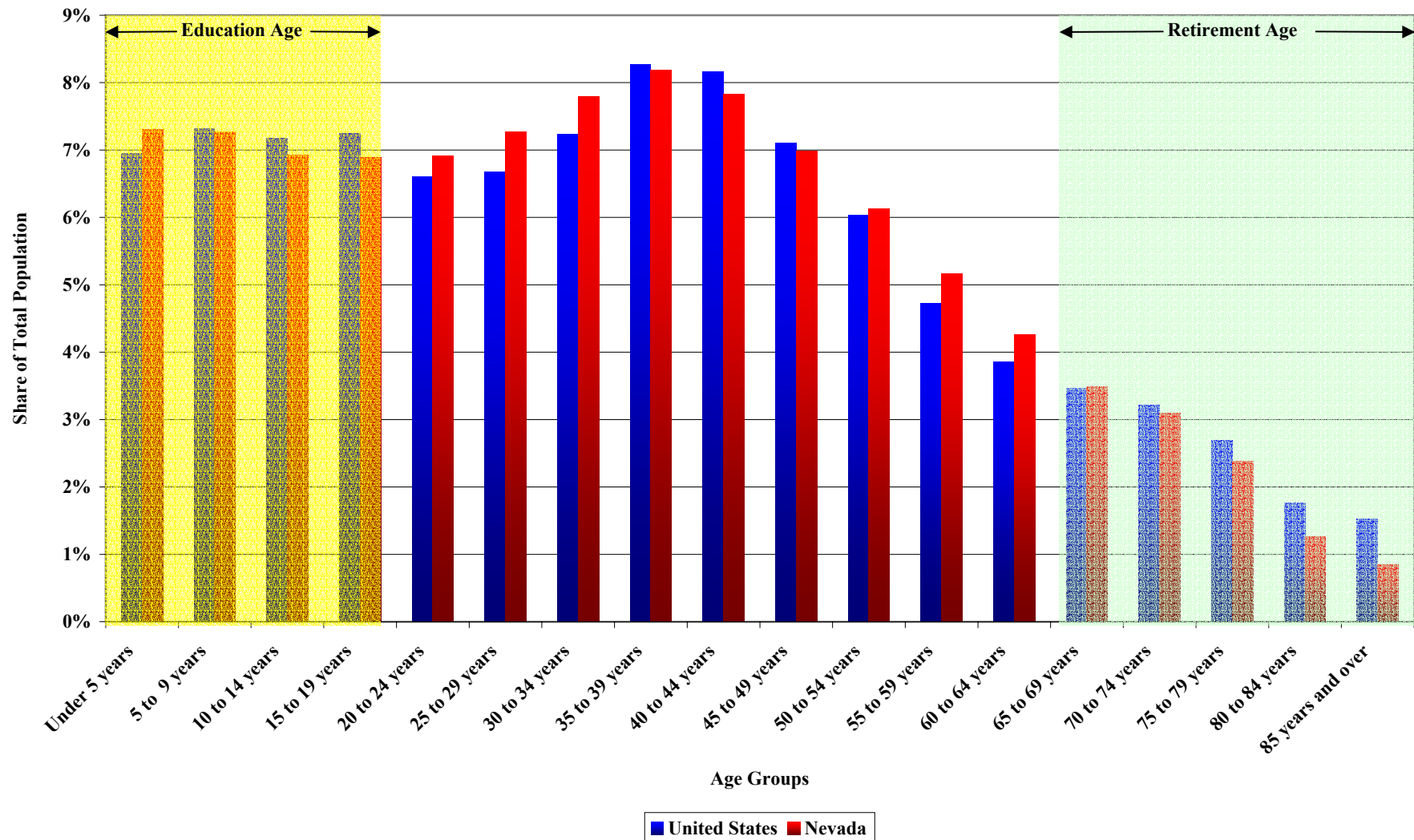
Age Range	Apr-80		Jul-85		Apr-90		Jul-95		Jul-99	
	Nevada	United States	Nevada	United States	Nevada	United States	Nevada	United States	Nevada	United States
Under 5 years	7.0%	7.2%	7.7%	7.5%	7.9%	7.5%	7.9%	7.4%	7.9%	6.9%
5 to 9 years	7.0%	7.4%	6.7%	7.0%	7.1%	7.3%	7.4%	7.3%	7.7%	7.3%
10 to 14 years	7.7%	8.1%	6.5%	7.2%	6.3%	6.9%	6.9%	7.2%	7.4%	7.2%
15 to 19 years	8.8%	9.3%	7.1%	7.9%	6.2%	7.2%	6.2%	6.9%	6.7%	7.2%
20 to 24 years	9.7%	9.4%	8.4%	8.9%	7.4%	7.7%	6.1%	6.8%	6.0%	6.6%
25 to 29 years	9.5%	8.6%	10.1%	9.1%	9.2%	8.6%	7.4%	7.2%	6.3%	6.7%
30 to 34 years	8.6%	7.8%	9.6%	8.4%	9.3%	8.8%	9.2%	8.3%	7.4%	7.2%
35 to 39 years	7.1%	6.2%	8.0%	7.4%	8.4%	8.0%	8.7%	8.5%	8.4%	8.3%
40 to 44 years	6.0%	5.2%	6.6%	5.9%	7.6%	7.1%	7.7%	7.7%	8.0%	8.2%
45 to 49 years	5.4%	4.9%	5.5%	4.9%	6.1%	5.5%	6.9%	6.6%	7.1%	7.1%
50 to 54 years	5.3%	5.2%	4.8%	4.6%	5.1%	4.5%	5.6%	5.2%	6.3%	6.0%
55 to 59 years	5.3%	5.1%	4.7%	4.7%	4.5%	4.2%	4.6%	4.2%	5.1%	4.7%
60 to 64 years	4.4%	4.5%	4.6%	4.6%	4.4%	4.3%	4.0%	3.8%	4.2%	3.9%
65 to 69 years	3.5%	3.9%	4.0%	3.9%	4.1%	4.0%	4.0%	3.8%	3.7%	3.5%
70 to 74 years	2.3%	3.0%	2.7%	3.2%	2.9%	3.2%	3.3%	3.4%	3.2%	3.2%
75 to 79 years	1.3%	2.1%	1.6%	2.3%	1.9%	2.5%	2.2%	2.5%	2.4%	2.7%
80 to 84 years	0.7%	1.3%	0.8%	1.4%	1.0%	1.6%	1.2%	1.7%	1.3%	1.8%
85 years and over	0.5%	1.0%	0.6%	1.1%	0.6%	1.2%	0.8%	1.4%	0.9%	1.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Special Categories</b>										
Under 5 years	7.0%	7.2%	7.7%	7.5%	7.9%	7.5%	7.9%	7.4%	7.9%	6.9%
19 years and under	30.4%	32.0%	28.0%	29.5%	27.5%	28.8%	28.4%	28.8%	29.7%	28.7%
20 to 64 years	61.3%	56.7%	62.3%	58.5%	62.0%	58.7%	60.2%	58.4%	58.8%	58.7%
65 years and over	8.2%	11.3%	9.7%	11.9%	10.5%	12.5%	11.4%	12.8%	11.5%	12.7%

Source: US Census Bureau, Current Population Surveys; 1980 Census; 1990 Census.

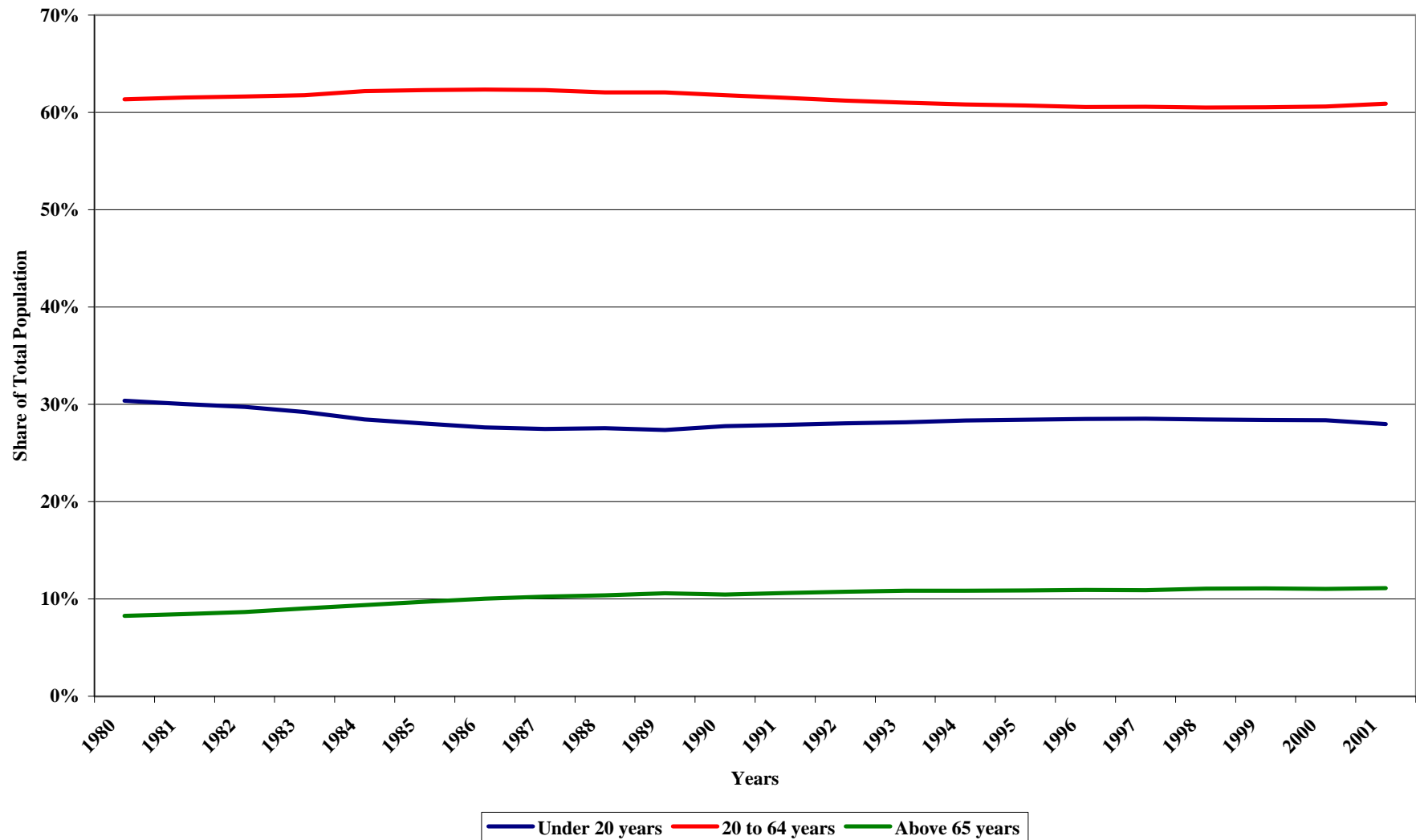
**Exhibit 1A-7: Nevada Population Growth by Selected Age Groups  
Under 20 years, 20 to 64 years, and 65 years and Over, 1980 - 2001**



**Exhibit 1A-8: Population Age Distribution Comparison  
United States and Nevada, 1999**



**Exhibit 1A-9: Nevada Population Distribution by Selected Age Groups**  
**Under 20 years, 20 to 64 years, and 65 years and Over, 1980 - 2001**



**Exhibit 1A-10: Population Migration Figures  
Into and Out of the State of Nevada, Tax Years 1988-1989 through 1999-2000**

Region	Tax Year Ending												Total
	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
<b>State of California</b>													
Into Nevada	25,825	32,397	35,962	32,564	38,587	46,619	45,900	42,335	42,744	38,355	37,280	40,930	<b>459,498</b>
Out of Nevada	<u>15,483</u>	<u>15,253</u>	<u>14,905</u>	<u>15,681</u>	<u>13,466</u>	<u>12,493</u>	<u>14,910</u>	<u>15,591</u>	<u>17,121</u>	<u>19,231</u>	<u>19,884</u>	<u>20,467</u>	<b>194,485</b>
Net	10,342	17,144	21,057	16,883	25,121	34,126	30,990	26,744	25,623	19,124	17,396	20,463	<b>265,013</b>
Share of Net Total	29.6%	41.3%	50.0%	68.2%	86.4%	68.9%	71.6%	63.1%	53.9%	49.6%	48.7%	54.5%	<b>56.8%</b>
<b>New England States</b>													
Into Nevada	1,080	1,365	1,851	1,602	1,362	1,544	1,500	5,076	1,567	1,533	1,516	1,537	<b>21,533</b>
Out of Nevada	<u>766</u>	<u>742</u>	<u>548</u>	<u>728</u>	<u>741</u>	<u>756</u>	<u>805</u>	<u>837</u>	<u>877</u>	<u>941</u>	<u>989</u>	<u>1,119</u>	<b>9,849</b>
Net	314	623	1,303	874	621	788	695	4,239	690	592	527	418	<b>11,684</b>
Share of Net Total	0.9%	1.5%	3.1%	3.5%	2.1%	1.6%	1.6%	10.0%	1.5%	1.5%	1.5%	1.1%	<b>2.5%</b>
<b>Mid Atlantic States</b>													
Into Nevada	3,562	4,584	4,846	4,559	4,478	5,360	5,612	2,363	6,917	6,201	5,887	6,015	<b>60,384</b>
Out of Nevada	<u>1,628</u>	<u>1,854</u>	<u>1,620</u>	<u>1,772</u>	<u>1,937</u>	<u>1,831</u>	<u>1,850</u>	<u>1,990</u>	<u>1,972</u>	<u>2,314</u>	<u>2,406</u>	<u>2,682</u>	<b>23,856</b>
Net	1,934	2,730	3,226	2,787	2,541	3,529	3,762	373	4,945	3,887	3,481	3,333	<b>36,528</b>
Share of Net Total	5.5%	6.6%	7.7%	11.3%	8.7%	7.1%	8.7%	0.9%	10.4%	10.1%	9.7%	8.9%	<b>7.8%</b>
<b>East North Central States</b>													
Into Nevada	6,169	6,580	7,258	6,441	6,643	7,621	7,952	3,937	9,541	9,537	9,214	9,099	<b>89,992</b>
Out of Nevada	<u>3,384</u>	<u>3,449</u>	<u>3,429</u>	<u>3,988</u>	<u>4,349</u>	<u>3,922</u>	<u>4,457</u>	<u>4,286</u>	<u>4,284</u>	<u>4,501</u>	<u>4,894</u>	<u>5,242</u>	<b>50,185</b>
Net	2,785	3,131	3,829	2,453	2,294	3,699	3,495	-349	5,257	5,036	4,320	3,857	<b>39,807</b>
Share of Net Total	8.0%	7.5%	9.1%	9.9%	7.9%	7.5%	8.1%	-0.8%	11.1%	13.1%	12.1%	10.3%	<b>8.5%</b>
<b>West North Central States</b>													
Into Nevada	4,074	4,131	4,122	3,582	3,323	3,773	3,891	4,767	4,767	5,105	4,562	4,393	<b>50,490</b>
Out of Nevada	<u>2,298</u>	<u>2,653</u>	<u>2,767</u>	<u>3,290</u>	<u>3,818</u>	<u>3,286</u>	<u>3,556</u>	<u>3,640</u>	<u>3,581</u>	<u>3,494</u>	<u>3,573</u>	<u>3,449</u>	<b>39,405</b>
Net	1,776	1,478	1,355	292	-495	487	335	1,127	1,186	1,611	989	944	<b>11,085</b>
Share of Net Total	5.1%	3.6%	3.2%	1.2%	-1.7%	1.0%	0.8%	2.7%	2.5%	4.2%	2.8%	2.5%	<b>2.4%</b>

**Exhibit 1A-10: Population Migration Figures  
Into and Out of the State of Nevada, Tax Years 1988-1989 through 1999-2000**

Region	Tax Year Ending												Total
	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
<b>South Atlantic States</b>													
Into Nevada	4,830	5,423	5,660	5,531	5,751	6,498	6,698	12,242	7,156	7,493	7,712	7,650	<b>82,644</b>
Out of Nevada	<u>4,381</u>	<u>4,722</u>	<u>4,325</u>	<u>4,604</u>	<u>5,150</u>	<u>4,239</u>	<u>4,626</u>	<u>5,105</u>	<u>5,299</u>	<u>5,798</u>	<u>6,052</u>	<u>6,241</u>	<b>60,542</b>
Net	449	701	1,335	927	601	2,259	2,072	7,137	1,857	1,695	1,660	1,409	<b>22,102</b>
Share of Net Total	1.3%	1.7%	3.2%	3.7%	2.1%	4.6%	4.8%	16.8%	3.9%	4.4%	4.6%	3.7%	<b>4.7%</b>
<b>East South Central States</b>													
Into Nevada	1,293	1,313	1,302	1,227	1,077	1,383	1,465	5,984	1,790	1,837	1,810	1,940	<b>22,421</b>
Out of Nevada	<u>940</u>	<u>1,213</u>	<u>1,182</u>	<u>1,223</u>	<u>2,031</u>	<u>2,538</u>	<u>2,264</u>	<u>1,707</u>	<u>1,574</u>	<u>1,744</u>	<u>2,053</u>	<u>1,752</u>	<b>20,221</b>
Net	353	100	120	4	-954	-1,155	-799	4,277	216	93	-243	188	<b>2,200</b>
Share of Net Total	1.0%	0.2%	0.3%	0.0%	-3.3%	-2.3%	-1.8%	10.1%	0.5%	0.2%	-0.7%	0.5%	<b>0.5%</b>
<b>West South Central States</b>													
Into Nevada	6,076	7,060	6,618	5,754	5,512	5,977	5,742	6,490	6,534	6,441	6,693	6,567	<b>75,464</b>
Out of Nevada	<u>3,258</u>	<u>4,037</u>	<u>4,770</u>	<u>5,412</u>	<u>5,358</u>	<u>5,161</u>	<u>5,489</u>	<u>5,041</u>	<u>5,361</u>	<u>5,666</u>	<u>5,570</u>	<u>5,779</u>	<b>60,902</b>
Net	2,818	3,023	1,848	342	154	816	253	1,449	1,173	775	1,123	788	<b>14,562</b>
Share of Net Total	8.1%	7.3%	4.4%	1.4%	0.5%	1.6%	0.6%	3.4%	2.5%	2.0%	3.1%	2.1%	<b>3.1%</b>
<b>Mountain West States</b>													
Into Nevada	23,068	25,409	21,008	16,086	15,660	16,897	16,747	16,183	19,175	18,679	18,954	18,647	<b>226,513</b>
Out of Nevada	<u>9,915</u>	<u>12,476</u>	<u>15,045</u>	<u>17,516</u>	<u>18,055</u>	<u>15,701</u>	<u>16,392</u>	<u>15,561</u>	<u>15,530</u>	<u>16,217</u>	<u>16,722</u>	<u>17,418</u>	<b>186,548</b>
Net	13,153	12,933	5,963	-1,430	-2,395	1,196	355	622	3,645	2,462	2,232	1,229	<b>39,965</b>
Share of Net Total	37.6%	31.2%	14.2%	-5.8%	-8.2%	2.4%	0.8%	1.5%	7.7%	6.4%	6.2%	3.3%	<b>8.6%</b>
<b>Pacific West States</b>													
Into Nevada	31,185	38,267	42,327	38,943	44,735	54,214	53,529	46,195	51,628	47,591	47,440	51,750	<b>547,804</b>
Out of Nevada	<u>20,804</u>	<u>21,234</u>	<u>20,613</u>	<u>22,004</u>	<u>19,596</u>	<u>18,010</u>	<u>21,392</u>	<u>22,051</u>	<u>23,600</u>	<u>25,924</u>	<u>26,529</u>	<u>27,216</u>	<b>268,973</b>
Net	10,381	17,033	21,714	16,939	25,139	36,204	32,137	24,144	28,028	21,667	20,911	24,534	<b>278,831</b>
Share of Net Total	29.7%	41.0%	51.6%	68.4%	86.5%	73.1%	74.3%	57.0%	58.9%	56.3%	58.5%	65.3%	<b>59.7%</b>

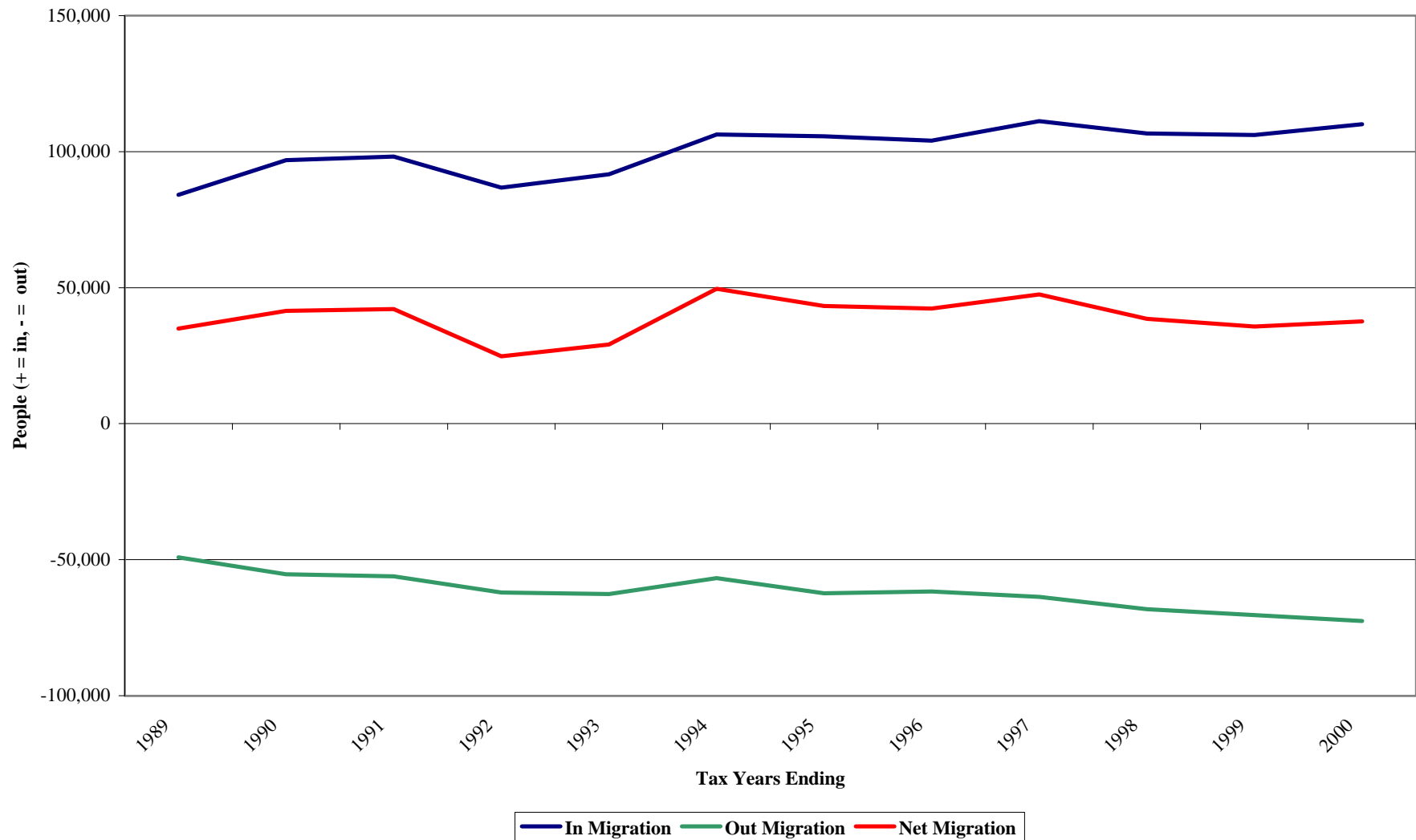
**Exhibit 1A-10: Population Migration Figures  
Into and Out of the State of Nevada, Tax Years 1988-1989 through 1999-2000**

Region	Tax Year Ending												Total
	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
<b>Foreign</b>													
Into Nevada	2,784	2,765	3,175	3,060	3,181	3,079	2,488	805	2,170	2,262	2,284	2,477	<b>30,530</b>
Out of Nevada	<u>1,778</u>	<u>3,016</u>	<u>1,780</u>	<u>1,495</u>	<u>1,615</u>	<u>1,352</u>	<u>1,540</u>	<u>1,462</u>	<u>1,613</u>	<u>1,562</u>	<u>1,540</u>	<u>1,596</u>	<b><u>20,349</u></b>
Net	1,006	-251	1,395	1,565	1,566	1,727	948	-657	557	700	744	881	<b>10,181</b>
Share of Net Total	2.9%	-0.6%	3.3%	6.3%	5.4%	3.5%	2.2%	-1.6%	1.2%	1.8%	2.1%	2.3%	<b>2.2%</b>
<b>Total Migration</b>													
Into Nevada	84,121	96,897	98,167	86,785	91,722	106,346	105,624	104,042	111,245	106,679	106,072	110,075	<b>1,207,775</b>
Out of Nevada	<u>49,152</u>	<u>55,396</u>	<u>56,079</u>	<u>62,032</u>	<u>62,650</u>	<u>56,796</u>	<u>62,371</u>	<u>61,680</u>	<u>63,691</u>	<u>68,161</u>	<u>70,328</u>	<u>72,494</u>	<b><u>740,830</u></b>
Net	34,969	41,501	42,088	24,753	29,072	49,550	43,253	42,362	47,554	38,518	35,744	37,581	<b>466,945</b>
Share of Net Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	<b>100.0%</b>

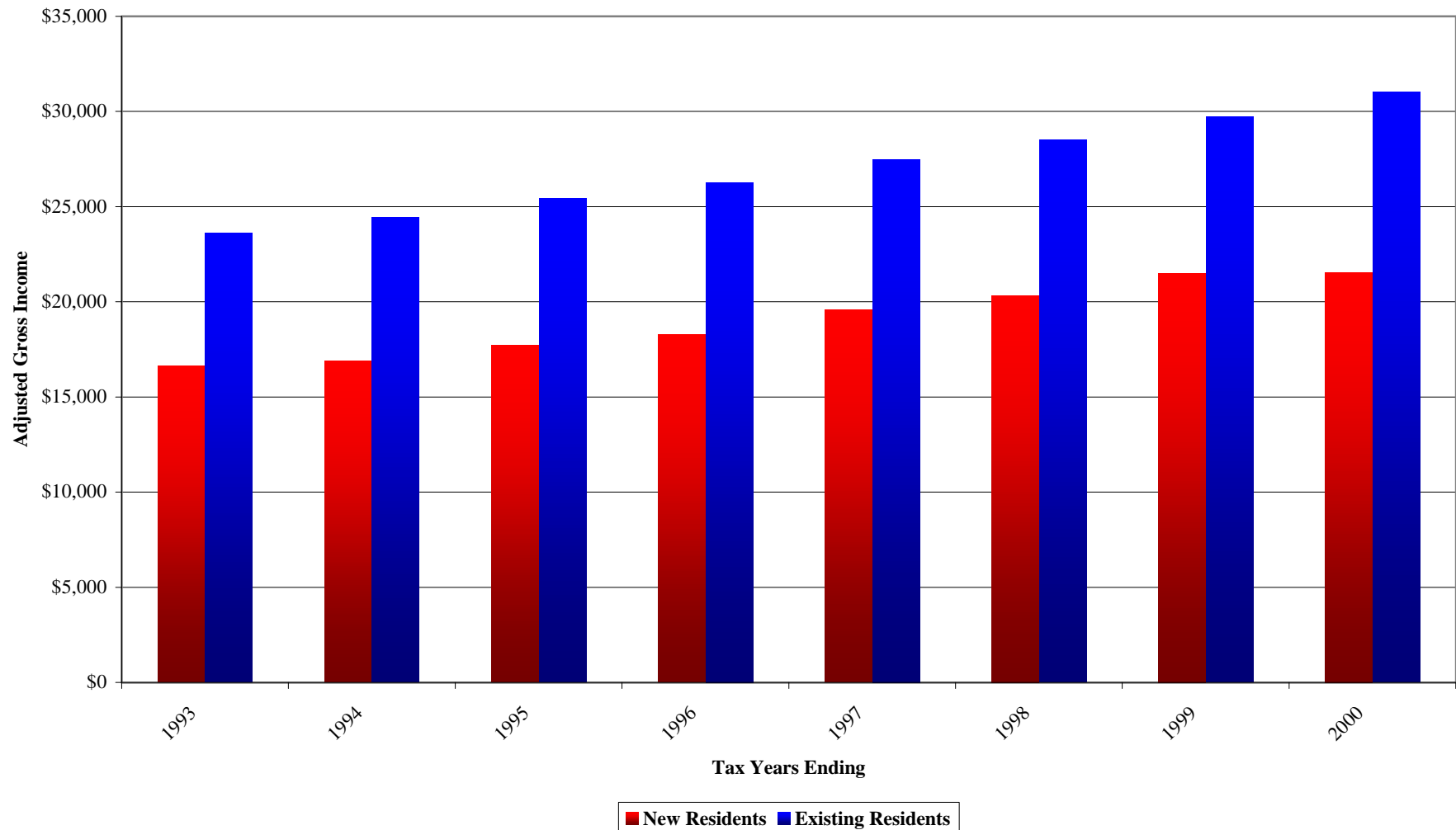
Source: United State Internal Revenue Service, State Migration Data Files, 1988 through 2000.



**Exhibit 1A-11: Migration in and out Of Nevada**  
**Tax Years Ending, 1989 - 2000**



**Exhibit 1A-12: Nevada Average Adjusted Gross Income  
New and Existing Residents of the State  
Tax Years Ending, 1993 - 2000**



**Exhibit 1A-13: Historical Employment and Sector Share of Total Employment Comparison**  
**Full-Time and Part-Time Employment by Industry**  
**Nevada and the United States, 1970 - 2000**

**NEVADA**

Employment Sector	1970		1980		1990		1995		2000	
	Employment	% of Total	Employment	% of Total	Employment	% of Total	Employment	% of Total	Employment	% of Total
Ag. services, forestry, fishing & other	820	0.3%	2,625	0.5%	6,229	0.8%	9,055	0.9%	13,477	1.1%
Mining	4,443	1.7%	6,627	1.4%	15,820	2.1%	15,227	1.6%	12,972	1.0%
Construction	14,250	5.6%	30,857	6.3%	57,954	7.6%	75,516	7.8%	103,745	8.2%
Manufacturing	8,871	3.5%	20,170	4.1%	28,314	3.7%	39,571	4.1%	47,486	3.8%
Transportation and public utilities	14,042	5.5%	25,543	5.2%	35,332	4.6%	44,674	4.6%	61,583	4.9%
Wholesale trade	7,006	2.7%	13,973	2.9%	25,975	3.4%	33,263	3.4%	42,052	3.3%
Retail trade	38,371	15.0%	76,840	15.7%	117,641	15.3%	150,929	15.6%	202,448	16.0%
Finance, insurance, and real estate	15,991	6.2%	36,576	7.5%	52,392	6.8%	69,894	7.2%	119,168	9.4%
Services	98,838	38.6%	199,909	40.8%	331,693	43.3%	417,663	43.1%	528,403	41.7%
<i>Hotels and other lodging places</i>	33,210	13.0%	65,204	13.3%	152,491	19.9%	187,752	19.4%	228,825	18.1%
Government and government enterprises	48,909	19.1%	71,288	14.6%	90,133	11.8%	107,861	11.1%	129,006	10.2%
<b>Total employment</b>	<b>256,144</b>	<b>100.0%</b>	<b>489,856</b>	<b>100.0%</b>	<b>766,744</b>	<b>100.0%</b>	<b>968,209</b>	<b>100.0%</b>	<b>1,265,824</b>	<b>100.0%</b>

**UNITED STATES**

Employment Sector	1970		1980		1990		1995		2000	
	Employment	% of Total	Employment	% of Total	Employment	% of Total	Employment	% of Total	Employment	% of Total
Ag. services, forestry, fishing & other	525,300	0.6%	909,000	0.8%	1,453,000	1.0%	1,789,300	1.2%	2,166,800	1.3%
Mining	743,900	0.8%	1,277,600	1.1%	1,044,100	0.7%	883,900	0.6%	795,400	0.5%
Construction	4,398,800	4.8%	5,654,200	4.9%	7,260,800	5.2%	7,731,500	5.2%	9,604,300	5.7%
Manufacturing	19,687,400	21.6%	20,781,100	18.2%	19,697,200	14.1%	19,186,300	12.8%	19,110,900	11.4%
Transportation and public utilities	4,865,500	5.3%	5,672,100	5.0%	6,568,600	4.7%	7,076,200	4.7%	8,250,100	4.9%
Wholesale trade	4,172,700	4.6%	5,741,700	5.0%	6,711,500	4.8%	6,930,500	4.6%	7,588,900	4.5%
Retail trade	13,698,800	15.0%	17,883,900	15.7%	22,920,500	16.4%	25,204,200	16.9%	27,350,100	16.3%
Finance, insurance, and real estate	6,125,400	6.7%	8,756,000	7.7%	10,712,600	7.7%	11,037,800	7.4%	13,500,100	8.1%
Services	17,029,800	18.7%	24,999,600	21.9%	38,709,600	27.8%	44,768,100	30.0%	53,301,700	31.8%
<i>Hotels and other lodging places</i>	986,500	1.1%	1,251,000	1.1%	1,819,500	1.3%	1,884,100	1.3%	2,113,400	1.3%
Government and government enterprises	16,073,000	17.6%	18,758,000	16.4%	21,196,000	15.2%	21,645,000	14.5%	22,740,000	13.6%
<b>Total employment</b>	<b>91,281,600</b>	<b>100.0%</b>	<b>114,231,200</b>	<b>100.0%</b>	<b>139,426,900</b>	<b>100.0%</b>	<b>149,358,800</b>	<b>100.0%</b>	<b>167,511,300</b>	<b>100.0%</b>

Source: United States Bureau of Economic Analysis.

