The SILVER SAGE

AN OVERVIEW OF NEVADA'S ECONOMY BY THE SAGES AT THE DEPARTMENT OF ADMINISTRATION

If you think it's expensive to hire a professional to do the job, wait until you hire an amateur.

Red Adair

		US Rate	Nevada Rate	Nevada Rank (1 = worst)
Foreclosure Filings Rate	Jan to Jun '10	1.3%	5.9%	1
Home Price Index	2010q1 v 2009q1	-3.1%	-12.2%	2
Wage & Salary Disbursements	2010q1 v 2009q1	-0.4%	-3.8%	2
Personal Income	2010q1 v 2009q1	1.9%	-0.3%	2
Employment*	Jun '10 v Jun '09	-0.1%	-2.3%	1
Unemployment	Jun '10 v Jun '09	9.5%	14.2%	1

State Large General Fund Revenues

January 2010 Economic Forum Forecast with Legislatively Approved Revenue Enhancements v Actual

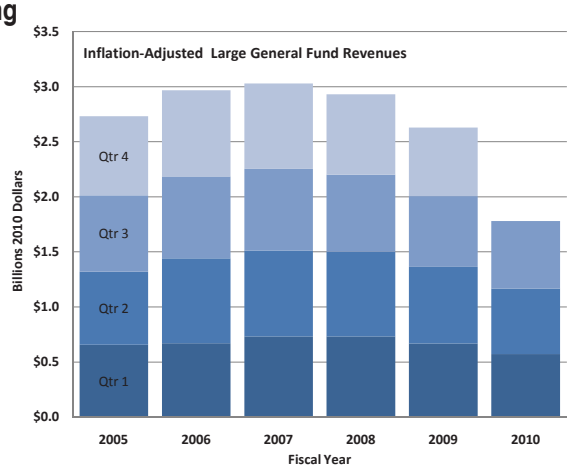
	FY 2009 Actual	FY 1010 Forecast		FY 2010 Year-to-Date						
				Period	Collections				Yr/Yr Change	
Large Revenue Sources	(millions)	(millions)	Yr/Yr Change %	Through FY Month/Quarter	Actual (millions)	Budgeted (millions)	Difference (millions)	%	Actual %	Needed Hereafter to Meet Forecast %
Sales Tax	$842.4	$729.8	(13.4)	M-10	$626.1	$602.9	$23.2	3.8	(10.0)	(29.2)
Percentage Fees Collections*	655.2	639.4	(2.4)	M-12	631.0	639.4	(8.4)	(1.3)	(3.7)	n/a
Modified Business Tax	277.5	371.1	33.7	Q-3	292.7	280.3	12.4	4.4	39.6	15.4
Insurance Premium Tax	238.7	222.9	(6.6)	Q-3	174.1	168.4	5.7	3.4	(3.4)	(16.5)
Live Entertainment Tax - Gaming Portion	112.4	104.7	(6.9)	M-11	99.6	95.9	3.7	3.8	(3.3)	(45.9)
Lodging Tax	n/a	92.9	n/a	M-10	79.4	79.4	(0.0)	(0.1)	n/a	n/a
Cigarette Tax	97.0	88.2	(9.1)	M-10	73.4	72.6	0.8	1.1	(8.1)	(13.8)
Commercial Recordings	70.9	66.4	(6.3)	M-12	68.7	65.2	3.5	5.4	(1.3)	n/a
Real Property Transfer Tax	65.9	47.5	(27.9)	Q-3	39.5	36.0	3.5	9.7	(20.9)	(49.9)
Liquor Tax	37.0	38.0	2.7	M-10	31.3	31.0	0.3	1.0	3.8	(1.8)
Totals	**$2,396.9**	**$2,400.8**	**0.2**	**Q-3**	**$2,115.9**	**$2,071.2**	**$44.7**	**2.2**	**2.0**	**(11.9)**
*Percentage Fees Earned net of EFA	688.4	641.8	(6.8)	M-12	640.9	641.8	(0.9)	(0.1)	(6.9)	n/a

FY 2009-10 Large General Fund Revenues Cumulative Year-To-Date Tracking

Fiscal Year		FY 2009 Actual*	FY 2010 Forecast**		FY 2010 Actual			
Month	Quarter	Millions	Millions	Yr/Yr Change %	Millions	Yr/Yr Change %	Difference from forecast %	95% Chance Forecast Correct if Yr/Yr % Difference Between
1		$140.5	$136.5	(2.8)	$140.2	(0.3)	2.7	+/- 14.1%
2		$292.5	$284.7	(2.7)	$292.0	(0.2)	2.6	+/- 13.7%
3	1	$592.7	$595.1	0.4	$606.5	2.3	1.9	+/- 17.9%
4		$747.9	$746.2	(0.2)	$754.3	0.9	1.1	+/- 15.0%
5		$897.6	$892.8	(0.5)	$895.5	(0.2)	0.3	+/- 12.6%
6	2	$1,197.8	$1,202.1	0.4	$1,232.5	2.9	2.5	+/- 9.4%
7		$1,323.2	$1,324.0	0.1	$1,351.8	2.2	2.1	+/- 7.6%
8		$1,471.6	$1,468.2	(0.2)	$1,500.5	2.0	2.2	+/- 6.7%
9	3	$1,776.0	$1,782.4	0.4	$1,813.5	2.1	1.7	+/- 4.1%
10		$1,946.3	$1,947.9	0.1	$1,985.2	2.0	1.9	+/- 2.7%
11		$2,093.0	$2,089.8	(0.2)				+/- 2.0%
12	4	$2,395.5	$2,400.8	0.2				+/- 1.1%
Year End		$2,396.9	$2,400.8	0.2				

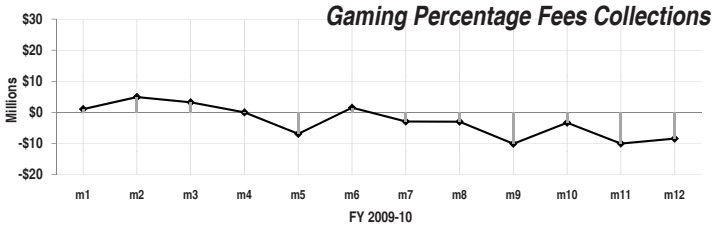
*Actual Revenues are adjusted to reflect the historical average distribution.

