State of Nevada

Nevada Vision Stakeholder Group

Quality-of-Life Indicators

Summary Notes

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State of Nevada
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Demographics

Demographics Ranking Summary

Nevada Ranking of Selected Indicators

	Most recent	5 years earlier	10 years earlier	Ranking of 1
Population, ths	35	35	35	High
Population growth, %	18	1	1	High
Urbanized population, %	4	5	10	High
Net migration, % of population	27	1	1	High
International migration, % of population	4	4	6	High
Domestic migration, % of population	4	2	1	High
Out-migration, % of population	47	47	46	Low
Birth rate, # per thousand	6	9	6	High
Death rate, # per thousand	7	13	13	Low
Infant mortality rate, # per 1,000 live births	24	9	--	Low
Population < 5 years, %	5	13	12	High
Population 5-19 years, %	24	47	49	High
Population 20-44 years, %	8	22	19	High
Population 45-64 years, %	44	40	25	High
Population > 65 years, %	45	45	45	High

Nevada generally has the fastest growing population in the nation. During much of the past decade **population growth** has been of the magnitude of 3%-4% while the national rate was slightly below 1%. There has been significant slowing since 2008 as the national economy has weighed on jobs in the state and the housing crisis has severely decreased mobility throughout the country. The current slow growth is not anticipated to persist as the state and metro area economies recover, provide jobs and require a rapidly expanding population to meet labor needs. High population growth is a positive for supporting the state's consumer-oriented businesses and growing the tax base.

As the state has rapidly expanded in recent decades, most of the growth has been concentrated in urbanized areas, primarily Las Vegas and Reno, but smaller communities are also seeing rapid expansion. Nevada is one of the most urbanized states despite being mostly rural in area. The urbanization of the state is more than average. Ranking 10th in **urbanized population share** in 1980, the 2010 decennial census showed it to be 4th in 2000 and this will likely increase in 2010. More than 90% of the population lives in urbanized areas. Having a highly urbanized population is not necessarily positive or negative for a state. But if urban areas are gaining at the expense of smaller communities and rural areas, urbanization creates a resource drain on smaller areas. Because most of economic development takes place around areas with resources, transportation and available labor, Nevada's population is concentrating in high growth areas with robust job creation.

The ability to draw new residents reflects the soundness of the economy. Nevada usually has the highest rate of positive **net migration relative to its population**, indicating that is has no problem attracting residents and new labor. Usually ranking first in net migration rate, it has slowed down in the past couple of years with the recession. Because net migration is usually by far the largest component of annual population growth in the state, the slowdown in new residents moving has slowed total population growth considerably but this does not signal a permanent change in demographic trends. The generally robust economy of Las Vegas gives that area the highest rate of net migration relative to its total population. Net migration is a positive.

The **international migration relative to population** can indicate the demand for highly-skilled, educated, technical workers. This usually reflects technology or other new economy industries. It can also be a bellwether for international investment and establishment of offshore businesses in the area that bring in management and skilled workers from the home country. Foreign investment is a positive. Nevada ranks highly in the international migration relative to population primarily because of high overall population growth. As a percentage of overall migration, Nevada's international component is not outstanding.

The **domestic migration relative to population** is less telling. While educated skilled workers may be attracted from other U.S. areas, unskilled and semi-skilled labor will also be attracted to fill such relatively low-paying positions. By far, the largest proportion of migration in the Silver State is from domestic origins.

Out-migration as percent of population is often indicative of a poorly-performing economy with little potential. A ranking near 1 indicates an economy capable of keeping jobs and residents. A ranking near the bottom usually indicates an area in demise. Not so for Nevada even though it consistently ranks near the bottom in this category. Because of high rate of churn in its labor force, people come and go frequently. However, many more residents move into the state than move out. In Nevada's case, it still is not positive as it reflects a higher than average transiency in its labor force.

Nevada consistently ranks in the top 10 in **live birth rate.** Because the state's **infant mortality rate** is average, it does not reflect superior pre-natal or neonatal medical services, but a concentration of the population in prime child bearing years and perhaps a high teenage pregnancy rate. This can be followed up. Nevada saw its ranking in infant mortality rate increase significantly in the past decade and its ranking decline. Nevada has a low concentration of medical services.

Nevada has a higher than average **concentration of residents in the 20-44 year age cohort,** most likely to have children. This age cohort is larger than normal because of the generally ample supply of jobs in the state. Over the past decade, Nevada has improved its ranking in this category even though the percentage of persons in this age group is declining because of national aging trends.