**Exhibit 1A-14: Compound Annual Employment Growth by Sector**  
**Full-Time and Part Time Employment by Industry**  
**Nevada and the United States, 1970 - 2000**

**NEVADA**

<b>Employment Sector</b>	<b>1970-1980</b>	<b>1980-1990</b>	<b>1990-1995</b>	<b>1995-2000</b>
Ag. services, forestry, fishing & other	12.3%	9.0%	7.8%	8.3%
Mining	4.1%	9.1%	-0.8%	-3.2%
Construction	8.0%	6.5%	5.4%	6.6%
Manufacturing	8.6%	3.4%	6.9%	3.7%
Transportation and public utilities	6.2%	3.3%	4.8%	6.6%
Wholesale trade	7.1%	6.4%	5.1%	4.8%
Retail trade	7.2%	4.4%	5.1%	6.0%
Finance, insurance, and real estate	8.6%	3.7%	5.9%	11.3%
Services	7.3%	5.2%	4.7%	4.8%
<i>Hotels and other lodging places</i>	7.0%	8.9%	4.2%	4.0%
Government and government enterprises	3.8%	2.4%	3.7%	3.6%
<b>Total employment</b>	<b>6.7%</b>	<b>4.6%</b>	<b>4.8%</b>	<b>5.5%</b>

**UNITED STATES**

<b>Employment Sector</b>	<b>1970-1980</b>	<b>1980-1990</b>	<b>1990-1995</b>	<b>1995-2000</b>
Ag. services, forestry, fishing & other	5.6%	4.8%	4.3%	3.9%
Mining	5.6%	-2.0%	-3.3%	-2.1%
Construction	2.5%	2.5%	1.3%	4.4%
Manufacturing	0.5%	-0.5%	-0.5%	-0.1%
Transportation and public utilities	1.5%	1.5%	1.5%	3.1%
Wholesale trade	3.2%	1.6%	0.6%	1.8%
Retail trade	2.7%	2.5%	1.9%	1.6%
Finance, insurance, and real estate	3.6%	2.0%	0.6%	4.1%
Services	3.9%	4.5%	3.0%	3.6%
<i>Hotels and other lodging places</i>	2.4%	3.8%	0.7%	2.3%
Government and government enterprises	1.6%	1.2%	0.4%	1.0%
<b>Total employment</b>	<b>2.3%</b>	<b>2.0%</b>	<b>1.4%</b>	<b>2.3%</b>

Source: United States Bureau of Economic Analysis.

**Exhibit 1A-15: Historical Employment and Sector Share of Total Employment Comparison**  
**Wage and Salary Employment by Industry**  
**Nevada and the United States, 1970 - 2000**

**NEVADA**

Employment Sector	1970		1980		1990		1995		2000	
	Employment	% of Total	Employment	% of Total	Employment	% of Total	Employment	% of Total	Employment	% of Total
Ag. services, forestry, fishing & other	528	0.2%	1,528	0.4%	4,433	0.7%	6,466	0.8%	10,551	1.0%
Mining	4,052	1.8%	6,172	1.4%	14,406	2.2%	13,280	1.6%	11,071	1.0%
Construction	12,763	5.6%	27,520	6.3%	49,501	7.4%	65,509	7.9%	92,220	8.6%
Manufacturing	8,459	3.7%	19,320	4.4%	26,494	4.0%	36,972	4.4%	44,817	4.2%
Transportation and public utilities	13,679	6.0%	24,302	5.6%	32,642	4.9%	41,077	4.9%	56,849	5.3%
Wholesale trade	6,454	2.8%	13,358	3.1%	24,069	3.6%	30,595	3.7%	39,290	3.6%
Retail trade	33,528	14.8%	69,130	15.9%	103,566	15.6%	130,818	15.7%	180,362	16.8%
Finance, insurance, and real estate	8,660	3.8%	19,604	4.5%	29,612	4.5%	37,341	4.5%	48,776	4.5%
Services	87,833	38.7%	179,764	41.4%	287,480	43.2%	362,202	43.4%	460,939	42.8%
<i>Hotels and other lodging places</i>	31,984	14.1%	64,327	14.8%	151,608	22.8%	186,555	22.4%	227,662	21.1%
Government and government enterprises	48,909	21.5%	71,288	16.4%	90,133	13.6%	107,861	12.9%	129,006	12.0%
<b>Total employment</b>	<b>227,121</b>	<b>100.0%</b>	<b>434,484</b>	<b>100.0%</b>	<b>665,109</b>	<b>100.0%</b>	<b>833,758</b>	<b>100.0%</b>	<b>1,076,455</b>	<b>100.0%</b>

**UNITED STATES**

Employment Sector	1970		1980		1990		1995		2000	
	Employment	% of Total	Employment	% of Total	Employment	% of Total	Employment	% of Total	Employment	% of Total
Ag. services, forestry, fishing & other	323,000	0.4%	570,000	0.6%	979,000	0.8%	1,161,000	0.9%	1,451,000	1.0%
Mining	628,000	0.8%	1,040,000	1.1%	715,000	0.6%	587,000	0.5%	540,000	0.4%
Construction	3,615,000	4.6%	4,493,000	4.6%	5,340,000	4.5%	5,385,000	4.3%	7,007,000	5.0%
Manufacturing	19,442,000	24.7%	20,432,000	20.9%	19,206,000	16.3%	18,594,000	14.9%	18,567,000	13.3%
Transportation and public utilities	4,525,000	5.7%	5,178,000	5.3%	5,820,000	4.9%	6,172,000	4.9%	7,114,000	5.1%
Wholesale trade	3,825,000	4.9%	5,346,000	5.5%	6,294,000	5.4%	6,476,000	5.2%	7,110,000	5.1%
Retail trade	11,598,000	14.7%	15,487,000	15.8%	20,214,000	17.2%	21,868,000	17.5%	24,059,000	17.2%
Finance, insurance, and real estate	3,757,000	4.8%	5,363,000	5.5%	6,870,000	5.8%	6,929,000	5.5%	7,756,000	5.6%
Services	13,767,000	17.5%	19,924,000	20.4%	30,086,000	25.6%	35,172,000	28.2%	42,364,000	30.3%
<i>Hotels and other lodging places</i>	847,000	1.1%	1,144,000	1.2%	1,730,000	1.5%	1,757,000	1.4%	1,979,000	1.4%
Government and government enterprises	16,073,000	20.4%	18,758,000	19.2%	21,196,000	18.0%	21,645,000	17.3%	22,740,000	16.3%
<b>Total employment</b>	<b>78,797,000</b>	<b>100.0%</b>	<b>97,894,000</b>	<b>100.0%</b>	<b>117,640,000</b>	<b>100.0%</b>	<b>124,857,000</b>	<b>100.0%</b>	<b>139,598,000</b>	<b>100.0%</b>

Source: United States Bureau of Economic Analysis.

**Exhibit 1A-16: Compound Annual Employment Growth by Sector**  
**Wage and Salary Employment by Industry**  
**Nevada and the United States, 1970 - 2000**

**NEVADA**

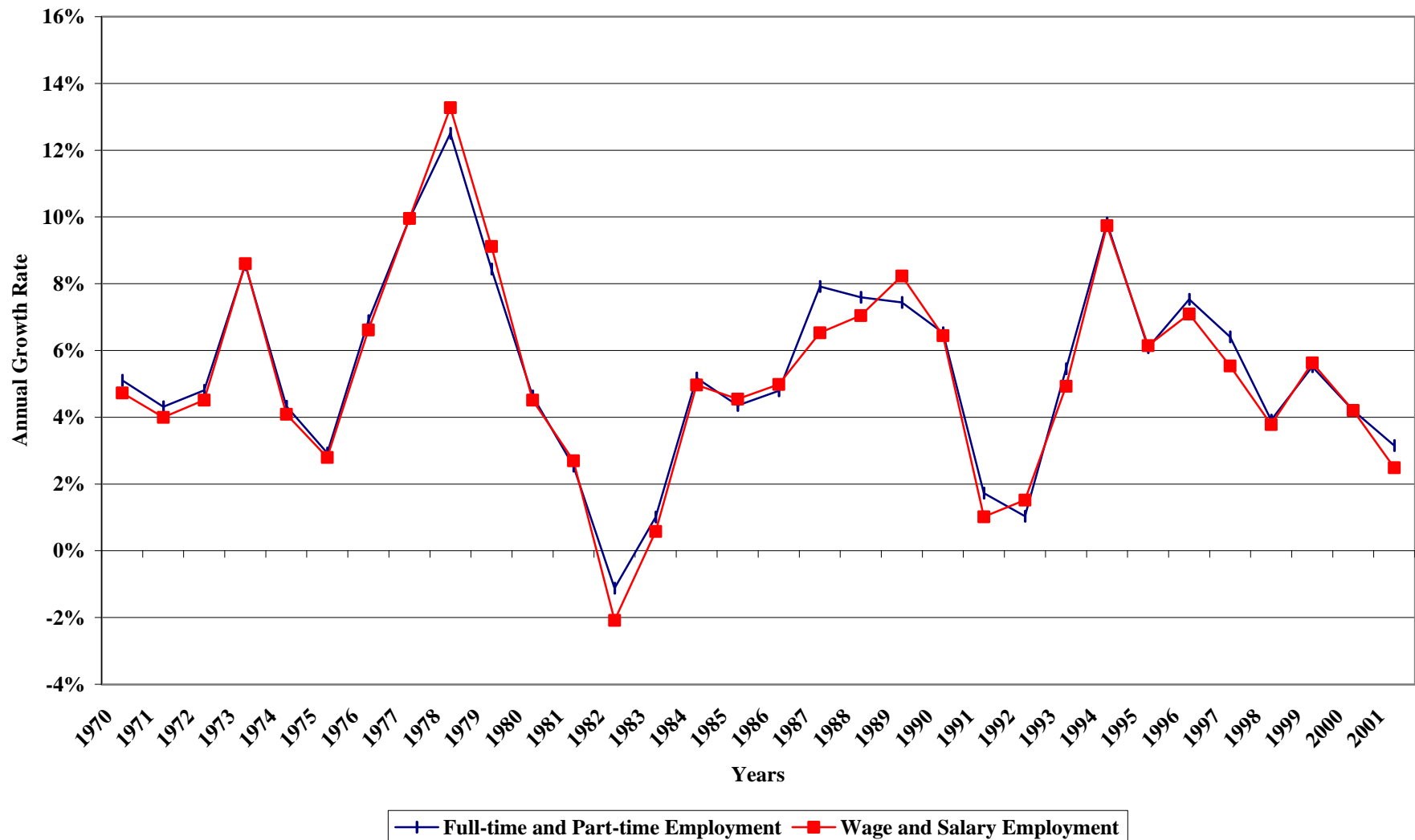
<b>Employment Sector</b>	<b>1970-1980</b>	<b>1980-1990</b>	<b>1990-1995</b>	<b>1995-2000</b>
Ag. services, forestry, fishing & other	11.2%	11.2%	7.8%	10.3%
Mining	4.3%	8.8%	-1.6%	-3.6%
Construction	8.0%	6.0%	5.8%	7.1%
Manufacturing	8.6%	3.2%	6.9%	3.9%
Transportation and public utilities	5.9%	3.0%	4.7%	6.7%
Wholesale trade	7.5%	6.1%	4.9%	5.1%
Retail trade	7.5%	4.1%	4.8%	6.6%
Finance, insurance, and real estate	8.5%	4.2%	4.7%	5.5%
Services	7.4%	4.8%	4.7%	4.9%
<i>Hotels and other lodging places</i>	7.2%	9.0%	4.2%	4.1%
Government and government enterprises	3.8%	2.4%	3.7%	3.6%
<b>Total employment</b>	<b>6.7%</b>	<b>4.3%</b>	<b>4.6%</b>	<b>5.2%</b>

**UNITED STATES**

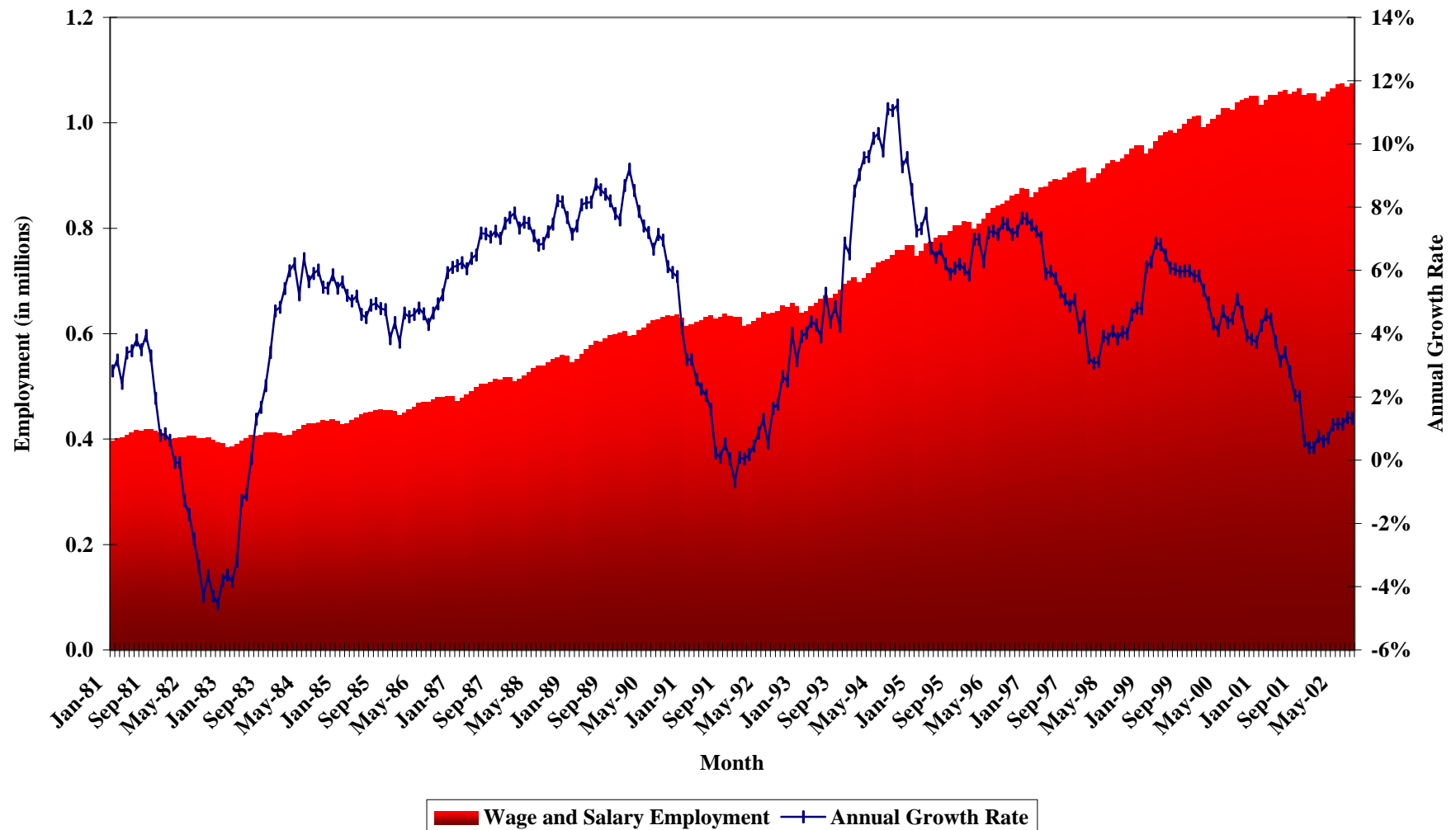
<b>Employment Sector</b>	<b>1970-1980</b>	<b>1980-1990</b>	<b>1990-1995</b>	<b>1995-2000</b>
Ag. services, forestry, fishing & other	5.8%	5.6%	3.5%	4.6%
Mining	5.2%	-3.7%	-3.9%	-1.7%
Construction	2.2%	1.7%	0.2%	5.4%
Manufacturing	0.5%	-0.6%	-0.6%	0.0%
Transportation and public utilities	1.4%	1.2%	1.2%	2.9%
Wholesale trade	3.4%	1.6%	0.6%	1.9%
Retail trade	2.9%	2.7%	1.6%	1.9%
Finance, insurance, and real estate	3.6%	2.5%	0.2%	2.3%
Services	3.8%	4.2%	3.2%	3.8%
<i>Hotels and other lodging places</i>	3.1%	4.2%	0.3%	2.4%
Government and government enterprises	1.6%	1.2%	0.4%	1.0%
<b>Total employment</b>	<b>2.2%</b>	<b>1.9%</b>	<b>1.2%</b>	<b>2.3%</b>

Source: United States Bureau of Economic Analysis.

**Exhibit 1A-17: Annual Employment Growth**  
**Full-Time and Part-Time Employment and Wage and Salary Employment, 1970 - 2001**



**Exhibit 1A-18: Nevada Wage and Salary Employment  
Total Employment and Year-Over-Year Monthly Growth Rates  
January 1981 - August 2002**





**Exhibit 1A-19: Detailed Employment Share Comparison**  
**Full-Time and Part-Time Employment by Industry**  
**Nevada and the United States, 2000**

Item	Nevada	% of Total	United States	% of Total
<b>Total employment</b>	<b>1,265,824</b>	<b>100.0%</b>	<b>167,511,300</b>	<b>100.0%</b>
<b>By type</b>				
Wage and salary employment	1,076,455	85.0%	139,598,000	83.3%
Proprietors' employment	189,369	15.0%	27,913,300	16.7%
Farm proprietors' employment	2,910	0.2%	2,213,000	1.3%
Nonfarm proprietors' employment	186,459	14.7%	25,700,300	15.3%
<b>By industry</b>				
<b>Farm employment</b>	<b>5,484</b>	<b>0.4%</b>	<b>3,103,000</b>	<b>1.9%</b>
<b>Nonfarm employment</b>	<b>1,260,340</b>	<b>99.6%</b>	<b>164,408,300</b>	<b>98.1%</b>
<b>Private employment</b>	<b>1,131,334</b>	<b>89.4%</b>	<b>141,668,300</b>	<b>84.6%</b>
<b>Ag. services, forestry, fishing &amp; other</b>	<b>13,477</b>	<b>1.1%</b>	<b>2,166,800</b>	<b>1.3%</b>
Agricultural services	13,093	1.0%	1,930,500	1.2%
Forestry, fishing, and other	384	0.0%	236,300	0.1%
Forestry	136	0.0%	97,200	0.1%
Fishing	248	0.0%	119,100	0.1%
Other	0	0.0%	20,000	0.0%
<b>Mining</b>	<b>12,972</b>	<b>1.0%</b>	<b>795,400</b>	<b>0.5%</b>
Metal mining	9,834	0.8%	45,700	0.0%
Coal mining	11	0.0%	80,200	0.0%
Oil and gas extraction	1,324	0.1%	547,300	0.3%
Nonmetallic minerals, except fuels	1,803	0.1%	122,200	0.1%
<b>Construction</b>	<b>103,745</b>	<b>8.2%</b>	<b>9,604,300</b>	<b>5.7%</b>
General building contractors	19,807	1.6%	2,050,300	1.2%
Heavy construction contractors	11,448	0.9%	989,400	0.6%
Special trade contractors	72,490	5.7%	6,564,600	3.9%
<b>Manufacturing</b>	<b>47,486</b>	<b>3.8%</b>	<b>19,110,900</b>	<b>11.4%</b>
Durable goods	29,156	2.3%	11,525,700	6.9%
Lumber and wood products	2,551	0.2%	930,100	0.6%
Furniture and fixtures	1,149	0.1%	597,600	0.4%
Stone, clay, and glass products	4,002	0.3%	606,500	0.4%
Primary metal industries	1,173	0.1%	707,500	0.4%
Fabricated metal products	4,687	0.4%	1,596,400	1.0%
Industrial machinery and equipment	2,838	0.2%	2,144,000	1.3%
Electronic and other electric equipment	2,752	0.2%	1,742,700	1.0%
Motor vehicles and equipment	424	0.0%	102,090	0.6%
Other transportation equipment	710	0.1%	844,600	0.5%
Instruments and related products	2,811	0.2%	845,900	0.5%
Miscellaneous manufacturing industries	6,059	0.5%	489,500	0.3%
Ordinance	n/a	n/a	n/a	n/a
Nondurable goods	18,330	1.4%	7,585,200	4.5%
Food and kindred products	3,743	0.3%	1,730,700	1.0%
Tobacco products	n/a	n/a	<b>35700</b>	0.0%
Textile mill products	n/a	n/a	<b>542200</b>	0.3%
Apparel and other textile products	1,309	0.1%	686,900	0.4%
Paper and allied products	689	0.1%	661,500	0.4%

**Exhibit 1A-19: Detailed Employment Share Comparison**  
**Full-Time and Part-Time Employment by Industry**  
**Nevada and the United States, 2000**

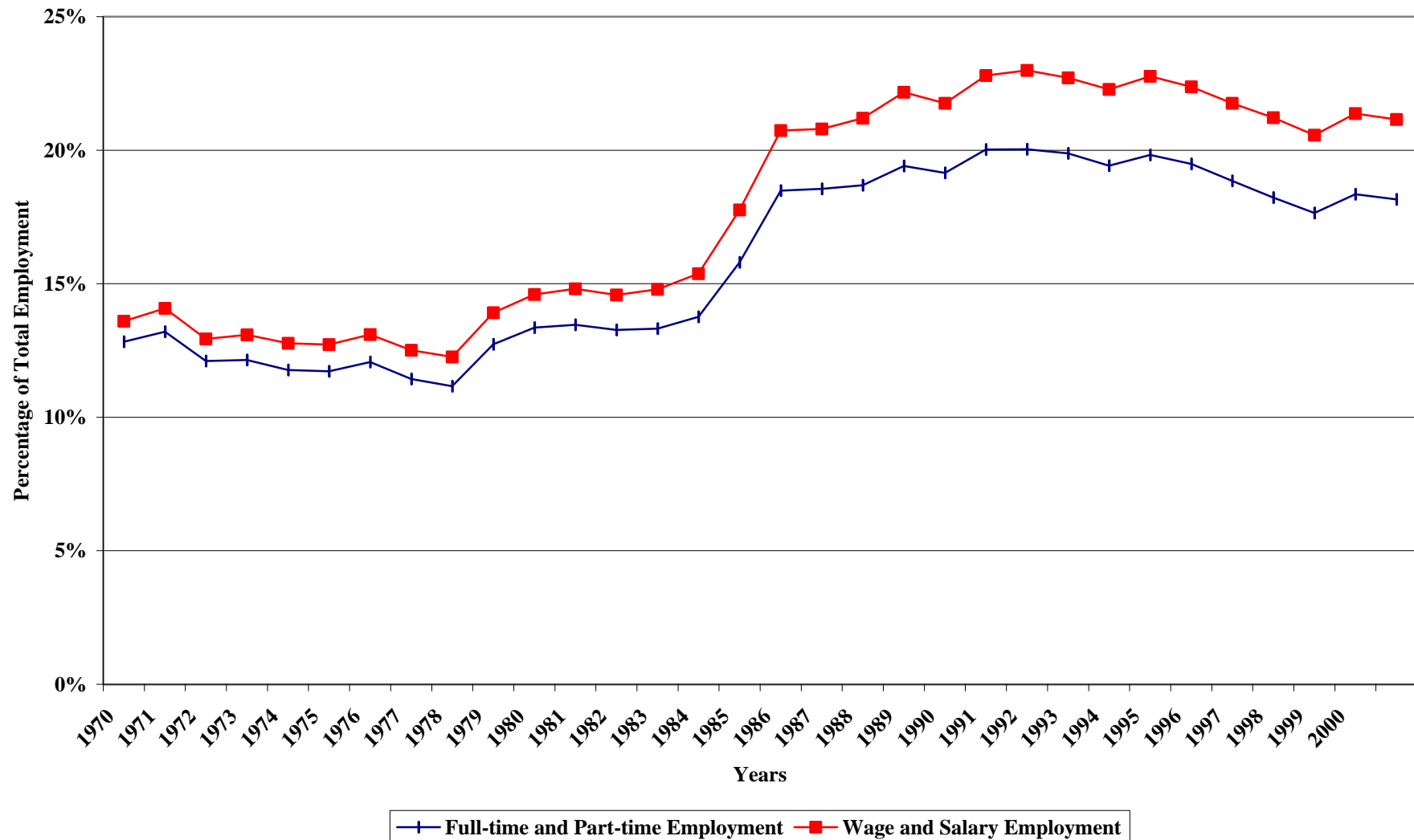
Item	Nevada	% of Total	United States	% of Total
Printing and publishing	6,768	0.5%	1,656,000	1.0%
Chemicals and allied products	1,468	0.1%	1,055,700	0.6%
Petroleum and coal products	164	0.0%	126,900	0.1%
Rubber and misc. plastics products	4,024	0.3%	1,016,200	0.6%
Leather and leather products	82	0.0%	73,400	0.0%
<b>Transportation and public utilities</b>	<b>61,583</b>	<b>4.9%</b>	<b>8,250,100</b>	<b>4.9%</b>
Railroad transportation	799	0.1%	213,000	0.1%
Trucking and warehousing	11,028	0.9%	2,604,900	1.6%
Water transportation	n/a	n/a	<b>204,000</b>	0.1%
Other transportation	n/a	n/a	<b>258,890</b>	1.5%
Local and interurban passenger transit	11,862	0.9%	649,100	0.4%
Transportation by air	11,993	0.9%	1,326,000	0.8%
Pipelines, except natural gas	n/a	n/a	<b>13,000</b>	0.0%
Transportation services	4,730	0.4%	600,800	0.4%
Communications	13,116	1.0%	1,760,700	1.1%
Electric, gas, and sanitary services	7,508	0.6%	878,600	0.5%
<b>Wholesale trade</b>	<b>42,052</b>	<b>3.3%</b>	<b>7,588,900</b>	<b>4.5%</b>
<b>Retail trade</b>	<b>202,448</b>	<b>16.0%</b>	<b>27,350,100</b>	<b>16.3%</b>
Building materials and garden equipment	7,676	0.6%	1,113,500	0.7%
General merchandise stores	20,336	1.6%	3,022,800	1.8%
Food stores	24,678	1.9%	3,720,400	2.2%
Automotive dealers and service stations	20,070	1.6%	2,703,400	1.6%
Apparel and accessory stores	10,134	0.8%	1,343,700	0.8%
Home furniture and furnishings stores	9,142	0.7%	1,275,800	0.8%
Eating and drinking places	67,938	5.4%	8,766,400	5.2%
Miscellaneous retail	42,474	3.4%	5,404,100	3.2%
<b>Finance, insurance, and real estate</b>	<b>119,168</b>	<b>9.4%</b>	<b>13,500,100</b>	<b>8.1%</b>
Depository and nondepository institutions	19,322	1.5%	2,836,800	1.7%
Other finance, insurance, and real estate	99,846	7.9%	10,663,300	6.4%
Security and commodity brokers	3,896	0.3%	957,000	0.6%
Insurance carriers	7,773	0.6%	1,587,000	0.9%
Insurance agents, brokers, and services	7,965	0.6%	1,406,400	0.8%
Real estate	46,100	3.6%	4,561,000	2.7%
Combined real estate, insurance, etc.	n/a	n/a	n/a	n/a
Holding and other investment offices	34,112	2.7%	2,151,900	1.3%

**Exhibit 1A-19: Detailed Employment Share Comparison**  
**Full-Time and Part-Time Employment by Industry**  
**Nevada and the United States, 2000**

Item	Nevada	% of Total	United States	% of Total
<b>Services</b>	<b>528,403</b>	<b>41.7%</b>	<b>53,301,700</b>	<b>31.8%</b>
Hotels and other lodging places	228,825	18.1%	2,113,400	1.3%
Personal services	23,496	1.9%	2,968,500	1.8%
Private households	4,931	0.4%	1,208,000	0.7%
Business services	76,373	6.0%	12,283,600	7.3%
Auto repair, services, and parking	13,481	1.1%	1,788,600	1.1%
Miscellaneous repair services	4,858	0.4%	774,800	0.5%
Amusement and recreation services	41,345	3.3%	3,272,500	2.0%
Motion pictures	4,175	0.3%	698,700	0.4%
Health services	56,610	4.5%	11,492,700	6.9%
Legal services	9,056	0.7%	1,603,500	1.0%
Educational services	5,596	0.4%	3,100,000	1.9%
Social services	11,117	0.9%	2,992,000	1.8%
Museums, botanical, zoological gardens	245	0.0%	106,000	0.1%
Membership organizations	8,907	0.7%	2,591,000	1.5%
Engineering and management services	35,613	2.8%	5,367,500	3.2%
Misc. Services	3,775	0.3%	940,900	0.6%
<b>Government and government enterprises</b>	<b>129,006</b>	<b>10.2%</b>	<b>22,740,000</b>	<b>13.6%</b>
Federal, civilian	15,359	1.2%	2,891,000	1.7%
Military	11,616	0.9%	2,075,000	1.2%
State and local	102,031	8.1%	17,774,000	10.6%
State	25,830	2.0%	4,952,000	3.0%
Local	76,201	6.0%	12,822,000	7.7%

Source: United States Bureau of Economic Analysis.

**Exhibit 1A-20: Hotels & Other Lodging Places as a Percentage of Total Employment**  
**Full-Time and Part-Time Employment and Wage and Salary Employment Shares, 1970 - 2000**



**Exhibit 1A-21: Nevada Employment Shift-Share Analysis  
National Growth, Industry Mix, and Regional Shift, 1990 - 2000**

Employment Sector	Employment (1)				Employment Growth (2)		National Growth Rate (3)	Standardized Employment (4)	
	1990	% of Total	2000	% of Total	Net Growth	Percent		Net Growth	Total
Ag. services, forestry, fishing & other	4,433	0.7%	10,551	1.0%	6,118	138.0%	48.0%	2,128	6,561
Mining	14,406	2.2%	11,071	1.0%	-3,335	-23.2%	-24.5%	-3,526	10,880
Construction	49,501	7.5%	92,220	8.6%	42,719	86.3%	31.2%	15,434	64,935
Manufacturing	26,494	4.0%	44,817	4.2%	18,323	69.2%	-3.3%	-883	25,611
Transportation and public utilities	32,642	4.9%	56,849	5.3%	24,207	74.2%	22.1%	7,224	39,866
Wholesale trade	24,069	3.6%	39,290	3.7%	15,221	63.2%	12.8%	3,090	27,159
Retail trade	103,566	15.6%	180,362	16.8%	76,796	74.2%	19.0%	19,638	123,204
Finance, insurance, and real estate	29,612	4.5%	48,776	4.5%	19,164	64.7%	12.7%	3,763	33,375
Hotels and other lodging places	151,608	22.9%	227,662	21.2%	76,054	50.2%	-89.8%	-136,146	15,462
Other Services	135,872	20.5%	233,277	21.7%	97,405	71.7%	14.5%	19,713	155,585
Government and government enterprises									
Federal, civilian	12,302	1.9%	15,359	1.4%	3,057	24.8%	-10.5%	-1,298	11,004
Military	13,271	2.0%	11,616	1.1%	-1,655	-12.5%	-23.7%	-3,144	10,127
State and local	64,560	9.7%	102,031	9.5%	37,471	58.0%	16.6%	10,710	75,270
<b>TOTAL</b>	<b>662,336</b>	<b>100.0%</b>	<b>1,073,881</b>	<b>100.0%</b>	<b>411,545</b>	<b>62.1%</b>	<b>-9.6%</b>	<b>-63,296</b>	<b>599,040</b>

**Exhibit 1A-21: Nevada Employment Shift-Share Analysis  
National Growth, Industry Mix, and Regional Shift, 1990 - 2000**

Employment Sector	National Growth (5)		Industry Mix (6)		Regional Shift (7)		Total		
	Percent	Net Change	Percent	Net Change	Percent	Net Change	Percent	Net Growth	Employment
Ag. services, forestry, fishing & other	18.8%	833	29.2%	1,295	90.0%	3,990	138.0%	6,118	10,551
Mining	18.8%	2,708	-43.3%	-6,234	1.3%	191	-23.2%	-3,335	11,071
Construction	18.8%	9,306	12.4%	6,128	55.1%	27,285	86.3%	42,719	92,220
Manufacturing	18.8%	4,981	-22.1%	-5,864	72.5%	19,206	69.2%	18,323	44,817
Transportation and public utilities	18.8%	6,137	3.3%	1,087	52.0%	16,983	74.2%	24,207	56,849
Wholesale trade	18.8%	4,525	-6.0%	-1,435	50.4%	12,131	63.2%	15,221	39,290
Retail trade	18.8%	19,470	0.2%	168	55.2%	57,158	74.2%	76,796	180,362
Finance, insurance, and real estate	18.8%	5,567	-6.1%	-1,804	52.0%	15,401	64.7%	19,164	48,776
Hotels and other lodging places	18.8%	28,502	-108.6%	-164,648	140.0%	212,200	50.2%	76,054	227,662
Other Services	18.8%	25,544	-4.3%	-5,831	57.2%	77,692	71.7%	97,405	233,277
Government and government enterprises									
Federal, civilian	18.8%	2,313	-29.3%	-3,610	35.4%	4,355	24.8%	3,057	15,359
Military	18.8%	2,495	-42.5%	-5,639	11.2%	1,489	-12.5%	-1,655	11,616
State and local	18.8%	12,137	-2.2%	-1,427	41.5%	26,761	58.0%	37,471	102,031
<b>TOTAL</b>	<b>18.8%</b>	<b>124,519</b>	<b>-28.4%</b>	<b>-187,815</b>	<b>71.7%</b>	<b>474,841</b>	<b>62.1%</b>	<b>411,545</b>	<b>1,073,881</b>

Source: United States Bureau of Economic Analysis.

(1) State of Nevada wage and salary employment, 1990 and 2000.

(2) Change in employment by sector and percentage growth rate between 1990 and 2000.

(3) Rate of growth experienced by each sector nationally.

