

MEETING HIGHLIGHTS

October 12, 2023

- David Schmidt, Chief Economist at DETR, noted that four sectors now have over 10,000 more jobs than before the pandemic hit: Professional/Business Services (+21,400), Health Care/Social Assistance (+18,200), Transportation/Warehousing/Utilities (+19,600), and Construction (+14,900).

- These structural changes have helped to speed up Nevada's industrial diversification away from Leisure and Hospitality. While that sector is also above pre-pandemic job levels, certain sub-sectors such as casino hotels have not regained their pre-pandemic employment. Instead, some workers may have transitioned away from hospitality and into one of the better-paying sectors that are seeing stronger growth since the pandemic.

- The growth in our labor force over the last couple of years has kept the State's labor market relatively loose, sparing Nevada employers the strong upward wage pressures that states with tighter labor markets have been experiencing. As a result, Nevada's wage growth is currently in the bottom ten of all states. This should continue to make Nevada an attractive destination for companies looking to expand or relocate.

- Moody's just released a new credit rating for Nevada, at Aa1 (the second highest rating after Aaa). Strengths noted by Moody's were the State's strong reserve balances and revenue performance, and favorable demographic trends that suggest robust long-term employment and population growth.

- Nationally, the economy remains strong, with GDP significantly outperforming expectations in each of the last three quarters.

CONSENSUS FORECASTS

UNEMPLOYMENT RATE

The current Statewide unemployment rate stands at 5.4% as of August 2023. The consensus expectation is that the unemployment rate will decline to 5.1% by December, then further drop to 4.8% by June 2024 and 4.6% in December 2024.

JOB GROWTH

As of July, Statewide employment stands 3.9% above August 2022. Year-over-year job growth is expected to be 3.2% in December, and further moderate to 2.4% year-over-year growth by June 2024 before picking back up to 2.5% 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 5.5% in December 2023, then moderate to 4.3% by June 2024 and 3.5% in December 2024.

TAXABLE SALES GROWTH

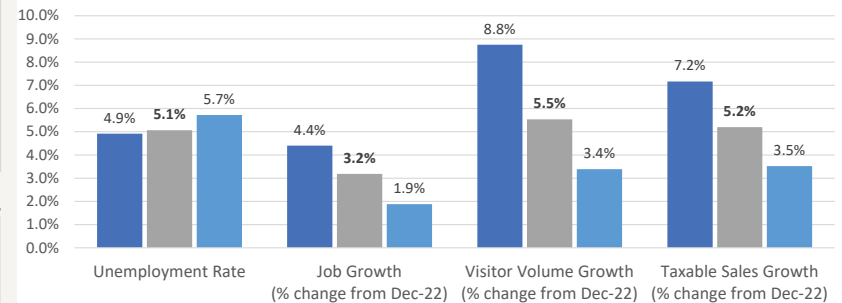
Taxable sales are also projected as a 12MMA, which was up 6.5% over the year in July. The consensus projection anticipates growth slowing to 5.2% year over year by December 2023 and 4.5% in June 2024, moderating to 4.6% by December 2024.

ADDITIONAL ESTIMATES

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

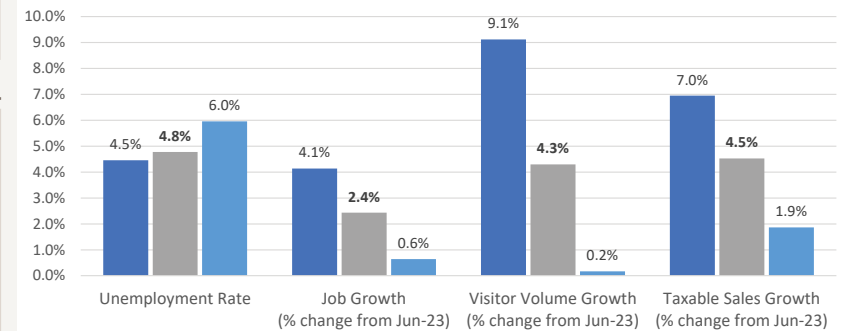
DRAFT

December 2023 Consensus Projections



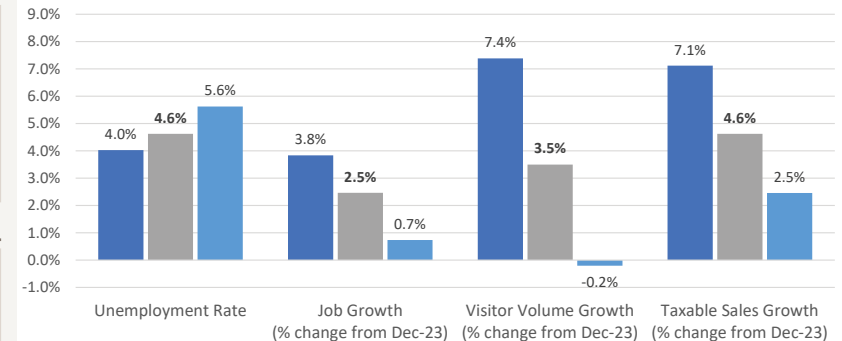
DRAFT

June 2024 Consensus Projections



DRAFT

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.