Nevada is quickly moving toward the bottom in its percentage of **population aged 45 to 64 years** and has been consistently among states with the lowest proportion of residents **65 years and older**. The relatively young population limits demand for healthcare and social services serving the elderly. This contributes to the well-below average for concentration of medical services in the state. Also, the relatively youthful population accounts for Nevada having one of the lowest, and falling, **death rates** in the nation.

Labor

Labor

Nevada Ranking of Selected Indicators

	Most recent	5 years earlier	10 years earlier	Ranking of 1
Labor force, ths	33	33	35	High
Labor force, % change year ago	1	4	1	High
Labor force participation rate, %	14	18	18	High
Payroll employment, ths	32	34	35	High
Payroll employment growth, %	47	1	1	High
Household employment, ths	34	35	35	High
Household employment growth, %	2	1	1	High
Unemployment rate, %	45	16	27	Low
Productivity, $ ths GSP per employee	17	21	15	High
Goods producing	22	36	23	High
Service producing	14	16	15	High

Nevada has a **labor force** scaled to its population ranking within the nation. Because population growth in the state normally exceeds the national average, the labor force has inched up the rankings in size. **Labor force growth** is normally at the top of the rankings. This ranking is a positive as it indicates that usually the job market is expanding faster than the existing population can supply labor and job creation requires bringing in new workers. Such growth spurs consumer demand and supports demographically driven industries within the state.

Nevada consistently maintains a higher than average **labor force participation rate**. This is an indication that the local labor force is sufficiently compensated to participate in the labor pool and that teenage joblessness is usually relatively low. But it also is an indication of a high proportion of households requiring more than one bread winner.

Do not let 2008 fool you. **Employment growth** in Nevada is consistently among the highest during economic expansions. The state's leading industries, leisure/hospitality and construction provide jobs at such high paces that the **unemployment rate** is better than average during periods of national growth. However, the lack of economic diversity and high employment volatility acts as a major drag during national downturns. In the five years from 2003 to 2008, employment growth in Nevada went from being the highest to near the bottom. In the long term, however, employment growth is a major plus for the state.

Nevada workers are fairly productive. They rank slightly ahead of the ranking mid-point in productivity as measured by **$ of GDP per employee**. However, this measure is highly skewed to tech locations; therefore Nevada is slightly below average in the level. However, it should be noted that **goods-producing industries**—resources and mining, manufacturing and construction, as a group—are well below average in productivity per worker while the **service sector** is slightly more productive and gradually gaining ground in both level compared to the nation and in ranking. High productivity is a double-edged sword. Highly productive workers tend to earn higher salaries and wages, but their output eliminates the need for other workers. Overall, highly productive workers are an asset and induce relocations and expansions in the long run.

Economic structure

Economic structure

Nevada Ranking of Selected Indicators

	Most recent	5 years earlier	10 years earlier	Ranking of 1
High-tech employment, % of total	46	41	40	High
Office-using employment, % of total	48	44	45	High
Location quotients, U.S.=1				
Manufacturing	47	47	48	High
Construction	1	1	1	High
Natural resources & mining	14	13	9	High
Financial services	32	27	25	High
Professional/business services	21	19	25	High
Education/healthcare services	51	51	51	High
Leisure/hospitality services	1	1	1	High
Retail trade	27	41	48	High
Wholesale trade	44	43	39	High
Transportation & warehousing	11	16	16	High
Utilities	35	24	14	High
State government	47	47	45	High
Federal government	43	42	42	High
Local government	45	47	47	High
Industrial diversity, U.S.=1	49	48	48	High
Employment volatility, U.S.=1	1	1	3	High
Systematic volatility, %	36	41	25	High
Cost of doing business, U.S.=100	27	30	29	High

Nevada's economic structure has some limitations. While the state's economic model has proven capable of providing long-term growth and opportunity, it leaves residents highly exposed to short-term economic pitfalls. Furthermore, the state has limited potential to engage in high-growth, new economy industries. While the industrial structure is slowly shifting toward a more stable mix, it remains highly concentrated in a few industries and volatile.

Of the state's workforce, only about 2% are employed in **high-tech industries** that offer opportunities for high earnings and robust growth. At the national level, 4.5% are employed in high-tech jobs. Nevada ranks 46th in this category and has been slipping over the past decade. Nevada has a few impediments to developing these industries. The first is that these industries tend to concentrate in certain areas, meaning that a cluster needs relatively large metropolitan areas to form. Such areas can support a number of related firms. Secondly, Nevada's workforce is not prepared to supply the highly-educated, skilled labor needed for these industries.