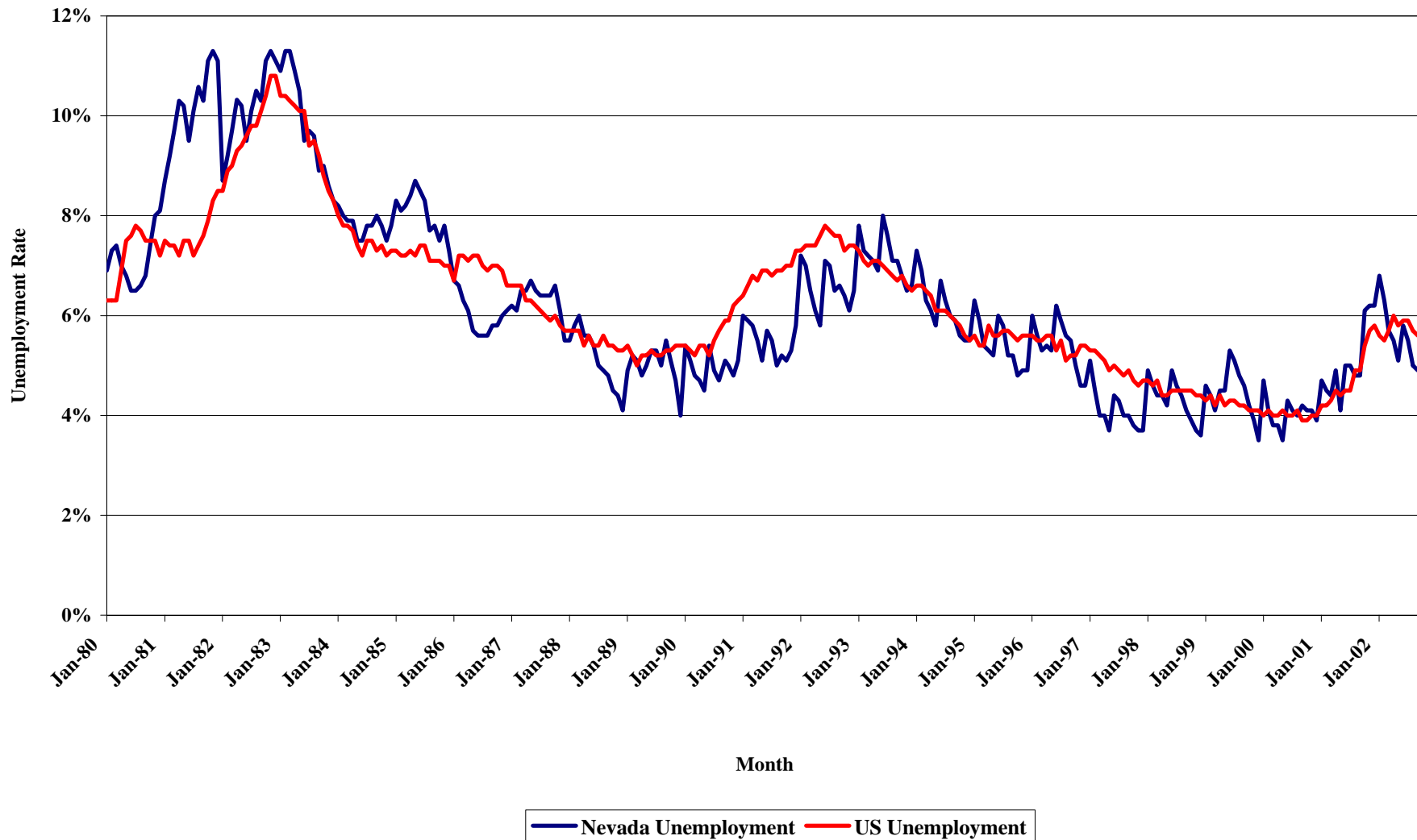
(4) Growth that would have occurred should Nevada's industries have grown at the same rate as their national counterparts.

(5) National Growth - Increase in employment that would have occurred if each industrial sector had grown at the national average.

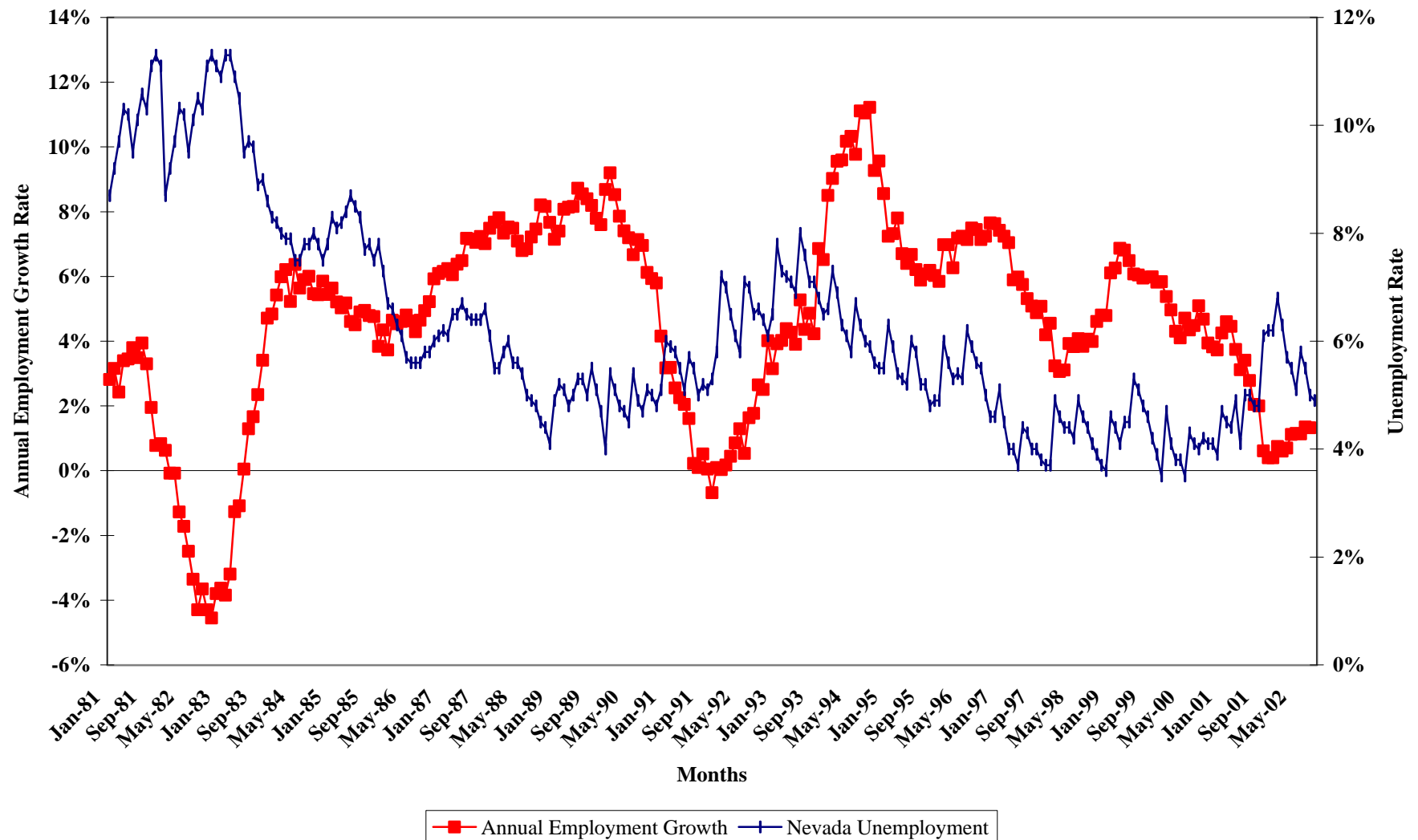
(6) Industry Mix - The additional gain or loss in each sector resulting from that sector's ability to exceed the national average for all sectors.

(7) Regional Shift or Industry Mix - The additional gain or loss resulting from each sector's ability to grow faster in Nevada versus the national average.

**Exhibit 1A-22: Unemployment Rates**  
**Nevada & United States, January 1980 - September 2002**



**Exhibit 1A-23: Employment Growth and Unemployment Rate Comparison  
1980 - 2001**





**Exhibit 1A-24: Historical and Projected Nevada Employment  
Non-farm Employment by Sector, 1970 - 2010**

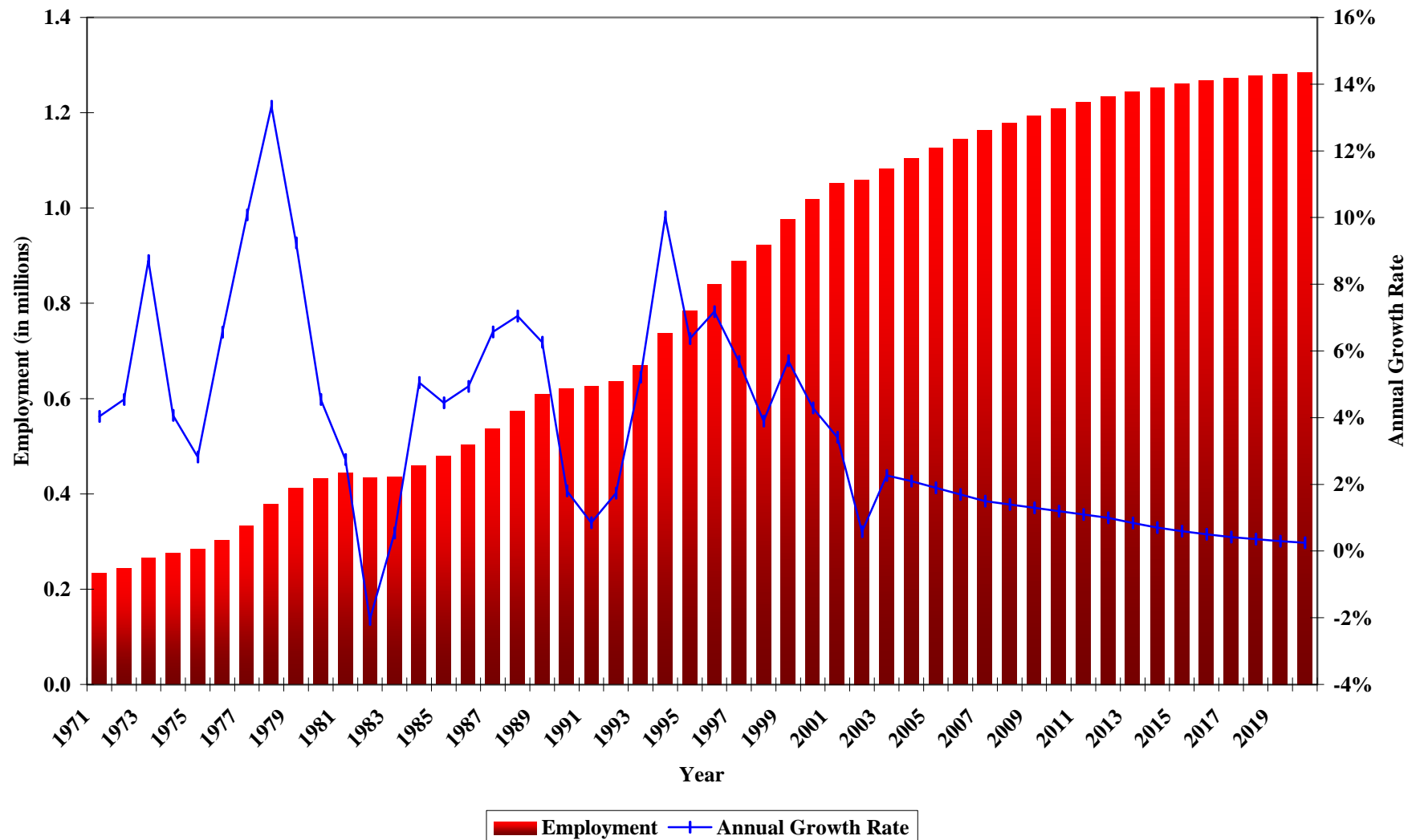
<b>Employment Sector</b>	<b>1970</b>	<b>1975</b>	<b>1980</b>	<b>1985</b>	<b>1990</b>	<b>1995</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>
Total Non-Farm Employment	239,421	312,631	462,689	522,520	714,381	907,502	1,209,251	1,385,631	1,486,834
Average Annual Growth		6.1%	9.6%	2.6%	7.3%	5.4%	6.7%	2.9%	1.5%
Private Non-Farm Employment	191,936	257,640	395,035	449,095	628,712	802,777	1,083,986	1,200,139	1,271,683
Ag. services, forestry, fishing & other	753	1,325	2,399	3,383	5,310	8,510	12,848	14,046	15,247
Mining	4,360	4,734	5,096	7,319	15,060	14,196	13,904	10,682	9,188
Construction	13,463	18,002	32,221	28,329	55,583	68,909	104,797	103,487	101,316
Manufacturing	8,446	12,788	20,331	21,978	27,334	36,728	45,495	45,913	46,141
Transportation and public utilities	13,551	17,227	24,307	26,745	33,143	42,325	57,634	65,826	71,892
Wholesale trade	6,597	9,157	13,394	15,891	24,278	30,319	40,552	42,380	42,319
Retail trade	36,096	48,178	73,839	81,529	111,899	141,495	191,219	218,847	227,444
Finance, insurance, and real estate	14,121	22,424	34,817	38,518	49,202	60,029	110,719	106,808	109,570
Services	94,549	123,805	188,631	225,403	306,903	400,266	506,818	592,151	648,566
Government and government enterprises	47,485	54,991	67,654	73,425	85,669	104,725	125,265	146,615	157,323

Sources: United States Bureau of Labor Statistics; Nevada Department of Employment, Training and Rehabilitation, and Nevada State Demographer.

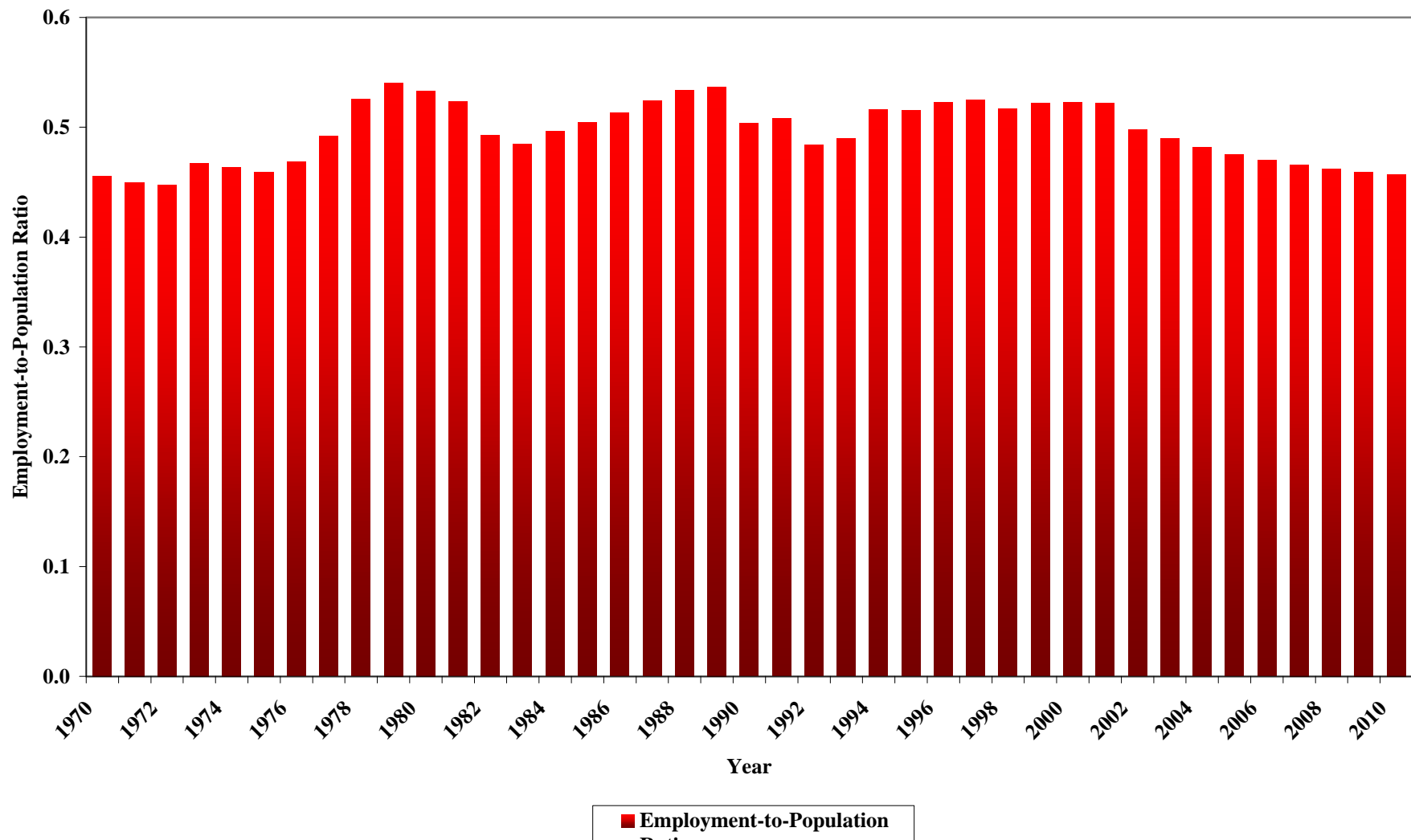
Notes:

- (1) Totals may be greater than the sum of industries because it includes employment not allocated or not shown.
- (2) Rounding errors may also cause some totals not to sum to 100 percent.
- (3) In order to match projections with history, the years needed to be shifted. As such, estimates may not be consistent with previously reported data.

**Exhibit 1A-25: Nevada Employment projections**  
**Full-Time and Part Time Non-farm Employment, 1971 - 2020**



**Exhibit 1A-26: Nevada Employment-to-Population Ratio  
1970 - 2010**



**Exhibit 1A-27: Historical Per Capita Income Estimates  
United States, Nevada, and Other Western States, 1960 - 2000**

Area	1960	1970	1980	1990	2000
Nevada	\$2,890	\$4,946	\$11,780	\$20,674	\$29,551
United States	2,276	4,095	10,183	19,584	29,451
Western States (1)	2,512	4,353	10,989	19,925	29,656
Arizona	2,059	3,843	9,590	17,211	24,991
California	2,823	4,815	12,029	21,889	32,225
Colorado	2,340	4,055	10,809	19,703	32,441
Idaho	1,898	3,558	8,735	15,866	23,640
Montana	2,075	3,625	9,143	15,524	22,541
New Mexico	1,884	3,197	8,402	14,960	21,883
Oregon	2,283	3,940	10,196	18,253	27,649
Utah	2,035	3,391	8,464	14,996	23,364
Washington	2,436	4,205	10,913	20,026	31,129
Wyoming	2,312	3,919	11,753	17,996	27,436

Sources: United States Bureau of Economic Analysis and United States Census Bureau.

Notes:

(1) Western States average is a weighted average reflecting the number of people in each of the western states.

**Exhibit 1A-28: Historical Population Growth Estimates  
United States, Nevada, and Other Western States, 1960 - 2000**

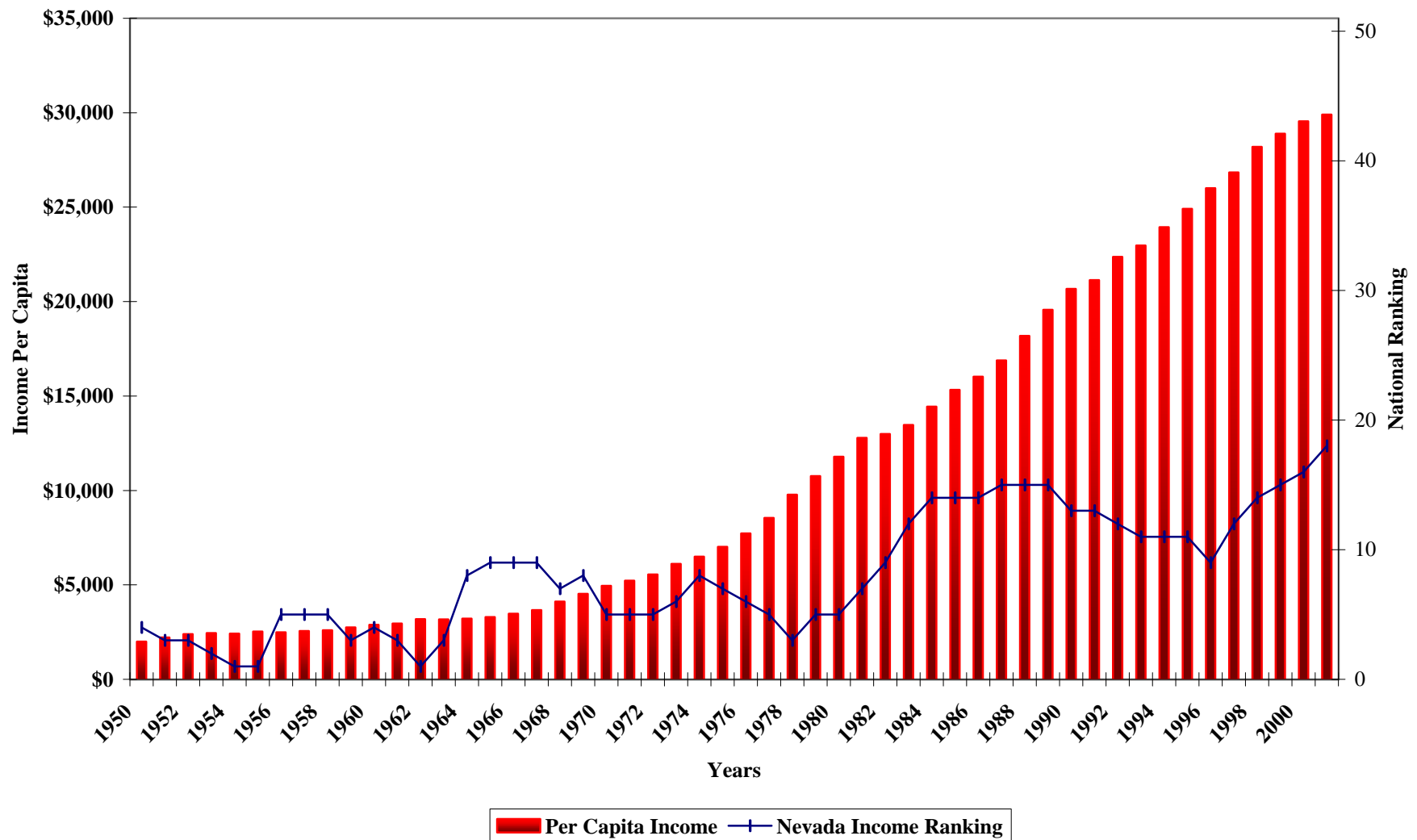
<b>Area</b>	<b>1960-1970</b>	<b>1970-1980</b>	<b>1980-1990</b>	<b>1990-2000</b>	<b>1960-2000</b>
Nevada	5.52%	9.07%	5.79%	3.64%	5.98%
United States	6.05%	9.54%	6.76%	4.16%	6.61%
Western States	5.65%	9.70%	6.13%	4.06%	6.37%
Arizona	6.44%	9.58%	6.02%	3.80%	6.44%
California	5.48%	9.59%	6.17%	3.94%	6.28%
Colorado	5.65%	10.30%	6.19%	5.11%	6.79%
Idaho	6.49%	9.40%	6.15%	4.07%	6.51%
Montana	5.74%	9.69%	5.44%	3.80%	6.14%
New Mexico	5.43%	10.14%	5.94%	3.88%	6.32%
Oregon	5.61%	9.97%	6.00%	4.24%	6.43%
Utah	5.24%	9.58%	5.89%	4.53%	6.29%
Washington	5.61%	10.01%	6.26%	4.51%	6.58%
Wyoming	5.42%	11.61%	4.35%	4.31%	6.38%

Sources: US Census Bureau Current Population Surveys; 1960 Census, 1970 Census, 1980 Census, 1990 Census, 2000 Census, Nevada State Demographer's Office.

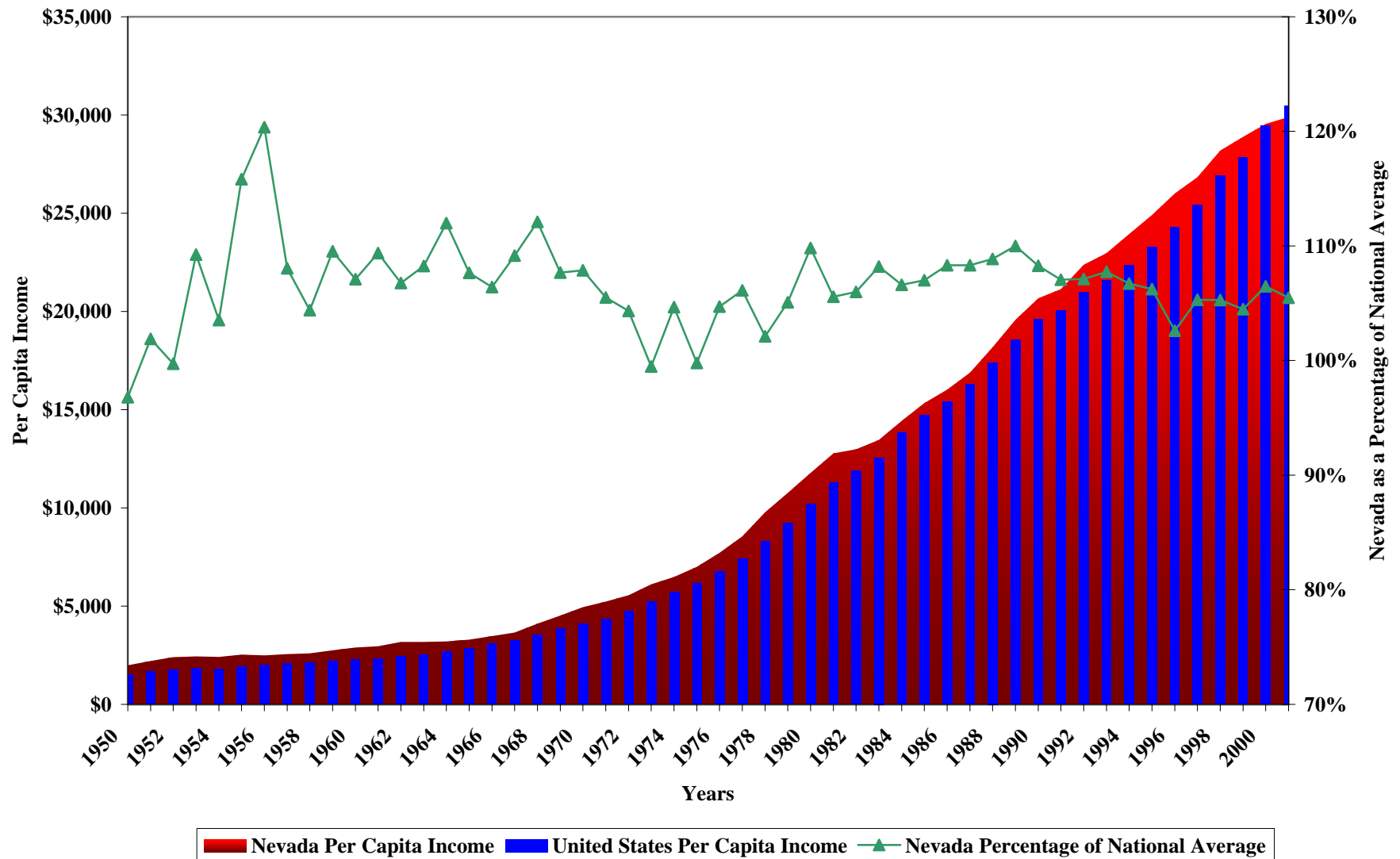
Notes:

- (1) Nevada State Demographer's population estimates do not necessarily coincide with estimates generated by the U. S. Census Bureau.
- (2) Census estimates are for April of the respective year, interim estimates are for July of the respective year.

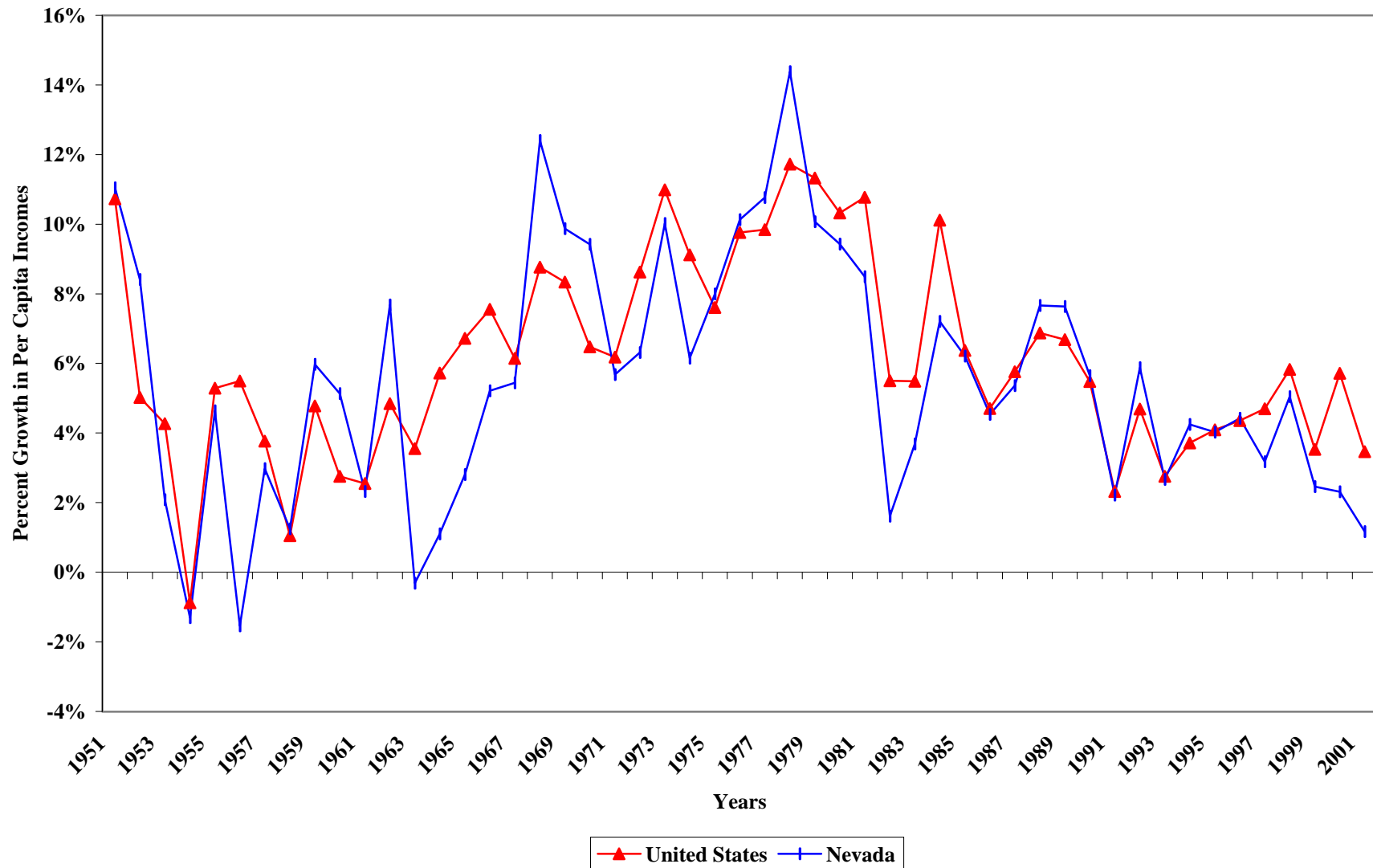
**Exhibit 1A-29: Nevada Per Capita Income**  
**Average and National Ranking (50 States Plus District of Columbia), 1950 - 2001**



**Exhibit 1A-30: Per Capita Income Comparison  
United States and Nevada, 1950 - 2001**

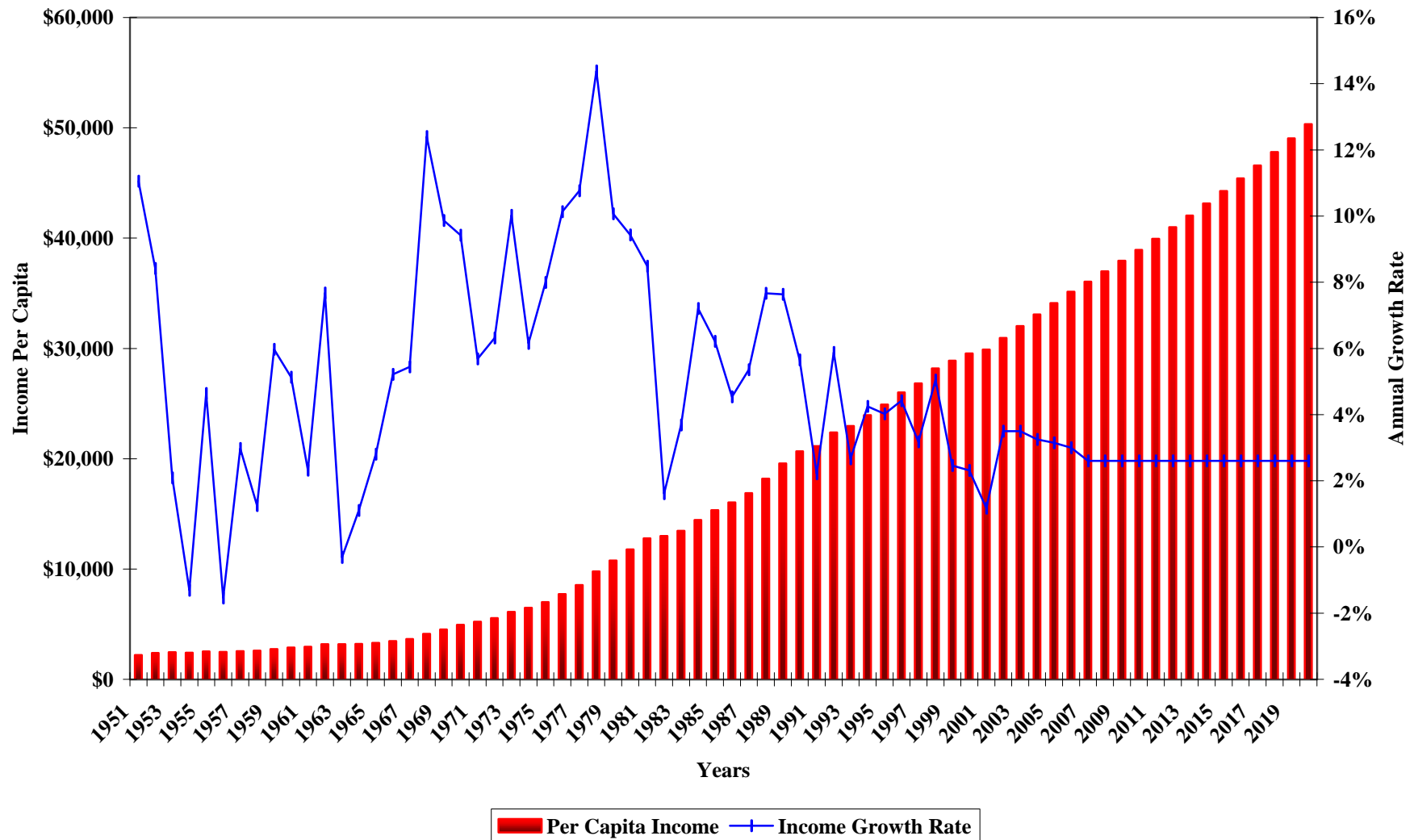


**Exhibit 1A-31: Annual Per Capita Income Growth Comparison  
United States and Nevada, 1951 - 2001**





**Exhibit 1A-32: Historical and Projected Nevada Per Capita Income  
Average and Annual Growth Rate, 1951 - 2020**



**Exhibit 1A-33: Historical Industry Wage Comparison**  
**Wage and Salary Employment Distributions by Industry**  
**Nevada and the United States, 1970 - 2000**

