ECONOMIC IMPACT AND FISCAL REVENUE ANALYSIS OF THE RETAIL INDUSTRY ON THE STATE OF NEVADA PRE- AND DURING THE RECESSION

MAY 11, 2011

PREPARED BY:
EUGENIA LARMORE
EKAY | ECONOMIC CONSULTANTS

This paper estimates the impact of the retail industry, in terms of taxable retail sales, on the State of Nevada, comparing these impacts in FY[1] 2005-06, the highest level of State taxable retail sales, and FY 2009-10, the latest full-year data is available and the likely peak of the recent recession. Impacts of the industry are estimated as follows:

1. Fiscal revenue impact of the industry defined as the sales tax revenue generated, and
2. Economic impact of the industry's purchases of goods and services, as well as employment.

This analysis is separated into four major sections: Section 1, the retail industry, contains general information on the national and Nevada retail industry and compares retail industry employment and wages to other industries in Nevada. Section 2, the fiscal impact analysis, estimates sales tax revenue generated by the retail industry. Section 3, the economic impact analysis, estimates the economic impacts of the retail industry on Nevada. Finally, Section 4 summarizes the findings of the report to determine the impact of the recession and the contraction of the retail industry on the State of Nevada.

SECTION 1: THE RETAIL INDUSTRY

INDUSTRY OVERVIEW

The retail industry is defined as being comprised of "establishments engaged in selling merchandise in small quantities to the general public, without transformation, and rendering services incidental to the sale of merchandise."[2] The retail industry is comprised of two main types of retailers: store and non-store retailers:

1. Store retailers operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers. They have extensive displays of merchandise, use mass-media advertising to attract customers, and typically sell merchandise to the general public for personal or household use. Some store retailers also provide after-sales services, such as repair and installation.

2. Non-store retailers also serve the general public, but their retailing methods differ. Such methods include paper and electronic catalogs, door-to-door solicitation, in-home demonstration, ''infomercials,'' and selling from portable stalls or through vending machines.[3]

In 2011, the United States retail industry has more than 14 million employees; it is one of the largest industries in the world by number of businesses and number of employees. US retail sales totaled an estimated $4.345 trillion in 2010, 5.2% higher than sales of $4.130 trillion in

[1] FY-fiscal year. Unless otherwise noted, the analysis is based on fiscal year data and all estimates are made on fiscal year bases.
[2] US Census Bureau's "Annual Benchmark Report for Retail Trade and Food Services. January 1992 through February 2007." p.v.
[3] Ibid, p. v.

2009. Despite the sales increase between 2009 and 2010, there are a number of issues still facing the retail industry:[4]

- Consumer debt levels remain high. Surveys show that consumers are focused on paying down debts.
- High health care costs continue to be a challenge, reducing discretionary spending.
- A continuation of depressed conditions in the housing market means low home equities and limits the ability of consumers to sell or borrow against their houses.
- A high level of home mortgage foreclosures continues, with nearly 10% of all residential mortgages in delinquency or foreclosure as of late 2010.
- High unemployment levels and a very difficult environment for job seekers reduce retail spending.
- Tightened lending standards make it more difficult for consumers to obtain credit, including a pull-back in lines of credit available on credit cards and home equity loans.
- Low consumer confidence reduces spending.
- Consumers will continue to be more conservative, saving more while spending less. When they do spend, they will be focusing on high-value items with long life and lasting value.

Competition among retailers is tough, retailers must have a competitive advantage to survive. In order to succeed, retailers must focus on the following key characteristics:

- *A High Value-High Quality Product Selection:* Depth of selection is less important than a reasonably sized offering of products that the merchandiser has chosen because they consistently offer high value and quality.
- *Very Competitive Prices*: The goal is to give the consumer confidence that the store faithfully delivers everyday low prices—meanwhile, managing the firm so as to allow the owners a viable profit margin.
- *Superior Service*: In-store help, follow up service, problem-solving, installation and repairs offered easily and quickly—the ability to make returns and exchanges must be part of the package, with an absolute minimum of inconvenience to the consumer.
- *Seamless Integration of Bricks and Clicks*: Successful firms will integrate their online endeavors with their physical presence in a manner that will provide the highest possible level of convenience to customers.[5]

For the purposes of this analysis, the retail industry is defined as businesses operating in the following business sectors. These are the sectors that closely fit the above definition of the retail industry and is the format used by the Nevada Department of Taxation to report taxable sales, which form the major basis for this analysis.

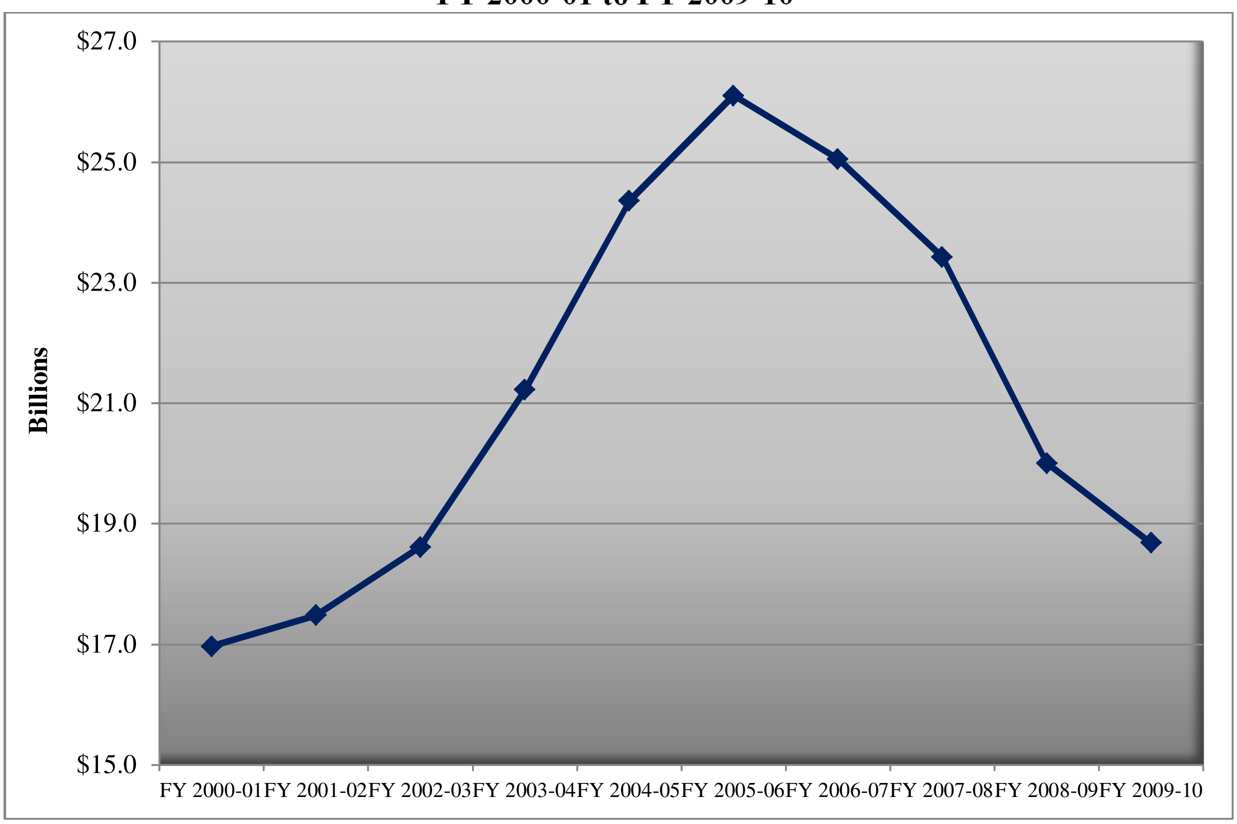
[4] "Introduction to the Retail Industry." Plunkett Research Online. December 3, 2010.
[5] Ibid.

Motor Vehicle and Parts Dealers
Furniture and Home Furnishings Stores
Electronics and Appliance Stores
Building Material and Garden Equipment and Supplies
Food and Beverage Stores
Health and Personal Care Stores
Gasoline Stations
Clothing and Clothing Accessories Stores
Sporting Goods, Hobby, Book, and Music Stores
General Merchandise Stores
Miscellaneous Store Retailers
Non-store Retailers

NEVADA RETAIL INDUSTRY

In looking at the Nevada retail industry over the last ten years, the industry grew at a high rate between FY 2000-01 and FY 2005-06. Starting in FY 2006-07, sales fell dramatically with FY 2009-10 sales slightly higher than the FY 2002-03 sales level, $18.7 billion in FY 2009-10 compared to $18.6 billion in FY 2002-03. This coincides with the recession facing the State of Nevada and the US.