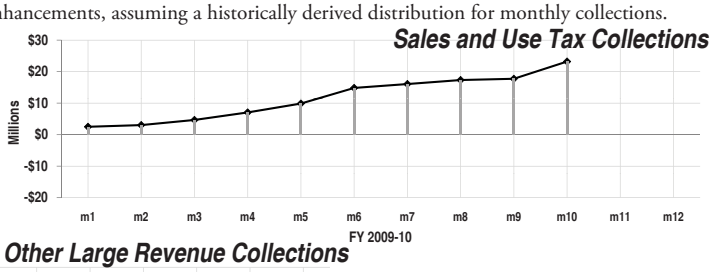
**Total includes relevant revenue enhancements.

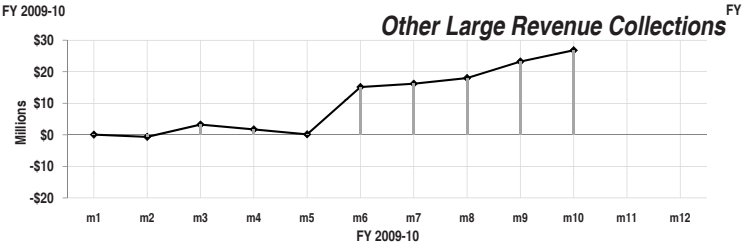


Cumulative Difference Between Actual and Forecast

Positive numbers indicate actual collections ahead of forecast for the indicated fiscal year. The monthly forecasts are based upon the May 2009 Economic Forum projections with appropriate revenue enhancements, assuming a historically derived distribution for monthly collections.

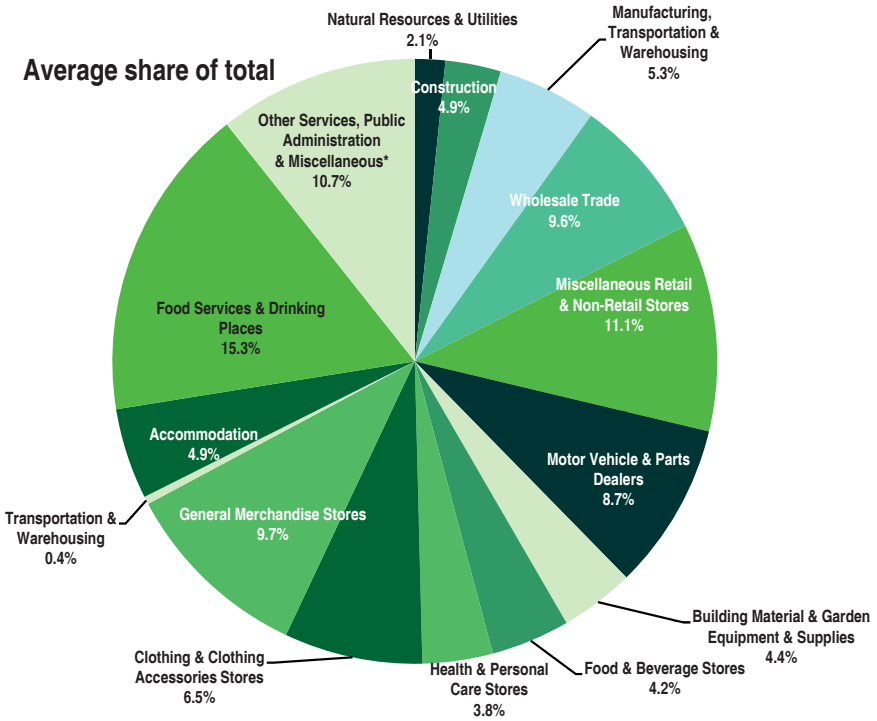






Statewide Sales and Use Tax
Taxable Sales by Industry
Year Over Year Change

	Total Taxable Sales Yr/Yr Chg %
April 2009	(17.9)
May 2009	(21.1)
June 2009	(20.5)
July 2009	(18.8)
August 2009	(24.1)
September 2009	(17.7)
October 2009	(17.8)
November 2009	(10.9)
December 2009	(6.6)
January 2010	(8.1)
February 2010	(4.5)
March 2010	(7.4)
April 2010	2.0