**NEVADA**

<b>Employment Sector</b>	<b>1970</b>		<b>1980</b>		<b>1990</b>		<b>1995</b>		<b>2000</b>	
	<b>Ave. Wage</b>	<b>Index (1)</b>	<b>Ave. Wage</b>	<b>Index (1)</b>	<b>Ave. Wage</b>	<b>Index (1)</b>	<b>Ave. Wage</b>	<b>Index (1)</b>	<b>Ave. Wage</b>	<b>Index (1)</b>
Ag. services, forestry, fishing & other	5,140	66.7	13,697	94.4	16,310	71.9	18,244	67.4	23,304	71.3
Mining	9,046	117.4	20,459	141.1	36,361	160.4	45,531	168.2	55,639	170.2
Construction	11,483	149.1	22,237	153.3	27,683	122.1	31,592	116.7	38,912	119.0
Manufacturing	8,561	111.1	16,392	113.0	25,666	113.2	30,137	111.3	37,965	116.1
Transportation and public utilities	9,060	117.6	19,677	135.7	28,303	124.8	33,209	122.7	38,569	118.0
Wholesale trade	8,503	110.4	17,336	119.5	29,031	128.1	33,126	122.3	42,679	130.5
Retail trade	5,641	73.2	10,106	69.7	14,698	64.8	17,124	63.2	21,248	65.0
Finance, insurance, and real estate	7,400	96.1	14,041	96.8	24,231	106.9	30,966	114.4	41,058	125.6
Services	7,603	98.7	13,757	94.9	21,631	95.4	26,088	96.4	31,282	95.7
<i>Hotels and other lodging places</i>	7,383	95.8	13,822	95.3	19,627	86.6	25,080	92.6	30,435	93.1
Government and government enterprises	7,744	100.5	14,652	101.0	25,760	113.6	31,540	116.5	37,737	115.4
<b>Total employment</b>	<b>7,704</b>	<b>100.0</b>	<b>14,502</b>	<b>100.0</b>	<b>22,671</b>	<b>100.0</b>	<b>27,076</b>	<b>100.0</b>	<b>32,699</b>	<b>100.0</b>

**Exhibit 1A-33: Historical Industry Wage Comparison  
Wage and Salary Employment Distributions by Industry  
Nevada and the United States, 1970 - 2000**

**UNITED STATES**

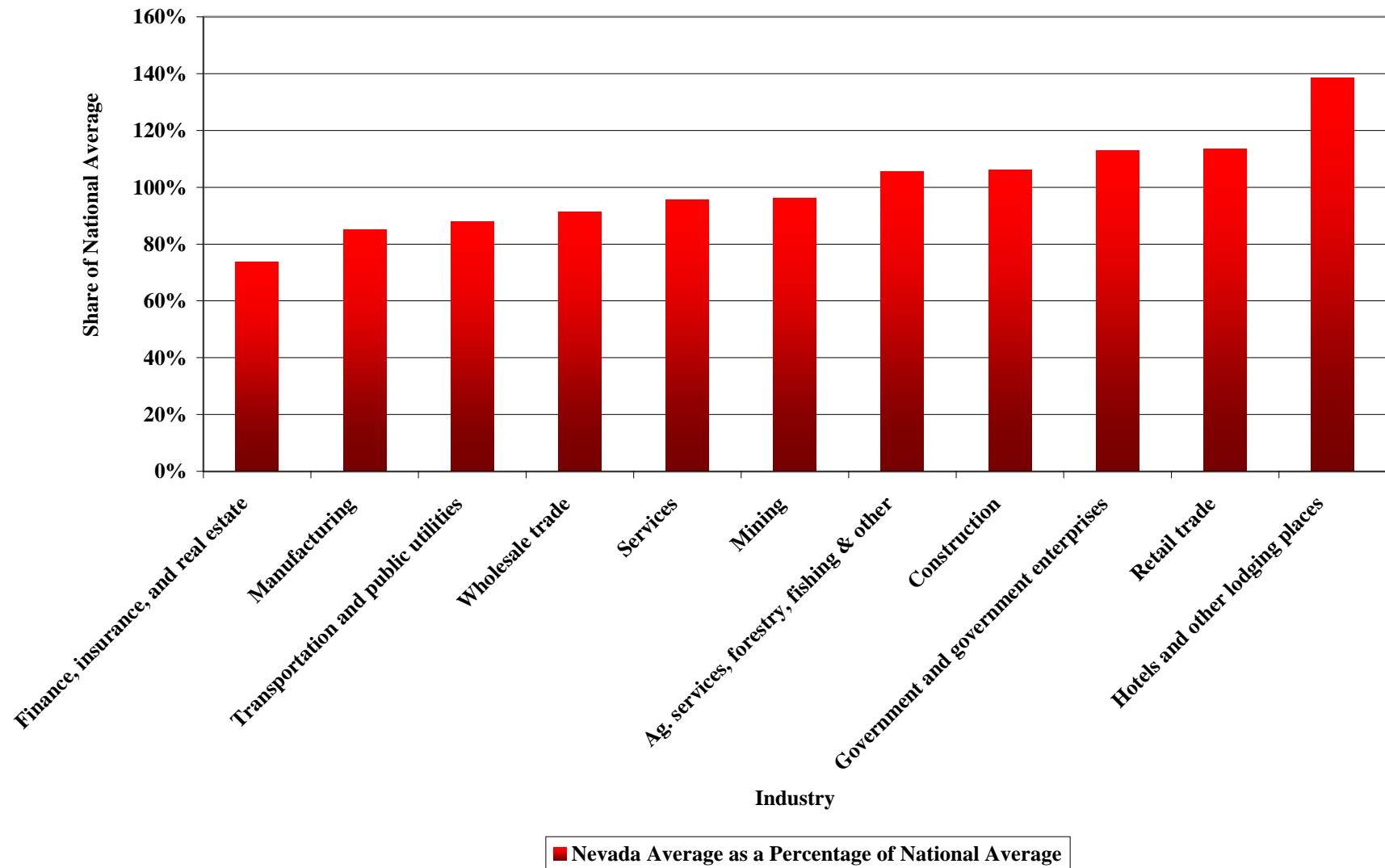
<b>Employment Sector</b>	<b>1970</b>		<b>1980</b>		<b>1990</b>		<b>1995</b>		<b>2000</b>	
	<b>Ave. Wage</b>	<b>Index (1)</b>	<b>Ave. Wage</b>	<b>Index (1)</b>	<b>Ave. Wage</b>	<b>Index (1)</b>	<b>Ave. Wage</b>	<b>Index (1)</b>	<b>Ave. Wage</b>	<b>Index (1)</b>
Ag. services, forestry, fishing & other	4,830	69.8	9,796	70.0	15,489	66.4	17,448	63.7	21,994	63.5
Mining	9,261	133.8	23,025	164.5	37,280	159.8	45,141	164.7	57,785	166.8
Construction	9,320	134.6	17,494	125.0	26,305	112.8	29,272	106.8	36,664	105.8
Manufacturing	8,147	117.7	17,432	124.5	29,230	125.3	34,823	127.1	44,675	128.9
Transportation and public utilities	8,956	129.4	20,135	143.9	30,823	132.2	35,630	130.0	44,028	127.1
Wholesale trade	8,883	128.3	18,001	128.6	30,092	129.0	36,011	131.4	46,788	135.0
Retail trade	4,890	70.6	8,794	62.8	13,099	56.2	15,044	54.9	18,692	54.0
Finance, insurance, and real estate	7,391	106.8	14,899	106.4	30,241	129.7	38,821	141.7	56,143	162.0
Services	5,234	75.6	11,410	81.5	21,420	91.8	25,356	92.5	32,595	94.1
Hotels and other lodging places	4,362	63.0	8,774	62.7	14,532	62.3	17,313	63.2	21,956	63.4
Government and government enterprises	6,905	99.8	13,528	96.7	23,704	101.6	28,321	103.4	33,369	96.3
<b>Total employment</b>	<b>6,922</b>	<b>100.0</b>	<b>13,997</b>	<b>100.0</b>	<b>23,322</b>	<b>100.0</b>	<b>27,400</b>	<b>100.0</b>	<b>34,647</b>	<b>100.0</b>

Source: United States Bureau of Economic Analysis.

Notes:

(1) Index illustrates performance relative to the state or national average, where 100 equals the average.

**Exhibit 1A-34: Wage Comparison**  
**Nevada Average Wage as a Percentage of National Average, by Industry, 2000**



**Exhibit 1A-35: Industrial Wage Comparison**  
**Average Wage, Share of Employment Base, Share of Wages Paid by Industry**  
**Nevada and the United States, 2000**

Item	Nevada				US			
	Wage	Index (1)	% of Emp. Base	% of Wages Paid	Wage	Index (1)	% of Emp. Base	% of Wages Paid
<b>Wage and salary employment by place of work</b>	\$32,699	100.0	100.0%	100.0%	\$34,647	100.0	100.0%	100.0%
<b>Private employment</b>	32,042	98.0	87.8%	86.0%	35,020	101.1	83.1%	84.0%
Ag. services, forestry, fishing & other	23,304	71.3	1.0%	0.7%	21,994	63.5	1.0%	0.7%
Mining	55,639	170.2	1.0%	1.7%	57,785	166.8	0.4%	0.6%
Construction	38,912	119.0	8.6%	10.2%	36,664	105.8	5.0%	5.3%
Manufacturing	37,965	116.1	4.2%	4.8%	44,675	128.9	13.3%	17.2%
Transportation and public utilities	38,569	118.0	5.3%	6.2%	44,028	127.1	5.1%	6.5%
Wholesale trade	42,679	130.5	3.6%	4.8%	46,788	135.0	5.1%	6.9%
Retail trade	21,248	65.0	16.8%	10.9%	18,692	54.0	17.2%	9.3%
Finance, insurance, and real estate	41,058	125.6	4.5%	5.7%	56,143	162.0	5.5%	9.0%
Services	31,282	95.7	42.8%	41.0%	32,595	94.1	30.3%	28.5%
<i>Hotels and other lodging places</i>	30,435	93.1	21.1%	19.7%	21,956	63.4	1.4%	0.9%
<b>Government and government enterprises</b>	37,737	115.4	12.0%	13.8%	33,369	96.3	16.3%	15.7%

Source: United States Bureau of Economic Analysis.

Notes:

(1) Index illustrates performance relative to the state or national average, where 100 equals the average.

**Exhibit 1A-36: Historical Industry Wage Growth Comparison**  
**Wage and Salary Employment Wage Growth by Industry**  
**Nevada and the United States, 1970 - 2000**

**NEVADA**

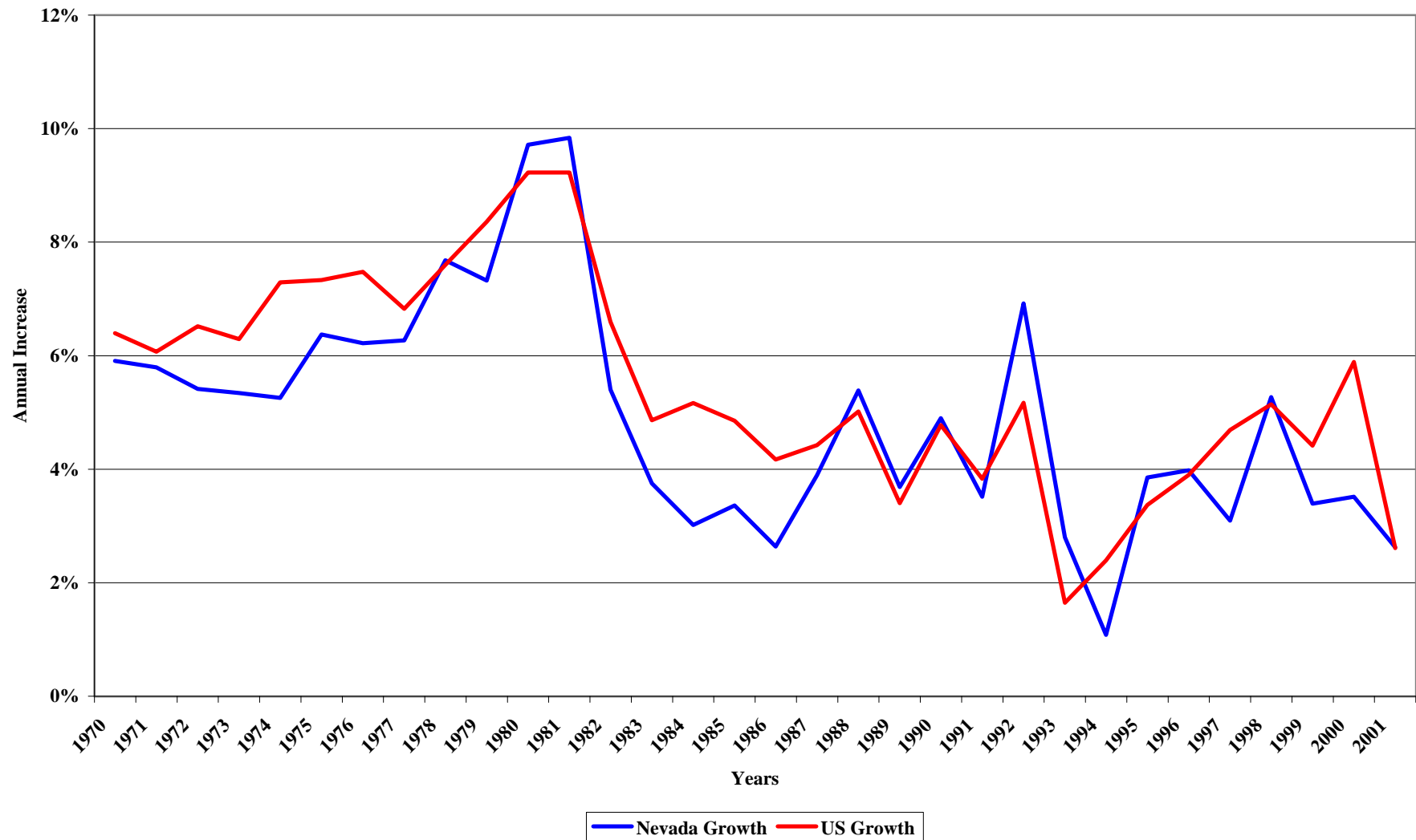
<b>Employment Sector</b>	<b>1970-1980</b>	<b>1980-1990</b>	<b>1990-1995</b>	<b>1995-2000</b>
Ag. services, forestry, fishing & other	10.3%	1.8%	2.3%	5.0%
Mining	8.5%	5.9%	4.6%	4.1%
Construction	6.8%	2.2%	2.7%	4.3%
Manufacturing	6.7%	4.6%	3.3%	4.7%
Transportation and public utilities	8.1%	3.7%	3.2%	3.0%
Wholesale trade	7.4%	5.3%	2.7%	5.2%
Retail trade	6.0%	3.8%	3.1%	4.4%
Finance, insurance, and real estate	6.6%	5.6%	5.0%	5.8%
Services	6.1%	4.6%	3.8%	3.7%
<i>Hotels and other lodging places</i>	6.5%	3.6%	5.0%	3.9%
Government and government enterprises	6.6%	5.8%	4.1%	3.7%
<b>Total employment</b>	<b>6.5%</b>	<b>4.6%</b>	<b>3.6%</b>	<b>3.8%</b>

**UNITED STATES**

<b>Employment Sector</b>	<b>1970-1980</b>	<b>1980-1990</b>	<b>1990-1995</b>	<b>1995-2000</b>
Ag. services, forestry, fishing & other	7.3%	4.7%	2.4%	4.7%
Mining	9.5%	4.9%	3.9%	5.1%
Construction	6.5%	4.2%	2.2%	4.6%
Manufacturing	7.9%	5.3%	3.6%	5.1%
Transportation and public utilities	8.4%	4.4%	2.9%	4.3%
Wholesale trade	7.3%	5.3%	3.7%	5.4%
Retail trade	6.0%	4.1%	2.8%	4.4%
Finance, insurance, and real estate	7.3%	7.3%	5.1%	7.7%
Services	8.1%	6.5%	3.4%	5.2%
<i>Hotels and other lodging places</i>	7.2%	5.2%	3.6%	4.9%
Government and government enterprises	7.0%	5.8%	3.6%	3.3%
<b>Total employment</b>	<b>7.3%</b>	<b>5.2%</b>	<b>3.3%</b>	<b>4.8%</b>

Source: United States Bureau of Economic Analysis.

**Exhibit 1A-37: Industrial Wage Growth Comparison  
United States and Nevada, 1970 - 2001**



**Exhibit 1A-38: Gross State Product Comparison, by Industry**  
**Nevada and the United States, 1980 - 2000**

**NEVADA**

Industrial Sector	1980		1985		1990		1995		2000	
	GSP (1)	% of Total	GSP (1)	% of Total	GSP (1)	% of Total	GSP (1)	% of Total	GSP (1)	% of Total
Total Gross State Product	\$12,052	100.0%	\$18,425	100.0%	\$31,643	100.0%	\$49,377	100.0%	\$74,745	100.0%
Private industries	10,595	87.9%	16,121	87.5%	28,065	88.7%	44,133	89.4%	67,179	89.9%
Agriculture, forest., fish	159	1.3%	169	0.9%	276	0.9%	327	0.7%	582	0.8%
Mining	360	3.0%	472	2.6%	1429	4.5%	1532	3.1%	1392	1.9%
Construction	941	7.8%	1019	5.5%	2323	7.3%	4003	8.1%	7399	9.9%
Manufacturing	608	5.0%	892	4.8%	1286	4.1%	2136	4.3%	3066	4.1%
Transportation & utilities	1,080	9.0%	1,815	9.9%	2,723	8.6%	4,028	8.2%	5,924	7.9%
Wholesale trade	479	4.0%	805	4.4%	1414	4.5%	2238	4.5%	3386	4.5%
Retail trade	1,176	9.8%	1,891	10.3%	2,962	9.4%	4,756	9.6%	7,920	10.6%
F.I.R.E.	1,757	14.6%	2,795	15.2%	5,083	16.1%	8,857	17.9%	13,379	17.9%
Services	4,035	33.5%	6,263	34.0%	10,569	33.4%	16,256	32.9%	24,131	32.3%
<i>Hotels &amp; lodging</i>	1,404	11.6%	2,605	14.1%	4,502	14.2%	7,466	15.1%	11,058	14.8%
<i>Amusement and recreation</i>	1,215	10.1%	1,134	6.2%	1,279	4.0%	1,574	3.2%	2,181	2.9%
Government	1,457	12.1%	2,304	12.5%	3,578	11.3%	5,243	10.6%	7,566	10.1%



**Exhibit 1A-38: Gross State Product Comparison, by Industry**  
**Nevada and the United States, 1980 - 2000**

**UNITED STATES**

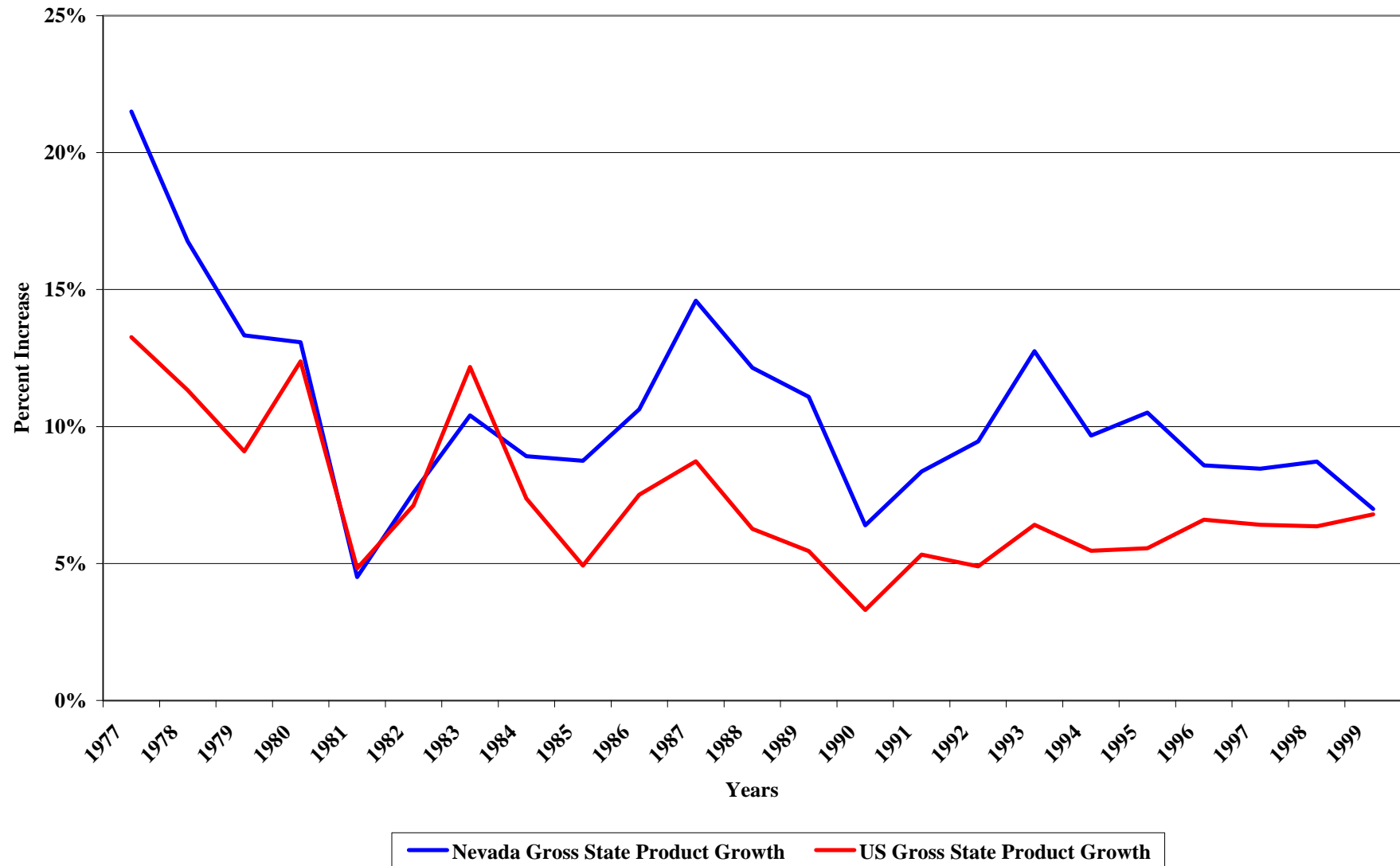
Industrial Sector	1980		1985		1990		1995		2000	
	GSP (1)	% of Total	GSP (1)	% of Total	GSP (1)	% of Total	GSP (1)	% of Total	GSP (1)	% of Total
Total Gross State Product	\$2,731,618	100.0%	\$4,151,449	100.0%	\$5,706,658	100.0%	\$7,309,516	100.0%	\$9,941,552	100.0%
Private industries	2,376,865	87.0%	3,616,174	87.1%	4,966,099	87.0%	6,384,552	87.3%	8,786,997	88.4%
Agriculture, forest., fish	66699	2.4%	84716	2.0%	108253	1.9%	109843	1.5%	135750	1.4%
Mining	113084	4.1%	135323	3.3%	111875	2.0%	95651	1.3%	127084	1.3%
Construction	129819	4.8%	186317	4.5%	248708	4.4%	290308	4.0%	463635	4.7%
Manufacturing	587481	21.5%	804377	19.4%	1040589	18.2%	1289069	17.6%	1566579	15.8%
Transportation & utilities	242,375	8.9%	379,038	9.1%	490,903	8.6%	642,586	8.8%	825,016	8.3%
Wholesale trade	196861	7.2%	289093	7.0%	376144	6.6%	500632	6.8%	674145	6.8%
Retail trade	245,401	9.0%	394,353	9.5%	507,771	8.9%	646,802	8.8%	893,855	9.0%
F.I.R.E.	416,249	15.2%	686,501	16.5%	1,010,330	17.7%	1,347,233	18.4%	1,936,304	19.5%
Services	378,896	13.9%	656,456	15.8%	1,071,525	18.8%	1,462,428	20.0%	2,164,630	21.8%
<i>Hotels &amp; lodging</i>	20,018	0.7%	31,790	0.8%	46,347	0.8%	61,742	0.8%	86,487	0.9%
<i>Amusement and recreation</i>	14,195	0.5%	22,644	0.5%	36,464	0.6%	53,529	0.7%	80,775	0.8%
Government	354,753	13.0%	535,275	12.9%	740,559	13.0%	924,964	12.7%	1,154,555	11.6%

Source: United States Bureau of Economic Analysis.

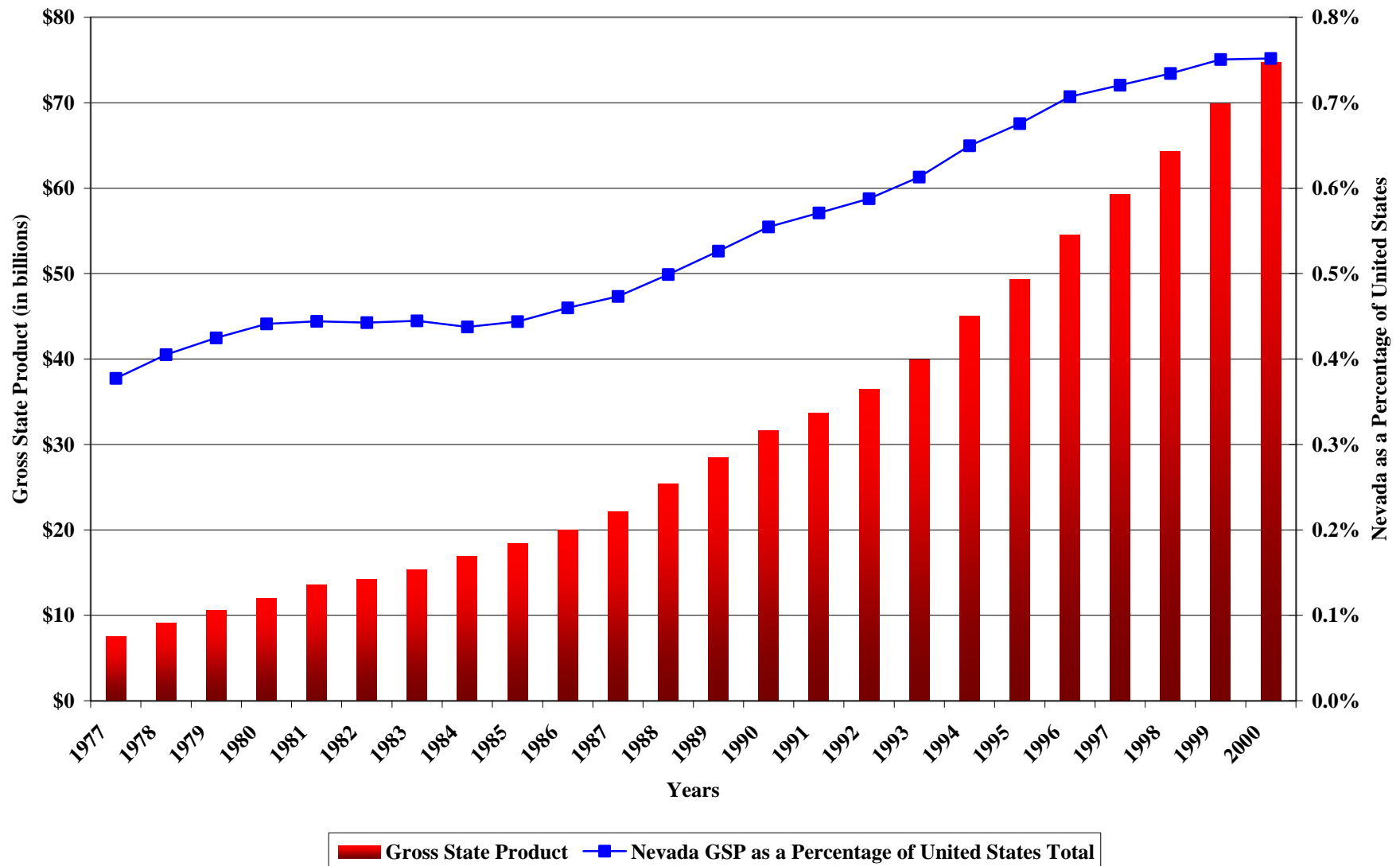
Notes:

(1) Gross state product is expressed in millions.

**Exhibit 1A-39: Gross State Product Comparison  
United States and Nevada, 1977 - 2000**



**Exhibit 1A-40: Gross State Product Comparison  
United States and Nevada, 1977 - 2000**



**Exhibit 1A-41: Nevada Business Activity by Sector**  
**Employment, Sales, and Sales Per Employee, 1992, 1997, and 2001**

Employment Sector (1)	1992			1997			2001		
	Employment	Sales (in 000's)	Sales Per Emp.	Employment	Sales (in 000's)	Sales Per Emp.	Employment	Sales (in 000's)	Sales Per Emp.
Mining	12,938	2,757,725	213,149	14,663	3,373,191	230,048	10,501	2,415,731	230,048
Construction (2)	39,213	5,085,450	129,688	81,953	11,957,767	145,910	87,697	13,474,286	153,647
Manufacturing	26,141	3,212,033	122,873	40,604	6,782,255	167,034	46,032	8,096,592	175,891
Transportation and public utilities	32,097	4,215,035	131,322	44,877	7,145,534	159,225	57,328	9,612,015	167,667
Wholesale trade	24,964	8,932,280	357,806	34,892	15,242,041	436,835	40,115	18,452,764	459,997
Retail trade	104,807	12,190,218	116,311	145,533	20,179,170	138,657	182,301	26,617,585	146,009
Finance, insurance, and real estate (2)	28,938	6,139,226	212,151	40,338	9,628,206	238,688	48,599	12,215,131	251,344
Services	<u>277,211</u>	<u>17,955,149</u>	<u>64,771</u>	<u>371,753</u>	<u>26,932,705</u>	<u>72,448</u>	448,003	<u>34,177,834</u>	<u>76,289</u>
<b>Total</b>	<b>546,309</b>	<b>60,487,117</b>	<b>110,720</b>	<b>774,613</b>	<b>101,240,868</b>	<b>130,699</b>	<b>920,576</b>	<b>125,061,938</b>	<b>135,852</b>

Sources: United States Census Bureau, 1992 and 1997 Economic Census, 1987 SIC Basis, Nevada subfile.

Notes:

(1) Employment data reported in the US Census does not necessarily reflect the wage and salary estimates produced by the United States Bureau of Economic Analysis cited herein.

(2) No data was available for construction or F.I.R.E. sales for 1997. These data were estimated based on the 1992 per employee data, adjusted for inflation. See Note 4.

(3) Data for 2000 was estimated by applying Nevada's wage and salary employment by sector to the inflation adjusted per employee estimates for 1997 or 1992, as appropriate. See Note 4.

(4) The inflation factor used in this analysis was derived from the Consumer Price Index for All Western Urban Consumers.

**Exhibit 1A-42: Economic Characteristics of Major Industries**  
**Employment, Earnings, Growth, Salaries, Business Receipts and**  
**Taxable Income as a Percentage of Gross Receipts**

Industry	Nevada					National Share of Taxable Income as a Percentage of Total Receipts 1998 (1)
	Employment Share 2000	Wages Share 2000	Growth Rate 1995-2000	Wage Index 2000	Share of Bus. Receipts 2000	
Private Non-farm enterprises						
Ag. services, forestry, fishing & other	1.0%	0.7%	10.3%	71.3	n/a	0.48%
Mining	1.0%	1.7%	-3.6%	170.2	1.9%	0.83%
Construction	8.6%	10.2%	7.1%	119.0	10.8%	3.27%
Manufacturing	4.2%	4.8%	3.9%	116.1	6.5%	4.95%
Transportation and public utilities	5.3%	6.2%	6.7%	118.0	7.7%	4.91%
Wholesale trade	3.6%	4.8%	5.1%	130.5	14.8%	1.88%
Retail trade	16.8%	10.9%	6.6%	65.0	21.3%	1.88%
Finance, insurance, and real estate	4.5%	5.7%	5.5%	125.6	9.8%	11.50%
Services	42.8%	41.0%	4.9%	95.7	27.3%	4.37%
<i>Hotels and other lodging places</i>	21.1%	19.7%	4.1%	93.1	11.8%	2.54%
Government and government enterprises	12.0%	13.8%	3.6%	115.4	n/a	n/a
Wage and salary employment by place of work	100.0%	100.0%	5.2%	100.0	100.0%	4.84%

Source: United States Bureau of Economic Analysis; United States Internal Revenue Service; United States Census Bureau Economic Census.