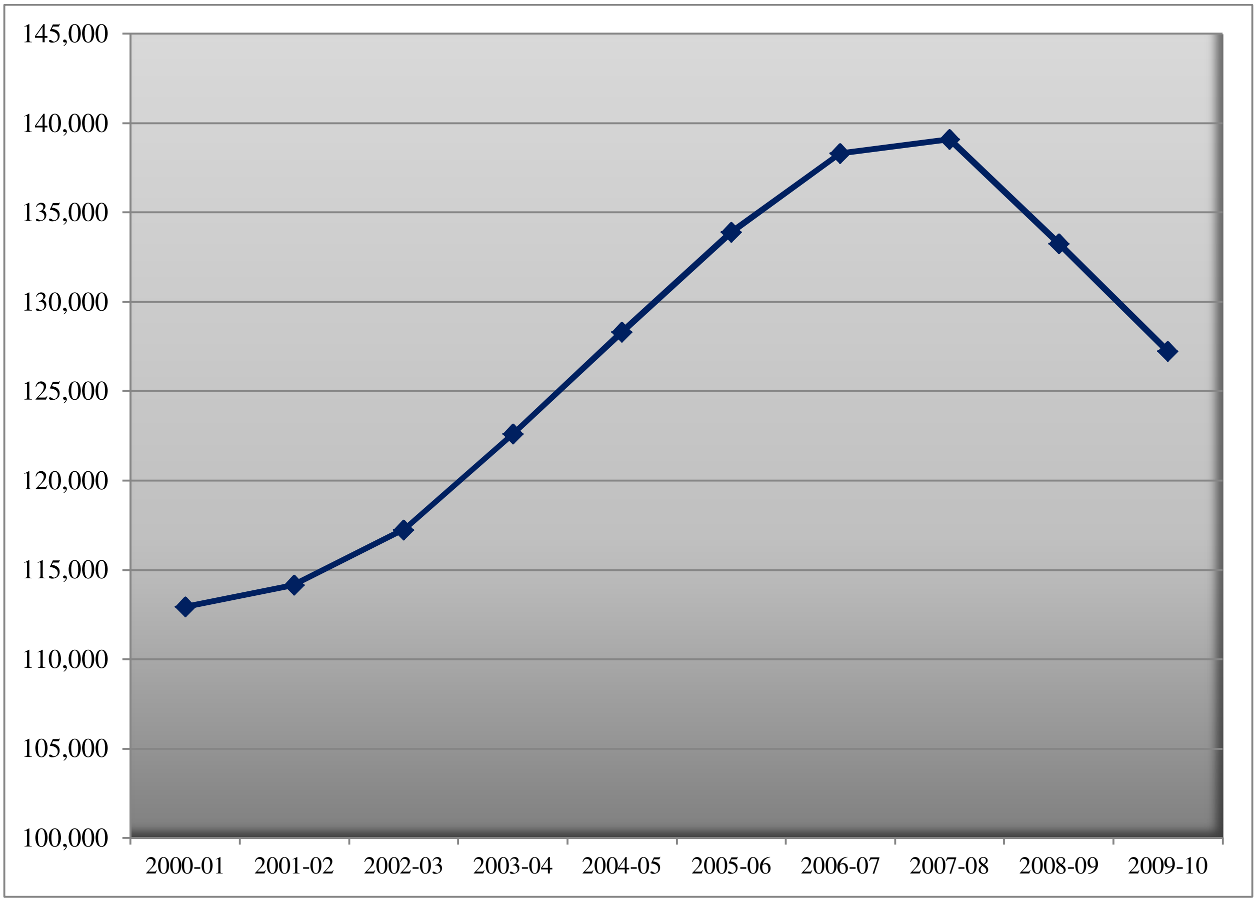
Graph 1
Nevada Taxable Sales
FY 2000-01 to FY 2009-10[6]



[6] "Taxable Sales Statistics." Nevada Department of Taxation. Data for fiscal years 2000-01 through 2009-10.

Retail industry employment followed a pattern similar to retail sales, a year later. While retail sales fell starting in FY 2006-07, retail employment did not begin to decrease until FY 2007-08, which is logical for employment, it takes time for employers to realize that the economy has started to decline and cut employment to maintain profits.

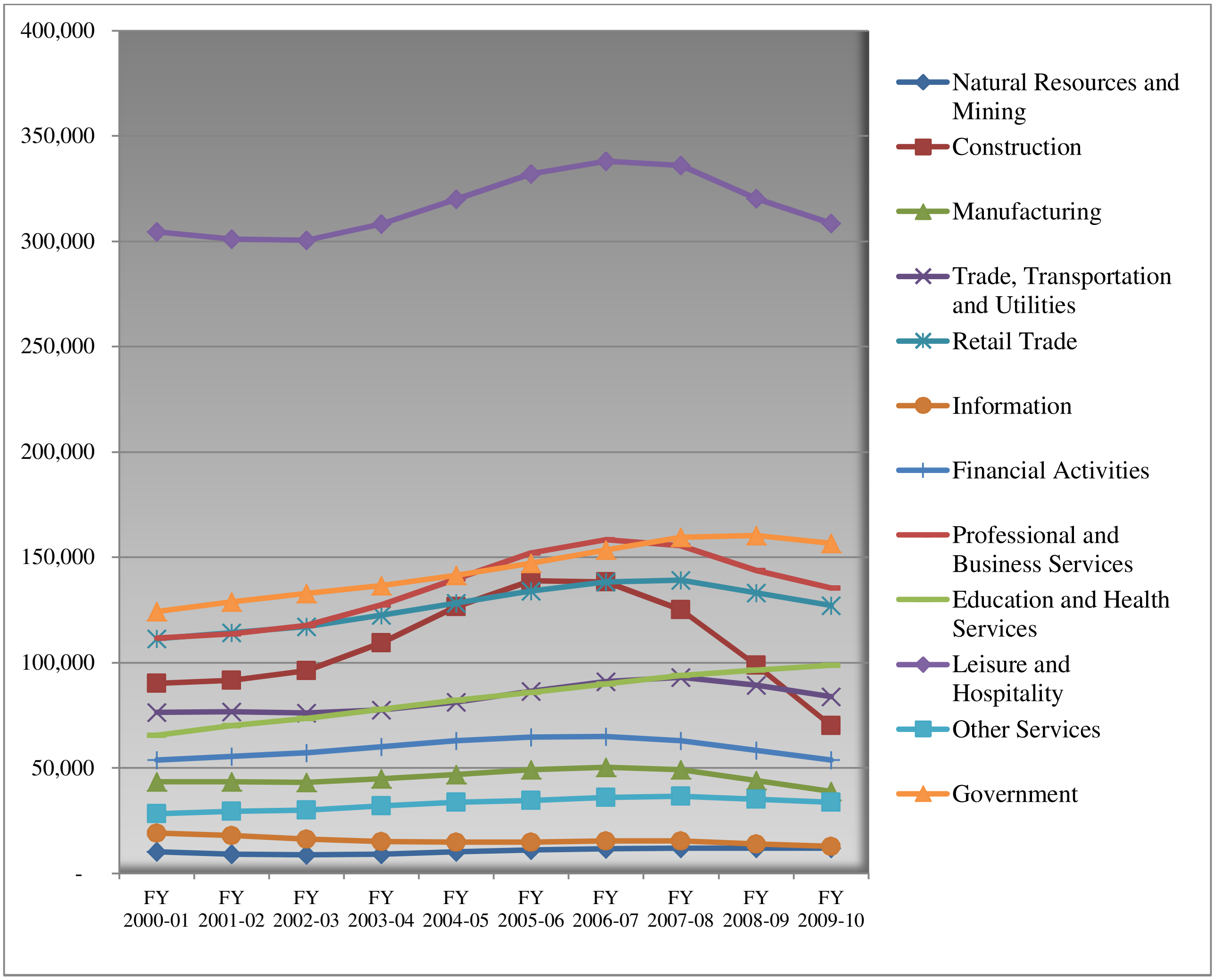
Graph 2
Nevada Retail Industry Employment
FY 2000-01 to FY 2009-10[7]



Overall, the retail industry remains the fourth largest employer in the State, following Leisure and Hospitality, Government, and Professional and Business Services. Prior to the recession, peaking in FY 2005-06, the construction industry surpassed the retail industry in terms of employment. However, the recession had a significant negative impact on the construction industry, so it is no longer a competitive employment force. In fact, with the decline in Professional and Business Services employment decline, the retail industry may soon become the third largest employer in the State.

[7] "Nevada and Metro Area CES Reports - 1990 to Current." Nevada Department of Employment, Training, and Rehabilitation.

Graph 3
Nevada Employment by Industry
FY 2000-01 to FY 2009-10[8]



INDUSTRY PERFORMANCE

Given this impact by the recession, it is important to understand how the State of Nevada performed compared to the nation and how the retail industry performance compares to that of other Nevada industries. A Shift-Share analysis is used for this purpose, as discussed below.

According to the NV-REAP,[9] the underlying purpose of shift-share analysis is to perform a numerical sort on the data that offers a construct for describing two key differences between the growth of employment in the State of Nevada and the nation at large. The objective is to answer two different but interrelated questions. First, did the difference in employment growth arise

[8] "Current Employment Statistics (CES)." Nevada Department of Employment, Training, and Rehabilitation. Data for 2000-2010 converted to fiscal year data.
[9] Nevada Regional Economic Analysis Project. University Center for Economic Development (UCED), University of Nevada, Reno.

because of initial dissimilarities in the industry composition of employment? Second, did the difference arise because of disparities in the performance of local industries in contrast with their national counterparts?