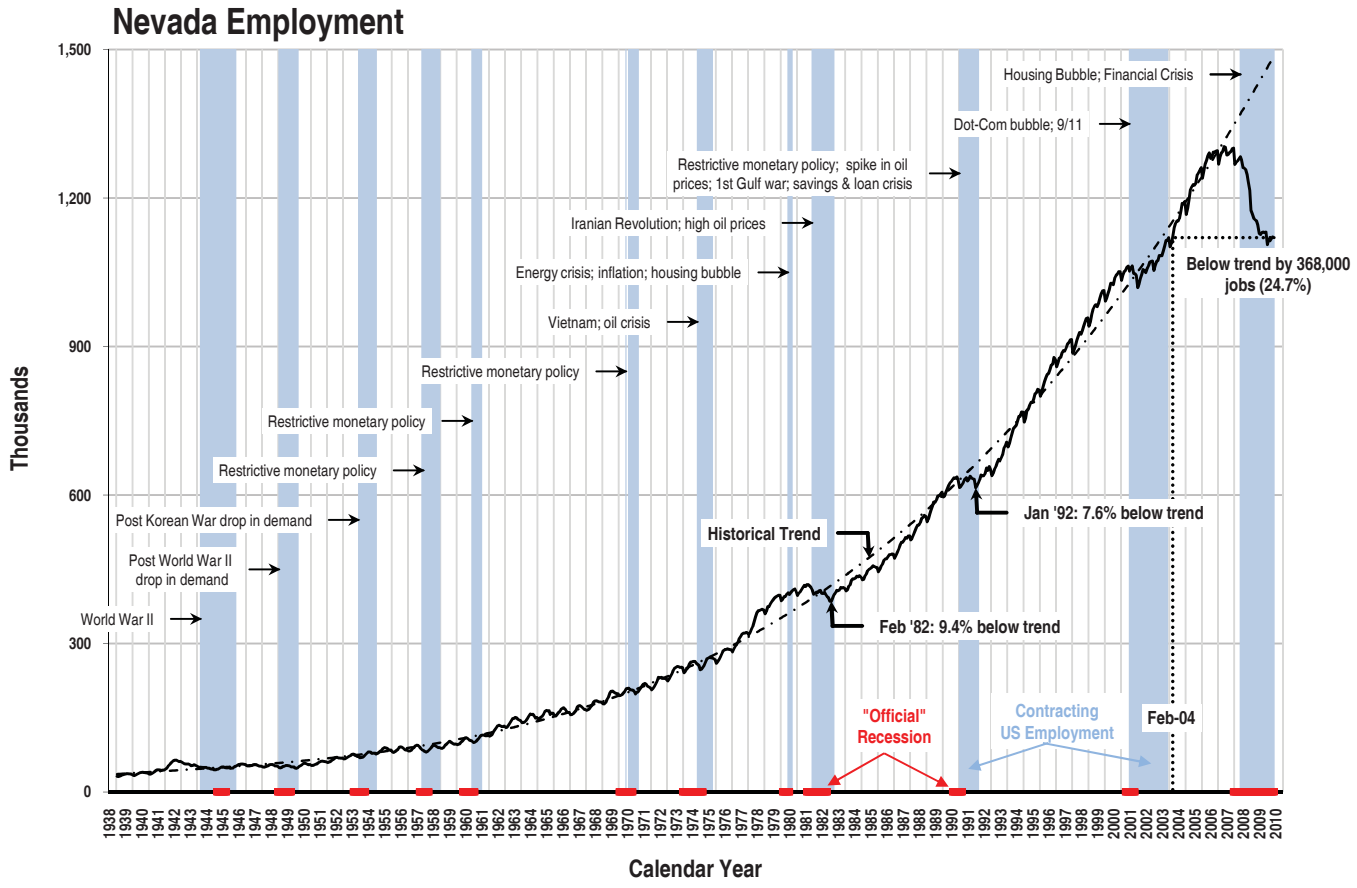


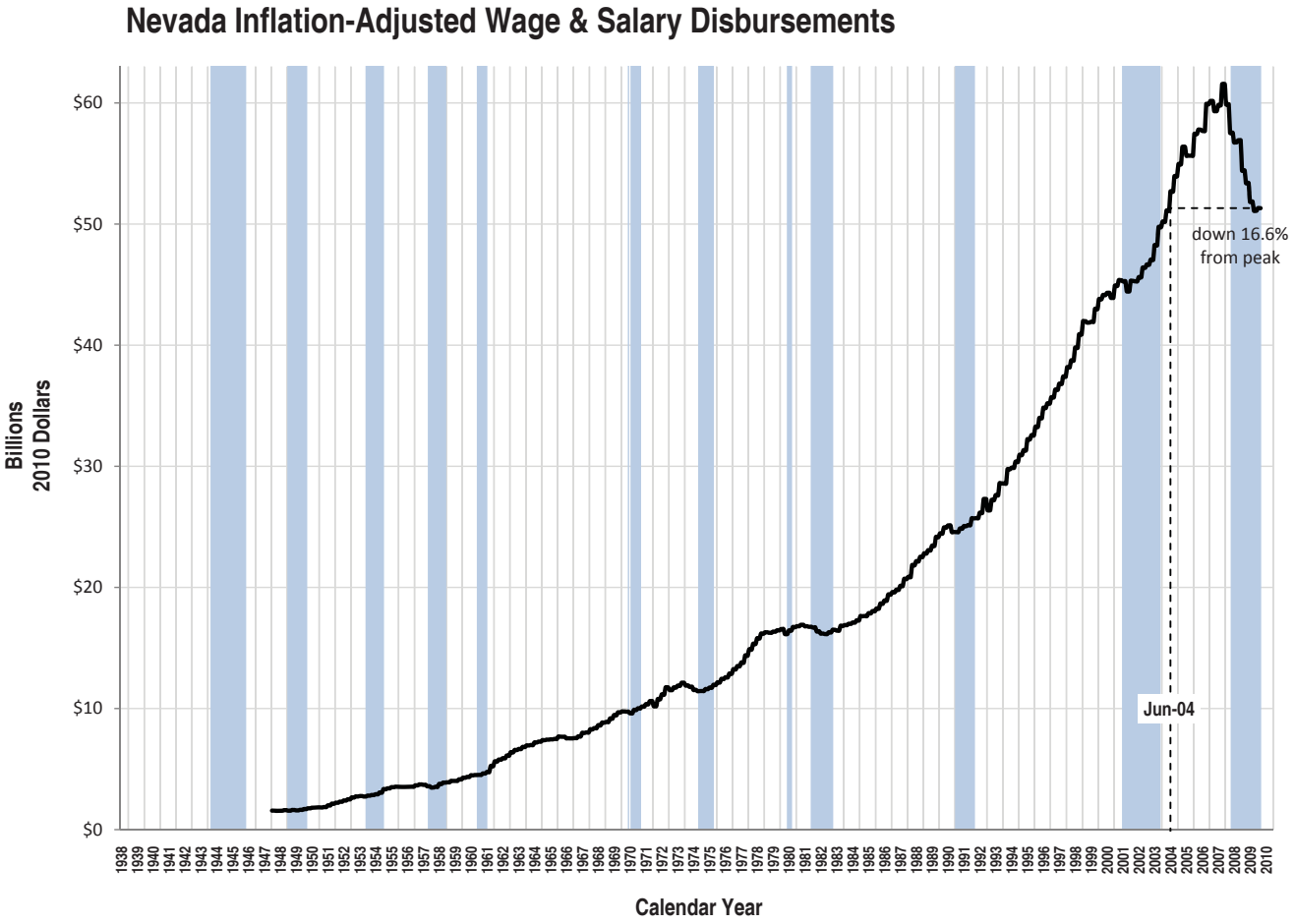
	Food Services & Drinking Places (722)			Miscellaneous Retail & Non-Retail Stores (442, 443, 447, 451, 453, 454)			General Merchandise Stores (452)			Motor Vehicle & Parts Dealers (441)			Wholesale Trade (423--425)		
	Yr/Yr Chg %	Share of Total %	Rank	Yr/Yr Chg %	Share of Total %	Rank	Yr/Yr Chg %	Share of Total %	Rank	Yr/Yr Chg %	Share of Total %	Rank	Yr/Yr Chg %	Share of Total %	Rank
April 2009	(7.5)	18.0	1	(20.5)	10.7	3	(8.3)	9.0	4	(29.9)	8.2	6	(25.8)	8.8	5
May 2009	(10.2)	18.4	1	(24.4)	9.7	4	(7.5)	10.1	3	(29.9)	9.5	5	(40.7)	7.7	6
June 2009	(9.2)	16.0	1	(15.7)	10.4	3	(11.0)	9.4	4	(26.3)	9.1	5	(36.9)	8.5	6
July 2009	2.3	17.8	1	(18.9)	10.0	2	(10.8)	9.6	5	(31.7)	9.9	3	(34.5)	8.0	6
August 2009	(10.5)	17.4	1	(19.0)	10.2	3	(9.3)	9.8	4	(16.4)	11.0	2	(35.7)	8.0	6
September 2009	5.5	16.8	1	(15.8)	10.7	3	(6.2)	9.3	4	(20.7)	8.4	5	(31.7)	8.3	6
October 2009	(8.9)	16.9	1	(10.0)	11.3	2	(3.2)	9.5	4	(14.1)	8.7	5	(35.8)	7.5	6
November 2009	(10.0)	16.1	1	(4.8)	12.1	2	(1.5)	11.5	3	(9.3)	7.7	6	(27.0)	7.3	7
December 2009	(16.5)	12.1	3	(4.0)	13.3	2	(0.7)	13.6	1	(0.4)	7.3	6	(25.1)	6.9	7
January 2010	0.1	18.4	1	(0.7)	11.6	2	0.2	9.6	4	(4.6)	9.2	5	(20.9)	7.4	6
February 2010	7.4	18.4	1	(2.7)	11.8	2	2.7	10.3	4	8.2	8.9	5	(18.7)	7.6	7
March 2010	5.1	17.4	1	3.4	11.4	2	2.6	10.5	4	10.7	9.2	5	(51.4)	7.8	6
April 2010	0.1	17.7	1	1.8	10.7	2	(2.0)	8.7	5	10.9	8.9	4	(13.7)	7.4	7