Notes:

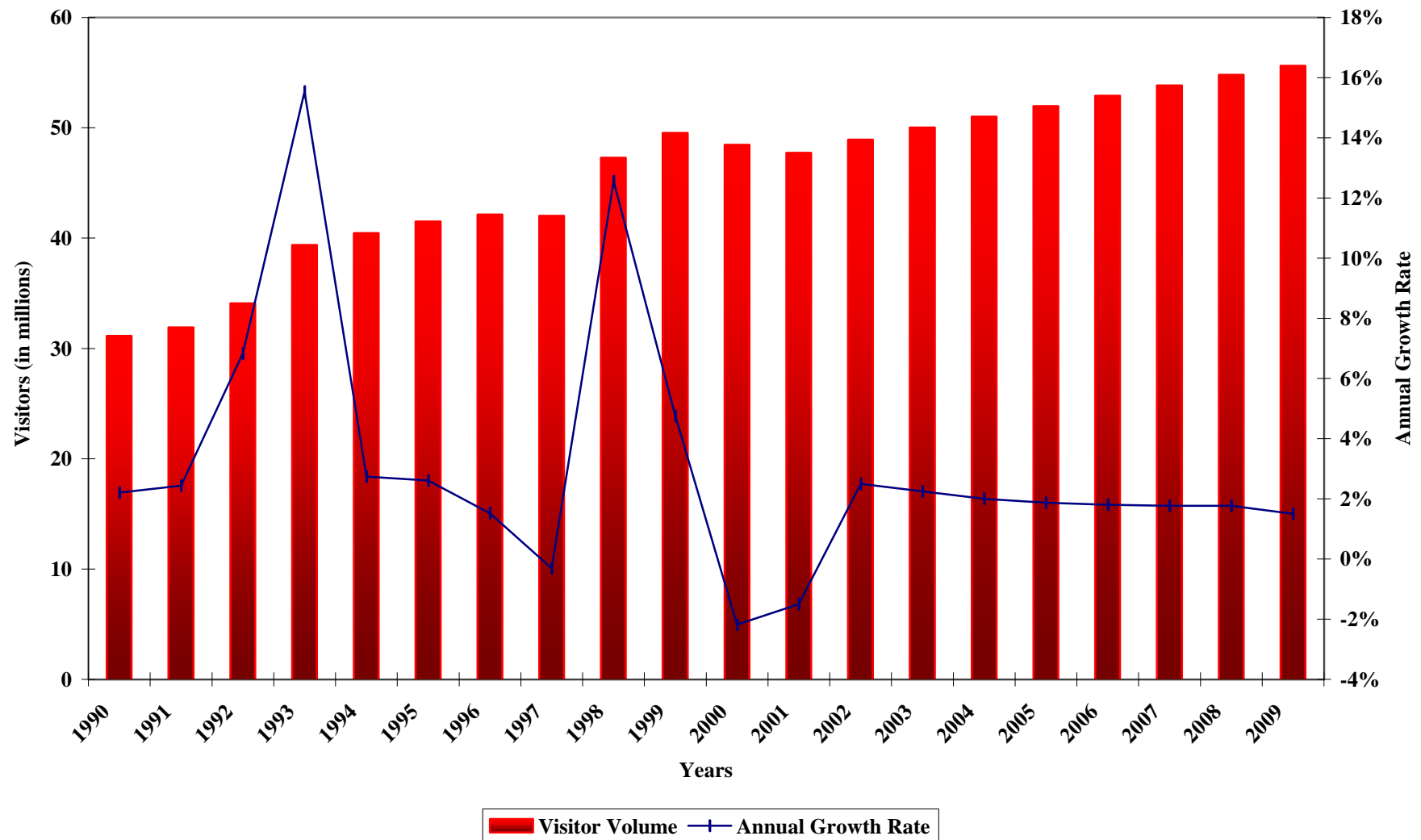
(1) Most recent national share of taxable income as a percentage of total receipts data was for 1998.

**Exhibit 1A-43: Person Nights Stayed in Nevada  
Resident and Visitor Populations, 2001**

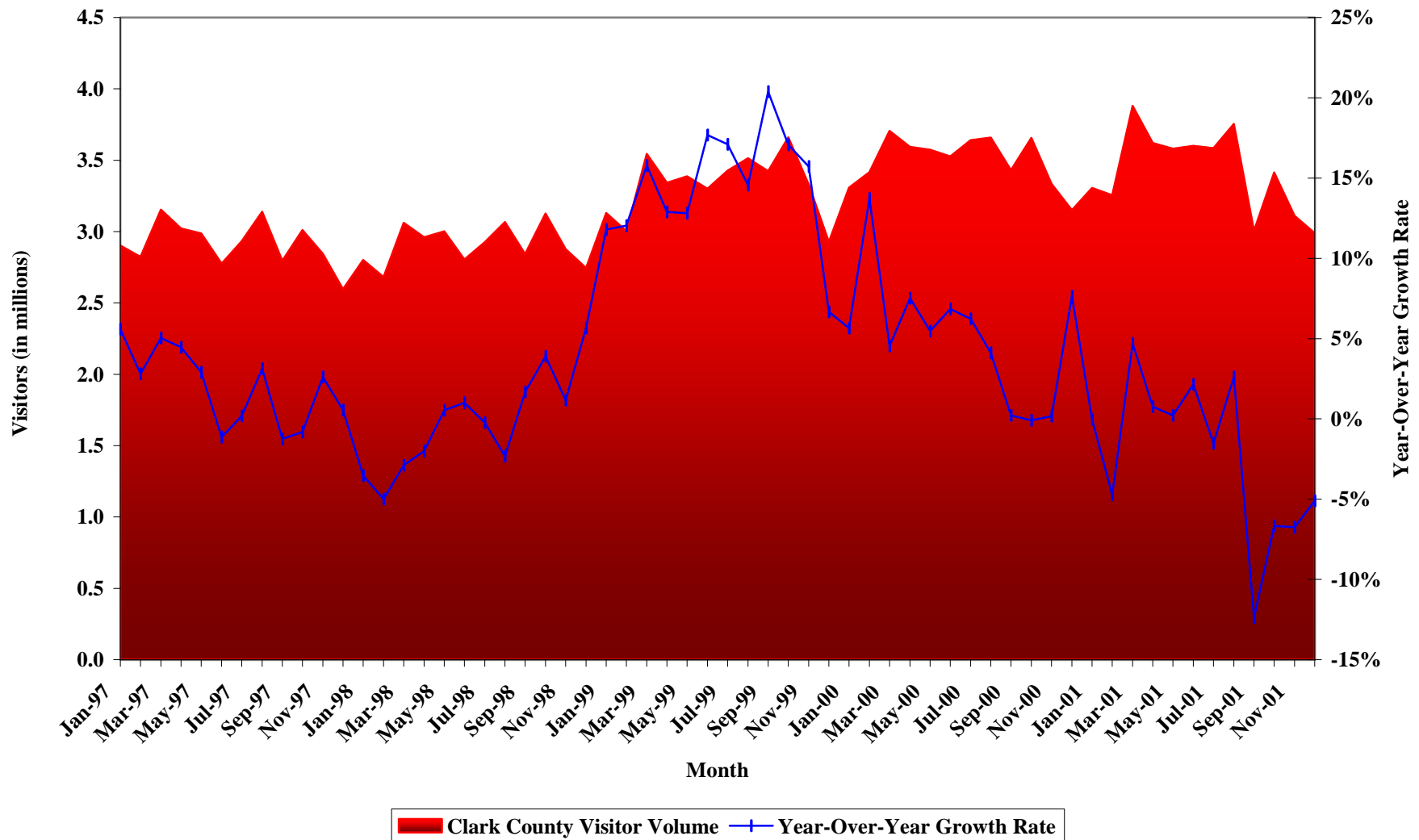
	<b>Residents</b>	<b>Visitors</b>
Total Base	2,127,116	48,454,314
Annual Nights Stayed in Nevada	365	3.5
Total Person Nights Stayed	776,397,200	169,590,099
<b>Share of Total Person Nights Stayed</b>	<b>82.1%</b>	<b>17.9%</b>

Sources: Nevada State Demographer's Office; Nevada Commission on Tourism; Las Vegas Convention and Visitors Authority; and Reno-Sparks Convention and Visitors Authority.

**Exhibit 1A-44: Historical and Projected Nevada Visitor Volume  
Total Visitors and Annual Rate of Growth, 1990 - 2020**

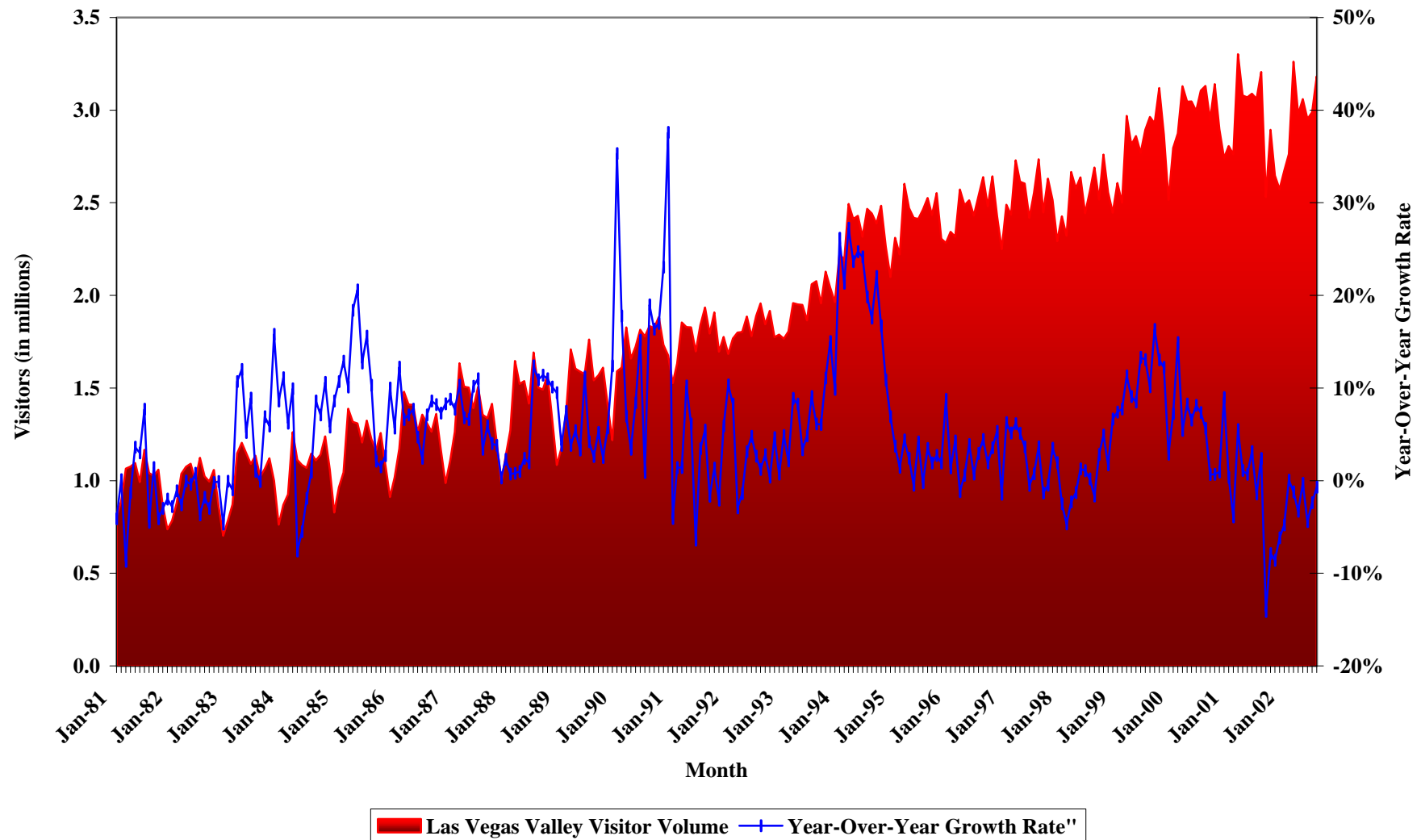


**Exhibit 1A-45: Clark County Visitor Volume  
Total Visitors and Year-Over-Year Rate of Growth, 1997 - 2001**

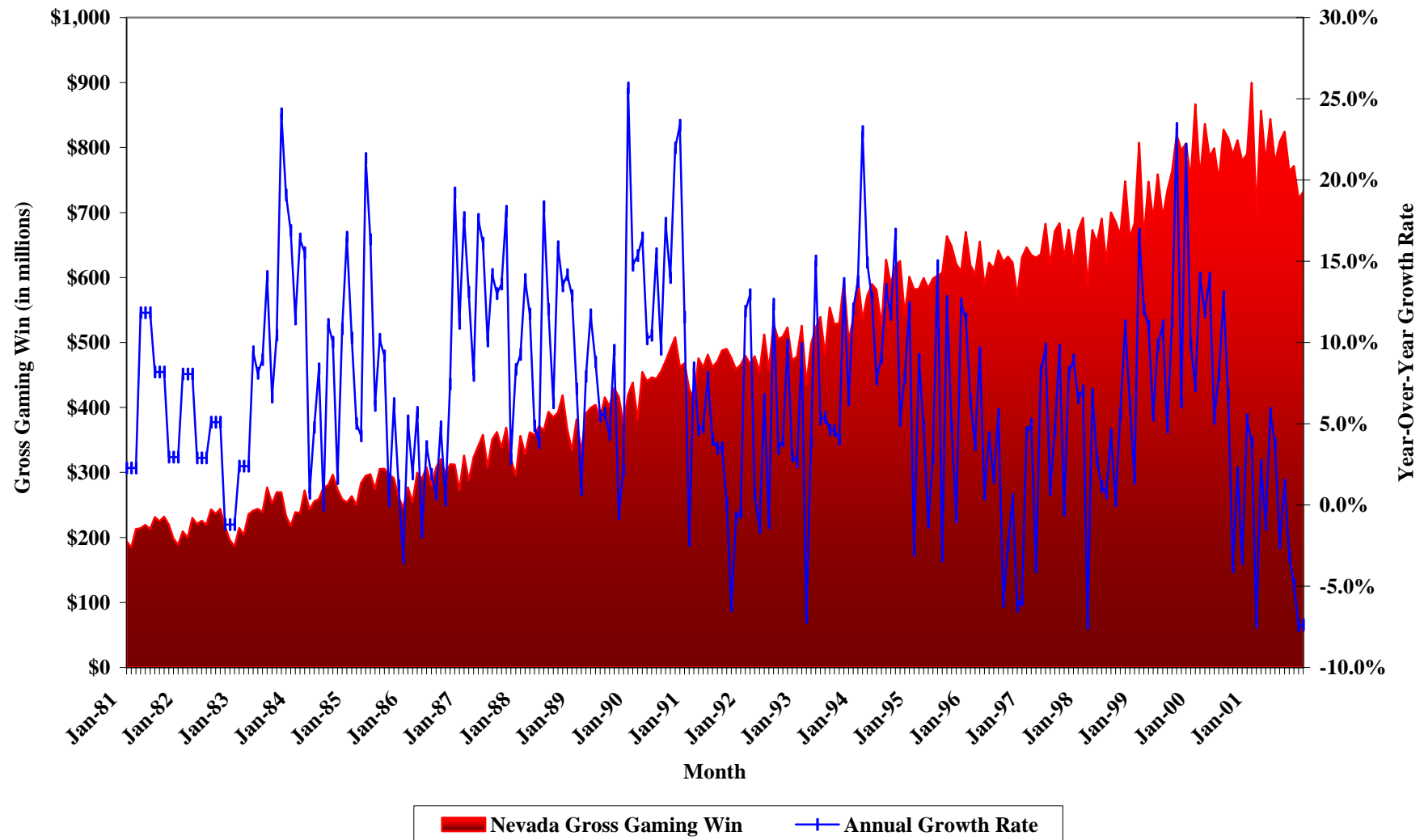




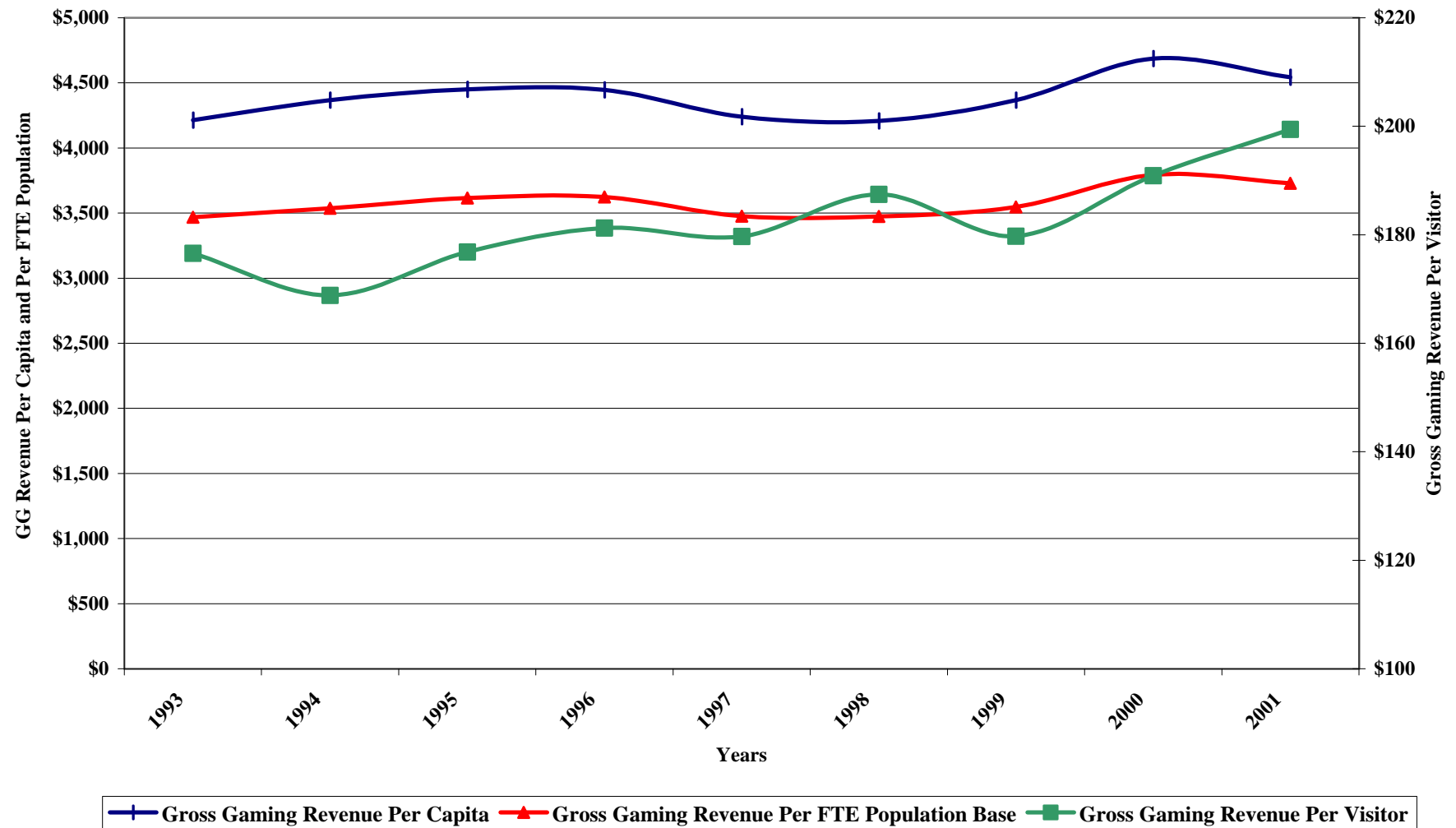
**Exhibit 1A-46: Las Vegas Valley Visitor Volume  
Total Visitors and Year-Over-Year Rate of Growth, 1981 - 2002**



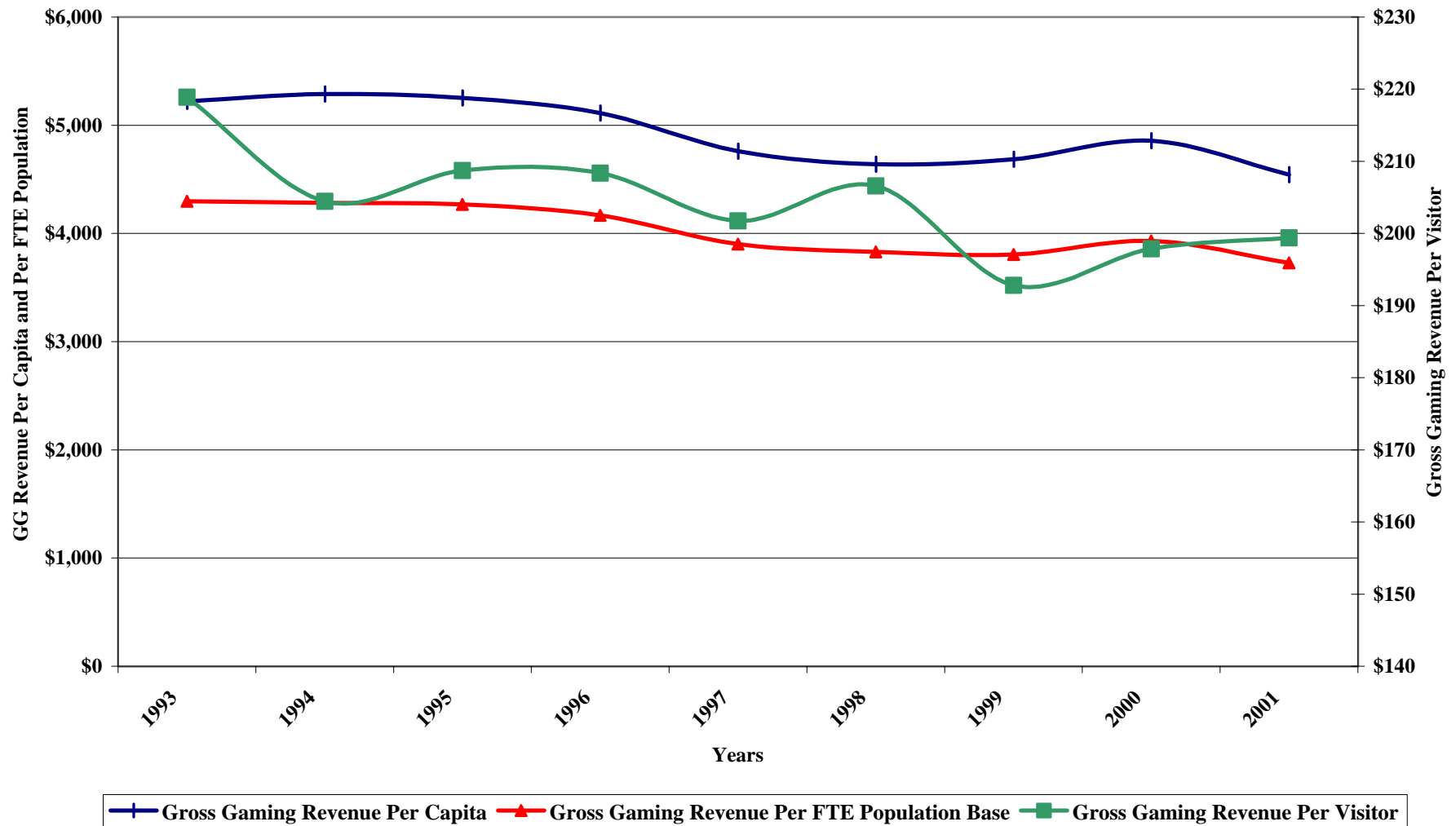
**Exhibit 1A-47: Nevada Gross Gaming Revenue  
Total Visitors and Year-Over-Year Rate of Growth, 1981 - 2001**



**Exhibit 1A-48: Nevada Gross Gaming Revenue Trend  
Per Capita, Per FTE Population, and Per Visitor  
Nominal, 1993 - 2001**



**Exhibit 1A-49: Nevada Gross Gaming Revenue Trend  
Per Capita, Per FTE Population, and Per Visitor  
Inflation Adjusted, 1993 - 2001**



**Exhibit 1A-50: Historical and Projected Gross Gaming (GG) Revenue Trends  
Nevada, 1995 - 2010**

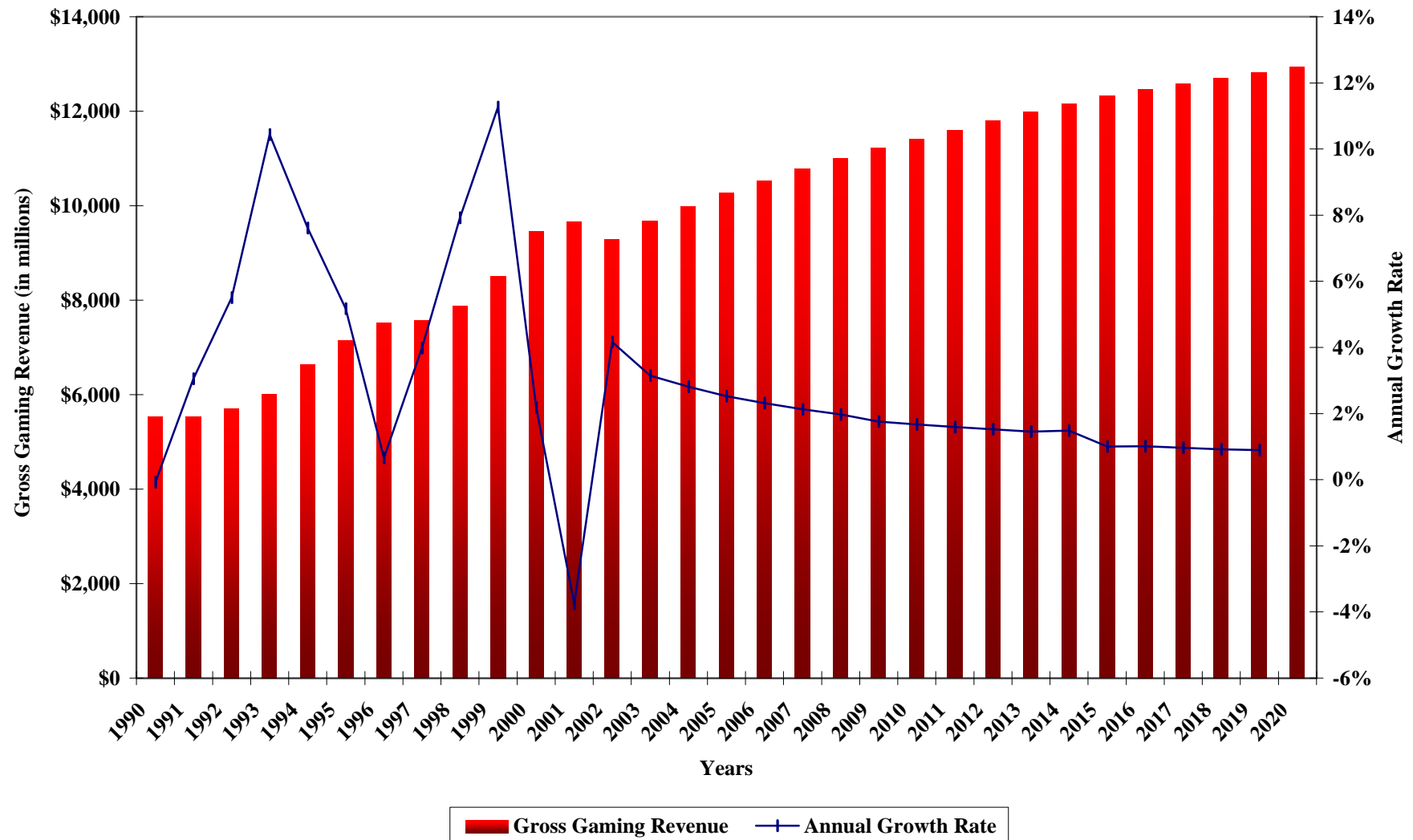
Year	Population	Visitors	FTE Population	Gross Gaming Revenue		GG Revenue Per Capita		GG Revenue Per Tourist		GG Revenue Per FTE Population	
				Nominal	Inflation Adj. (1)	Nominal	Inflation Adj. (1)	Nominal	Inflation Adj. (1)	Nominal	Inflation Adj. (1)
1995	1,607,510	40,451,269	1,985,870	\$7,152,618,936	\$8,145,132,182	\$4,450	\$5,067	\$177	\$201	\$3,602	\$4,102
2000	2,017,988	49,534,021	2,506,388	9,455,781,487	9,455,781,487	4,686	4,686	191	191	3,773	3,773
2005	2,436,736	51,975,938	2,921,807	10,272,618,931	8,925,431,391	4,216	3,663	198	172	3,516	3,055
2010	2,684,700	55,623,166	3,214,455	11,419,879,677	8,727,156,463	4,254	3,251	205	157	3,553	2,715

Sources: Nevada State Gaming Control Board; Nevada Commission on Tourism; Nevada State Demographer's Office.

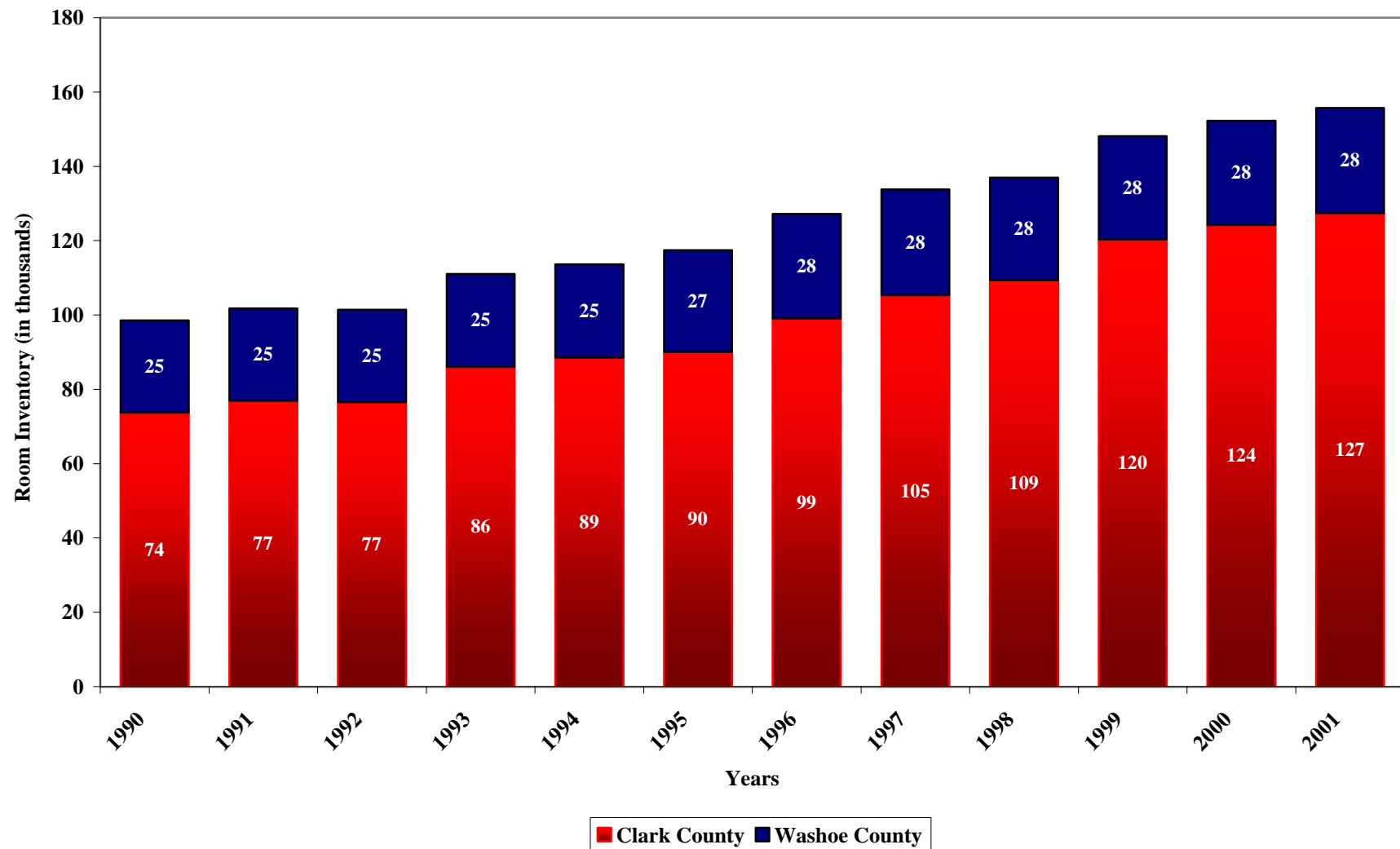
Notes:

(1) Inflation adjusted estimates are based on the Consumer Price Index for All Urban Western Consumers. Inflation adjusted figures are expressed in 2000 dollars.

