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Banking and Finance

Nevada gets high marks from CEOs

By [Kevin Rademacher / Staff Writer](#)

Chief executives around the country ranked Nevada as one of the top states for doing business.

It was the second consecutive year in which the poll of top executives -- conducted by the Chief Executive Group, publishers of Chief Executive magazine -- ranked Nevada second only to Texas for its business climate.

In commenting on the states, responding executives encouraged Nevada leaders to keep state income taxes out. In an interesting twist -- considering the current debate swirling around the search for a Clark County School District boss -- responding executives demanded that top-ranked Texas improve its education.

Also in the top five were North Carolina, Florida and Georgia.

Participating executives said that workforce quality was the top concern when evaluating places to do business, followed by labor costs, taxes, regulation, infrastructure (which includes transportation, education and health care), quality of life and, finally, political climate.

Ranked No. 51 on the list of best places to do business was, you guessed it, California. Among responding CEO comments on the Golden State was this beauty: "Great weather but that's all."

Rounding out the bottom five were New York, Massachusetts, Michigan and Louisiana. New York was ripped by respondents for its bulldog attorney general, Eliot Spitzer. One commentor said Spitzer should be dumped "before he destroys what's left in New York."

On Massachusetts, comments included the assessments that "tort reform is critical and taxes must be lowered."

Beyond its grades for Nevada, the group also released its take on the economy, and the results showed that CEO confidence is at its highest level since 2002. Each component of the CEO Confidence Index was up over December levels, including employment, investment and business conditions.

Over half of the chief executives surveyed -- 53 percent -- ranked employment conditions as good. Another 55.5 percent expected hiring to increase over the next quarter. A solid 50.4 percent ranked current investment opportunities as good.

Bankers cautious about 2006

In contrast, fewer bankers are optimistic about the national economy.

Grant Thornton LLP's annual survey of bank executives showed that just 35 percent of bankers were bullish on the economy. That's down significantly from the 68 percent who were positive about economic conditions in 2005.

A full 20 percent of bankers at large institutions were pessimistic about the economy, a view shared by 22 percent of small bank executives. A year ago only about 3 percent from both groups were pessimistic.

The reasons behind the sentiment are wide ranging, the survey showed.

In a breakdown of responses, only one-in-10 are confident the country is moving in the right direction. That breaks out to 29 percent versus 63 percent a year ago.

Almost half -- 44 percent -- felt that the devastation caused by hurricanes Katrina and Rita will have a long-term negative effect on the economy. Another 17 percent also pointed to the retirement of Fed Chairman Alan Greenspan as an economic negative.

"There are definitely more bankers sitting on the fence this year when it comes to the state of the national economy," John Ziegelbauer, national market managing partner of Grant Thornton's financial institutions industry practice, said in a statement. "There appears to be much indecision about how things will fall out in 2006 with such important things, such as gas prices and the housing bubble, still so uncertain."

Credit cards set for boom

While some bankers are wary of the new year, credit card issuers could see a surge.

Moody's Investors Service -- in its annual review of the U.S. credit card sector -- said changes in interest rates could lead to a 10 percent to 15 percent increase in credit card volume.

Moody's said the credit card sector could stand to benefit if rising interest rates in 2006 make cash-out home refinancing a less attractive alternative for consumers. Instead of anticipating a drop in consumer spending, Moody's theorizes that cardholders will carry larger balances.

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