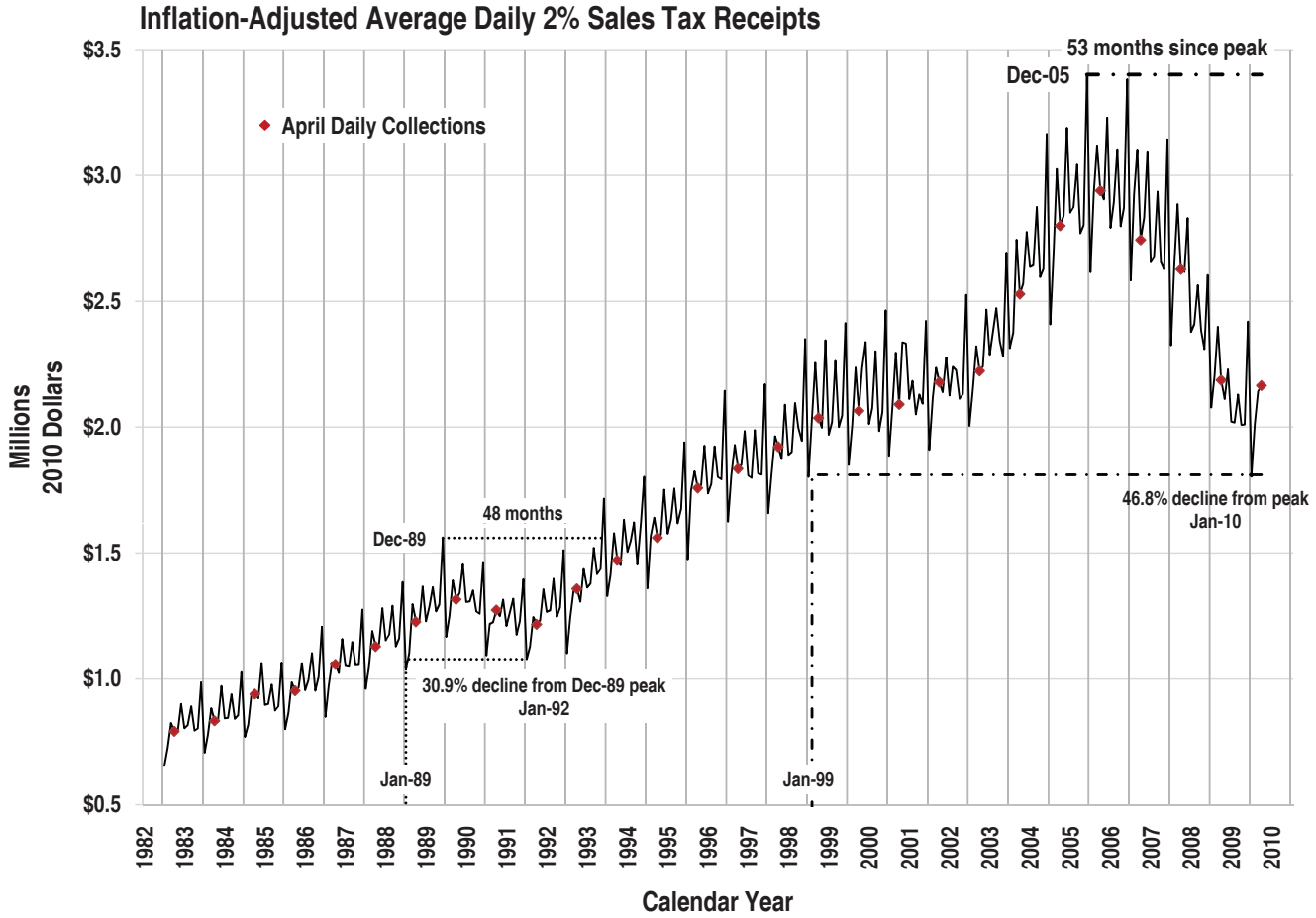
	Clothing & Clothing Accessories Stores (448)			Manufacturing (311--339)			Accommodation (721)			Food & Beverage Stores (445)			Building Material & Garden Equipment & Supplies (444)		
	Yr/Yr Chg %	Share of Total %	Rank	Yr/Yr Chg %	Share of Total %	Rank	Yr/Yr Chg %	Share of Total %	Rank	Yr/Yr Chg %	Share of Total %	Rank	Yr/Yr Chg %	Share of Total %	Rank
April 2009	(10.0)	6.6	7	(30.4)	5.0	8	(3.4)	4.8	9	(8.0)	4.0	11	(24.5)	4.7	10
May 2009	(15.3)	6.7	7	(24.9)	4.9	8	(11.9)	4.9	9	(4.7)	4.6	11	(23.6)	4.6	10
June 2009	(15.8)	6.7	7	(29.4)	5.1	8	(1.1)	4.7	9	0.6	4.3	12	(25.6)	4.4	10
July 2009	(9.7)	6.7	7	(22.4)	5.4	8	(20.0)	4.6	9	(3.2)	4.6	10	(24.9)	4.5	11
August 2009	(14.0)	7.2	7	(37.3)	4.6	9	(7.6)	5.0	8	(4.5)	4.3	10	(31.7)	3.8	12
September 2009	(7.9)	7.5	7	(22.0)	5.2	8	(2.4)	4.8	9	(2.0)	4.0	12	(29.6)	4.0	11
October 2009	4.2	7.2	7	(25.0)	5.1	9	(0.1)	5.2	8	(0.4)	4.1	11	(28.7)	4.1	10
November 2009	2.7	8.2	5	(12.1)	5.0	8	(1.4)	4.5	9	(7.1)	4.2	10	(19.7)	3.7	11
December 2009	4.2	9.3	5	4.4	5.7	8	5.9	3.8	11	(0.3)	4.7	9	(16.7)	2.9	13
January 2010	5.0	7.0	7	(22.4)	5.1	9	14.0	5.3	8	(4.8)	4.1	10	(22.2)	3.6	11
February 2010	9.8	7.6	6	(26.6)	3.9	10	28.1	5.3	8	(2.1)	4.1	9	(10.7)	3.6	11
March 2010	15.6	7.6	7	(4.4)	5.1	9	26.6	5.1	8	0.1	3.8	11	(8.1)	3.9	10
April 2010	5.2	6.8	8	70.6	8.3	6	15.0	5.4	9	(3.2)	3.8	11	(5.0)	4.4	10