The Shift-Share analysis performed in this study, includes two portions, employment changes between FY 2000-01 and FY 2005-06 and changes from FY 2005-06 to FY 2009-2010. The first portion examines Nevada employment performance by industry during a high growth period, the second examines the performance of the same industries during the recession. Table 1 below summarizes the findings of the first, high growth portion of the Shift-Share Analysis; Table 2 summarizes the second, recession portion. Data used in these calculations as long as detailed calculations are included in Appendices 1-2 of this report.

Table 1
Nevada Employment Shift-Share Analysis
FY 2000-01 to FY 2005-06

Employment Sector	National Growth		Industry Mix		Regional Shift		Competitive Position
	% Change	Net Change	% Change	Net Change	% Change	Net Change	
Natural Resources and Mining	0.34%	35.1	8.54%	870.6	0.43%	44.3	-15.29%
Construction	0.34%	310.7	10.04%	9,068.8	43.32%	39,120.4	27.60%
Manufacturing	0.34%	149.4	-16.14%	(7,003.7)	29.16%	12,654.3	13.44%
Trade, Transportation and Utilities	0.34%	262.7	-0.75%	(570.7)	13.76%	10,508.0	-1.96%
Retail Trade	0.34%	383.7	0.03%	34.6	19.71%	21,981.7	3.99%
Information	0.34%	65.7	-16.32%	(3,117.9)	-5.75%	(1,097.8)	-21.47%
Professional and Business Services	0.34%	384.7	3.81%	4,263.8	31.93%	35,701.5	16.21%
Leisure and Hospitality	0.34%	1,048.2	8.14%	24,800.4	0.53%	1,601.4	-15.20%
Other Services	0.34%	508.6	3.56%	5,261.1	17.24%	25,480.3	1.52%
Government	0.34%	427.6	4.12%	5,116.7	14.01%	17,405.8	-1.71%
TOTAL	**0.34%**	**3,576.5**	**3.73%**	**38,723.5**	**15.72%**	**163,400.0**	

Table 2
Nevada Employment Shift-Share Analysis
FY 2005-06 to FY 2009-10

Employment Sector	National Growth		Industry Mix		Regional Shift		Competitive Position
	% Change	Net Change	% Change	Net Change	% Change	Net Change	
Natural Resources and Mining	-5.34%	(595.1)	11.97%	1,334.5	0.54%	60.6	5.73%
Construction	-5.34%	(7,408.0)	-17.85%	(24,781.9)	-26.27%	(36,460.1)	-21.08%
Manufacturing	-5.34%	(2,625.9)	-12.32%	(6,059.2)	-3.18%	(1,564.9)	2.01%
Trade, Transportation and Utilities	-5.34%	(4,619.3)	0.58%	503.0	1.75%	1,516.3	6.94%
Retail Trade	-5.34%	(7,146.5)	-0.20%	(269.5)	0.57%	766.0	5.76%
Information	-5.34%	(797.9)	-4.24%	(633.6)	-4.81%	(718.5)	0.38%
Professional and Business Services	-5.34%	(8,120.5)	1.71%	2,597.8	-7.28%	(11,077.3)	-2.09%
Leisure and Hospitality	-5.34%	(17,722.1)	6.00%	19,912.2	-7.75%	(25,740.1)	-2.56%
Other Services	-5.34%	(9,556.2)	4.40%	7,870.4	1.84%	3,285.9	7.03%
Government	-5.34%	(7,856.3)	8.21%	12,089.6	3.61%	5,316.7	8.80%
TOTAL	**-5.34%**	**(66,448.0)**	**1.01%**	**12,563.3**	**-5.19%**	**(64,615.3)**	

Provided by NV-REAP, below is a description of each component of the analysis, following by the discussion of the results.

National Growth
This component is the most straightforward. It calibrates the growth in Nevada employment that may be attributed to overall national conditions and trends. If the industry composition and growth of employment had been the same locally as nationally, then Nevada's employment growth between FY 2000-01 and FY 2005-06 would have matched the overall national rate of 0.34% and between FY 2005-06, the national rate of -5.34%.

Industry Mix
The industry mix component seeks to address and answer the question: "Did Nevada employment growth outpace the overall national average because employment was more concentrated toward faster growing industries when compared to the nation?" That is, did the Nevada employment growth over FY 2000-01 to FY 2005-06 and FY 2005-06 to FY 2009-10 outperform (underperform) the nation simply because its industry mix was weighted more heavily toward industries that experienced faster growth/decline at the national level?

The results are derived by multiplying local employment in each sector in FY 2000-01 and FY 2005-06 by the difference between the national growth rate for each sector and the total national employment growth rate. The industry mix results report positive values for those industries that experienced employment growth above the national average, while negative values are posted for those industries that grew at rates less than the national rate.

The most crucial result from the industry mix calculation is the "TOTAL" derived from summing over all industries. The positive values reported reveal that the overall industry composition employment for Nevada was tilted toward faster growing industries. Negative results would have indicated just the opposite.

Regional Shift
The third shift-share component, named "Regional Shift", computes the gain (or loss) in local employment from an industry growing faster (or slower) than the same industry nationally. When employment in a local industry grows faster (or declines less) than its counterpart nationally there occurs a positive "shift" in the net "share" of national employment captured by that industry locally. The "TOTAL" reported for the regional-shift component shows that Nevada employment grew an additional 15.72% between FY 2000-01 and FY 2005-06 and declined by 5.20% between FY 2005-06 and FY 2009-10 because a larger proportion of industries grew more quickly (slowly) locally than nationally.

Summary of the Shift-Share Results

FY 2000-01 to FY 2005-06 (Growth Period)
During this period, employment increased at a rapid rate in the State of Nevada, 19.8% compared to the 0.34% nationally. This was due in part to a successful industry mix that grew nationally, but for the most part, the majority of the increase, 15.7% growth was due to local factors, such as the growth of the construction trade, population growth and overall economic wellbeing. During

the period, the Construction industry grew by 54%, followed by the Professional and Business Services industry, 36%, and Other Services, 21%. Construction and Professional and Business Services industries had higher than average Regional Shift numbers, together with the Manufacturing industry, which did not grow much on its own, but given a high decrease in the industry mix rate, grew comparatively on a regional level.

FY 2005-06 to FY 2009-10 (Recession Period)
Things looked much different in the midst of the recession. National employment declined during this period by 5.34% and average industry mix employment increased by only 1%. The entire State employment decreased by 9.52%, with regional shift accounting for 5.19% of the decline. The industries with the highest employment growth during this period was Natural Resources and Mining at 7%, Government at 6%, and Other Services at 1%. Construction, previous the fastest growing sector in terms of employment, declined by 49% during this period. The sectors with the highest regional shift rate are Government, Other Services, and Trade, Transportation and Utilities (other than Retail).

Retail Sector
The retail sector was fourth in terms of competitive positive both during the growth and recession periods. During the growth period, retail employment grew by 20.09%, 19.71% of this was due to the regional shift. During the recession period, the retail sector's employment decreased by 4.97%, with 0.57% from the regional shift. The retail sector has performed well in terms of employment during the growth period, and though it has seen a decline in both sales and employees, it outperformed national and industry mix declines to have a small amount of regional growth during the recession period and continues to generate employment, output, and tax revenue for the State.

SECTION 2: FISCAL REVENUE ANALYSIS

The fiscal revenue analysis estimates sales tax revenue generated by the retail industry in Nevada. The retail industry generates other public sector revenue, such as property tax, business licenses, liquor licenses, and excise taxes. The IMPLAN model used in this analysis estimates Federal, State and local government revenue associated with employees and firms within the retail industry. This impact is also discussed later in the analysis.

METHODOLOGY

As discussed above, the retail categories included in this analysis are:[10]

Motor Vehicle and Parts Dealers
Furniture and Home Furnishings Stores
Electronics and Appliance Stores
Building Material and Garden Equipment and Supplies
Food and Beverage Stores

[10] The Non-Store Retailers category is not included, as these sales do not, for the most part, generate sales tax revenue, unless they have a physical location. Retailers with a physical location are assumed to be included in other retail categories above.

Health and Personal Care Stores
Gasoline Stations
Clothing and Clothing Accessories Stores
Sporting Goods, Hobby, Book, and Music Stores
General Merchandise Stores
Miscellaneous Store Retailers

Sales tax is calculated on retail taxable sales generated by the above sectors, which accounted for approximately 54% of total taxable sales in the State of Nevada in FY 2005-06 and 49% of total taxable sales in FY 2009-10, according to the Nevada Department of Taxation.[11] Approximately 73% of these retail sales are generated in Clark County, 16% in Washoe County and another 10% in the remaining counties.[12]

FINDINGS

Sales Tax Revenue

The sales tax rate for each of Nevada's 17 counties is comprised of a basic rate of 6.5%. It is distributed as follows:

Table 3
Basic Sales Tax Rate[13]

Governmental Entity	% Sales Tax
State of Nevada	2.00%
School District	2.25%
City and County (Local)	2.25%
Total	**6.50%**

In addition to the basic rate, many counties have sales tax rate components that have been approved by the electorate, the County Commission and/or the State legislature for dedicated uses. These dedicated uses include mass transportation, tourism, flood control, open space, infrastructure and extraordinary maintenance for schools. The table below shows the total sales tax rate by county, and Appendix 3 breaks down these tax rates and their dedicated use.