Office-using employment, especially its growth, is an indication of the development of high-paying services. Nevada ranks even lower in this category than in high-tech industries, and again, its rank has fallen in the past ten years. High concentrations in consumer industries skews the concentrations of business and professional services downward but Nevada still lacks concentrations of white-collar businesses to attract firms that require outside supporting firms. This one is something of a Catch-22; for office-using employment to expand, the industries it supports must become established.

Location quotients measure the concentration of an industry in an area relative to its national concentration. For example, a location quotient of 1 indicates the area's concentration is the same as the national concentration. A location quotient of 2 indicates the area has double the concentration and a location quotient of 0.5 means it has half the concentration. Extremely high concentrations of one or two industries puts that area at particular risk of downturns in those industries. It also means that when that industry thrives, the area sees relatively greater growth than average.

Nevada's location quotients indicate an unbalanced economy compared to the U.S. It has high values for **leisure/hospitality**, **construction**, **mining** and **transportation/warehousing**. An industry with a high location quotient does not necessarily engage an overwhelming proportion of its workforce, but a higher than average proportion. Mining is a good example of this. The mining workforce is one of the smallest in the state, but is relatively larger than average. And this industry is locally important, especially in the smaller towns and rural areas of the state. Areas highly dependent on one or a few industries have a tendency to go through boom and bust cycles.

Professional/business services, **retail trade** and **utilities** have an approximately average concentration in the state. Cyclical business and consumer demand impacts the state, overall similarly to the fluctuations in these industries at the national level.

Manufacturing, **financial services**, **education/healthcare** and **wholesale trade** are underrepresented in Nevada. While many locations around the country would like to reduce their exposure to manufacturing, Nevada has seen slow gains in the past decade. However, manufacturing here is not the traditional production type that is struggling elsewhere. Among manufacturing, precious metals and electronic equipment are growing industries. Financial services are concentrated in a relatively few areas around the country. As a result, many states and metro areas have below average concentrations of employment in those industries. Wholesale trade is closely linked with manufacturing and as a result has a low concentration. Education/healthcare (primarily healthcare) is sorely underrepresented in the state. This is an area of concern. While there area reasons why the concentration should be less than average, it has only about half the concentration as the nation.

Government at all levels is significantly smaller in Nevada than average.

Only Alaska and the District of Columbia have lower **industrial diversity** than Nevada. The state's index of 0.30 is about one-third higher than ten years ago, indicating some progress in broadening the economy, but still indicates a high concentration on just a few industries. The 0.30 indicates the state's industrial mix is only 30% as diversified as the national mix. This metric is an indication not only of the risk the economy faces from the contraction of a few industries but also of a limited set of driving industries to push growth.

Because of its lack of diversity and high exposure to discretionary spending, the Nevada employment picture is more than twice as **volatile** as the nation's. As a result, there are potentially large swings in the state business cycle. This can be a blessing and a curse. During economic expansion, such states tend to grow faster than average. During contractions, the crash is steeper. Recent economic performance bears this out. Nevada has the most volatile employment growth in the country. Lack of employment stability causes large swings in consumer industries, housing markets and tax revenues.

Nevada has slightly below average **cost of doing business**. This is a big plus when states look to attract and/or retain businesses. However, Nevada is not consistently below average in all components as measured by Moody's Economy.com. It is particularly disadvantaged with high energy (primarily electricity) prices. Labor costs and state and local tax burdens are less than the average state. Office rents vary from metro area to metro area. Higher property values in Las Vegas push up office space lease rates. Relief of business costs, especially taxes, are often used as incentives to lure new firms and develop new industries. Large states with deep pockets have a distinct advantage in this area. Nevada's relatively low state and local business tax burdens have helped develop the transportation/warehousing industry in the north in recent years.