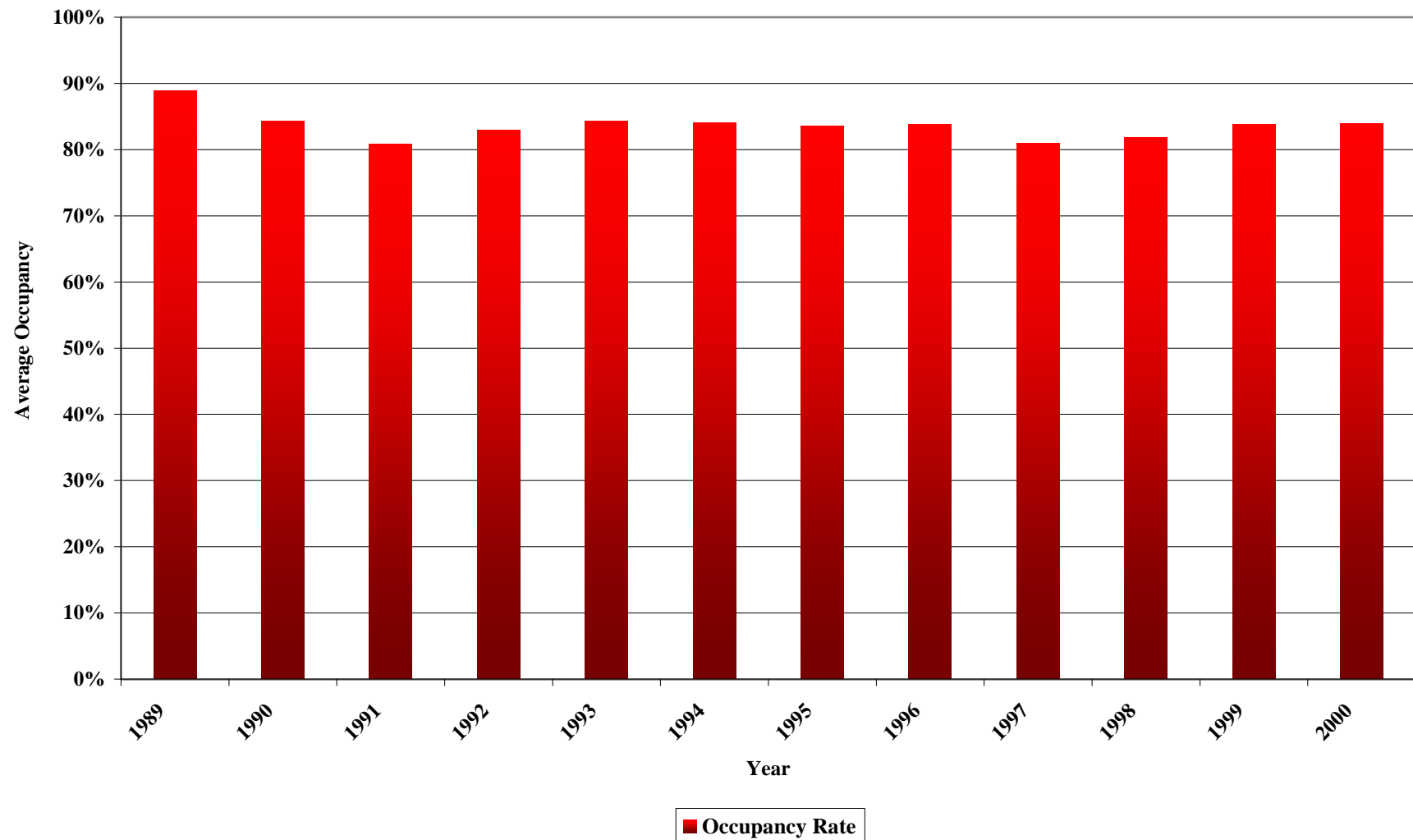
**Exhibit 1A-51: Historical and Projected Nevada Gross Gaming Revenue**  
**Total Gross Gaming Revenue and Annual Rate of Growth, 1990 - 2020**



**Exhibit 1A-52: Room Inventory**  
**Clark and Washoe Counties, 1990 - 2001**

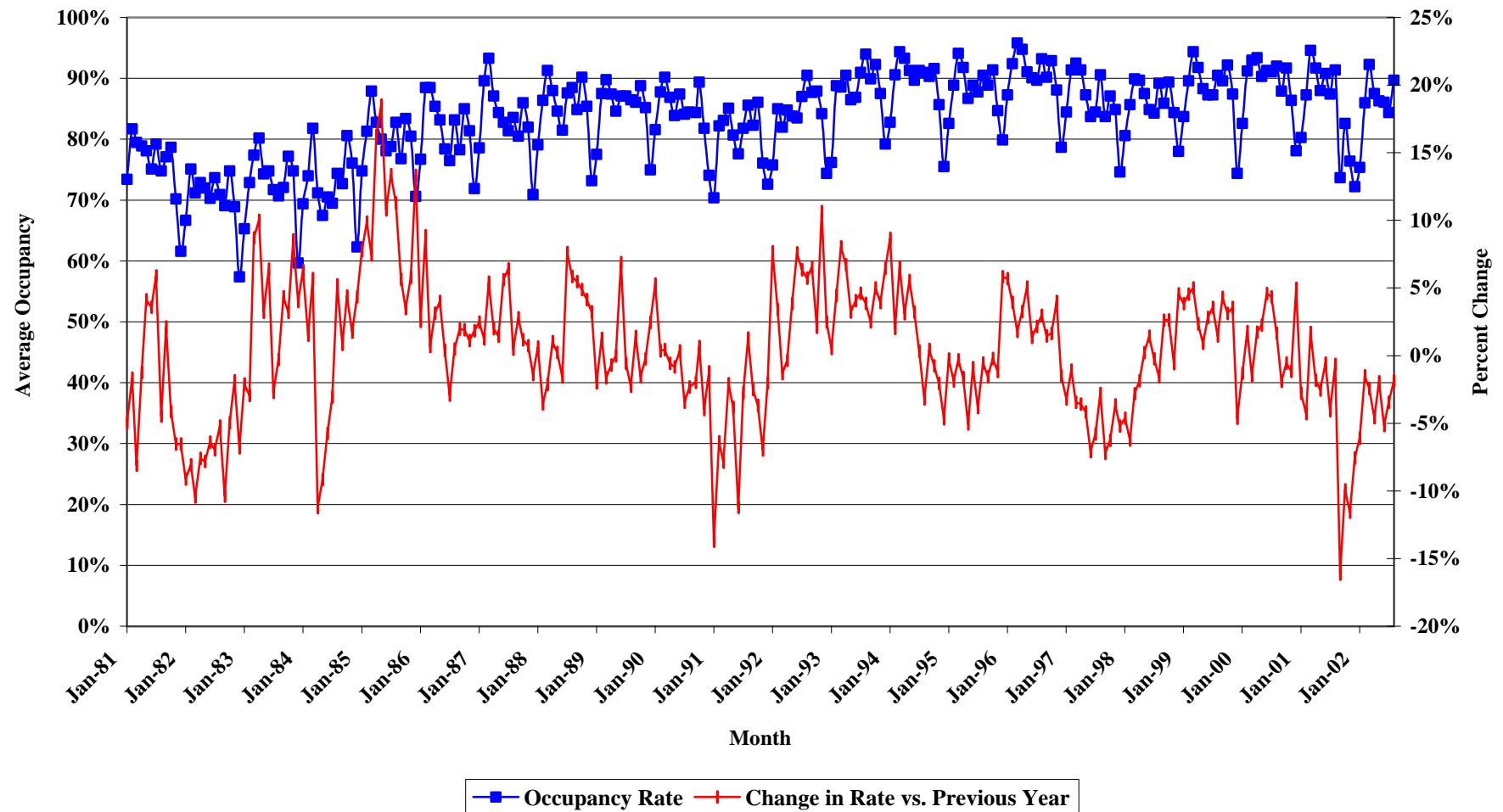


**Exhibit 1A-53: Nevada Hotel/Motel Occupancy Rate  
1989 - 2000**

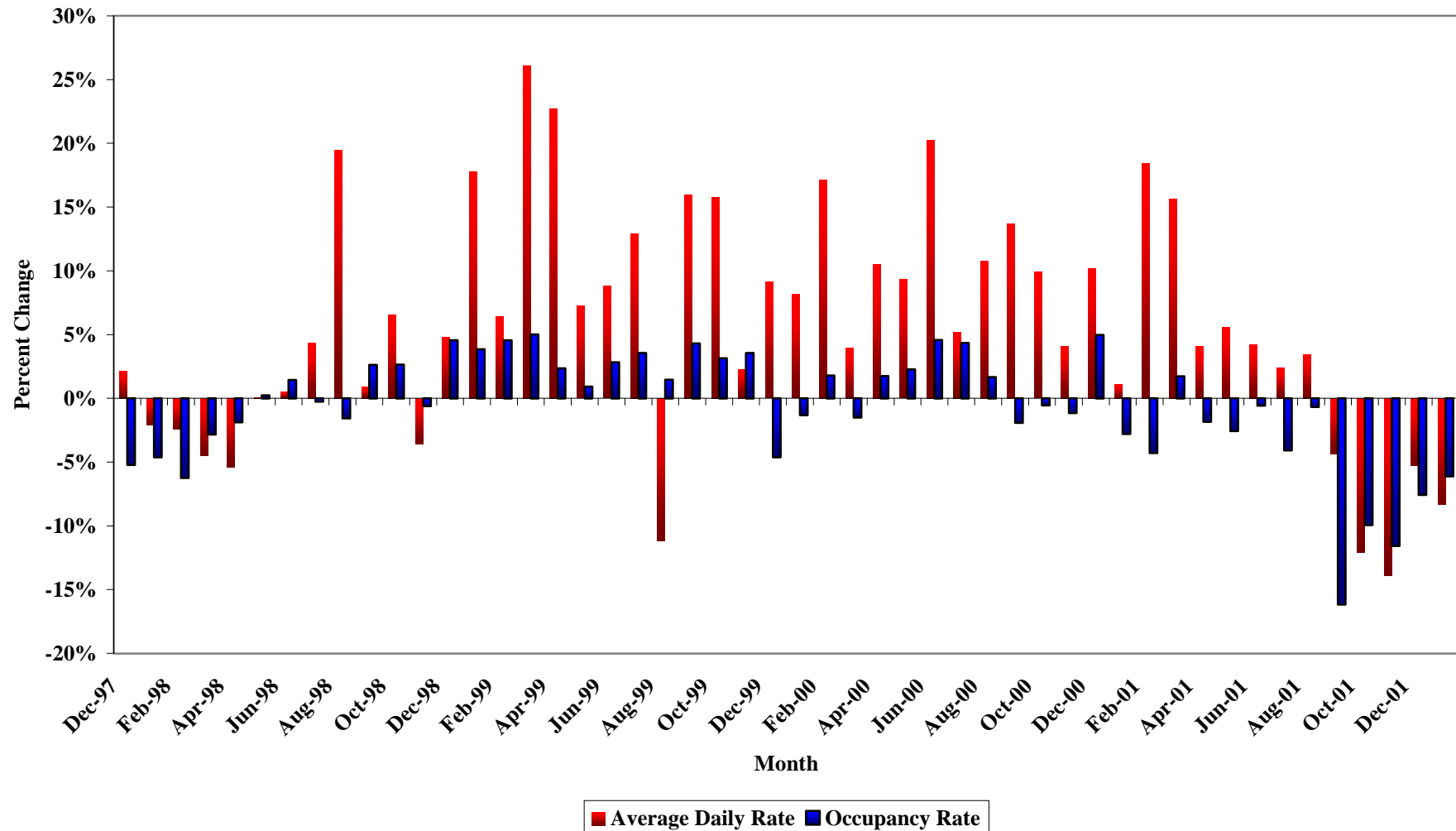




**Exhibit 1A-54: Las Vegas Hotel/Motel Occupancy**  
**Average Monthly Occupancy and Change Versus Same Period**  
**of the Previous Year, January 1981 - August 2002**



**Exhibit 1A-55: Occupancy Rate and Average Daily Room Rate Trend**  
**Year-Over-Year Growth Comparison**  
**December 1997 - January 2002**



**Exhibit 1A-56: Legalized Gaming Activities by Jurisdiction**  
**United States Jurisdictions, 2000**

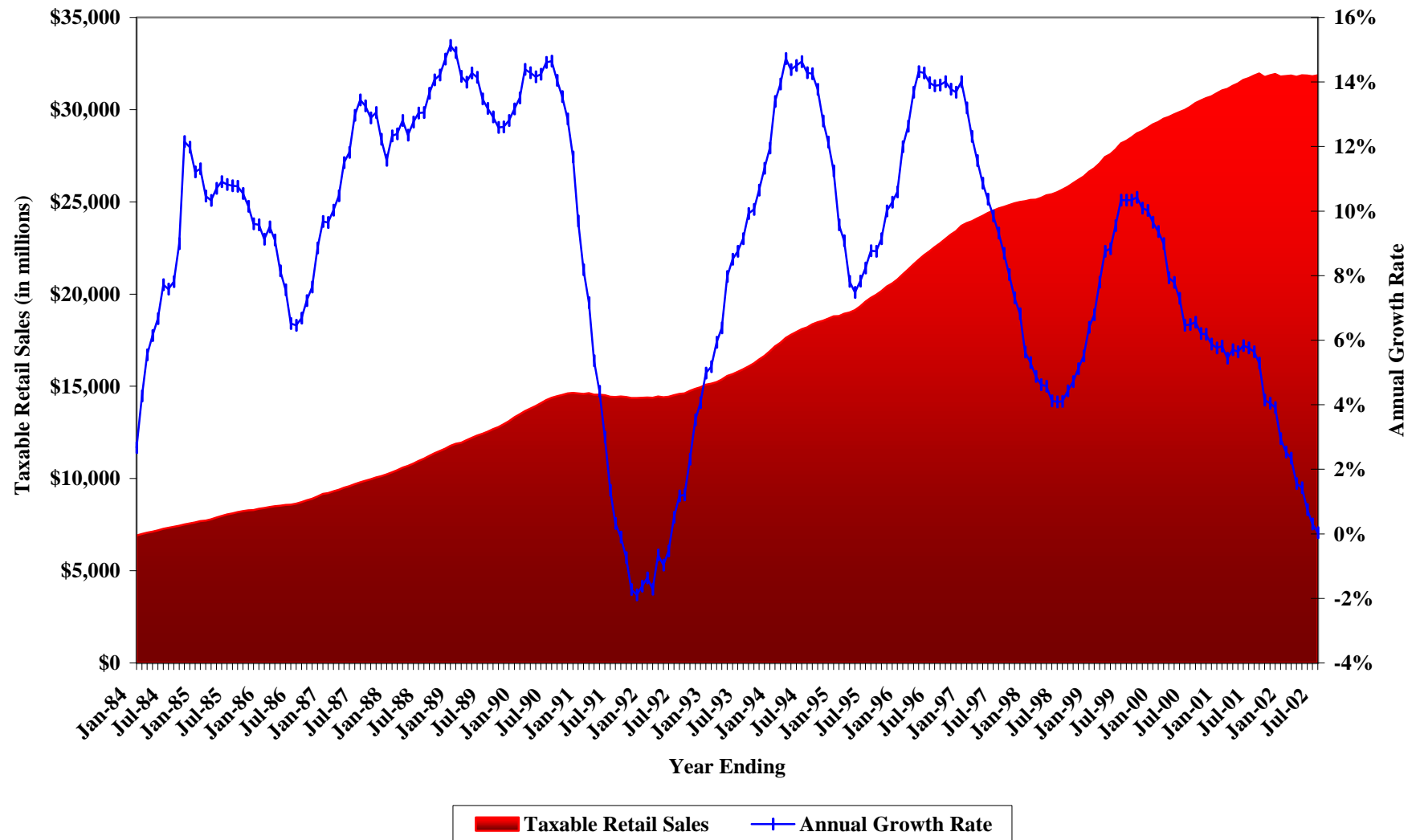
State	Land-based Casinos	Riverboat Casinos		Native Amer. Gaming	Limited Stakes	Card Rooms	Lottery	Pari- Mutuel	Bingo	None
		Dockside	Cruising							
Alabama										
Alaska										
Arizona										
Arkansas										
California										
Colorado										
Connecticut										
Delaware										
Florida										
Georgia										
Hawaii										
Idaho										
Illinois										
Indiana										
Iowa										
Kansas										
Kentucky										
Louisiana										
Maine										
Maryland										
Massachusetts										
Michigan										
Minnesota										
Mississippi										
Missouri										
Montana										
Nebraska										
Nevada										
New Hampshire										
New Jersey										
New Mexico										
New York										

**Exhibit 1A-56: Legalized Gaming Activities by Jurisdiction**  
**United States Jurisdictions, 2000**

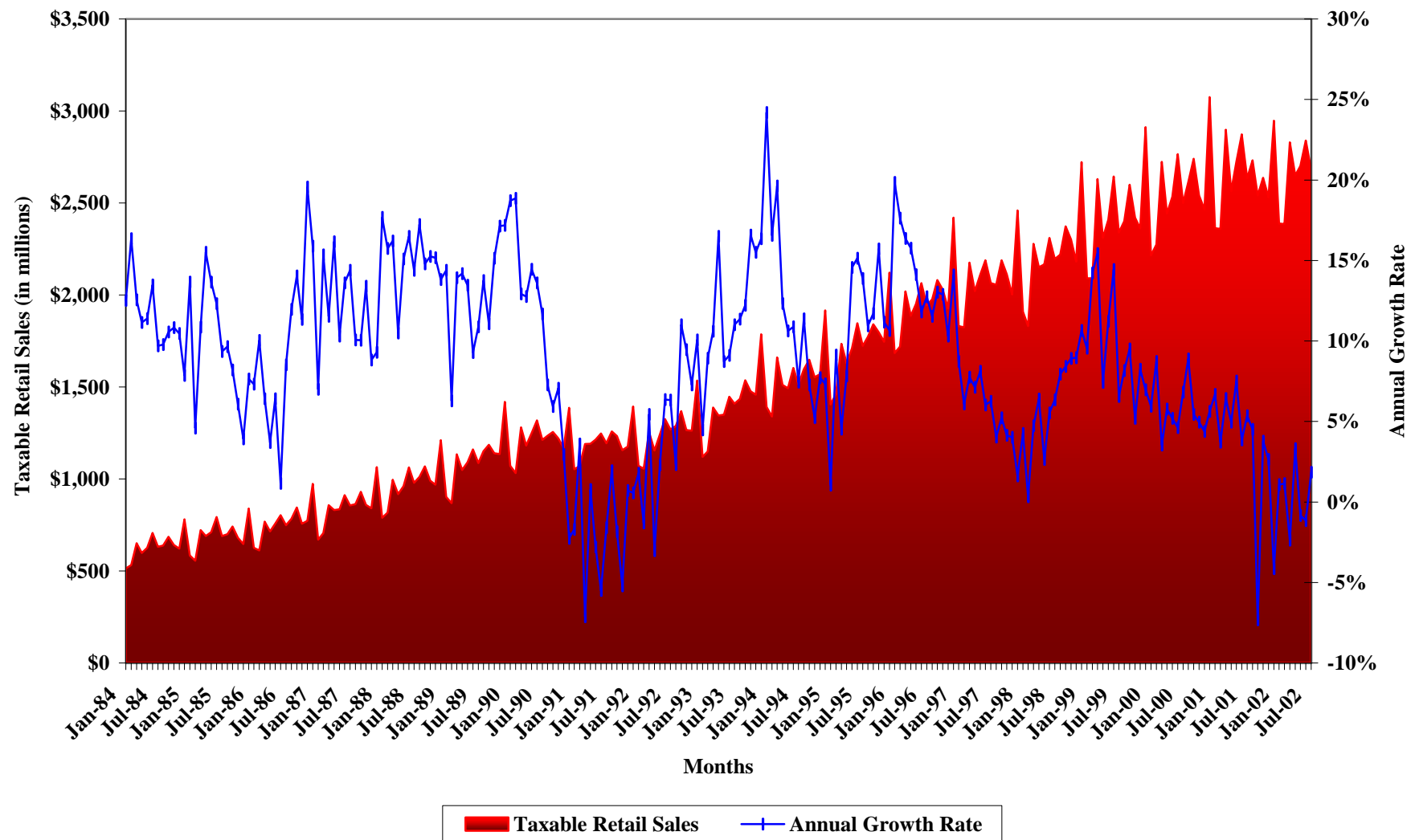
State	Land-based Casinos	Riverboat Casinos		Native Amer. Gaming	Limited Stakes	Card Rooms	Lottery	Pari- Mutuel	Bingo	None
		Dockside	Cruising							
North Carolina										
North Dakota										
Ohio										
Oklahoma										
Oregon										
Pennsylvania										
Rhode Island										
South Carolina										
South Dakota										
Tennessee										
Texas										
Utah										
Vermont										
Virginia										
Washington										
West Virginia										
Wisconsin										
Wyoming										

Source: Bear Stearns, 2001.

**Exhibit 1A-57: Nevada Taxable Retail Sales**  
**Annualized Totals and Annual Growth Rates, January 1984 - July 2002**



**Exhibit 1A-58: Nevada Taxable Retail Sales**  
**Monthly Totals and Year-over-Year Monthly Growth Rates,**  
**January 1984 - July 2002**



**Exhibit 1A-59: Nevada Taxable Retail Sales**  
**In-state Collections by Two-Digit Standard Industry Classification**  
**FY 1996-97 - FY 2001-02 (1)**

Business Code and Type	FY 1996-97	FY 1997-98	FY 1998-99	FY 1999-2000	FY 2000-01	FY 2001-02
58 Eating and Drinking Places	\$3,993,870,671	\$4,040,019,694	\$4,659,428,624	\$5,465,404,097	\$5,801,746,480	\$5,860,512,676
55 Automotive Dealers & Gasoline	\$3,129,137,586	\$3,248,584,624	\$3,695,562,497	\$4,061,050,847	\$4,323,525,631	\$4,700,605,722
59 Miscellaneous Retail	\$2,567,359,165	\$2,663,825,905	\$2,990,128,154	\$3,270,360,955	\$3,416,877,232	\$3,311,483,800
53 General Merchandise Stores	\$1,762,829,623	\$2,064,573,117	\$2,354,403,803	\$2,617,426,245	\$2,833,352,048	\$2,959,490,182
52 Building Materials, Hardware,	\$1,917,620,560	\$1,827,683,020	\$1,924,308,405	\$1,974,311,550	\$2,044,530,165	\$2,063,467,469
50 Wholesale Trade - Durable Goods	\$1,823,054,730	\$1,809,619,629	\$1,880,214,655	\$1,864,681,586	\$1,837,558,703	\$1,741,864,751
57 Home Furniture, Furnishings &	\$1,198,299,610	\$1,330,364,920	\$1,560,337,315	\$1,665,451,468	\$1,742,654,500	\$1,743,770,584
54 Food Stores	\$1,125,682,314	\$1,148,043,245	\$1,214,598,847	\$1,285,227,554	\$1,331,160,918	\$1,360,228,562
56 Apparel and Accessory Stores	\$859,568,470	\$1,003,869,225	\$1,106,384,344	\$1,198,854,695	\$1,276,651,687	\$1,248,807,767
73 Business Services	\$1,008,540,015	\$1,026,193,396	\$1,062,853,858	\$1,163,781,460	\$1,242,595,769	\$1,216,400,643
75 Automotive Repair, Services &	\$679,457,746	\$767,842,862	\$828,031,232	\$889,269,700	\$898,877,177	\$948,175,054
17 Construction - Special Trade con	\$761,937,299	\$851,619,627	\$842,417,944	\$772,828,258	\$709,446,423	\$810,458,592
79 Amusement and Recreation Services	\$497,996,328	\$501,899,288	\$529,906,166	\$457,430,927	\$543,129,557	\$458,455,728
35 Industrial and Commercial Mach	\$290,687,951	\$403,327,642	\$409,828,100	\$353,160,621	\$438,996,417	\$322,002,580
51 Wholesale Trade - NonDurable Goods	\$259,950,680	\$230,496,413	\$250,526,693	\$306,186,543	\$337,215,513	\$378,016,747
61 NonDepository Credit Institutions	\$231,834,548	\$220,647,638	\$225,750,787	\$220,938,556	\$248,180,850	\$260,998,649
48 Communications	\$185,007,177	\$239,664,087	\$243,617,301	\$240,980,845	\$244,565,208	\$184,619,089
49 Electric, Gas & Sanitary Services	\$196,881,467	\$182,216,433	\$237,110,585	\$178,069,494	\$195,966,886	\$207,221,072
15 Building Construction - Gen Cont	\$200,722,306	\$170,452,130	\$204,328,575	\$191,357,404	\$169,941,723	\$141,149,911
36 Electronic and Other Electrical	\$151,826,887	\$146,257,218	\$152,440,577	\$148,925,362	\$155,528,395	\$140,703,989
76 Miscellaneous Repair Services	\$139,091,216	\$122,104,196	\$129,653,452	\$122,387,854	\$134,731,255	\$120,801,053
16 Heavy Construction other than	\$126,922,375	\$117,625,312	\$158,442,536	\$126,910,340	\$130,752,362	\$152,909,162
39 Misc. Manufacturing Industries	\$124,253,521	\$113,451,685	\$122,221,322	\$131,784,046	\$129,565,264	\$119,403,457
32 Stone, Clay, Glass and Concr	\$126,612,397	\$129,861,064	\$161,901,728	\$131,744,719	\$123,593,354	\$116,893,386
10 Metal Mining	\$226,410,889	\$165,744,702	\$166,969,775	\$152,048,670	\$123,578,242	\$120,385,950
70 Hotels, Rooming Houses, Camps,	\$45,520,460	\$86,003,146	\$89,197,398	\$93,548,266	\$114,876,513	\$89,700,363
72 Personal Services	\$102,757,864	\$101,159,601	\$104,296,248	\$109,967,282	\$103,400,503	\$107,013,649
27 Printing, Publishing, and Alli	\$41,712,017	\$45,801,239	\$47,552,250	\$51,453,295	\$86,513,777	\$54,413,300
28 Chemicals and Allied Products	\$118,210,324	\$98,376,942	\$92,046,531	\$73,387,906	\$81,882,582	\$83,082,358
99 Nonclassifiable Establishments	\$33,547,512	\$32,235,669	\$33,130,697	\$36,980,372	\$68,959,711	\$42,944,678
80 Health Services	\$56,186,356	\$58,573,295	\$58,615,651	\$62,981,463	\$67,021,492	\$69,675,875
78 Motion Pictures	\$54,518,056	\$52,675,677	\$55,286,473	\$54,026,329	\$56,888,094	\$52,400,595
34 Fabricated Metal Products, Ex	\$59,951,697	\$74,202,290	\$97,057,574	\$74,619,593	\$48,264,970	\$64,221,973
65 Real Estate	\$21,222,615	\$26,644,895	\$22,770,969	\$32,634,408	\$42,131,935	\$59,969,693
24 Lumber and Wood Products, Exce	\$36,324,567	\$36,143,725	\$36,728,066	\$39,513,502	\$39,388,441	\$36,890,129
29 Petroleum Refining and Related	\$36,940,117	\$32,597,804	\$31,577,256	\$32,491,171	\$35,160,791	\$29,796,901

**Exhibit 1A-59: Nevada Taxable Retail Sales**  
**In-state Collections by Two-Digit Standard Industry Classification**  
**FY 1996-97 - FY 2001-02 (1)**

Business Code and Type	FY 1996-97	FY 1997-98	FY 1998-99	FY 1999-2000	FY 2000-01	FY 2001-02
07 Agricultural Services	\$30,051,471	\$32,212,338	\$32,441,123	\$33,696,944	\$33,749,379	\$36,766,834
87 Engineering, Accounting, Research	\$16,623,594	\$23,764,684	\$34,406,049	\$22,637,291	\$30,721,479	\$71,944,885
25 Furniture and Fixtures	\$31,223,112	\$32,863,025	\$50,284,313	\$30,484,457	\$29,598,753	\$36,517,220
38 Meadings, Analyzing, and Contr	\$23,090,627	\$34,701,106	\$24,108,488	\$26,895,348	\$28,693,303	\$44,444,852
20 Food and Kindred Products	\$21,594,799	\$22,282,347	\$24,504,915	\$20,517,336	\$24,952,813	\$28,116,131
47 Transportation Services	\$11,054,717	\$12,971,053	\$13,380,741	\$16,919,863	\$18,883,470	\$11,329,054
45 Transportation by Air	\$25,425,532	\$26,391,421	\$21,651,187	\$17,842,319	\$18,869,988	\$15,578,453
60 Depository Institutions	\$16,043,179	\$14,997,477	\$30,277,089	\$23,111,255	\$18,294,480	\$16,581,467
37 Transportation Equipment	\$20,152,527	\$20,188,335	\$18,296,571	\$18,094,809	\$16,540,682	\$12,680,009
42 Motor Freight Transportation and	\$11,352,345	\$13,216,424	\$13,563,558	\$15,136,786	\$16,213,980	\$19,882,474
30 Rubber and Misc Plastic Products	\$6,890,720	\$8,157,457	\$9,827,809	\$9,684,644	\$12,524,516	\$10,922,940
22 Textile Mill Products	\$11,718,413	\$10,830,479	\$20,005,543	\$12,036,010	\$12,085,774	\$12,788,041
33 Primary Metal Industries	\$12,322,072	\$12,486,384	\$8,713,715	\$17,220,788	\$11,137,974	\$17,281,564
40 Railroad Transportation	\$1,846,726	\$3,466,339	\$4,337,496	\$5,590,628	\$9,788,699	\$4,661,146
14 Mining and Quarrying of NonMetal	\$8,251,933	\$7,817,331	\$6,782,548	\$6,699,083	\$7,086,405	\$6,779,271
89 Miscellaneous Services	\$13,573,574	\$8,408,906	\$13,177,564	\$10,877,959	\$6,040,280	\$5,095,587
13 Oil and Gas Extraction	\$14,114,896	\$11,743,971	\$4,756,738	\$4,090,376	\$5,901,919	\$5,908,884
41 Local and Suburban Transit and	\$4,945,049	\$6,480,028	\$7,462,582	\$5,645,517	\$5,540,061	\$4,793,260
86 Membership Organizations	\$18,655,206	\$14,082,735	\$12,420,675	\$4,278,456	\$5,112,676	\$5,235,104
67 Holding & Other Invest Offices	\$424,766	\$825,652	\$2,238,043	\$3,275,380	\$4,544,407	\$5,470,662
26 Paper and Allied Products	\$5,692,472	\$7,522,100	\$7,370,443	\$6,115,605	\$4,173,618	\$4,329,696
01 Agricultural Production-Crops	\$5,092,732	\$4,297,993	\$3,299,949	\$3,344,336	\$3,827,820	\$5,110,291
82 Educational Services	\$3,983,984	\$3,214,942	\$2,880,406	\$2,906,710	\$3,565,492	\$3,534,408
81 Legal Services	\$1,913,778	\$2,955,211	\$2,643,425	\$3,163,972	\$3,283,388	\$3,377,957
02 Agricultural Production Livest	\$2,848,290	\$2,478,476	\$3,158,489	\$2,738,878	\$2,956,792	\$2,977,710
44 Water Transportation	\$2,051,869	\$2,014,729	\$2,075,882	\$2,430,418	\$2,524,733	\$1,907,884
23 Apparel and other finished Product	\$1,377,533	\$1,540,414	\$1,361,235	\$2,428,005	\$2,273,731	\$2,248,371
62 Security and Commodity Brokers	\$3,273,632	\$9,682,994	\$5,402,372	\$1,978,104	\$1,794,082	\$3,333,869
63 Insurance Carriers	\$871,283	\$455,364	\$992,428	\$1,096,083	\$1,479,025	\$1,116,242
21 Tobacco Products	\$781,756	\$1,481,099	\$1,384,951	\$1,181,507	\$1,475,072	\$1,295,209
64 Insurance Agents, Brokers	\$914,607	\$1,205,254	\$1,346,872	\$1,002,782	\$1,323,104	\$1,232,382
83 Social Services	\$368,781	\$503,882	\$633,360	\$630,439	\$723,829	\$838,171
84 Museums, Art Galleries, and B	\$319,816	\$279,052	\$433,900	\$741,830	\$687,982	\$698,343
31 Leather and Leather Products	\$1,169,649	\$798,596	\$562,479	\$385,893	\$411,056	\$359,194
91 Executive, Legislative and General	\$0	\$468,453	\$381,258	\$421,437	\$371,109	\$148,119
08 Forestry	\$318,602	\$358,491	\$442,240	\$361,654	\$284,149	\$267,761



**Exhibit 1A-59: Nevada Taxable Retail Sales**  
**In-state Collections by Two-Digit Standard Industry Classification**  
**FY 1996-97 - FY 2001-02 (1)**

<b>Business Code and Type</b>	<b>FY 1996-97</b>	<b>FY 1997-98</b>	<b>FY 1998-99</b>	<b>FY 1999-2000</b>	<b>FY 2000-01</b>	<b>FY 2001-02</b>
46 Pipelines, Except Natural Gas	\$1,026,198	\$882,826	\$781,380	\$352,616	\$223,490	\$384,657
95 Administration of Environmental	\$282,376	\$128,587	\$147,363	\$47,351	\$140,634	\$129,081
94 Administration of Human Resources	\$23,790	\$26,535	\$71,084	\$67,937	\$98,161	\$102,000
96 Administration of Economic Productivity	\$0	\$34,050	\$9,512	\$36,078	\$43,820	\$39,462
88 Private Households	\$4,149	\$3,740	\$17,246	\$1,820	\$5,332	\$2,646
43 United States Postal Services	\$1,393,793	\$273,632	\$574,065	\$35,843	\$4,038	\$640,675
09 Fishing, Hunting, and Trapping	\$173,603	\$4,434	\$16,052	\$539	\$1,369	\$932
97 National Security and International	\$10,359	\$22,379	\$808	\$277	\$405	\$0
12 Coal Mining	\$67,830	\$0	\$0	\$0	\$0	\$0
92 Justice, Public Order & Safety	\$1,560	\$4,252	\$6,168	\$5,861	\$0	\$956
93 Public Finance, Taxation, and	\$0	\$0	\$0	\$0	\$0	\$0
<b>State Total</b>	<b>\$24,525,764,816</b>	<b>\$25,528,926,332</b>	<b>\$28,168,256,502</b>	<b>\$29,988,388,607</b>	<b>\$31,527,163,837</b>	<b>\$31,785,789,943</b>

Source: Nevada Department of Taxation.

