

MEETING HIGHLIGHTS

November 9, 2023

- The national economy remains strong with 4.9 percent annual GDP growth in the third quarter and an additional 150,000 jobs in October. However, some concerns remain with an inverted yield curve and a declining Leading Economic Index, both of which point to the possibility of recession. Additionally, real gross domestic income is lagging GDP which suggests some spending is being supported by savings and/or debt rather than income.
- In Nevada, the labor force and job market continue to expand. As of September, all major industry sectors are now above pre-pandemic employment, except for Other Services (includes personal care services, auto repair, civic/business/grantmaking organizations, and more). In total, however, the State now has 119,500 more jobs than it did at the pre-pandemic peak.
- Although visitation numbers haven't recovered in all areas of the State, many economic indicators around tourism and recreation are strong. September's Average Daily Room Rate in Clark County was over \$200, up almost eight percent over the year even with flat visitor volume. Additionally, Live Entertainment Tax collections from Gaming establishments were the highest since the rates changed in 2015. Much of this strength is being driven by special events.
- The expectation is for economic growth, both nationally and in Nevada, to continue but at a decreasing rate well into 2024 without turning negative.

CONSENSUS FORECASTS

UNEMPLOYMENT RATE

The current Statewide unemployment rate stands at 5.4% as of September 2023. The consensus expectation is that the unemployment rate will decline to 5.3% by December, then further drop to 5.1% by June 2024 and 4.8% in December 2024.

JOB GROWTH

As of July, Statewide employment stands 3.4% above September 2022. Year-over-year job growth is expected to decline to 2.8% in December, and further moderate to 2.1% year-over-year growth by June 2024 before ticking up to 2.2% 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 5.4% in December 2023, then moderate to 3.2% by June 2024 and 3.3% in December 2024.

TAXABLE SALES GROWTH

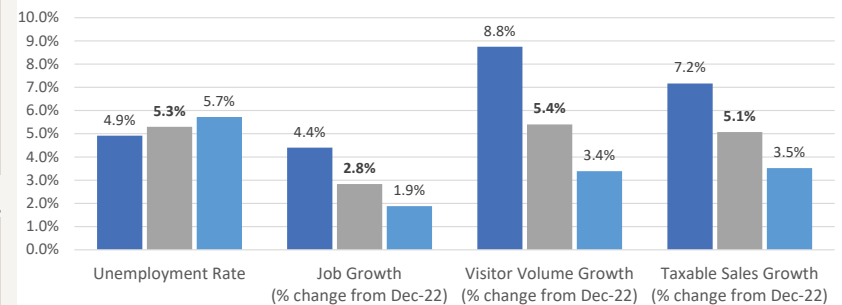
Taxable sales are also projected as a 12MMA, which was up 5.9% over the year in August. The consensus projection anticipates growth slowing to 5.1% year over year by December 2023 and 4.0% in June 2024, before ticking up to 4.1% by December 2024.

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.

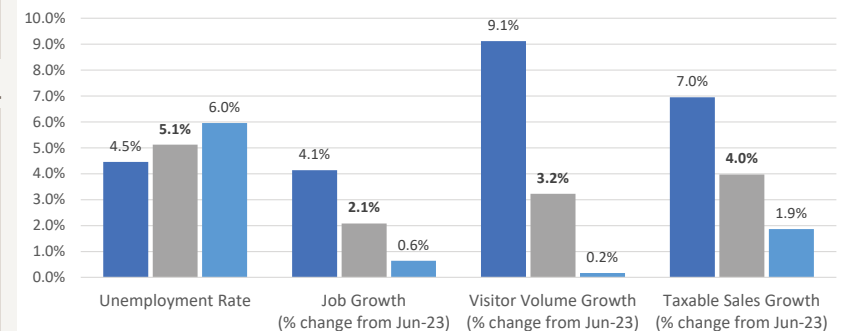
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December 2023 Consensus Projections



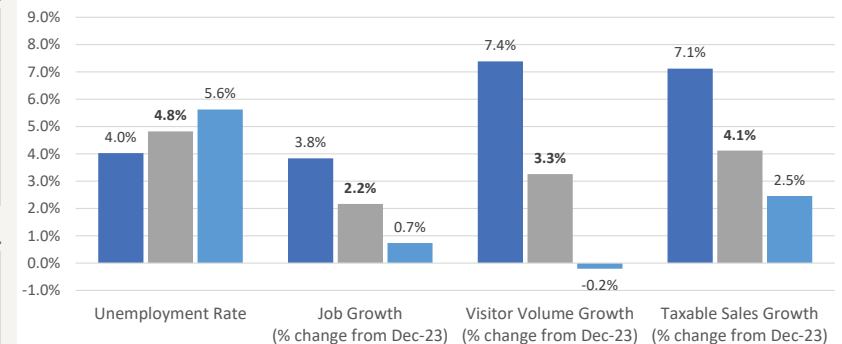
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June 2024 Consensus Projections



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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.