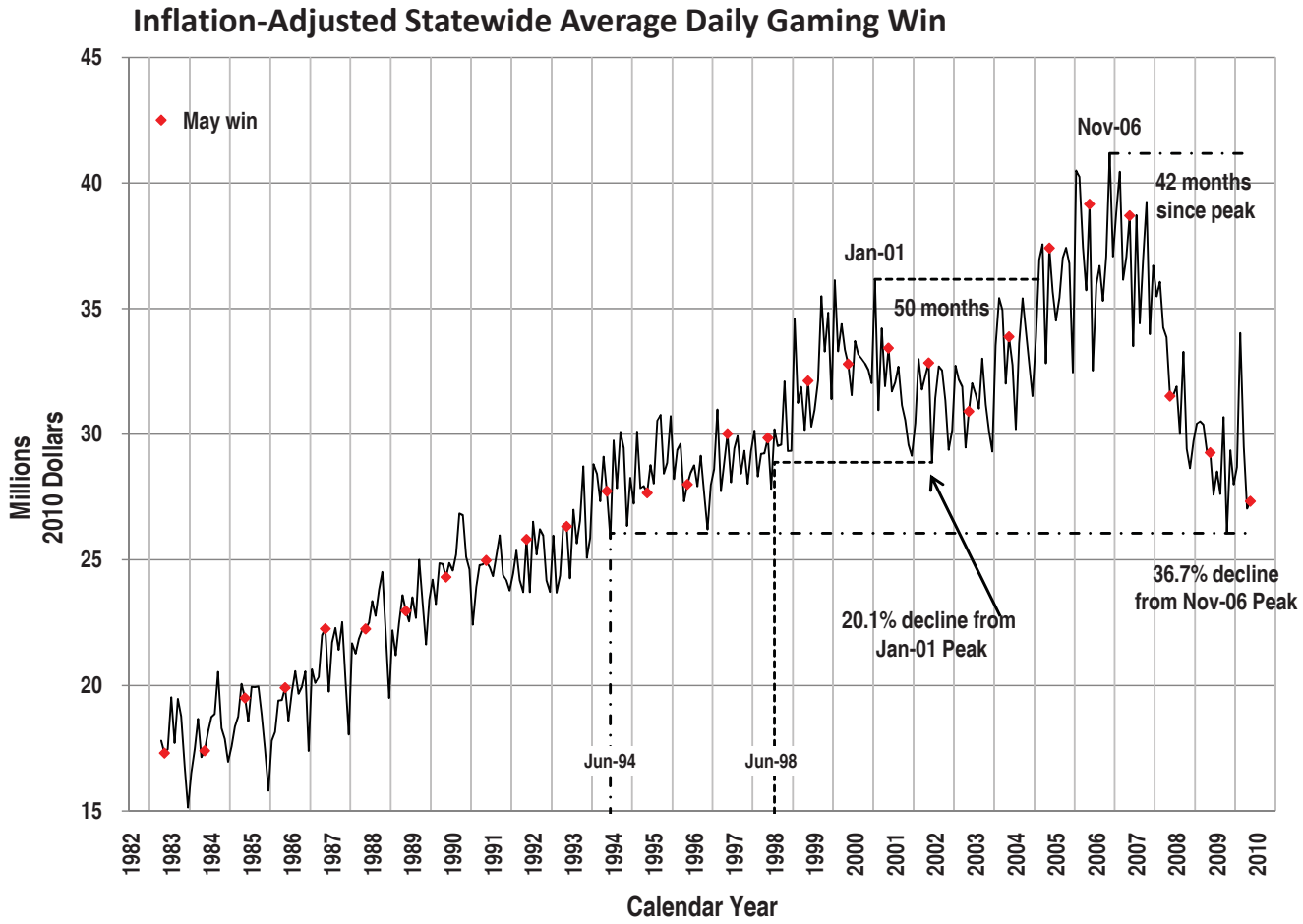
	Health & Personal Care Stores (446)			Construction (236--238)			Natural Resources & Utilities (111--221)			Transportation & Warehousing (481--493)			Other Services, Public Administration & Miscellaneous* (511--713, 811--999)		
	Yr/Yr Chg %	Share of Total %	Rank	Yr/Yr Chg %	Share of Total %	Rank	Yr/Yr Chg %	Share of Total %	Rank	Yr/Yr Chg %	Share of Total %	Rank	Yr/Yr Chg %	Share of Total %	Rank
April 2009	(30.5)	3.5	13	(31.4)	3.9	12	(11.8)	1.4	14	(28.5)	0.4	15	(12.8)	10.9	2
May 2009	(10.6)	4.1	12	(52.1)	2.8	13	(25.7)	1.4	14	(28.7)	0.4	15	(16.7)	10.3	2
June 2009	(17.5)	4.3	11	(51.3)	3.7	13	(19.4)	1.5	14	(3.7)	0.4	15	(19.4)	11.4	2
July 2009	(16.3)	4.0	12	(28.0)	3.8	13	(52.0)	0.9	14	(13.7)	0.4	15	(22.3)	9.9	4
August 2009	(22.5)	4.0	11	(47.5)	3.6	13	(80.6)	1.2	14	(42.5)	0.5	15	(29.1)	9.4	5
September 2009	(15.5)	4.1	10	(56.7)	3.4	13	(43.0)	1.5	14	(50.5)	0.5	15	(20.0)	11.6	2
October 2009	(7.1)	4.0	12	(39.0)	3.4	13	(82.1)	1.2	14	(22.1)	0.4	15	(11.5)	11.3	3
November 2009	(9.8)	3.4	12	(44.6)	3.3	13	9.6	1.7	14	(5.6)	0.4	15	(12.1)	10.9	4
December 2009	(0.7)	3.9	10	(56.5)	2.3	14	195.0	3.2	12	(12.7)	0.3	15	(9.1)	10.7	4
January 2010	(6.4)	3.4	12	(57.4)	2.6	13	(0.6)	1.5	14	(694.3)	0.4	15	(11.0)	10.8	3
February 2010	(7.0)	3.4	12	(57.9)	2.1	13	1.0	1.6	14	(19.2)	0.4	15	(12.0)	11.2	3
March 2010	(3.4)	3.4	12	(57.6)	2.1	13	(8.9)	1.2	14	35.9	0.5	15	(6.0)	11.0	3
April 2010	(15.4)	2.9	12	(32.1)	2.6	13	65.1	2.3	14	(0.8)	0.4	15	(9.6)	9.7	3