The analysis applies each county's sales tax rate to that county's FY 2006-07 taxable retail sales as reported by the Department of Taxation. Table 5 summarizes the results, showing estimated sales tax revenue of $1.98 billion in FY 2005-06 and $1.48 billion in FY 2009-10, broken down by governmental entity. During the 5-year period, sales tax revenue fell by almost $500 million, despite increasing sales tax rates. Though the retail industry still has a large impact on State and local government revenue, the recession caused a significant drop in taxable sales, reducing public sector revenues.

[11] This analysis includes both sales and use tax revenue.
[12] "Combined Sales & Use Statistical Report". Nevada Department of Taxation. Data for FY 2005-06 and FY 2009-10.
[13] "Components of Sales and Use Tax Rates." Nevada Department of Taxation.

Table 4
Sales Tax Rate by County[14]

County	Sales Tax Rate FY 2005-06	Sales Tax Rate FY 2009-10
Carson City	7.125%	7.475%
Churchill	7.250%	7.600%
Clark	7.750%	8.100%
Douglas	6.750%	7.100%
Elko	6.500%	6.850%
Esmeralda	6.500%	6.850%
Eureka	6.500%	6.850%
Humboldt	6.500%	6.850%
Lander	6.750%	7.100%
Lincoln	6.750%	7.100%
Lyon	6.500%	7.100%
Mineral	6.500%	6.850%
Nye	6.750%	7.100%
Pershing	6.500%	7.100%
Storey	7.250%	7.600%
Washoe	7.375%	7.725%
White Pine	7.375%	7.475%

Table 5
Estimated Sales Tax Revenue
Distribution to State and Local Governments
FY 2005-06 and FY 2009-10

	FY 2005-06		FY 2009-10	
Public Sector	Taxable Sales	Estimated Revenue	Taxable Sales	Estimated Revenue
State of Nevada	$26,102,450,440	$ 522,049,009	$18,681,938,248	$ 373,638,765
Local Governments		587,305,135		420,343,611
School Districts		587,305,135		420,343,611
Special Projects		284,596,965		269,549,643
TOTAL		**$1,981,256,243**		**$1,483,875,629**

Other Tax Revenue

The IMPLAN model used later in the analysis to estimate the economic impact analysis of the retail industry also estimates revenues generated by the industry for Federal, State and local sources. These estimates are based on the inputs of taxable retail sales (FY 2005-06 and FY 2009-10) into the model, taxable retail sales are used, as they are the main measure of retail

[14] Ibid.

industry operating performance. The public sector revenue results of the IMPLAN model are summarized below:

Table 6
Nevada Retail Industry
Estimated of Public Sector Revenue
FY 2005-06

	Employee Compensation	Proprietor Income	Indirect Business Tax	Households	Corporations	Total
FEDERAL REVENUE						
Social Insurance Tax[1]	$ 466,126,036	$ 27,922,746	$ -	$ -	$ -	$ 494,048,782
Indirect Business Tax[2]	-	-	167,454,335	-	-	167,454,335
Corporate Profits Tax	-	-	-	-	143,878,505	143,878,505
Personal Income Tax				467,688,425		467,688,425
Total Federal	**$ 466,126,036**	**$ 27,922,746**	**$ 167,454,335**	**$ 467,688,425**	**$ 143,878,505**	**$1,273,070,047**
STATE AND LOCAL REVENUE						
Dividends	$ -	$ -	$ -	$ -	$ 38,780,889	$ 38,780,889
Social Insurance Tax[1]	15,594,549	-	-	-	-	15,594,549
Indirect Business Tax[3]	-	-	597,023,843	-	-	597,023,843
Personal Tax[4]	-	-	-	30,808,263	-	30,808,263
TOTAL	**$ 15,594,549**	**$ -**	**$ 597,023,843**	**$ 30,808,263**	**$ 38,780,889**	**$ 682,207,544**

Table 7
Nevada Retail Industry
Estimated of Public Sector Revenue
FY 2009-10

	Employee Compensation	Proprietor Income	Indirect Business Tax	Households	Corporations	Total
FEDERAL REVENUE						
Social Insurance Tax[1]	$ 319,314,342	$ 14,194,319	$ -	$ -	$ -	$ 333,508,661
Indirect Business Tax[2]	-	-	112,719,580	-	-	112,719,580
Corporate Profits Tax	-	-	-	-	99,517,225	99,517,225
Personal Income Tax	-	-	-	309,594,971	-	309,594,971
Total Federal	**$ 319,314,342**	**$ 14,194,319**	**$ 112,719,580**	**$ 309,594,971**	**$ 99,517,225**	**$ 855,340,437**
STATE AND LOCAL REVENUE						
Dividends	$ -	$ -	$ -	$ -	$ 26,823,790	$ 26,823,790
Social Insurance Tax[1]	10,682,869	-	-	-	-	-
Indirect Business Tax[3]	-	-	401,878,380	-	-	401,878,380
Personal Tax[4]	-	-	-	20,394,095	-	20,394,095
TOTAL	**$ 10,682,869**	**$ -**	**$ 401,878,380**	**$ 20,394,095**	**$ 26,823,790**	**$ 449,096,265**

1. Includes employer and employee contributions.
2. Includes excise taxes, custom duty and federal non taxes.
3. Includes property tax, motor vehicle license, severance tax, other taxes, and non taxes. IMPLAN also includes sales tax revenue calculation, which is excluded from this table as it is estimated in Appendix 3.
4. Includes income tax, non-taxes, motor vehicle license, property taxes, and other taxes.

Section 2: Fiscal Revenue Analysis

In addition to estimated sales tax revenue of $1.98 billion in FY 2005-06 and $1.48 billion in FY 2009-10, Nevada retail industry is estimated to generate $682 million in FY 2005-06 and $449 million in FY 2009-10. It is also estimated to generate $1.27 billion in federal revenue in FY 2005-06 and $855 million in FY 2009-10. Similar to sales tax revenue, the retail industry's impact on public sector revenues has decreased considerably between FY 2005-06 and FY 2009-10, thought the impact of the industry remains great.

SECTION 3: ECONOMIC IMPACT ANALYSIS

Policymakers, industry officials, and others often need information on the economic impact of specific industries and industry sub-sectors. This section of the report examines the economic impact of the retail industry on the State of Nevada. Taxable sales made by retail establishments are analyzed through the use of IMPLAN (Impact Analysis for Planning), a statistical analysis tool. Through this tool, the total economic impact of the retail industry on the State is estimated.

The graphs and tables presented in this section of the report summarize the economic impacts on the Nevada retail industry and take the form of direct, indirect, and induced economic impact on five economic indicators. The indicators are: employee compensation, proprietor income, other property type income, indirect business taxes and employment. The sum of employee compensation, proprietor income, other property type income, and indirect business taxes is known as the total industry output.

Methodology

Retail establishments' purchases of goods and services in Nevada provide the foundation on which the economic impact analysis is based. The economic impact generated by the retail industry's total purchases of goods and services can be estimated using a well-tested method, the input-output model, originally developed in 1936 by Harvard University. The IMPLAN model used in this analysis uses secondary information collected and included in the input-output model and adjusts it to reflect regional or state purchases of goods and services in a particular industry or industry sub-sector. The IMPLAN data set provides estimates of industry output including, employee compensation, proprietors' income, other property type income, indirect business taxes, and employment.

The following definitions of concepts are important to understand as they are widely used in this analysis.

Output:	Represents the retail industry's total purchases of goods and services. Thus, it refers to the value of total industry output produced by the retail industry and measures the overall business activity. Industry output reflects purchases by the retail industry from other industries, as well as profits, payments to workers, taxes, and imports.
Employee Compensation:	Represents compensation for each industry that is affected by the retail industry production. It includes wages and salaries as well as benefits such as health and life insurance, retirement payments, and non-cash compensation.

Indirect Business Taxes:	Represents excise taxes, property taxes, fees, licenses, and sales taxes paid by businesses (Note: the fiscal impact presented in Section 2 includes direct property and sales tax impacts. The economic impact presented in this section includes the direct, indirect, and induced impacts). These taxes occur during the normal operation of businesses but do not include taxes on profits or income.
Proprietor Income:	Represents income payments received by self-employed individuals whose retail businesses are classified as sole proprietorships or partnerships, among others, and of tax-exempt cooperatives.[15]
Other Property Type Income:	Represents payments for rents, royalties and dividends.
Employment:	Represents the total people (full-time and part-time positions) employed in the retail industry and the jobs generated in the local economy to support the retail industry's economic activity.
Direct Economic Impact:	Represents the amounts that are directly associated with the retail industry or sub-sectors. The direct impact on industry output represents total value of production in the retail industry; direct impact on employee compensation represents the current retail payroll; the direct impact on proprietor income and other property type income represents the current retail income level; and the direct impact on employment represents the employment level directly associated with the retail industry.
Indirect Economic Impact:	Represents the impact from the retail industry's purchases of goods and services from supplying vendors. Purchases made by supplying vendors to restock their inventory by purchasing goods and services from other vendors who in turn restock by purchasing from other vendors and so on is the indirect impact. These purchases are also commonly referred to as the "ripple effect".
Induced Economic Impact:	The direct activity, and the resulting indirect activity, generate some increases in the general level of employment and income in the study area, leading to a tertiary level of economic impact through the higher level of household expenditures on goods and services. These effects reflect the increase in spending from the household sector as income increases or decreases due to changes in production of goods and services.
Total Economic Impact:	Represents the sum of the direct, indirect, and induced economic impact on the economy (the area of study).
Multipliers:	Multipliers are predicated upon a domino theory of economic change. They translate the consequences of change in one retail sub-sector upon others in other industries. Multipliers are estimators of the 'ripple' effect.