Notes:

(1) Inflation adjusted values are expressed in 2000 dollars.

**Exhibit 1A-60: Nevada Taxable Retail Sales Growth Rates**  
**In-state Collections by Two-Digit Standard Industry Classification**  
**FY 1996-97 - FY 2001-02**

Business Code and Type	FY 1996-97	FY 1997-98	FY 1998-99	FY 1999-2000	FY 2000-01	FY 2001-02
58 Eating and Drinking Places	16.28%	15.83%	16.54%	18.23%	18.40%	18.44%
55 Automotive Dealers & Gasoline	12.76%	12.73%	13.12%	13.54%	13.71%	14.79%
59 Miscellaneous Retail	10.47%	10.43%	10.62%	10.91%	10.84%	10.42%
53 General Merchandise Stores	7.19%	8.09%	8.36%	8.73%	8.99%	9.31%
52 Building Materials, Hardware,	7.82%	7.16%	6.83%	6.58%	6.48%	6.49%
50 Wholesale Trade - Durable Goods	7.43%	7.09%	6.67%	6.22%	5.83%	5.48%
57 Home Furniture, Furnishings &	4.89%	5.21%	5.54%	5.55%	5.53%	5.49%
54 Food Stores	4.59%	4.50%	4.31%	4.29%	4.22%	4.28%
56 Apparel and Accessory Stores	3.50%	3.93%	3.93%	4.00%	4.05%	3.93%
73 Business Services	4.11%	4.02%	3.77%	3.88%	3.94%	3.83%
75 Automotive Repair, Services &	2.77%	3.01%	2.94%	2.97%	2.85%	2.98%
17 Construction - Special Trade con	3.11%	3.34%	2.99%	2.58%	2.25%	2.55%
79 Amusement and Recreation Services	2.03%	1.97%	1.88%	1.53%	1.72%	1.44%
35 Industrial and Commercial Mach	1.19%	1.58%	1.45%	1.18%	1.39%	1.01%
51 Wholesale Trade - NonDurable Goods	1.06%	0.90%	0.89%	1.02%	1.07%	1.19%
61 NonDepository Credit Institutions	0.95%	0.86%	0.80%	0.74%	0.79%	0.82%
48 Communications	0.75%	0.94%	0.86%	0.80%	0.78%	0.58%
49 Electric, Gas & Sanitary Services	0.80%	0.71%	0.84%	0.59%	0.62%	0.65%
15 Building Construction - Gen Cont	0.82%	0.67%	0.73%	0.64%	0.54%	0.44%
36 Electronic and Other Electrical	0.62%	0.57%	0.54%	0.50%	0.49%	0.44%
76 Miscellaneous Repair Services	0.57%	0.48%	0.46%	0.41%	0.43%	0.38%
16 Heavy Construction other than	0.52%	0.46%	0.56%	0.42%	0.41%	0.48%
39 Misc. Manufacturing Industries	0.51%	0.44%	0.43%	0.44%	0.41%	0.38%
32 Stone, Clay, Glass and Concr	0.52%	0.51%	0.57%	0.44%	0.39%	0.37%
10 Metal Mining	0.92%	0.65%	0.59%	0.51%	0.39%	0.38%
70 Hotels, Rooming Houses, Camps,	0.19%	0.34%	0.32%	0.31%	0.36%	0.28%
72 Personal Services	0.42%	0.40%	0.37%	0.37%	0.33%	0.34%
27 Printing, Publishing, and Alli	0.17%	0.18%	0.17%	0.17%	0.27%	0.17%
28 Chemicals and Allied Products	0.48%	0.39%	0.33%	0.24%	0.26%	0.26%
99 Nonclassifiable Establishments	0.14%	0.13%	0.12%	0.12%	0.22%	0.14%
80 Health Services	0.23%	0.23%	0.21%	0.21%	0.21%	0.22%
78 Motion Pictures	0.22%	0.21%	0.20%	0.18%	0.18%	0.16%
34 Fabricated Metal Products, Ex	0.24%	0.29%	0.34%	0.25%	0.15%	0.20%
65 Real Estate	0.09%	0.10%	0.08%	0.11%	0.13%	0.19%
24 Lumber and Wood Products, Exce	0.15%	0.14%	0.13%	0.13%	0.12%	0.12%
29 Petroleum Refining and Related	0.15%	0.13%	0.11%	0.11%	0.11%	0.09%

**Exhibit 1A-60: Nevada Taxable Retail Sales Growth Rates**  
**In-state Collections by Two-Digit Standard Industry Classification**  
**FY 1996-97 - FY 2001-02**

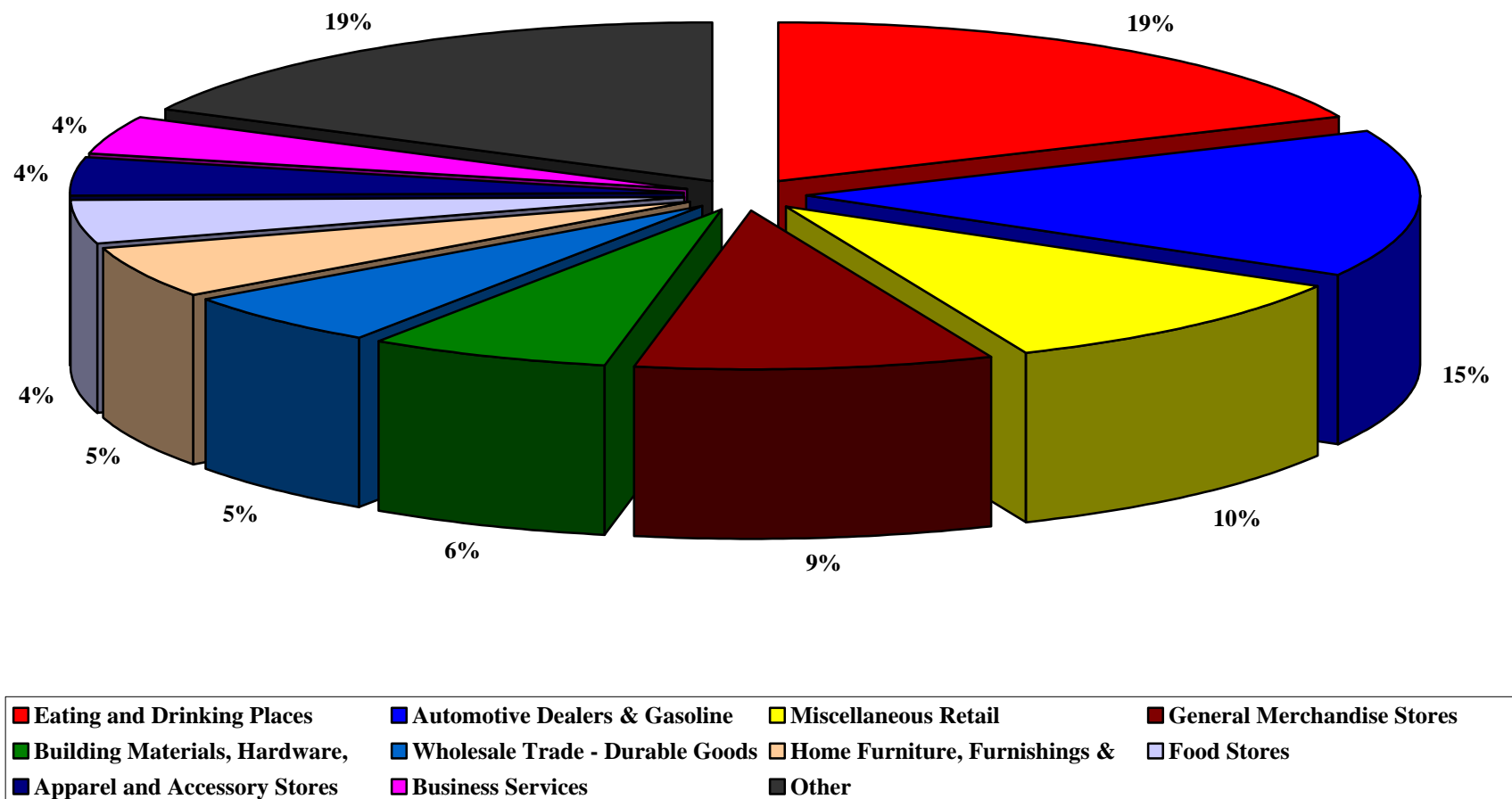
Business Code and Type	FY 1996-97	FY 1997-98	FY 1998-99	FY 1999-2000	FY 2000-01	FY 2001-02
07 Agricultural Services	0.12%	0.13%	0.12%	0.11%	0.11%	0.12%
87 Engineering, Accounting, Research	0.07%	0.09%	0.12%	0.08%	0.10%	0.23%
25 Furniture and Fixtures	0.13%	0.13%	0.18%	0.10%	0.09%	0.11%
38 Meadings, Analyzing, and Contr	0.09%	0.14%	0.09%	0.09%	0.09%	0.14%
20 Food and Kindred Products	0.09%	0.09%	0.09%	0.07%	0.08%	0.09%
47 Transportation Services	0.05%	0.05%	0.05%	0.06%	0.06%	0.04%
45 Transportation by Air	0.10%	0.10%	0.08%	0.06%	0.06%	0.05%
60 Depository Institutions	0.07%	0.06%	0.11%	0.08%	0.06%	0.05%
37 Transportation Equipment	0.08%	0.08%	0.06%	0.06%	0.05%	0.04%
42 Motor Freight Transportation and	0.05%	0.05%	0.05%	0.05%	0.05%	0.06%
30 Rubber and Misc Plastic Products	0.03%	0.03%	0.03%	0.03%	0.04%	0.03%
22 Textile Mill Products	0.05%	0.04%	0.07%	0.04%	0.04%	0.04%
33 Primary Metal Industries	0.05%	0.05%	0.03%	0.06%	0.04%	0.05%
40 Railroad Transportation	0.01%	0.01%	0.02%	0.02%	0.03%	0.01%
14 Mining and Quarrying of NonMetal	0.03%	0.03%	0.02%	0.02%	0.02%	0.02%
89 Miscellaneous Services	0.06%	0.03%	0.05%	0.04%	0.02%	0.02%
13 Oil and Gas Extraction	0.06%	0.05%	0.02%	0.01%	0.02%	0.02%
41 Local and Suburban Transit and	0.02%	0.03%	0.03%	0.02%	0.02%	0.02%
86 Membership Organizations	0.08%	0.06%	0.04%	0.01%	0.02%	0.02%
67 Holding & Other Invest Offices	0.00%	0.00%	0.01%	0.01%	0.01%	0.02%
26 Paper and Allied Products	0.02%	0.03%	0.03%	0.02%	0.01%	0.01%
01 Agricultural Production-Crops	0.02%	0.02%	0.01%	0.01%	0.01%	0.02%
82 Educational Services	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%
81 Legal Services	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
02 Agricultural Production Livest	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
44 Water Transportation	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
23 Apparel and other finished Product	0.01%	0.01%	0.00%	0.01%	0.01%	0.01%
62 Security and Commodity Brokers	0.01%	0.04%	0.02%	0.01%	0.01%	0.01%
63 Insurance Carriers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21 Tobacco Products	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%
64 Insurance Agents, Brokers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
83 Social Services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
84 Museums, Art Galleries, and B	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31 Leather and Leather Products	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
91 Executive, Legislative and General	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
08 Forestry	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Exhibit 1A-60: Nevada Taxable Retail Sales Growth Rates**  
**In-state Collections by Two-Digit Standard Industry Classification**  
**FY 1996-97 - FY 2001-02**

<b>Business Code and Type</b>	<b>FY 1996-97</b>	<b>FY 1997-98</b>	<b>FY 1998-99</b>	<b>FY 1999-2000</b>	<b>FY 2000-01</b>	<b>FY 2001-02</b>
46 Pipelines, Except Natural Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
95 Administration of Environmental	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
94 Administration of Human Resources	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
96 Administration of Economic Productivity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
88 Private Households	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
43 United States Postal Services	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
09 Fishing, Hunting, and Trapping	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
97 National Security and International	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12 Coal Mining	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
92 Justice, Public Order & Safety	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
93 Public Finance, Taxation, and	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>State Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Source: Nevada Department of Taxation.

**Exhibit 1A-61: Nevada Taxable Retail Sales  
Sales by Major Industry Group,  
FY 2001-02**



**Exhibit 1A-62: Nevada Monthly Taxable Retail Sales**  
**In-state Collections by Two-Digit Standard Industry Classification**  
**September 2001 - August 2002**

Business Code and Type	Sep-01	% Change	Oct-01	% Change	Nov-01	% Change	Dec-01	% Change	Jan-02	% Change	Feb-02	% Change
58 Eating and Drinking Places	448,635,817	-7.7%	470,199,801	-6.1%	432,767,981	-4.5%	456,618,658	-4.3%	453,344,290	-2.2%	472,113,276	2.0%
55 Automotive Dealers & Gasoline	354,626,615	-1.1%	449,894,704	29.3%	374,461,324	17.3%	322,565,639	5.3%	372,675,268	15.9%	369,717,752	13.3%
59 Miscellaneous Retail	264,426,818	-11.5%	262,757,428	-4.7%	261,565,796	-3.5%	377,839,176	-4.5%	238,391,531	-6.3%	243,180,915	-3.9%
53 General Merchandise Stores	217,328,781	0.4%	217,785,036	1.4%	279,067,433	6.7%	411,923,358	2.5%	192,899,947	-5.0%	210,884,521	5.0%
52 Building Materials, Hardware,	166,019,704	-3.3%	190,691,244	9.8%	156,477,975	1.2%	147,293,358	-7.3%	155,924,358	2.8%	145,544,632	3.5%
57 Home Furniture, Furnishings &	135,811,140	-6.3%	140,445,080	1.1%	158,262,675	9.8%	185,727,740	-8.9%	138,138,022	-3.0%	135,848,109	-2.0%
50 Wholesale Trade - Durable Goods	150,960,020	0.7%	150,208,661	5.6%	137,557,471	2.5%	145,787,659	-15.2%	127,298,378	0.1%	122,095,818	-5.1%
73 Business Services	103,503,411	-10.2%	112,043,738	14.0%	89,155,958	-1.9%	104,147,308	-10.4%	117,520,378	28.5%	87,124,626	-7.9%
54 Food Stores	111,459,318	6.0%	107,146,046	-7.8%	104,233,499	3.4%	148,564,033	15.2%	98,490,960	-8.1%	100,675,431	-0.6%
56 Apparel and Accessory Stores	94,640,908	-16.0%	89,672,721	-13.7%	102,838,420	-9.5%	148,557,907	-2.3%	79,861,120	-14.9%	92,622,442	-0.4%
75 Automotive Repair, Services &	80,116,171	4.9%	73,691,249	0.6%	69,883,161	1.9%	67,717,964	9.1%	72,853,396	9.6%	77,855,576	21.9%
17 Construction - Special Trade con	70,427,266	6.3%	73,663,443	39.0%	62,841,548	18.1%	66,240,202	1.8%	59,392,956	15.6%	55,914,974	10.5%
51 Wholesale Trade - NonDurable Goods	33,819,536	-3.7%	29,483,499	-1.8%	28,218,521	-4.7%	34,211,171	-6.1%	28,851,717	-9.4%	27,609,091	-5.1%
79 Amusement and Recreation Services	58,249,679	16.5%	33,066,154	-8.4%	36,942,107	-0.2%	53,019,009	6.8%	24,573,398	-17.1%	24,558,263	-40.6%
61 Nondepository Credit Institutions	22,378,255	9.4%	22,509,174	8.1%	22,728,437	13.8%	20,916,586	-8.6%	21,776,495	4.4%	22,136,500	7.8%
35 Industrial and Commercial Mach	28,728,177	-69.6%	28,425,652	-3.1%	25,252,603	-19.9%	27,664,435	-49.5%	19,402,048	-37.7%	23,032,863	-23.4%
49 Electric, Gas & Sanitary Services	9,423,528	-39.8%	17,098,196	7.3%	21,221,759	40.6%	21,343,489	-0.1%	18,766,019	15.9%	11,790,527	-33.5%
48 Communications	12,867,487	-59.5%	10,070,758	-44.8%	16,738,727	6.6%	25,434,616	-8.2%	17,942,655	18.3%	11,163,116	-64.0%
16 Heavy Construction other than	13,822,756	-10.9%	15,302,895	18.3%	10,768,850	-8.5%	9,902,130	-30.4%	13,059,825	24.8%	11,626,901	19.4%
15 Building Construction - Gen Cont	14,325,914	-21.9%	8,624,786	-28.0%	12,653,209	8.1%	15,266,712	-18.8%	11,337,514	-4.6%	9,119,080	-19.4%
39 Misc. Manufacturing Industries	10,184,482	1.9%	10,140,086	-4.5%	9,986,553	-20.9%	10,897,717	-5.6%	10,375,691	-1.2%	8,225,846	-10.8%
10 Metal Mining	9,776,896	5.3%	9,734,049	15.8%	9,563,442	-11.5%	10,097,950	-8.4%	10,146,713	-10.7%	8,345,533	4.3%
32 Stone, Clay, Glass and Concr	9,768,026	2.8%	10,754,656	13.9%	9,157,625	-9.0%	8,399,026	-6.1%	9,042,654	5.5%	8,339,812	2.2%
36 Electronic and Other Electrical	13,653,569	-3.2%	11,436,802	-0.4%	12,035,987	-4.8%	12,288,193	-10.8%	8,733,275	-24.7%	9,165,064	-22.5%
76 Miscellaneous Repair Services	9,267,292	-18.1%	8,644,889	-17.2%	7,483,973	-13.3%	11,411,959	-2.4%	7,802,222	-19.8%	14,555,970	43.7%
70 Hotels, Rooming Houses, Camps,	6,851,656	-18.6%	6,444,643	-16.6%	5,961,193	-9.3%	6,943,002	-1.2%	7,261,584	11.9%	6,877,029	-1.4%
72 Personal Services	9,391,683	-4.9%	9,160,484	0.3%	8,388,837	-3.1%	10,367,365	-4.1%	7,020,279	-9.8%	7,675,780	-4.8%
38 Meadings, Analyzing, and Contr	3,365,483	39.8%	3,210,202	38.7%	2,081,725	55.1%	6,675,905	201.8%	6,488,450	178.6%	3,814,841	98.5%
28 Chemicals and Allied Products	7,122,888	-16.0%	8,120,318	18.1%	6,855,314	6.1%	6,511,283	-5.6%	6,234,942	-9.4%	6,776,037	20.7%
34 Fabricated Metal Products, Ex	5,290,848	10.0%	5,959,548	45.2%	5,557,668	32.6%	5,660,123	27.7%	5,645,628	92.6%	4,820,104	36.2%
80 Health Services	8,017,342	2.8%	5,353,189	13.8%	4,644,606	-5.5%	8,381,708	10.1%	4,901,157	3.1%	4,163,871	2.1%
78 Motion Pictures	3,257,786	-6.7%	3,483,092	-0.5%	4,659,634	10.4%	5,639,644	12.7%	4,419,931	18.5%	3,936,811	3.9%
65 Real Estate	5,225,489	55.2%	5,234,872	90.7%	5,839,926	94.5%	6,477,541	35.9%	4,075,576	89.9%	4,491,367	79.0%
99 Nonclassifiable Establishments	3,993,455	1.1%	2,726,719	96.6%	2,222,972	-20.6%	3,745,427	-16.3%	4,055,886	34.4%	3,692,502	31.7%
87 Engineering, Accounting, Research	3,243,501	-1.9%	1,883,571	22.5%	4,021,900	199.1%	4,881,161	16.7%	3,405,629	140.9%	7,878,642	411.5%
27 Printing, Publishing, and Alli	4,744,052	-28.3%	4,198,899	-7.4%	4,042,499	-8.1%	8,651,539	-79.7%	3,363,328	-16.8%	3,473,646	5.0%
24 Lumber and Wood Products, Exce	3,463,023	5.4%	3,224,495	1.6%	2,879,519	-25.2%	3,048,702	1.6%	2,344,769	-23.9%	2,644,692	-4.4%
7 Agricultural Services	3,351,966	-7.0%	2,866,450	11.7%	2,954,089	34.2%	2,790,749	-5.0%	2,335,779	7.8%	2,279,934	13.4%
25 Furniture and Fixtures	2,895,898	2.0%	3,929,698	35.8%	2,746,920	8.4%	2,154,405	-32.1%	2,100,638	10.3%	2,532,831	63.7%
42 Motor Freight Transportation and	3,236,631	93.0%	1,284,205	-16.2%	1,127,868	-5.3%	2,541,434	93.2%	1,654,280	29.2%	1,317,759	29.6%
29 Petroleum Refining and Related	3,781,506	-6.1%	2,892,536	-16.7%	1,908,992	-12.4%	1,633,582	-26.2%	1,571,082	1.6%	1,318,546	-11.1%
20 Food and Kindred Products	2,246,329	9.3%	1,946,937	16.3%	1,758,275	2.7%	3,181,870	73.9%	1,475,263	-7.9%	2,050,968	20.0%
33 Primary Metal Industries	1,493,346	339.5%	1,871,013	536.1%	1,239,614	22.6%	938,697	3.2%	1,374,326	109.8%	769,837	104.1%
45 Transportation by Air	2,218,162	-15.8%	817,181	-29.6%	966,856	-21.4%	1,364,414	-30.8%	1,202,710	-6.4%	802,374	-32.6%
60 Depository Institutions	1,836,310	-44.9%	1,011,071	-26.4%	1,042,079	-28.1%	2,446,008	-3.6%	1,146,138	5.4%	1,882,745	64.8%

**Exhibit 1A-62: Nevada Monthly Taxable Retail Sales**  
**In-state Collections by Two-Digit Standard Industry Classification**  
**September 2001 - August 2002**

<b>Business Code and Type</b>	<b>Sep-01</b>	<b>% Change</b>	<b>Oct-01</b>	<b>% Change</b>	<b>Nov-01</b>	<b>% Change</b>	<b>Dec-01</b>	<b>% Change</b>	<b>Jan-02</b>	<b>% Change</b>	<b>Feb-02</b>	<b>% Change</b>
22 Textile Mill Products	1,383,271	23.6%	363,913	-64.4%	990,106	19.5%	1,575,121	16.4%	1,073,460	-15.8%	825,948	5.7%
47 Transportation Services	935,349	-41.4%	816,877	-44.6%	649,983	-55.3%	762,411	-51.3%	893,411	-51.7%	642,213	-54.7%
30 Rubber and Misc Plastic Products	952,316	-1.0%	920,792	-11.9%	589,109	-17.2%	775,675	-40.0%	750,568	-28.7%	708,702	-26.3%
37 Transportation Equipment	923,125	-53.2%	879,091	-35.6%	1,052,624	-7.2%	930,465	-34.5%	679,452	-48.5%	1,147,897	18.7%
40 Railroad Transportation	63,390	-96.8%	159,631	-29.3%	105,059	-7.8%	295,616	-63.7%	465,190	101.0%	695,726	124.7%
86 Membership Organizations	552,453	15.2%	333,516	-14.0%	376,464	3.5%	488,516	-8.0%	417,071	17.8%	323,808	-7.3%
14 Mining and Quarrying of NonMetal	528,512	-14.7%	486,330	-29.6%	614,727	16.2%	337,127	-32.3%	410,506	-18.8%	464,632	-12.5%
26 Paper and Allied Products	446,548	0.8%	400,784	0.4%	337,977	-0.4%	401,505	-4.4%	390,549	17.2%	287,152	6.1%
62 Security and Commodity Brokers	323,291	88.6%	198,540	38.2%	206,316	46.5%	309,599	33.3%	363,658	301.8%	251,237	192.4%
89 Miscellaneous Services	377,611	-55.1%	372,112	-5.3%	409,347	-3.3%	494,219	-4.8%	337,859	-26.2%	357,427	-9.8%
82 Educational Services	426,234	-26.4%	300,486	19.2%	243,679	73.1%	256,461	-37.8%	273,929	24.1%	170,196	29.8%
1 Agricultural Production-Crops	486,749	33.2%	390,786	147.5%	342,404	145.7%	375,593	10.0%	273,328	96.4%	200,263	24.4%
13 Oil and Gas Extraction	477,185	-78.3%	262,226	14.0%	261,008	4.2%	287,540	14.4%	257,143	11.3%	1,254,544	494.5%
41 Local and Suburban Transit and	425,662	-16.8%	277,492	-56.1%	256,579	-46.9%	327,250	-34.0%	253,818	-26.6%	241,018	-27.9%
81 Legal Services	423,571	22.6%	193,176	-19.1%	164,851	-9.4%	382,122	-0.8%	251,591	20.9%	239,471	9.9%
64 Insurance Agents, Brokers	137,211	-51.2%	63,017	-19.3%	37,092	-28.9%	128,740	13.8%	205,739	194.6%	143,558	207.7%
2 Agricultural Production Livest	471,560	-25.3%	216,355	16.0%	188,945	7.0%	299,722	-2.1%	156,139	-6.9%	133,892	7.0%
67 Holding & Other Invest Offices	357,314	47.4%	264,154	54.6%	490,761	419.5%	205,576	-19.9%	113,687	7.3%	241,348	-52.4%
23 Apparel and other finished Product	261,587	-2.4%	137,246	26.7%	135,859	-6.2%	240,246	-10.3%	110,551	-30.5%	121,062	-41.0%
44 Water Transportation	138,800	56.0%	77,307	14.0%	56,984	211.7%	54,162	-19.2%	97,248	-44.4%	79,371	-41.8%
21 Tobacco Products	93,621	-37.2%	188,448	82.6%	87,335	-8.9%	103,154	9.2%	93,682	-8.8%	73,750	-32.6%
63 Insurance Carriers	139,375	90.6%	92,422	118.5%	81,677	661.7%	210,154	-68.5%	86,961	604.9%	77,069	727.6%
43 United States Postal Services	182	-44.7%	157	-35.9%	279	27.4%	66,444	7519.7%	73,534	-12.3%	141,720	57.8%
83 Social Services	115,941	8.4%	38,930	35.2%	40,681	28.6%	121,822	57.8%	63,727	14.6%	42,770	24.5%
84 Museums, Art Galleries, and B	68,386	-11.0%	15,723	-65.8%	26,386	-36.9%	84,896	14.5%	36,456	-20.8%	47,672	12.1%
31 Leather and Leather Products	32,404	5.8%	34,686	24.9%	25,564	-65.0%	46,843	-0.3%	21,913	-23.0%	17,537	-1.2%
46 Pipelines, Except Natural Gas	9,700	-17.0%	28,307	55.1%	8,487	-66.2%	2,315	-93.1%	6,109	-67.6%	108,711	650.6%
94 Administration of Human Resources	11,646	-18.7%	9,493	28.4%	611	-86.5%	2,309	78.6%	3,554	118.4%	577	-82.8%
8 Forestry	64,660	293.4%	14,511	-22.9%	15,967	51.5%	23,048	-25.4%	3,418	-35.4%	10,686	40.8%
9 Fishing, Hunting, and Trapping	743	33.2%	0	0.0%	0	0.0%	189	0.0%	0	0.0%	0	0.0%
12 Coal Mining	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
88 Private Households	10	-97.9%	0	0.0%	0	0.0%	2,513	-40.0%	0	0.0%	0	0.0%
91 Executive, Legislative and General	0	-100.0%	0	-100.0%	0	-100.0%	0	-100.0%	0	-100.0%	0	-100.0%
92 Justice, Public Order & Safety	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
93 Public Finance, Taxation, and	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
95 Administration of Environmental	6,606	-41.0%	0	0.0%	0	0.0%	9,042	0.7%	0	0.0%	0	0.0%
96 Administration of Economic Productivity	15,680	440.7%	239	-70.8%	30	-70.0%	2,820	-91.5%	0	0.0%	0	0.0%
97 National Security and International	0	-100.0%	0	0.0%	0	0.0%	0	-100.0%	0	0.0%	0	0.0%
<b>State Total</b>	<b>2,539,899,613</b>	<b>-7.3%</b>	<b>2,636,646,617</b>	<b>3.8%</b>	<b>2,530,562,411</b>	<b>2.6%</b>	<b>2,947,473,769</b>	<b>-4.1%</b>	<b>2,388,842,456</b>	<b>1.1%</b>	<b>2,385,496,911</b>	<b>1.1%</b>

**Exhibit 1A-62: Nevada Monthly Taxable Retail Sales**  
**In-state Collections by Two-Digit Standard Industry Classification**  
**September 2001 - August 2002**