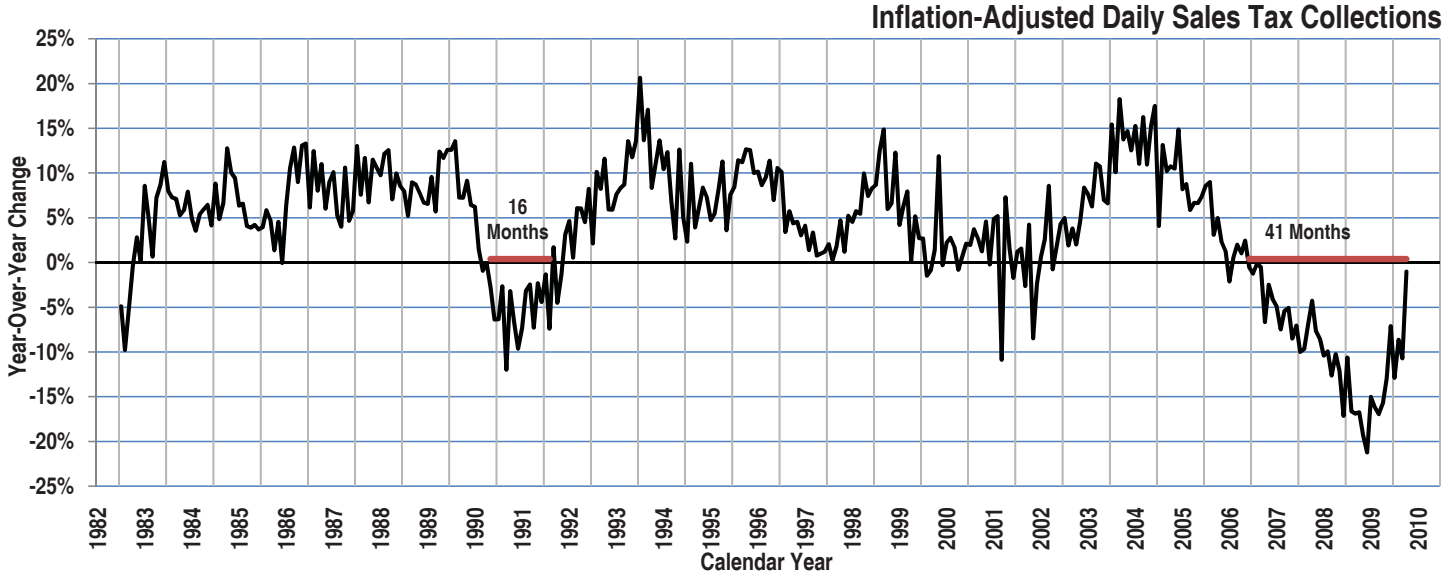
*Miscellaneous includes Information, Financial, Insurance and Real Estate Sectors.


Nevada Employment
Thousands
1,500
1,200
900
600
300
0
Calendar Year
Housing Bubble; Financial Crisis
Dot-Com bubble; 9/11
Restrictive monetary policy; spike in oil prices; 1st Gulf war; savings & loan crisis
Iranian Revolution; high oil prices
Energy crisis; inflation; housing bubble
Vietnam; oil crisis
Restrictive monetary policy
Restrictive monetary policy
Restrictive monetary policy
Post Korean War drop in demand
Post World War II drop in demand
World War II
Historical Trend
Jan '92: 7.6% below trend
Feb '82: 9.4% below trend
Below trend by 368,000 jobs (24.7%)
"Official" Recession
Contracting US Employment
Feb-04


Nevada Inflation-Adjusted Wage & Salary Disbursements
Billions 2010 Dollars
$60
$50
$40
$30
$20
$10
$0
Calendar Year
down 16.6% from peak
Jun-04


Inflation-Adjusted Average Daily 2% Sales Tax Receipts
April Daily Collections
53 months since peak
Dec-05
48 months
Dec-89
30.9% decline from Dec-89 peak
Jan-92
Jan-89
Jan-99
46.8% decline from peak
Jan-10
Millions
2010 Dollars
$3.5
$3.0
$2.5
$2.0
$1.5
$1.0
$0.5
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
Calendar Year


Inflation-Adjusted Statewide Average Daily Gaming Win
May win
Nov-06
42 months
since peak
Jan-01
50 months
36.7% decline
from Nov-06 Peak
20.1% decline from
Jan-01 Peak
Jun-94
Jun-98
Millions
2010 Dollars
45
40
35
30
25
20
15
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
Calendar Year