The economic impact analysis is based on taxable sales generated by the retail industry in FY 2005-06 and FY 2009-10. For the purpose of the economic impact analysis, only mark-ups on taxable sales are included as only these mark-ups were added by the retail industry, costs associated with the making of the products sold by the retail industry should be attributed to manufacturing and other industries, with only the mark-ups credited to the retail industry. Additionally, retail establishments purchase their products from all over the country and the

[15] Minnesota IMPLAN Group, Inc. 2nd edition 2000, IMPLAN Professional.

analysis only includes impacts on the State of Nevada. Products manufactured outside of Nevada will have little impact on the State, mark-ups on the products sold in the State will have an impact.

FINDINGS

This section estimates the economic impact generated by retail establishments on the State of Nevada. Appendices 4 and 5 at the end of this report present in more detail the findings and sources of data for a more complete understanding of the analysis.

As noted previously, the retail industry's purchases necessary for production drive the economic impact. These purchases include purchases of goods and services from several industries and are measured through five economic impact indicators:

a. Employee Compensation
b. Proprietor Income
c. Other Property Type Income
d. Indirect Business Taxes
e. Employment/Job Creation

The tables below summarize the findings of the economic impact analysis for FY 2005-06 and FY 2009-10. In total, in FY 2005-06, retail industry's sales resulted in a direct industry output of $5.9 billion and total output of $8.3 billion. This output was lower in FY 2009-10, with direct impact of $3.9 billion and $5.6 billion of total impact.

In FY 2005-06, the retail industry employed at total of 112,600 people. Industry's operations supported an additional 30,700 jobs for a total jobs impact of 143,300 in FY 2005-06. If FY 2009-10, industry employment fell to an estimated 76,600 jobs, with a total regional impact of 97,200 jobs, with 20,600 jobs supported by the industry's operations. These findings are summarized in Tables 8 and 9 below.

Table 8
Total Economic Impact of Retail Industry
on the State of Nevada
FY 2005-06

Type of Impact	Direct	Indirect	Induced	Total
Employment Compensation	$ 3,349,145,029	$ 544,567,549	$ 666,159,958	$ 4,559,872,536
Proprietors Income	442,981,992	94,205,885	92,426,849	629,614,726
Other Property Type Income	790,350,422	356,848,451	437,368,670	1,584,567,543
Indirect Business Taxes	1,304,207,805	90,413,903	154,219,505	1,548,841,213
TOTAL OUTPUT	**$ 5,886,685,248**	**$1,086,035,788**	**$1,350,174,982**	**$ 8,322,896,018**
Employment/Jobs	**112,588**	**13,393**	**17,293**	**143,274**

Table 9
Total Economic Impact of Retail Industry on the State of Nevada
FY 2009-10

Type of Impact	Direct	Indirect	Induced	Total
Employment Compensation	$ 2,308,239,789	$ 374,468,617	$ 440,980,549	$ 3,123,688,955
Proprietors Income	194,349,448	64,526,305	61,184,199	320,059,952
Other Property Type Income	560,871,508	245,608,376	289,526,564	1,096,006,448
Indirect Business Taxes	878,513,141	61,979,077	102,088,896	1,042,581,113
TOTAL OUTPUT	**$ 3,941,973,886**	**$ 746,582,375**	**$ 893,780,208**	**$ 5,582,336,468**
Employment/Jobs	**76,596**	**9,206**	**11,447**	**97,249**

SECTION 4: SUMMARY OF FINDINGS-RECESSION IMPACTS

The recent recession has had a significant impact on the retail industry. Taxable retail sales, main measure of industry performance, fell by $7.4 billion between their peak in FY 2005-06 of $26.1 billion and $8.7 billion in FY 2009-10, a drop of 28%, according to reports published by the Nevada Department of Taxation. Employment decreased from 139,000 in FY 2007-08 to 127,000 in FY 2009-10 based on information provided by the Nevada Department of Employment, Training and Rehabilitation.

These decreases not only hurt those associated with the industry, they impact the public and private sectors of the entire State. Sales tax revenue, which funds operations for the State, local governments, school districts and special projects, declined from a total of $2 billion in FY 2005-06 to $1.5 billion in FY 2009-10, the impact lessened by the increase in sales tax rates in most counties.

Other revenues generated by the retail industry, have also been reduced, including local payments for property and business-type taxes and fees, as well as State and Federal taxes. Many of these taxes are included in the Indirect Business Taxes summarized in Tables 8 and 9 above. Local tax revenues decreased from a total State impact of $1.5 billion in FY 2005-06 to $1.0 billion in FY 2009-10. This decrease in revenues, without a comparable decrease in population requiring government services (police, fire, EMS, schools, etc.) makes it difficult for State and local governments to balance their budgets and continue providing the same level of service as prior to the recession.

In addition to the impact of the recession on the public sector, the private sector was also impacted outside of the retail industry. A decrease in employment compensation, proprietors income, and other property type income by the retail industry impacted the entire State, reducing total industry impacts by over $2 billion (excluding Indirect Business Taxes, discussed above). Industry employment and jobs supported by industry operations decreased by 46,000 jobs between FY 2005-06 and FY 2009-10. Appendix 6 shows that the retail industry lost almost 36,000 jobs between FY 2005-06 and FY 2009-10, with 38% of these jobs lost in the sales and related occupations, 19% in installation, repair and maintenance occupations and 15% in office and administrative support occupations.

Overall, the retail industry remains an important industry in the State of Nevada, it is still the fourth largest industry in terms of employment and one of the few industries that grew due to regional factors during this recession period. Local and State governments depend heavily on sales tax revenue and employees on retail jobs. Despite the decline during the recession period, it is likely that the industry will recover to continue its important role in the State of Nevada economy.

APPENDICES

Appendix 1	State of Nevada Shift-Share Analysis Employment FY 2000-01 to FY 2005-06
Appendix 2	State of Nevada Shift-Share Analysis Employment FY 2005-06 to FY 2009-10
Appendix 3	State of Nevada Sales Tax Revenue by County
Appendix 4	Retail Industry FY 2005-06 and FY 2009-10 Total Output Summary
Appendix 5	Retail Industry FY 2005-06 and FY 2009-10 Total Employment Summary
Appendix 6	Retail Industry FY 2005-06 and FY 2009-10 Impact of Employment Loss by Occupation

APPENDIX 1
STATE OF NEVADA SHIFT-SHARE ANALYSIS
EMPLOYMENT FY 2000-01 TO FY 2005-06

Employment Sector	US		Nevada	
	FY 2000-01	FY 2005-06	FY 2000-01	FY 2005-06
Natural Resources and Mining	602,500	656,000	10,200	11,150
Construction	6,806,500	7,513,500	90,300	138,800
Manufacturing	16,852,000	14,190,500	43,400	49,200
Trade, Transportation and Utilities	10,844,800	10,801,050	76,350	86,550
Retail Trade	15,259,200	15,316,450	111,500	133,900
Information	3,629,500	3,049,500	19,100	14,950
Professional and Business Services	16,571,000	17,260,000	111,800	152,150
Leisure and Hospitality	11,949,000	12,963,000	304,600	332,050
Other Services	5,213,000	5,416,500	147,800	179,050
Government	20,954,000	21,889,000	124,250	147,200
TOTAL	**108,681,500**	**109,055,500**	**1,039,300**	**1,245,000**

Employment Sector	US		National Growth Rate	Sector Growth Rate = (Sector Rate-National)
	Employment Change	% Employment Change		
Natural Resources and Mining	53,500	8.88%	0.34%	8.54%
Construction	707,000	10.39%	0.34%	10.04%
Manufacturing	-2,661,500	-15.79%	0.34%	-16.14%
Trade, Transportation and Utilities	-43,750	-0.40%	0.34%	-0.75%
Retail Trade	57,250	0.38%	0.34%	0.03%
Information	-580,000	-15.98%	0.34%	-16.32%
Professional and Business Services	689,000	4.16%	0.34%	3.81%
Leisure and Hospitality	1,014,000	8.49%	0.34%	8.14%
Other Services	203,500	3.90%	0.34%	3.56%
Government	935,000	4.46%	0.34%	4.12%
TOTAL	**374,000**			

Employment Sector	National Growth		Industry Mix	
	% Change	Net Change	% Change	Net Change
Natural Resources and Mining	0.34%	35.1	8.54%	870.6
Construction	0.34%	310.7	10.04%	9,068.8
Manufacturing	0.34%	149.4	-16.14%	(7,003.7)
Trade, Transportation and Utilities	0.34%	262.7	-0.75%	(570.7)
Retail Trade	0.34%	383.7	0.03%	34.6
Information	0.34%	65.7	-16.32%	(3,117.9)
Professional and Business Services	0.34%	384.7	3.81%	4,263.8
Leisure and Hospitality	0.34%	1,048.2	8.14%	24,800.4
Other Services	0.34%	508.6	3.56%	5,261.1
Government	0.34%	427.6	4.12%	5,116.7
TOTAL	**0.34%**	**3,576.5**	**3.73%**	**38,723.5**

