

## MEETING HIGHLIGHTS

### August 10, 2023

- State economists noted that a number of prominent U.S. economic forecasts are no longer expecting a recession this year. This includes the Federal Reserve and JPMorgan, both of which now expect a “soft landing” scenario to be more likely, in which economic growth may slow but without turning negative.
- State economic indicators broadly mirror national trends, whereby the strong growth rates of the immediate pandemic recovery are slowing but underlying forces remain positive; for example, monthly gaming win has seen negative year-over-year growth in recent months, but still remained above \$1 billion for the 20th consecutive month in June.
- Nationally, current and future traveler sentiments are stable, though travel budgets are being impacted by inflation. Within Nevada, rural hotel/motel operators are optimistic in response to the most recent quarterly survey from Travel Nevada.
- The State’s budget economist noted that the General Fund is seeing a bump in Treasurer’s interest collection due to the holding of federal dollars and the current high interest rate environment. However, it will be important to keep in mind that these high returns may not persist in the next biennium.

## CONSENSUS FORECASTS

### UNEMPLOYMENT RATE

The current Statewide unemployment rate stands at 5.3% as of July 2023. The consensus expectation is that the unemployment rate will decline to 4.9% by December, then further drop to 4.6% by June 2024 and 4.5% in December 2024.

### JOB GROWTH

As of July, Statewide employment stands 3.8% above July 2022. Year-over-year job growth is expected to be 3.2% in December, and further moderate to 2.7% year-over-year growth by June 2024 before picking back up to 3.0% growth in December 2024.

### VISITOR VOLUME GROWTH

Statewide visitor volume is measured as a 12-month moving average (12MMA) to account for seasonality. Visitation was up 6.9% over the year through June. Year-over-year growth is expected to be 6.1% in December 2023, then moderate to 4.1% by June 2024 and rise to 5.6 percent in December 2024.

### TAXABLE SALES GROWTH

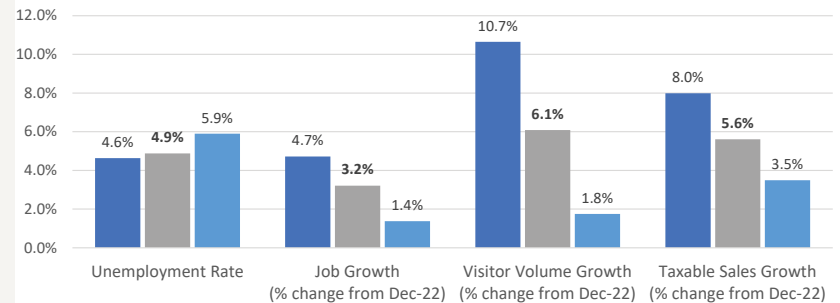
Taxable sales are also projected as a 12MMA, which was up 6.7% over the year in May. The consensus projection anticipates growth slowing to 5.6% year over year by December 2023 and 4.8% in June 2024, moderating to 4.4% by December 2024.

### ADDITIONAL ESTIMATES

To account for uncertainty, best case and worst-case scenarios are also estimated. The “most likely” scenarios are the primary projections for June 2023, December 2023, and June 2024.

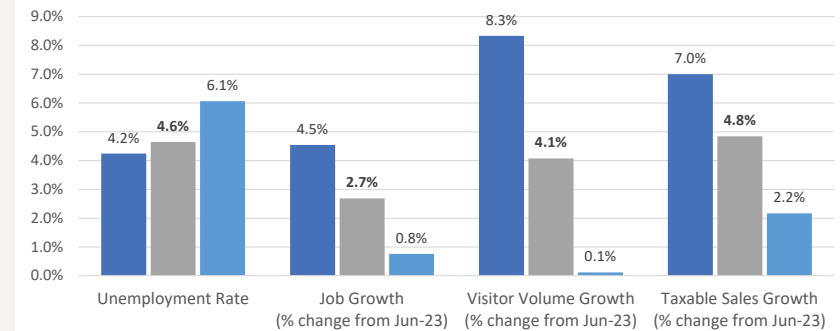
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### December 2023 Consensus Projections



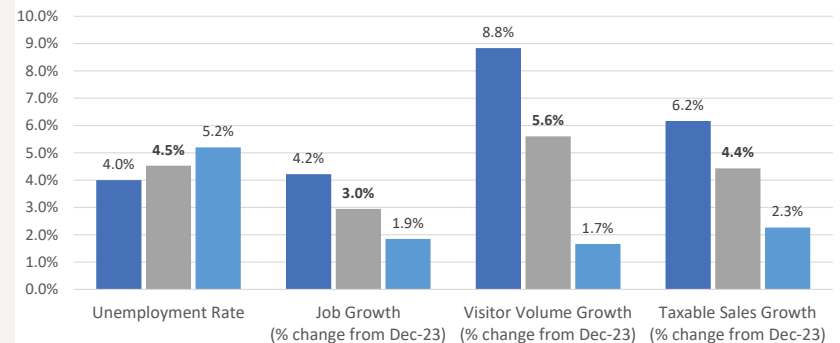
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### June 2024 Consensus Projections



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### December 2024 Consensus Projections



All charts are labeled “DRAFT” due to changing conditions.

The unemployment rate and job growth are seasonally adjusted, while visitor volume and taxable sales are measured as 12-month moving averages to account for expected seasonal variation.