Inflation-Adjusted Daily Sales Tax Collections
Year-Over-Year Change
25%
20%
15%
10%
5%
0%
-5%
-10%
-15%
-20%
-25%
16 Months
41 Months
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
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2002
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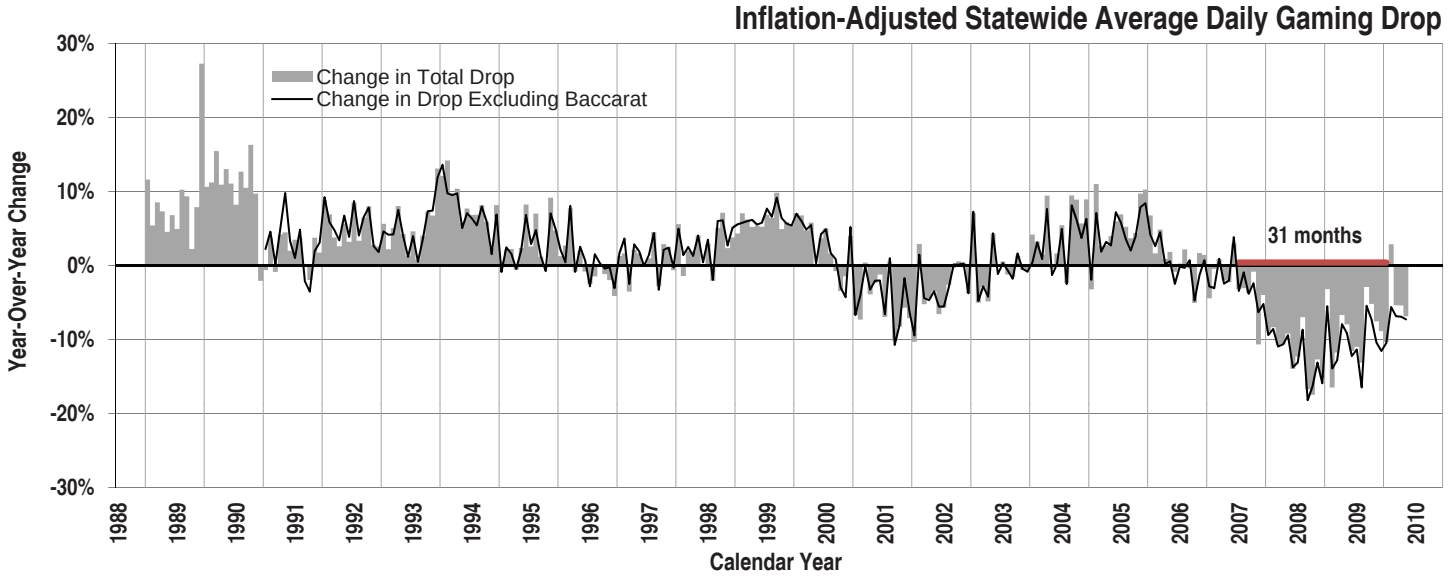
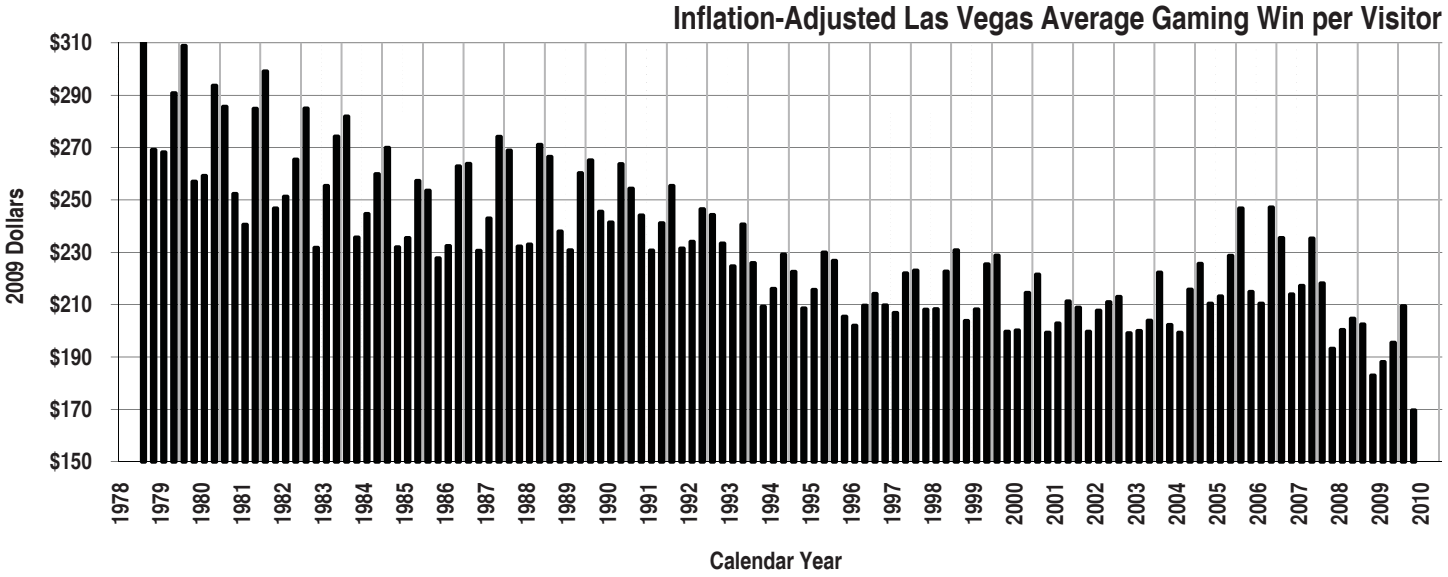
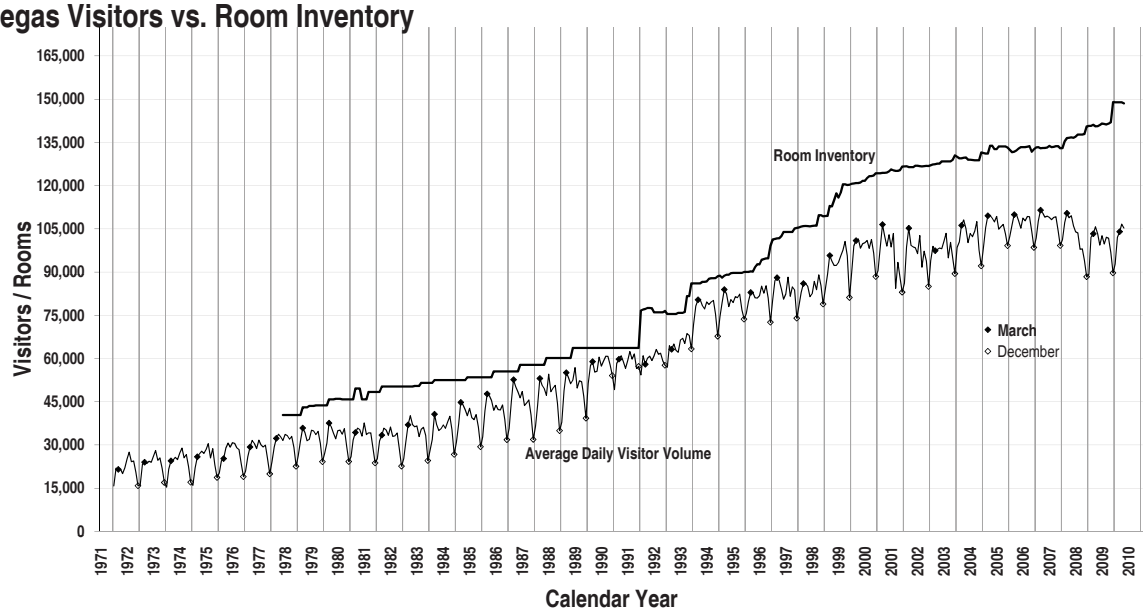
2007
2008
2009
2010
Calendar Year