APPENDIX 1
STATE OF NEVADA SHIFT-SHARE ANALYSIS
EMPLOYMENT FY 2000-01 TO FY 2005-06

	Regional Shift		Nevada	
Employment Sector	**% Change**	**Net Change**	**% Change**	**Net Change**
Natural Resources and Mining	0.43%	44.3	9.31%	950.0
Construction	43.32%	39,120.4	53.71%	48,500.0
Manufacturing	29.16%	12,654.3	13.36%	5,800.0
Trade, Transportation and Utilities	13.76%	10,508.0	13.36%	10,200.0
Retail Trade	19.71%	21,981.7	20.09%	22,400.0
Information	-5.75%	(1,097.8)	-21.73%	(4,150.0)
Professional and Business Services	31.93%	35,701.5	36.09%	40,350.0
Leisure and Hospitality	0.53%	1,601.4	9.01%	27,450.0
Other Services	17.24%	25,480.3	21.14%	31,250.0
Government	14.01%	17,405.8	18.47%	22,950.0
TOTAL	**15.72%**	**163,400.0**	**19.79%**	**205,700.0**

Employment Sector	**Industry Mix Rate**	**Industry Mix Rate**	**Regional Shift Rate**	**Competitive Position**
Natural Resources and Mining	0.34%	8.54%	0.43%	-15.29%
Construction	0.34%	10.04%	43.32%	27.60%
Manufacturing	0.34%	-16.14%	29.16%	13.44%
Trade, Transportation and Utilities	0.34%	-0.75%	13.76%	-1.96%
Retail Trade	0.34%	0.03%	19.71%	3.99%
Information	0.34%	-16.32%	-5.75%	-21.47%
Professional and Business Services	0.34%	3.81%	31.93%	16.21%
Leisure and Hospitality	0.34%	8.14%	0.53%	-15.20%
Other Services	0.34%	3.56%	17.24%	1.52%
Government	0.34%	4.12%	14.01%	-1.71%
TOTAL	**0.34%**	**3.73%**	**15.72%**	

APPENDIX 1, ASSUMPTIONS:

1. Nevada employment data from "Current Employment Statistics (CES)." Nevada Department of Employment, Training, and Rehabilitation. Data for 2000-2010 converted to fiscal year.
2. US employment data from "Employment, Hours, and Earnings from the Current Employment Statistics survey (National)." Bureau of Labor Statistics. Data for 2000-2010 converted to fiscal year.

APPENDIX 2
STATE OF NEVADA SHIFT-SHARE ANALYSIS
EMPLOYMENT FY 2005-06 TO FY 2009-10

Employment Sector	US		Nevada	
	FY 2005-06	FY 2009-10	FY 2005-06	FY 2009-10
Natural Resources and Mining	656,000	699,500	11,150	11,950
Construction	7,513,500	5,771,000	138,800	70,150
Manufacturing	14,190,500	11,685,500	49,200	38,950
Trade, Transportation and Utilities	10,801,050	10,287,350	86,550	83,950
Retail Trade	15,316,450	14,468,150	133,900	127,250
Information	3,049,500	2,757,500	14,950	12,800
Professional and Business Services	17,260,000	16,633,500	152,150	135,550
Leisure and Hospitality	12,963,000	13,048,500	332,050	308,500
Other Services	5,416,500	5,365,500	179,050	180,650
Government	21,889,000	22,518,500	147,200	156,750
TOTAL	**109,055,500**	**103,235,000**	**1,245,000**	**1,126,500**

Employment Sector	US		National Growth Rate	Sector Growth Rate = (Sector Rate-National)
	Employment Change	% Employment Change		
Natural Resources and Mining	43,500	6.63%	-5.34%	11.97%
Construction	-1,742,500	-23.19%	-5.34%	-17.85%
Manufacturing	-2,505,000	-17.65%	-5.34%	-12.32%
Trade, Transportation and Utilities	-513,700	-4.76%	-5.34%	0.58%
Retail Trade	-848,300	-5.54%	-5.34%	-0.20%
Information	-292,000	-9.58%	-5.34%	-4.24%
Professional and Business Services	-626,500	-3.63%	-5.34%	1.71%
Leisure and Hospitality	85,500	0.66%	-5.34%	6.00%
Other Services	-51,000	-0.94%	-5.34%	4.40%
Government	629,500	2.88%	-5.34%	8.21%
TOTAL	**-5,820,500**			

Employment Sector	National Growth		Industry Mix	
	% Change	Net Change	% Change	Net Change
Natural Resources and Mining	-5.34%	(595.1)	11.97%	1,334.5
Construction	-5.34%	(7,408.0)	-17.85%	(24,781.9)
Manufacturing	-5.34%	(2,625.9)	-12.32%	(6,059.2)
Trade, Transportation and Utilities	-5.34%	(4,619.3)	0.58%	503.0
Retail Trade	-5.34%	(7,146.5)	-0.20%	(269.5)
Information	-5.34%	(797.9)	-4.24%	(633.6)
Professional and Business Services	-5.34%	(8,120.5)	1.71%	2,597.8
Leisure and Hospitality	-5.34%	(17,722.1)	6.00%	19,912.2
Other Services	-5.34%	(9,556.2)	4.40%	7,870.4
Government	-5.34%	(7,856.3)	8.21%	12,089.6
TOTAL	**-5.34%**	**(66,448.0)**	**1.01%**	**12,563.3**

APPENDIX 2
STATE OF NEVADA SHIFT-SHARE ANALYSIS
EMPLOYMENT FY 2005-06 TO FY 2009-10

	Regional Shift		Nevada	
Employment Sector	**% Change**	**Net Change**	**% Change**	**Net Change**
Natural Resources and Mining	0.54%	60.6	7.17%	800.0
Construction	-26.27%	(36,460.1)	-49.46%	(68,650.0)
Manufacturing	-3.18%	(1,564.9)	-20.83%	(10,250.0)
Trade, Transportation and Utilities	1.75%	1,516.3	-3.00%	(2,600.0)
Retail Trade	0.57%	766.0	-4.97%	(6,650.0)
Information	-4.81%	(718.5)	-14.38%	(2,150.0)
Professional and Business Services	-7.28%	(11,077.3)	-10.91%	(16,600.0)
Leisure and Hospitality	-7.75%	(25,740.1)	-7.09%	(23,550.0)
Other Services	1.84%	3,285.9	0.89%	1,600.0
Government	3.61%	5,316.7	6.49%	9,550.0
TOTAL	**-5.19%**	**(64,615.3)**	**-9.52%**	**(118,500.0)**

Employment Sector	**Industry Mix Rate**	**Industry Mix Rate**	**Regional Shift Rate**	**Competitive Position**
Natural Resources and Mining	-5.34%	11.97%	0.54%	5.73%
Construction	-5.34%	-17.85%	-26.27%	-21.08%
Manufacturing	-5.34%	-12.32%	-3.18%	2.01%
Trade, Transportation and Utilities	-5.34%	0.58%	1.75%	6.94%
Retail Trade	-5.34%	-0.20%	0.57%	5.76%
Information	-5.34%	-4.24%	-4.81%	0.38%
Professional and Business Services	-5.34%	1.71%	-7.28%	-2.09%
Leisure and Hospitality	-5.34%	6.00%	-7.75%	-2.56%
Other Services	-5.34%	4.40%	1.84%	7.03%
Government	-5.34%	8.21%	3.61%	8.80%
TOTAL	**-5.34%**	**1.01%**	**-5.19%**	

APPENDIX 2, ASSUMPTIONS:

1. Nevada employment data from “Current Employment Statistics (CES).” Nevada Department of Employment, Training, and Rehabilitation. Data for 2000-2010 converted to fiscal year.
2. US employment data from "Employment, Hours, and Earnings from the Current Employment Statistics survey (National)." Bureau of Labor Statistics. Data for 2000-2010 converted to fiscal year.