Income

Income

Nevada Ranking of Selected Indicators

	Most recent	5 years earlier	10 years earlier	Ranking of 1
Personal income, $ mil.	32	32	34	High
Personal income growth, %	48	3	1	High
Wage & salary growth, %	49	1	6	High
Wage & salary, % of total	20	16	20	High
Dividends, interest & rent, % of total	3	5	6	High
Transfer payments, % of total	7	4	4	Low
Per capita income, $	18	18	13	High
Per capita income growth, %	50	8	38	High
Mean household income, $	17	17	13	High
Median household income, $	15	16	20	High
Mean/median household income	22	29	38	Low
Poverty rate, %	17	25	20	Low
Poverty rate, age<18 years	21	25	21	Low

The overall level of **personal income**—a measure of the total level of all sources of income to individuals, including wages and salaries, dividend and interest income, rental income and transfer payments and several other smaller categories—is largely influenced by the size of the population base. As such, Nevada ranks near the middle of the pack for its income base, but slightly higher than its population rank due to higher-paying gaming and housing industry jobs. The state had been among the most rapidly growing income bases for the past decade. However, in 2008 growth slowed significantly, an effect of the recession that is expected to be temporary. Stronger **income growth** is a positive, as it will encourage population growth through migration and support the tax base.

Total income is a combination of several sources; for most states, Nevada included, **wages and salaries** are the largest contributor to individuals' income. Strong wage and salary growth and a large share of personal income is a positive, as it indicates a strong employment base and a self-sustaining economy. Again, the recession and associated steep job losses weighed on growth in 2008, but prior to that Nevada has generally ranked among the top states for **wage and salary growth**, a positive for encouraging population growth through migration. The pattern of robust wage and salary growth is expected to return as the state recovers from recession and moves back into expansion.

Generally, the second largest portion of personal income comes from asset returns—**dividends, interest and rent**. This is certainly true for Nevada, which ranks among the highest shares of such income. This leaves the state more exposed to financial market cycles, but is not necessarily a positive or negative. The third large factor of personal income is **transfer payments**. Overreliance on government support for individuals is a negative, as it is a strain on tax revenues and indicates a lack of self-sustaining growth potential. A positive for Nevada, the state's residents are among those with the lowest dependence on transfer payments. The recession has induced a slight uptick in the share of personal income from transfer payments, but for much of the past two decades, Nevada has had a stable, low share. The state's smaller and rural areas are more reliant on government support to individuals than the larger metro areas.

Along with overall personal income growth, **per capita income** is a useful metric of how the state's personal income is positioned, showing how much each resident would earn if personal income were evenly distributed throughout the population. Just as with overall income growth, per capita income growth slowed significantly in 2008, slipping from among the fastest five years prior, to near the bottom of the pack.

A high per capita income, while generally a positive, can be offset by an equally high **cost of living**. If individuals who earn more also must pay more for basic necessities, the advantage of higher earning is lessened. Cost of living is above the U.S. average in all three of Nevada's metro areas. However, when the above average per capita income is factored in, both Reno and Carson City are close to even, while Las Vegas comes out a little bit ahead.

Two other ways to slice and dice income figures are **households' mean and median income**. The former gives a picture of where the average household falls, the latter an idea of where the middle of the pack is. Nevada ranks well among states for both measures. Because mean household income is an average and median is simply the mid-point at which half of households earn more and half earn less, the dispersion between the two gives an idea of income inequality. If household incomes were perfectly evenly distributed, the mean and median figures would be equal. In Nevada, mean household income is twice that of median, about average among states and on par with the national figure.

While measures of income growth and means and medians provide an idea of the overall standing of the state, information about those at the lowest end of the earnings spectrum is best captured by **poverty rates**. The lower the share of residents falling below the federal poverty line the better a state's residents are faring. Nevada is in the bottom third (those with the lowest poverty rates) of states' total poverty figures and below the U.S. average. Over the past decade the national poverty rate has been on an upward trend; with the exception of the 2008 recession-influenced figure, Nevada's poverty rate has eased from its recent peak. The **poverty rate for children** does not paint quite as positive a picture for the state, but is nonetheless better than the national average. The same, for both total and children, is generally true across the state's metro and other areas. Naturally, lower poverty rates are a positive.

Education

Education

Nevada Ranking of Selected Indicators

	Most recent	5 years earlier	10 years earlier	Ranking of 1
Educational attainment, over 25 years				
High school or equivalency	40	36	33	High
Associate's degree	37	43	33	High
Bachelor's degree or higher	46	47	47	HIgh
Graduate degree	46	47	46	High
Student to teacher ratio	46	45	44	Low
Public school expenditures, $ per student	45	48	40	High
Mean SAT score				
Math	39	33	29	High
Verbal	35	36	32	High
Combined	37	36	31	High
Writing	45	--	--	High
NEAP, 8th grade scores				
Reading	46	40	25	High
Math	44	42	30	High

Nevada ranks in the last quintile in many education metrics and has generally been losing ground to other states over the past decade. Rapid population growth, especially in child bearing age cohorts has stretched the state's educational resources. While educational attainment rates are slowly rising, the state is falling behind progress of many other states. The workforce is well suited to the educational requirements of the current industrial structure but offers little for attracting firms requiring more highly educated employees. The state faces serious difficulties in preparing its population for competing successfully in the modern economy.