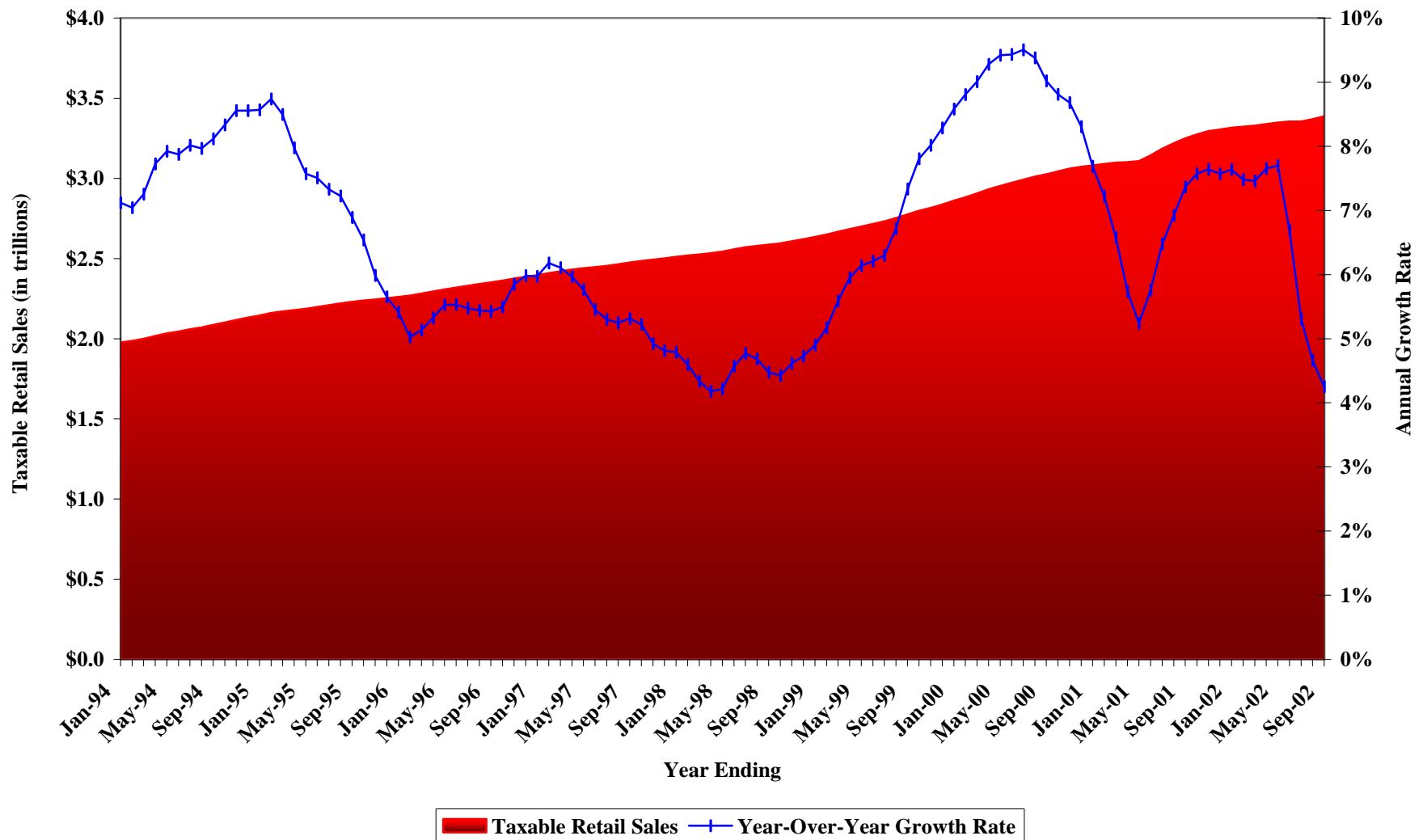
	Mar-02	% Change	Apr-02	% Change	May-02	% Change	Jun-02	% Change	Jul-02	% Change	Aug-02	% Change
58 Eating and Drinking Places	555,618,799	1.6%	518,785,627	2.4%	517,034,532	1.0%	525,232,131	2.8%	511,707,810	-0.1%	531,603,690	4.1%
55 Automotive Dealers & Gasoline	405,843,678	1.0%	398,449,596	11.9%	416,316,895	1.4%	419,668,469	3.3%	445,440,684	13.5%	472,829,410	13.0%
59 Miscellaneous Retail	294,438,790	-7.7%	262,604,853	-2.8%	279,379,515	1.7%	283,102,629	-10.0%	263,170,236	-2.4%	268,150,960	-5.8%
53 General Merchandise Stores	266,652,521	7.9%	233,437,729	7.6%	238,172,548	6.3%	250,063,427	8.5%	223,459,827	6.5%	243,867,333	5.4%
52 Building Materials, Hardware,	166,997,832	-9.7%	191,649,856	1.5%	185,150,500	-6.0%	181,849,398	-5.0%	189,034,275	-1.1%	171,111,532	-7.8%
57 Home Furniture, Furnishings &	152,006,794	-0.9%	135,883,009	-4.8%	135,098,349	-1.2%	161,056,657	6.7%	141,418,274	5.6%	143,682,604	5.3%
50 Wholesale Trade - Durable Goods	146,646,030	-8.6%	139,541,554	-4.1%	151,636,267	-0.5%	158,261,136	-9.3%	147,150,093	-2.3%	152,466,096	-6.9%
73 Business Services	103,768,048	-10.1%	96,118,887	3.8%	97,431,202	-3.9%	99,550,306	-15.7%	96,083,316	0.0%	88,073,811	-20.1%
54 Food Stores	109,535,534	0.1%	111,803,251	-5.0%	113,369,182	-6.0%	115,576,782	-4.8%	116,141,229	-11.4%	111,946,592	-4.5%
56 Apparel and Accessory Stores	118,827,348	2.6%	102,927,394	0.8%	105,831,120	5.0%	111,360,710	3.4%	99,134,349	5.1%	112,972,557	4.0%
75 Automotive Repair, Services &	89,591,050	7.9%	79,005,226	0.6%	79,828,184	-4.0%	90,862,166	5.9%	88,070,184	8.1%	90,118,678	2.8%
17 Construction - Special Trade con	75,527,370	18.7%	65,852,946	20.7%	70,128,007	14.0%	80,857,350	9.4%	66,716,718	4.8%	66,161,331	-2.7%
51 Wholesale Trade - NonDurable Goods	35,847,029	-4.6%	29,590,774	-0.1%	30,131,899	-0.6%	36,008,479	-2.4%	30,448,832	-4.4%	31,461,209	-4.6%
79 Amusement and Recreation Services	39,419,893	-34.8%	30,821,598	-10.0%	33,258,168	-10.0%	43,844,200	-22.5%	32,419,920	-10.2%	33,463,866	-19.4%
61 Nondepository Credit Institutions	22,198,059	1.0%	21,093,979	-0.3%	21,017,157	4.7%	19,311,185	-16.3%	20,079,658	-8.3%	19,499,982	-15.4%
35 Industrial and Commercial Mach	29,027,526	-2.2%	30,149,182	9.4%	28,749,346	-14.0%	24,964,366	-14.6%	31,299,031	11.7%	24,081,824	-17.4%
49 Electric, Gas & Sanitary Services	16,463,097	-33.4%	22,128,823	59.3%	18,586,254	16.3%	16,595,131	-8.8%	20,290,096	48.6%	24,423,996	53.3%
48 Communications	16,073,917	-49.0%	14,537,678	17.8%	13,858,049	-5.0%	14,169,574	-20.3%	9,219,709	-53.0%	10,411,169	-17.1%
16 Heavy Construction other than	11,493,604	-1.3%	12,558,700	11.5%	13,904,251	7.1%	14,070,022	0.8%	16,000,790	33.9%	14,364,352	3.0%
15 Building Construction - Gen Cont	11,939,283	-25.9%	11,793,505	14.9%	12,145,559	-8.5%	13,412,455	-17.4%	12,163,420	9.6%	10,972,249	1.3%
39 Misc. Manufacturing Industries	12,015,956	-9.9%	10,275,022	-16.5%	10,636,730	1.5%	8,859,403	-18.5%	8,536,954	-10.5%	8,858,435	-1.3%
10 Metal Mining	9,120,054	-20.9%	10,745,294	11.1%	9,932,870	-3.5%	10,962,556	7.8%	10,797,569	1.3%	9,725,389	-13.9%
32 Stone, Clay, Glass and Concrct	8,864,126	-20.3%	9,075,490	-18.4%	10,289,799	-19.7%	9,053,940	-31.8%	9,799,090	-14.6%	9,331,957	-29.0%
36 Electronic and Other Electrical	11,018,281	-16.4%	13,004,149	3.4%	11,080,903	63.4%	15,027,455	1.3%	11,916,082	-1.9%	12,788,301	11.0%
76 Miscellaneous Repair Services	11,257,967	-30.4%	9,847,854	4.1%	10,793,014	-10.1%	12,177,108	0.4%	9,602,061	2.1%	8,386,232	-4.7%
70 Hotels, Rooming Houses, Camps,	9,804,141	5.6%	7,746,711	2.2%	8,202,090	8.4%	8,449,169	12.4%	7,839,617	15.9%	9,171,500	33.6%
72 Personal Services	9,856,714	1.9%	8,954,223	3.8%	9,216,053	3.2%	9,721,226	-1.2%	7,851,817	-2.3%	8,081,482	-12.8%
38 Meadings, Analyzing, and Contr	3,612,055	5.1%	3,021,472	57.0%	2,081,609	-20.6%	6,129,888	67.0%	2,680,505	30.6%	5,079,261	140.2%
28 Chemicals and Allied Products	5,886,305	-15.9%	7,903,280	22.9%	5,560,199	-14.2%	5,133,460	-32.0%	5,484,888	-22.3%	5,651,124	-44.7%
34 Fabricated Metal Products, Ex	7,552,593	55.2%	5,072,758	16.4%	4,860,645	22.0%	5,041,161	8.8%	3,017,203	-19.2%	4,041,412	-22.9%
80 Health Services	8,068,949	4.7%	4,515,516	-0.2%	4,257,875	-12.7%	8,688,301	12.3%	4,531,812	2.1%	4,104,162	-9.1%
78 Motion Pictures	4,328,897	-8.9%	4,077,536	1.1%	4,584,837	17.9%	5,296,850	16.3%	5,130,810	17.1%	5,229,678	19.1%
65 Real Estate	6,178,482	47.7%	4,663,851	55.4%	5,799,381	-20.3%	5,347,403	-7.9%	4,622,949	40.5%	5,010,925	54.0%
99 Nonclassifiable Establishments	6,109,756	51.5%	4,903,471	157.2%	2,608,944	-92.0%	3,526,793	-29.6%	2,411,319	0.4%	2,916,385	6.0%
87 Engineering, Accounting, Research	10,853,616	172.5%	3,519,596	110.0%	3,931,442	210.2%	24,622,913	228.1%	2,232,821	40.0%	2,659,289	64.3%
27 Printing, Publishing, and Alli	4,404,085	-10.9%	3,668,976	1.2%	4,761,037	-0.3%	4,501,982	-12.8%	4,399,064	0.0%	4,536,186	4.4%
24 Lumber and Wood Products, Exce	3,201,983	2.7%	3,046,085	-9.6%	3,083,124	-12.2%	3,193,994	-15.5%	3,344,689	0.7%	3,002,409	-13.2%
7 Agricultural Services	3,402,439	1.8%	3,243,708	14.2%	3,522,350	11.9%	4,142,143	-1.3%	3,292,147	8.0%	3,133,220	9.2%
25 Furniture and Fixtures	3,924,662	50.7%	3,273,978	81.8%	3,834,753	59.5%	3,931,579	4.1%	2,778,982	11.1%	2,811,149	4.3%
42 Motor Freight Transportation and	1,975,445	24.7%	1,440,563	13.4%	1,405,135	-1.2%	1,869,781	10.0%	1,701,864	48.1%	1,795,965	64.8%
29 Petroleum Refining and Related	1,931,581	-14.1%	1,881,284	-51.5%	2,426,591	-44.6%	2,516,809	-48.9%	2,945,299	-37.4%	3,407,528	-3.2%
20 Food and Kindred Products	2,685,245	0.6%	2,219,195	-10.0%	1,900,004	-12.5%	3,221,770	13.7%	2,625,868	2.3%	2,469,264	-14.7%
33 Primary Metal Industries	1,150,151	-6.0%	1,483,963	121.5%	2,270,041	-1.7%	1,525,027	-30.8%	1,252,343	-28.4%	1,280,137	-9.6%
45 Transportation by Air	1,477,071	-25.4%	1,115,795	-9.6%	1,567,465	16.8%	1,044,105	-48.8%	1,782,834	31.8%	1,363,350	-6.4%
60 Depository Institutions	1,275,947	-52.1%	1,267,874	0.8%	1,289,066	-8.9%	1,242,123	-53.6%	1,835,551	73.2%	1,692,008	56.3%



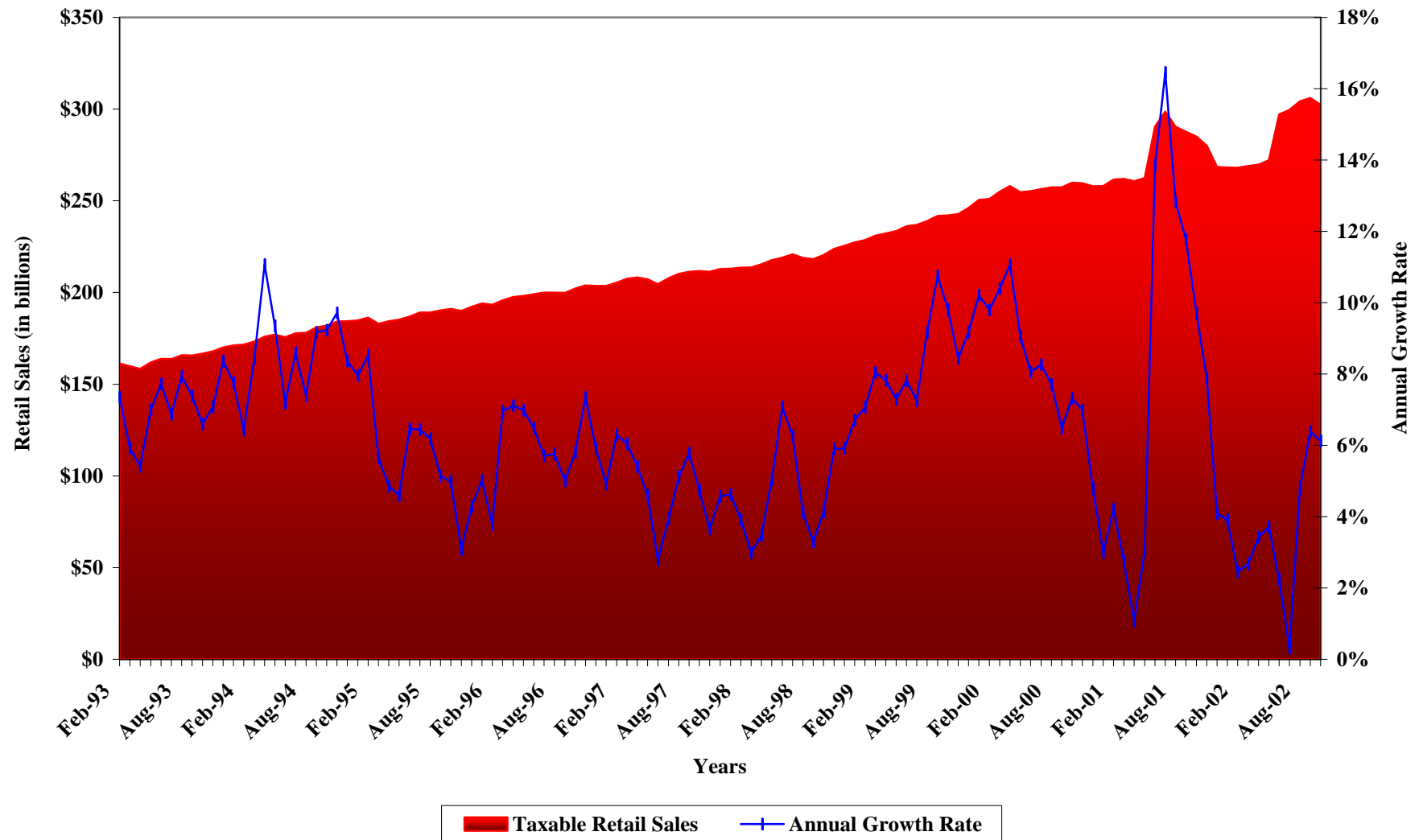
**Exhibit 1A-62: Nevada Monthly Taxable Retail Sales**  
**In-state Collections by Two-Digit Standard Industry Classification**  
**September 2001 - August 2002**

	Mar-02	% Change	Apr-02	% Change	May-02	% Change	Jun-02	% Change	Jul-02	% Change	Aug-02	% Change
22 Textile Mill Products	1,244,726	7.4%	870,725	20.6%	894,985	15.6%	1,494,511	88.1%	1,058,766	-0.7%	1,201,613	17.6%
47 Transportation Services	1,014,471	-36.9%	808,617	-47.7%	956,181	-41.0%	942,624	-57.0%	607,261	-58.3%	592,782	-64.9%
30 Rubber and Misc Plastic Products	1,204,713	-7.3%	1,035,477	25.8%	1,108,575	-7.2%	1,058,605	-38.2%	1,353,367	23.7%	1,574,489	74.4%
37 Transportation Equipment	1,261,508	-14.5%	903,544	-18.2%	1,023,053	-2.3%	1,220,320	-45.1%	1,266,407	-0.7%	1,156,045	-19.8%
40 Railroad Transportation	415,415	-13.2%	613,138	-14.6%	321,211	-87.3%	493,351	-50.9%	614,861	12.1%	1,047,915	116.0%
86 Membership Organizations	562,285	-17.0%	395,097	18.0%	453,730	15.0%	566,282	23.8%	431,655	3.9%	416,034	16.5%
14 Mining and Quarrying of NonMetal	889,734	41.7%	719,629	11.6%	549,498	1.2%	826,390	-17.9%	491,291	24.2%	564,156	-7.2%
26 Paper and Allied Products	389,447	28.1%	372,529	66.5%	349,919	22.6%	416,510	-1.7%	309,373	7.6%	343,837	22.9%
62 Security and Commodity Brokers	480,074	151.2%	350,857	170.1%	219,321	46.8%	271,828	-0.5%	295,730	64.9%	269,385	36.8%
89 Miscellaneous Services	390,620	-45.5%	387,854	38.5%	371,522	-37.7%	631,963	-5.0%	422,168	-13.6%	372,627	-22.7%
82 Educational Services	651,569	59.5%	301,255	3.9%	148,718	1.6%	295,006	-44.0%	253,928	-6.6%	211,048	6.4%
1 Agricultural Production-Crops	350,647	-5.6%	458,839	39.0%	629,974	-0.5%	736,212	16.9%	468,354	5.3%	496,982	18.1%
13 Oil and Gas Extraction	186,453	-53.9%	1,884,292	522.8%	368,842	-25.3%	213,603	-58.8%	285,543	59.3%	271,370	-2.0%
41 Local and Suburban Transit and	370,419	-30.2%	501,598	93.6%	384,852	-4.5%	1,027,702	138.4%	255,015	-11.1%	217,606	-51.3%
81 Legal Services	375,736	-11.0%	242,207	-13.0%	200,065	-16.7%	379,571	-22.6%	218,715	-8.9%	197,144	-31.9%
64 Insurance Agents, Brokers	189,635	-28.8%	61,317	4.2%	54,677	30.1%	99,710	-50.8%	101,021	26.0%	42,110	33.6%
2 Agricultural Production Livest	367,363	8.3%	239,635	16.2%	195,469	-10.0%	391,410	22.2%	195,656	12.6%	186,614	23.0%
67 Holding & Other Invest Offices	96,269	-53.6%	85,014	-90.0%	1,093,774	253.7%	1,904,105	444.1%	999,664	1056.1%	1,084,266	482.2%
23 Apparel and other finished Product	175,407	15.6%	289,411	128.7%	135,165	-5.9%	191,512	-20.2%	176,995	-17.0%	151,318	-39.5%
44 Water Transportation	241,219	-38.7%	62,128	-86.3%	357,252	18.9%	390,855	-8.6%	257,725	26.2%	181,506	25.1%
21 Tobacco Products	162,729	113.3%	95,930	-13.4%	79,772	-54.4%	64,940	-63.4%	76,482	-2.7%	142,478	-17.8%
63 Insurance Carriers	76,919	-84.1%	36,537	2.7%	27,712	54.1%	67,369	-65.9%	33,293	-71.5%	22,712	-78.0%
43 United States Postal Services	68,736	-71.4%	127,486	78.4%	90,133	-12.2%	71,498	-63.2%	82,921	-2.3%	70,612	-27.2%
83 Social Services	109,873	28.8%	42,007	22.7%	43,229	-49.7%	121,565	26.2%	72,319	47.4%	64,792	31.0%
84 Museums, Art Galleries, and B	98,659	-9.5%	65,505	23.4%	56,625	9.8%	84,827	17.2%	53,564	-8.3%	83,867	53.0%
31 Leather and Leather Products	27,280	-19.5%	24,909	-55.4%	32,677	69.9%	51,580	45.8%	25,738	29.2%	24,535	2.7%
46 Pipelines, Except Natural Gas	173,471	1027.5%	8,420	93.5%	18,228	120.6%	3,052	-86.1%	13,316	43.2%	168,006	1863.6%
94 Administration of Human Resources	2,622	-51.2%	3,806	-18.7%	10,621	477.5%	11,674	-45.7%	17,814	-21.2%	22,239	-1.0%
8 Forestry	29,665	-18.2%	20,573	0.8%	19,222	-18.4%	37,040	-25.8%	10,713	-39.2%	7,870	-30.6%
9 Fishing, Hunting, and Trapping	0	-100.0%	0	0.0%	0	0.0%	0	-100.0%	0	0.0%	0	0.0%
12 Coal Mining	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
88 Private Households	115	-75.7%	0	0.0%	0	0.0%	8	-95.6%	0	0.0%	0	0.0%
91 Executive, Legislative and General	0	-100.0%	0	-100.0%	0	-100.0%	0	-100.0%	0	-100.0%	0	-100.0%
92 Justice, Public Order & Safety	308	0.0%	0	0.0%	0	0.0%	648	0.0%	0	0.0%	0	0.0%
93 Public Finance, Taxation, and	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
95 Administration of Environmental	20,147	98.3%	0	0.0%	0	0.0%	93,286	-15.4%	0	0.0%	0	0.0%
96 Administration of Economic Productivity	6,223	208.5%	0	0.0%	0	-100.0%	13,777	405.8%	0	-100.0%	0	-100.0%
97 National Security and International	0	0.0%	0	0.0%	0	0.0%	0	-100.0%	0	0.0%	0	0.0%
<b>State Total</b>	<b>2,829,507,160</b>	<b>-2.4%</b>	<b>2,649,710,147</b>	<b>3.3%</b>	<b>2,701,117,943</b>	<b>-0.8%</b>	<b>2,839,216,846</b>	<b>-1.2%</b>	<b>2,692,312,244</b>	<b>2.2%</b>	<b>2,759,375,947</b>	<b>0.6%</b>

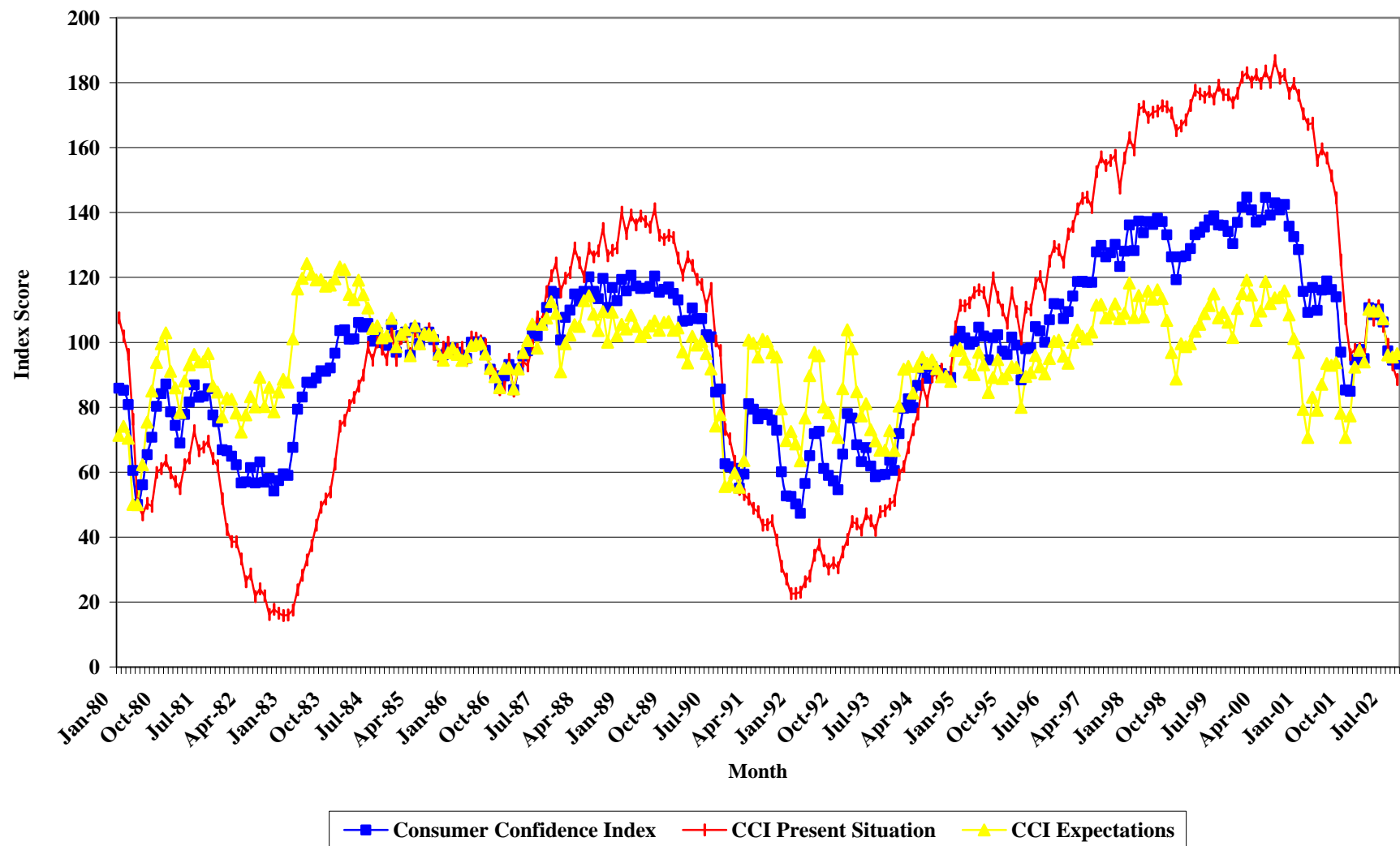
**Exhibit 1A-63: United States Retail Sales**  
**Rolling 12-Month Totals and Annual Growth Rates**  
**January 1994 - September 2002**



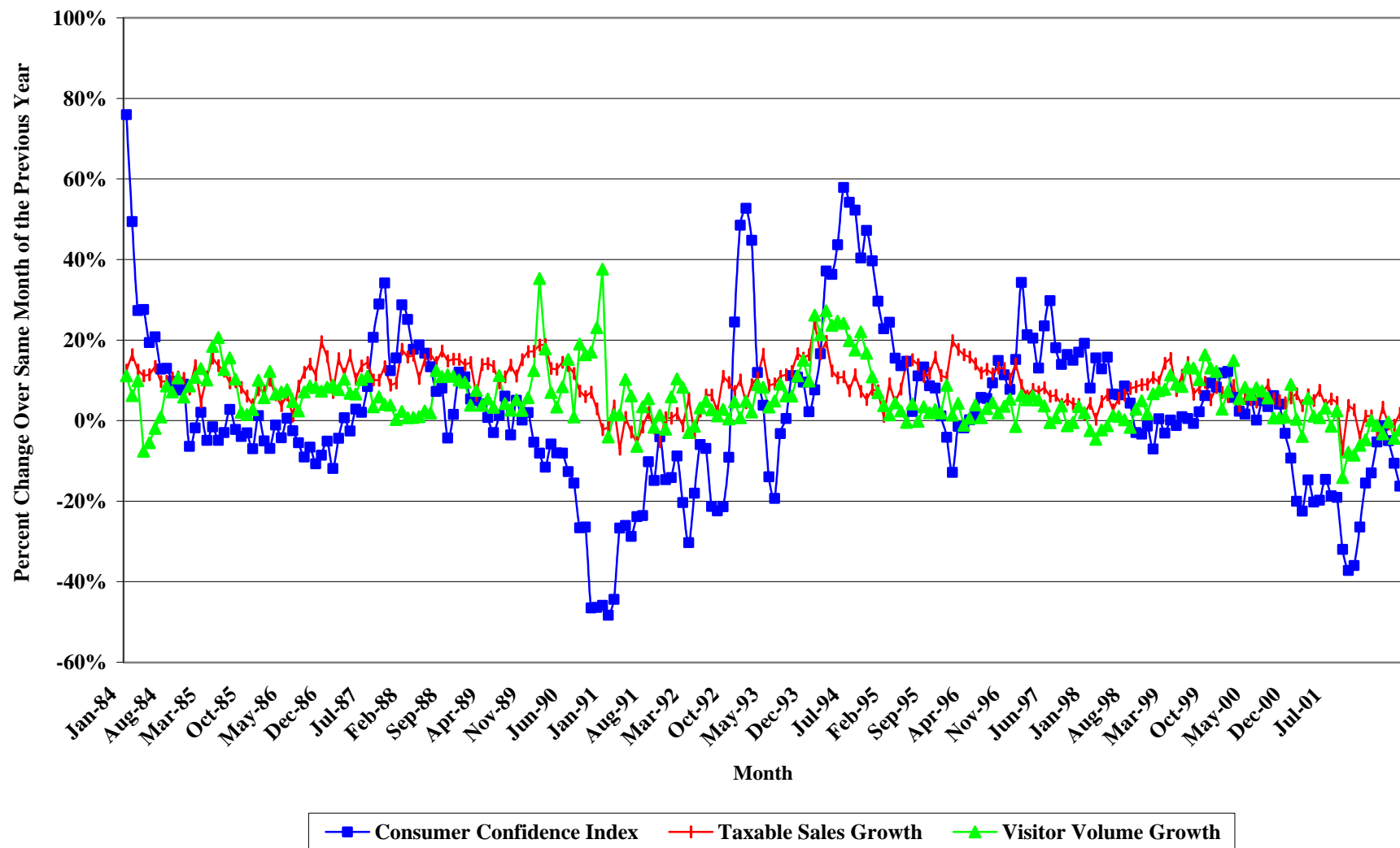
**Exhibit 1A-64: United States Retail Sales**  
**Monthly Totals and Year-over-Year Monthly Growth Rates**  
**January 1993 - September 2002**



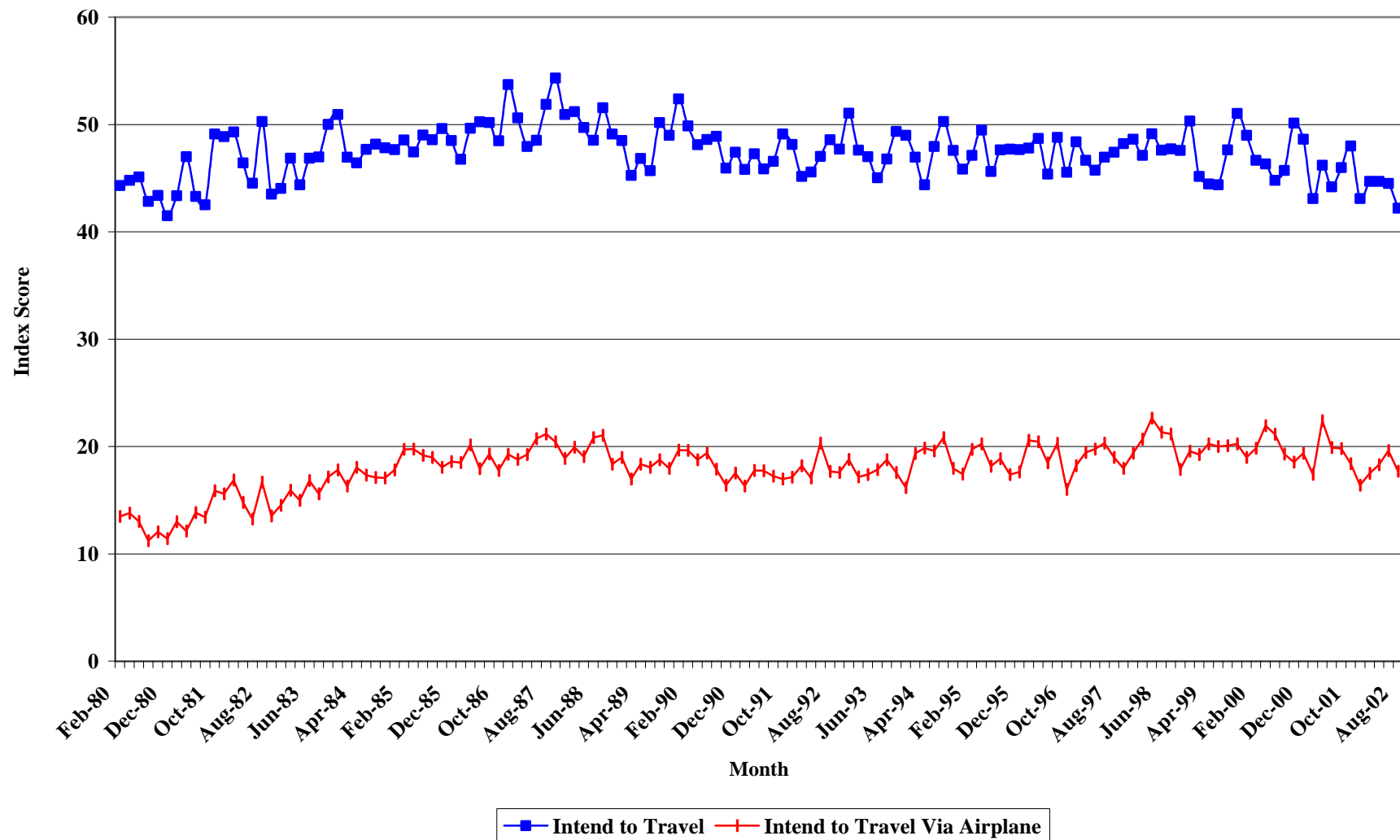
**Exhibit 1A-65: Consumer Confidence Indices**  
**Consumer Confidence, Present Situation and Future Expectations**  
**January 1980 - September 2002**



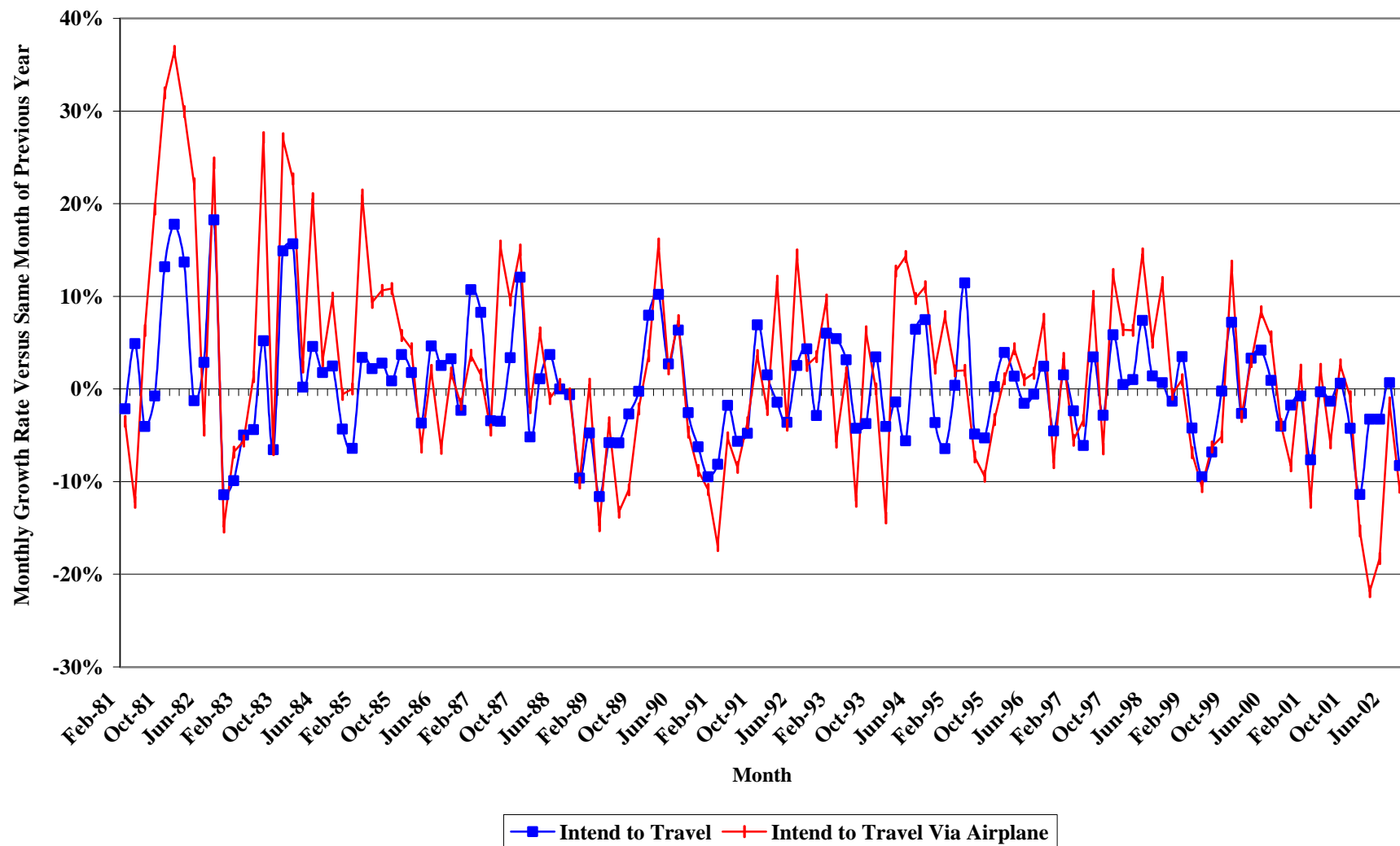
**Exhibit 1A-66: Growth Comparison**  
**Consumer Confidence Index, Retail Sales, and Visitor Volume**  
**January 1984 - July 2002**



**Exhibit 1A-67: Consumer Confidence Indices**  
**Intent to Travel and Intent to Travel Via Airplane**  
**February 1980 - August 2002**



**Exhibit 1A-68: Consumer Confidence Indices**  
**Change in Intent to Travel and Intent to Travel Via Airplane**  
**February 1981 - August 2002**



**Exhibit 1A-69: Historical and Projected Price Inflation Index**  
**Consumer Price Index for All Western Urban Consumers**  
**1968 - 2010**