APPENDIX 3
STATE OF NEVADA SALES TAX REVENUE
BY COUNTY

County	FY 2005-06 Tax Rate	FY 2005-06 Taxable Sales	FY 2005-06 Revenue	FY 2009-10 Tax Rate	FY 2009-10 Taxable Sales	FY 2009-10 Revenue
Carson City:						
State of Nevada	2.000%		$ 14,105,726	2.000%		$ 9,080,221
Local Governments	2.250%		15,868,942	2.250%		10,215,249
School Districts	2.250%		15,868,942	2.250%		10,215,249
Special Projects	0.625%		4,408,040	0.975%		4,426,608
Total Carson City	**7.125%**	**$ 705,286,322**	**50,251,650**	**7.475%**	**$ 454,011,074**	**33,937,328**
Churchill:						
State of Nevada	2.000%		4,162,326	2.000%		2,650,077
Local Governments	2.250%		4,682,616	2.250%		2,981,336
School Districts	2.250%		4,682,616	2.250%		2,981,336
Special Projects	0.750%		1,560,872	1.100%		1,457,542
Total Churchill	**7.250%**	**208,116,277**	**15,088,430**	**7.600%**	**132,503,833**	**10,070,291**
Clark:						
State of Nevada	2.000%		379,696,041	2.000%		274,902,308
Local Governments	2.250%		427,158,046	2.250%		309,265,096
School Districts	2.250%		427,158,046	2.250%		309,265,096
Special Projects	1.250%		237,310,026	1.600%		219,921,846
Total Clark	**7.750%**	**18,984,802,053**	**1,471,322,159**	**8.100%**	**13,745,115,390**	**1,113,354,347**
Douglas:						
State of Nevada	2.000%		9,396,285	2.000%		6,102,512
Local Governments	2.250%		10,570,820	2.250%		6,865,325
School Districts	2.250%		10,570,820	2.250%		6,865,325
Special Projects	0.250%		1,174,536	0.600%		1,830,753
Total Douglas	**6.750%**	**469,814,226**	**31,712,460**	**7.100%**	**305,125,577**	**21,663,916**
Elko:						
State of Nevada	2.000%		8,679,329	2.000%		7,907,267
Local Governments	2.250%		9,764,245	2.250%		8,895,675
School Districts	2.250%		9,764,245	2.250%		8,895,675
Special Projects	0.000%		-	0.350%		1,383,772
Total Elko	**6.500%**	**433,966,458**	**28,207,820**	**6.850%**	**395,363,326**	**27,082,388**
Esmeralda:						
State of Nevada	2.000%		74,343	2.000%		27,027
Local Governments	2.250%		83,636	2.250%		30,405
School Districts	2.250%		83,636	2.250%		30,405
Special Projects	0.000%		-	0.350%		4,730
Total Esmeralda	**6.500%**	**3,717,159**	**241,615**	**6.850%**	**1,351,337**	**92,567**
Eureka:						
State of Nevada	2.000%		327,248	2.000%		393,733
Local Governments	2.250%		368,154	2.250%		442,950
School Districts	2.250%		368,154	2.250%		442,950
Special Projects	0.000%		-	0.350%		68,903
Total Eureka	**6.500%**	**16,362,412**	**1,063,557**	**6.850%**	**19,686,651**	**1,348,536**
Humboldt:						
State of Nevada	2.000%		3,554,317	2.000%		2,847,361
Local Governments	2.250%		3,998,606	2.250%		3,203,281
School Districts	2.250%		3,998,606	2.250%		3,203,281
Special Projects	0.000%		-	0.350%		498,288
Total Humboldt	**6.500%**	**177,715,833**	**11,551,529**	**6.850%**	**142,368,035**	**9,752,210**

APPENDIX 3
STATE OF NEVADA SALES TAX REVENUE
BY COUNTY

County	FY 2005-06 Tax Rate	FY 2005-06 Taxable Sales	FY 2005-06 Revenue	FY 2009-10 Tax Rate	FY 2009-10 Taxable Sales	FY 2009-10 Revenue
Lander:						
State of Nevada	2.000%		657,714	2.000%		591,449
Local Governments	2.250%		739,928	2.250%		665,380
School Districts	2.250%		739,928	2.250%		665,380
Special Projects	0.250%		82,214	0.600%		177,435
Total Lander	**6.750%**	**32,885,683**	**2,219,784**	**7.100%**	**29,572,462**	**2,099,645**
Lincoln:						
State of Nevada	2.000%		426,086	2.000%		263,423
Local Governments	2.250%		479,346	2.250%		296,350
School Districts	2.250%		479,346	2.250%		296,350
Special Projects	0.250%		53,261	0.600%		79,027
Total Lincoln	**6.750%**	**21,304,278**	**1,438,039**	**7.100%**	**13,171,129**	**935,150**
Lyon:						
State of Nevada	2.000%		4,604,185	2.000%		2,995,759
Local Governments	2.250%		5,179,708	2.250%		3,370,228
School Districts	2.250%		5,179,708	2.250%		3,370,228
Special Projects	0.000%		-	0.600%		898,728
Total Lyon	**6.500%**	**230,209,238**	**14,963,600**	**7.100%**	**149,787,925**	**10,634,943**
Mineral:						
State of Nevada	2.000%		294,594	2.000%		255,503
Local Governments	2.250%		331,418	2.250%		287,441
School Districts	2.250%		331,418	2.250%		287,441
Special Projects	0.000%		-	0.350%		44,713
Total Mineral	**6.500%**	**14,729,681**	**957,429**	**6.850%**	**12,775,158**	**875,098**
Nye:						
State of Nevada	2.000%		5,897,129	2.000%		3,905,172
Local Governments	2.250%		6,634,270	2.250%		4,393,319
School Districts	2.250%		6,634,270	2.250%		4,393,319
Special Projects	0.250%		737,141	0.600%		1,171,552
Total Nye	**6.750%**	**294,856,461**	**19,902,811**	**7.100%**	**195,258,618**	**13,863,362**
Pershing:						
State of Nevada	2.000%		343,240	2.000%		213,548
Local Governments	2.250%		386,145	2.250%		240,241
School Districts	2.250%		386,145	2.250%		240,241
Special Projects	0.000%		-	0.600%		64,064
Total Pershing	**6.500%**	**17,162,017**	**1,115,531**	**7.100%**	**10,677,396**	**758,095**
Storey:						
State of Nevada	2.000%		479,112	2.000%		323,326
Local Governments	2.250%		539,001	2.250%		363,741
School Districts	2.250%		539,001	2.250%		363,741
Special Projects	0.750%		179,667	1.100%		177,829
Total Storey	**7.250%**	**23,955,582**	**1,736,780**	**7.600%**	**16,166,280**	**1,228,637**
Washoe:						
State of Nevada	2.000%		87,770,353	2.000%		60,148,511
Local Governments	2.250%		98,741,647	2.250%		67,667,075
School Districts	2.250%		98,741,647	2.250%		67,667,075
Special Projects	0.875%		38,399,529	1.225%		36,840,963
Total Washoe	**7.375%**	**4,388,517,649**	**323,653,177**	**7.725%**	**3,007,425,553**	**232,323,624**

APPENDIX 3
STATE OF NEVADA SALES TAX REVENUE
BY COUNTY

County	FY 2005-06 Tax Rate	FY 2005-06 Taxable Sales	FY 2005-06 Revenue	FY 2009-10 Tax Rate	FY 2009-10 Taxable Sales	FY 2009-10 Revenue
White Pine:						
State of Nevada	2.000%		1,580,982	2.000%		1,031,570
Local Governments	2.250%		1,778,605	2.250%		1,160,516
School Districts	2.250%		1,778,605	2.250%		1,160,516
Special Projects	0.875%		691,680	0.975%		502,890
Total White Pine	**7.375%**	**79,049,111**	**5,829,872**	**7.475%**	**51,578,504**	**3,855,493**
All Counties						
State of Nevada			522,049,009			373,638,765
Local Governments			587,305,135			420,343,611
School Districts			587,305,135			420,343,611
Special Projects			284,596,965			269,549,643
Total All Counties		**$ 26,102,450,440**	**$ 1,981,256,243**		**$ 18,681,938,248**	**$ 1,483,875,629**

APPENDIX 3, ASSUMPTIONS:

1. Sales tax rates by county from "Components of Sales and Use Tax Rates." Nevada Department of Taxation website.
2. Taxable sales data by county from "Combined Sales & Use Statistical Report" for FY 2005-06 and FY 2009-10. Nevada Department of Taxation website.

APPENDIX 4
RETAIL INDUSTRY FY 2005-06 AND FY 2009-10
TOTAL OUTPUT SUMMARY

FY 2005-06

Impact Type	Taxable Sales	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Employment Compensation		$ 3,349,145,029	$ 544,567,549	$ 666,159,958	$ 4,559,872,537
Proprietors Income		442,981,992	94,205,885	92,426,849	629,614,727
Other Property Type Income		790,350,422	356,848,451	437,368,670	1,584,567,542
Indirect Business Taxes		1,304,207,805	90,413,903	154,219,505	1,548,841,213
TOTAL OUTPUT	**$ 26,102,450,444**	**$ 5,886,685,249**	**$ 1,086,035,789**	**$ 1,350,174,982**	**$ 8,322,896,019**

MULTIPLIERS	Direct	Indirect	Induced	Total
Employment Compensation	1.0000	0.1626	0.1989	1.3615
Proprietors Income	1.0000	0.2127	0.2086	1.4213
Other Property Type Income	1.0000	0.4515	0.5534	2.0049
Indirect Business Taxes	1.0000	0.0693	0.1182	1.1876
TOTAL	**1.0000**	**0.1845**	**0.2294**	**1.4139**

FY 2009-10

Impact Type	Taxable Sales	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Employment Compensation		$ 2,308,239,789	$ 374,468,617	$ 440,980,549	$ 3,123,688,955
Proprietors Income		194,349,448	64,526,305	61,184,199	320,059,952
Other Property Type Income		560,871,508	245,608,376	289,526,564	1,096,006,448
Indirect Business Taxes		878,513,141	61,979,077	102,088,896	1,042,581,113
TOTAL OUTPUT	**$ 18,681,938,248**	**$ 3,941,973,886**	**$ 746,582,375**	**$ 893,780,208**	**$ 5,582,336,468**

MULTIPLIERS	Direct	Indirect	Induced	Total
Employment Compensation	1.0000	0.1622	0.1910	1.3533
Proprietors Income	1.0000	0.3320	0.3148	1.6468
Other Property Type Income	1.0000	0.4379	0.5162	1.9541
Indirect Business Taxes	1.0000	0.0705	0.1162	1.1868
TOTAL	**1.0000**	**0.1894**	**0.2267**	**1.4161**

APPENDIX 4, ASSUMPTIONS:

1. Input-Output Data:
   State of Nevada input-output matrices developed by the Minnesota IMPLAN Group, Inc. using the following sources: Covered Employment & Wages (ES-202), Bureau of Labor Statistics, U.S. Department of Labor Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce County Business Patterns, U.S. Census Bureau, U.S. Department of Commerce Consumer Expenditure Survey, Bureau of Labor Statistics, U.S. Department of Commerce.
2. Taxable Sales from retail-related sources only:
   - Motor Vehicle and Parts Dealers
   - Furniture and Home Furnishings Stores
   - Electronics and Appliance Stores
   - Building Material and Garden Equipment and Supplies
   - Food and Beverage Stores
   - Health and Personal Care Stores
   - Gasoline Stations
   - Clothing and Clothing Accessories Stores
   - Sporting Goods, Hobby, Book, and Music Stores
   - General Merchandise Stores
   - Miscellaneous Store Retailers
   - Non-store Retailers

   Taxable sales data for these sectors obtained from "Combined Sales & Use Statistical Report." Nevada Department of Taxation, FY 2005-06 and FY 2009-10.