During the 1990s Nevada had a higher rate of **high school diplomas** or equivalents than the nation. The state has made only modest progress in improving its graduation rate since and is falling behind progress in the nation, on average. Not only does achieving a basic education improve prospects for better jobs but it also is a prerequisite for entering post-secondary programs that improve career and income potential. Since 2000, Nevada has fallen from a ranking of 33 to 40 in high graduation rate.

Often overlooked is the impact that community colleges can have on an economy. **Associate's degrees** have an important place in the modern, globalizing economy even though emphasis is often placed on 4-year and graduate programs. But the curricula of community colleges has to be tailored to the needs of new industries in order to increase the potential of the workforce. Many states that have been successful in growing technology sectors are dependent not only on Bachelor's and higher degrees, but a workforce that is trained in the technical aspects is highly desirable. Developing and improving curricula at all levels, including community colleges, often pays big dividends in developing new economy industries. Nevada has slightly improved its Associate degree graduation rate but less so than average. As a result it has slipped 4 places in rank since 2000.

Nevada consistently ranks among the states with the lowest share of population that has attained a **Bachelor's degree**. The rate is rising but the state is not gaining ground on the rest of the country in educational attainment. The state's rankings are similar when it comes to **graduate degrees**. The problem is little incentive for a large proportion of highly education residents to stay in the state. Those who graduate from the state's educational institutions often find it challenging to obtain a job that is commensurate with their education and skills. This is especially true for smaller communities.

The **student-to-teacher ratio** has remained relatively stagnant in the past decade. Especially with the state's rapidly growing population, the demand for schools and teachers challenges the ability of state funding to provide them. Not only has the state made no progress in improving the ratio, it has slipped slightly from its already dismal ranking in 1997.

Between the mid-1990s and the mid-2000s Nevada slipped five places in ranking of **school expenditures per student** to 45th. It is difficult to improve the state's level of human capital without being competitive in funding. There is a noticeable geographic pattern, however, with the high-cost northeast providing the most funding and the west and south the least. Cost differences are only part of the story, however. Nevada contributes less of state GDP to government overall, creating a strain on educational spending.

The educational challenges facing the state are translating into declining rankings and absolute scores for college entrance testing. A**verage SAT scores** declined in the past 10 years in the state and Nevada's rankings have fallen. Math scores lost 10 places, verbal scores fell 3 places and combined scores are now 6 places lower than in 1999. Nevada now ranks in the middle to lower 30s in ranking in all three categories. Nevada students also perform poorly in the writing portion, ranking 45th most recently.

The problems show up before students attempt to enter college. **NAEP 8th** grade reading scores tumbled from 25th to 46th from 1998 to 2007 and the raw score slipped, as well. Math scores fared similarly, slipping from 30th to 44th over the same time period and also dipping in raw score.

Housing

Housing

Nevada Ranking of Selected Indicators

	Most recent	5 years earlier	10 years earlier	Ranking of 1
Homeownership rate, %	47	44	45	High
Median sales price, existing 1-family, $	13	14	14	High
Housing affordability	43	43	42	High

The **homeownership rate** in Nevada lifted throughout the housing boom, as easy access to credit spurred more individuals to purchase a home. However, that was the case across the country, so the share of households that owned their living space remained low in comparison to other states and below the national average.

Although Nevada's **median home price** has dropped significantly in recent years—by more than half between 2006 and 2009, according to Moody's Economy.com estimates—in the wake of the housing market bust, it remains high in comparison to other states. The median price for an existing single-family home has been in the top third of all states for the past decade. High home prices are not inherently good or bad, because factors such as income also affect the housing market. That said, higher median home prices will put pressure on the lower income earners in an area who are less able to afford their home.

To establish the interplay of home prices and income levels, one can examine **housing affordability**. The index is designed to determine to what degree a typical middle income family can afford a typical home. To that end, it compares the assumed mortgage payments (with a 20% down payment) on the median existing single-family home price with the median income in the area, holding total mortgage payments to 25% of annual income. The index value of 100 means that the median-earning family can exactly afford the median-priced home; a value above 100 indicates that the median-earning family can afford a home above the area's median home price. Although Nevada's housing affordability is now above 100, it ranks in the bottom when compared to other states. In the middle of the decade as home prices soared, affordability dropped below 100 in the state and its large cities. Falling prices have put upward pressure on affordability. As income growth returns and the housing market slowly begins to correct, affordability will rise in the short-term, but return to nearer its current level in the long-run. Higher affordability will be a positive.