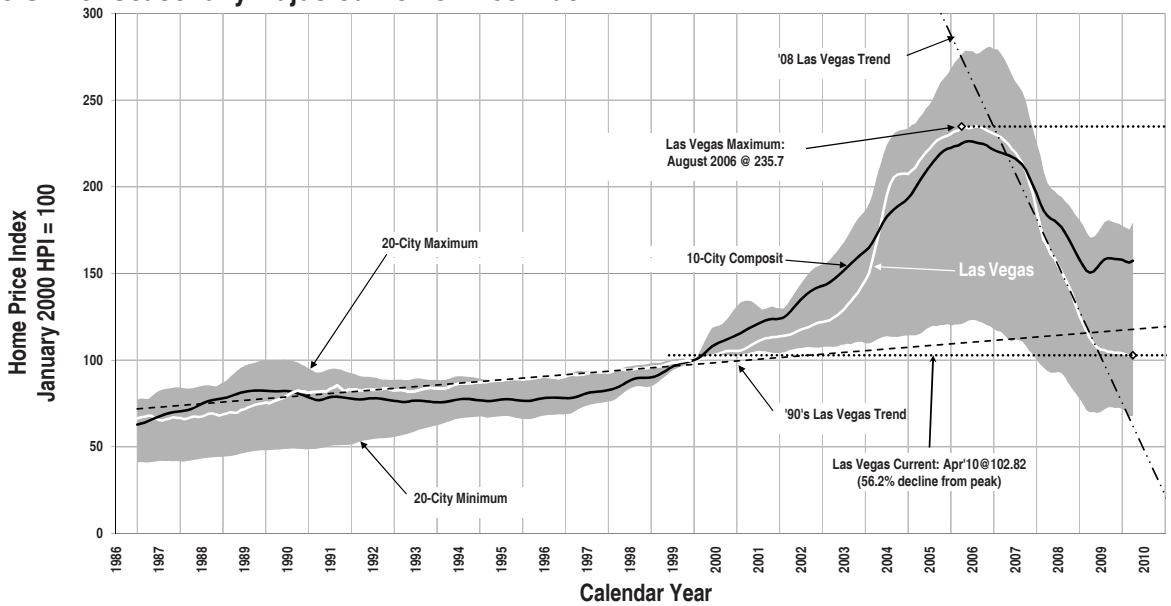
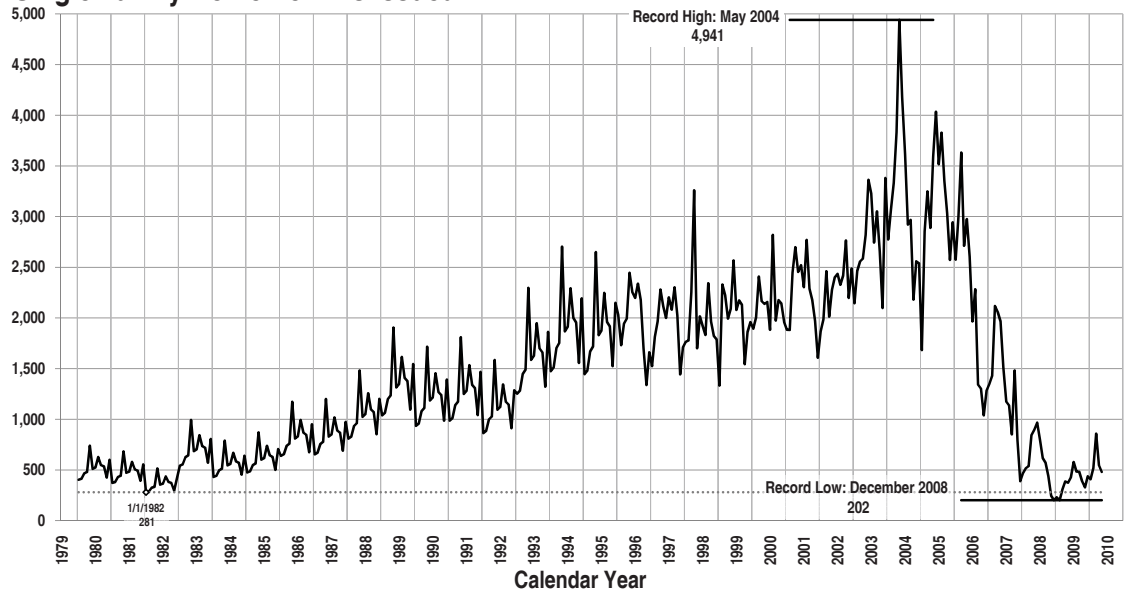

Inflation-Adjusted Statewide Average Daily Gaming Drop
Change in Total Drop
Change in Drop Excluding Baccarat
Year-Over-Year Change
30%
20%
10%
0%
-10%
-20%
-30%
31 months
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
Calendar Year


Inflation-Adjusted Las Vegas Average Gaming Win per Visitor
2009 Dollars
$310
$290
$270
$250
$230
$210
$190
$170
$150
1978
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
Calendar Year

Las Vegas Visitors vs. Room Inventory



Case-Shiller Seasonally Adjusted Home Price Index



Nevada Single Family Home Permits Issued