APPENDIX 5
RETAIL INDUSTRY FY 2005-06 AND FY 2009-10
TOTAL EMPLOYMENT SUMMARY

FY 2005-06

Business Sector	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Retail Stores - Miscellaneous	39,648	88	330	40,067
Retail Stores - General merchandise	17,025	44	733	17,802
Retail Stores - Clothing and clothing accessories	13,970	31	368	14,369
Retail Stores - Furniture and home furnishings	12,291	63	140	12,494
Retail Stores - Building material and garden supply	11,575	24	308	11,906
Retail Stores - Motor vehicle and parts	9,884	29	473	10,386
Retail Stores - Food and beverage	6,156	18	659	6,833
Retail Stores - Health and personal care	1,063	5	272	1,340
Retail Stores - Sporting goods, hobby, book and music	497	3	182	681
Retail Stores - Electronics and appliances	450	3	150	602
Retail Stores - Gasoline stations	31	2	228	261
Other Establishments	-	13,083	13,451	26,534
TOTAL EMPLOYMENT	**112,588**	**13,393**	**17,293**	**143,274**

		MULTIPLIERS		
Retail Stores - Miscellaneous	1.0000	0.0022	0.0083	1.0105
Retail Stores - General merchandise	1.0000	0.0026	0.0431	1.0457
Retail Stores - Clothing and clothing accessories	1.0000	0.0022	0.0263	1.0286
Retail Stores - Furniture and home furnishings	1.0000	0.0051	0.0114	1.0165
Retail Stores - Building material and garden supply	1.0000	0.0021	0.0266	1.0287
Retail Stores - Motor vehicle and parts	1.0000	0.0029	0.0478	1.0508
Retail Stores - Food and beverage	1.0000	0.0030	0.1070	1.1100
Retail Stores - Health and personal care	1.0000	0.0046	0.2560	1.2606
Retail Stores - Sporting goods, hobby, book and music	1.0000	0.0057	0.3663	1.3720
Retail Stores - Electronics and appliances	1.0000	0.0064	0.3326	1.3390
Retail Stores - Gasoline stations	1.0000	0.0542	7.4275	8.4817
Other Establishments	1.0000	0.1162	0.1195	0.2357
TOTAL	**1.0000**	**0.1190**	**0.1536**	**1.2725**

FY 2009-10

Business Sector	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Retail Stores - Miscellaneous	17,398	37	244	17,679
Retail Stores - General merchandise	15,869	39	485	16,393
Retail Stores - Clothing and clothing accessories	8,979	21	218	9,219
Retail Stores - Furniture and home furnishings	5,928	16	436	6,381
Retail Stores - Building material and garden supply	5,435	12	120	5,567
Retail Stores - Motor vehicle and parts	5,010	16	313	5,338
Retail Stores - Food and beverage	4,972	11	204	5,187
Retail Stores - Health and personal care	4,735	12	180	4,928
Retail Stores - Sporting goods, hobby, book and music	4,747	12	99	4,858
Retail Stores - Electronics and appliances	2,984	17	92	3,093
Retail Stores - Gasoline stations	539	2	151	692
Other Establishments	-	9,010	8,904	17,914
TOTAL EMPLOYMENT	**76,596**	**9,206**	**11,447**	**97,249**

		MULTIPLIERS		
Retail Stores - Miscellaneous	1.0000	0.0022	0.0140	1.0162
Retail Stores - General merchandise	1.0000	0.0025	0.0306	1.0331
Retail Stores - Clothing and clothing accessories	1.0000	0.0024	0.0243	1.0267
Retail Stores - Furniture and home furnishings	1.0000	0.0027	0.0736	1.0763
Retail Stores - Building material and garden supply	1.0000	0.0022	0.0222	1.0244
Retail Stores - Motor vehicle and parts	1.0000	0.0031	0.0625	1.0656
Retail Stores - Food and beverage	1.0000	0.0022	0.0410	1.0432
Retail Stores - Health and personal care	1.0000	0.0026	0.0380	1.0406
Retail Stores - Sporting goods, hobby, book and music	1.0000	0.0025	0.0209	1.0233
Retail Stores - Electronics and appliances	1.0000	0.0056	0.0310	1.0366
Retail Stores - Gasoline stations	1.0000	0.0040	0.2805	1.2845
Other Establishments	1.0000	0.1176	0.1162	0.2339
TOTAL	**1.0000**	**0.1202**	**0.1495**	**1.2696**

APPENDIX 5
RETAIL INDUSTRY FY 2005-06 AND FY 2009-10
TOTAL EMPLOYMENT SUMMARY

APPENDIX 5, ASSUMPTIONS:

1. Input-Output Data:
   State of Nevada input-output matrices developed by the Minnesota IMPLAN Group, Inc. using the following sources:
   Covered Employment & Wages (ES-202), Bureau of Labor Statistics, U.S. Department of Labor Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce County Business Patterns, U.S. Census Bureau, U.S. Department of Commerce Consumer Expenditure Survey, Bureau of Labor Statistics, U.S. Department of Commerce.
2. Direct employee estimates from the IMPLAN model based on taxable sales.

APPENDIX 6
RETAIL INDUSTRY FY 2005-06 AND FY 2009-10
IMPACT OF EMPLOYMENT LOSS BY OCCUPATION

Business Sector	Sector Number	FY 2005-06 Employment	FY 2009-10 Employment	Employment Difference
Retail Stores - Miscellaneous	330	39,648	17,398	(22,250)
Retail Stores - General merchandise	329	17,025	15,869	(1,156)
Retail Stores - Clothing and clothing accessories	327	13,970	8,979	(4,991)
Retail Stores - Furniture and home furnishings	321	12,291	5,928	(6,363)
Retail Stores - Building material and garden supply	323	11,575	5,435	(6,140)
Retail Stores - Motor vehicle and parts	320	9,884	5,010	(4,874)
Retail Stores - Food and beverage	324	6,156	4,972	(1,183)
Retail Stores - Health and personal care	325	1,063	4,735	3,672
Retail Stores - Sporting goods, hobby, book and music	328	497	4,747	4,250
Retail Stores - Electronics and appliances	322	450	2,984	2,534
Retail Stores - Gasoline stations	326	31	539	508
TOTAL		**112,588**	**76,596**	**(35,993)**

Occupation Name	Occupation Code	Occupation Impact	% of Total
Management occupations	11-0000	(1,316)	4%
Business and financial operations occupations	13-0000	(593)	2%
Computer and mathematical science occupations	15-0000	(306)	1%
Architecture and engineering occupations	17-0000	(26)	0%
Life, physical, and social science occupations	19-0000	(6)	0%
Community and social services occupations	21-0000	0	0%
Legal occupations	23-0000	(11)	0%
Education, training, and library occupations	25-0000	23	0%
Arts, design, entertainment, sports, and media occupations	27-0000	(61)	0%
Healthcare practitioners and technical occupations	29-0000	(921)	3%
Healthcare support occupations	31-0000	(227)	1%
Protective service occupations	33-0000	(44)	0%
Food preparation and serving related occupations	35-0000	(737)	2%
Building and grounds cleaning and maintenance occupations	37-0000	(313)	1%
Personal care and service occupations	39-0000	24	0%
Sales and related occupations	41-0000	(13,499)	38%
Office and administrative support occupations	43-0000	(5,376)	15%
Farming, fishing, and forestry occupations	45-0000	(77)	0%
Construction and extraction occupations	47-0000	(184)	1%
Installation, maintenance, and repair occupations	49-0000	(6,915)	19%
Production occupations	51-0000	(821)	2%
Transportation and material moving occupations	53-0000	(4,606)	13%
TOTAL		**(35,993)**	

APPENDIX 6, ASSUMPTIONS:

1. Employment impacts for FY 2005-06 and FY 2009-10 from Appendix 5, derived by the IMPLAN model.
2. Occupational impact derived given jobs lost by sector between FY 2005-06 and FY 2009-10 and Implan440Occupational Matrix Database.