Healthcare

Healthcare

Nevada Ranking of Selected Indicators

	Most recent	5 years earlier	10 years earlier	Ranking of 1
Per capita healthcare spending*	48	49	41	High
State healthcare spending per capita*	50			High
State healthcare spend per $ of GSP*	49			High
Physicians per capita**	51			High
Nurses per capita**	50			High
Dentists per capita**	27			High
Emergency room visits per capita*	8	8	8	Low
Hospital beds per capita*	48	47	46	High
Uninsured non-elderly adults, %*	37			Low
Uninsured children in poverty, %*	52			

* Out of 52 geographies
** Out of 53 geographies

Indicators suggest that Nevada falls far short of average in healthcare. The industry has only about half the average concentration in the state. The low concentration of elderly residents does mitigate some of the demand for healthcare, hospitals and professionals, but this is not nearly enough to explain the state's low rankings.

Healthcare expenditures per capita falls near the bottom of the rankings and the state's place has fallen since the mid-1990s. While per capita expenditures have increased, they have not kept pace with the national average growth rate. There are regional patterns of expenditures and the mountain west has the lowest per person rates.

State healthcare spending also ranks near the bottom. When viewed from the perspective of per person spending, the state spends only a little more than half the national average. Even as a share of state GDP, Nevada's healthcare spending is among the lowest.

Both **physicians** and **nurses per capita** are near the lowest in the country in both number and ranking. The healthcare profession that is represented at average levels per resident is dentists. It ranks in the middle of the pack.

The relatively low level of healthcare in Nevada is reflected in its dearth of **hospital beds** relative to the population. It has ranked below 45th for most of the past decade and the number capita has shown virtually no improvement.

Health insurance rates when viewed overall put Nevada in much better standing than other indicators. Nevada's businesses are primarily responsible as a significantly higher proportion of state residents obtain insurance through the workplace than average. Even so, the **uninsured rate** is a percentage point higher than average, largely as a low percentage of residents enrolled in the state's Medicaid program.

Many of Nevada's **children at or under the poverty level** have fallen through the cracks. While overall Nevada has near average uninsured rate, for children living under 100% of the federal poverty level, the rate is the worst in the country. More than one-third of these children have no insurance compared to one-fifth nationally. And while on average, 62% of American children living in poverty are insured through Medicaid, that rate is 40% in Nevada, also the lowest in the country.

Household credit

Household Credit

Nevada Ranking of Selected Indicators

	Most recent	5 years earlier	10 years earlier	Ranking of 1
Loan delinquency rate, % of dollar volume				
All lines	51	20	39	Low
First mortgage	51	19	40	Low
Bankcard	51	43	48	Low
Auto	51	19	26	Low
First mortgage writeoffs, % of loans	50	15	46	Low

Household credit quality of Nevadans fluctuates with the economic cycle more than in most states. Five years, the state ranked 20th, better than the average state. At the end of 2009 it ranked as the worst in the country. In addition to the larger relative magnitude of economic swings in the state, the added burden of the housing crisis is dominating wealth, credit and spending by Nevadans. The housing crisis is the biggest factor impact creditworthiness at this time. Near the bottom of the rankings are California, Arizona and Florida, also states with the worst implosions of the housing bubble. The worst credit ratings are in Las Vegas, a reflection of the area having nearly the highest foreclosure rate in the country.

Breaking out different lines of credit, Nevada ranks the worst in **mortgage delinquencies** which have fueled the pipeline for the second highest **foreclosure rate**, with only Florida currently showing a higher rate. Depending on sub-prime loans and second-home and speculative buying to fuel its housing bubble, it has seen the collapse of easy credit availability, and little demand for non-first mortgage lending. The area has also seen average equity formed by households since the early 2000s disappear, limiting the ability to borrow to support consumption. These patterns are not expected to persist in the long run, but the area will not see the housing market of the middle 2000s in the foreseeable future.

Nevada also ranks dead last in the quality of credit for the other major lines—**autos** and **bank cards**. Nevada is consistently one of the worst states in the country for credit card delinquencies, but is usually near the middle of the pack in auto credit quality. The poor performance is linked to the dismal economy and housing crisis that is still going on.