

MEETING HIGHLIGHTS Dec 12, 2024

- A forecast presented at the December Economic Forum projected flat growth of the General Fund in 2025, when compared to 2024; but then an increase of 2.4% and 2.8% in 2026 and 2027 respectively. The years 2021 through 2023 experienced unsustainable growth rates as high as 22.1% in 2021. This reversion to 2-3% growth rate represents a normalization to growth.

- Southern Nevada has seen a notable decrease in companies looking to relocate to the state from elsewhere. Reasons can vary; however, some may attribute this to lack of developable land, housing affordability concerns, as well as the increased costs of industrial facilities. Where Nevada was once considered a low-cost option, higher costs are making the state less attractive.

- Nevada's job growth has begun to soften. In 2024, wage growth has outpaced most of the nation; and as the cost of workers goes up, it is causing employers to slow hiring putting pressure on labor growth.

- Unemployment ticked up another 0.1% in the month of October landing at 5.7%. But there is no indication that this elevated unemployment rate is due to layoffs. Rather it continues to be a story of growing labor force participation coupled with the slower hiring by employers.

- What Nevada is likely seeing is a normalization of growth on the back of multiple years where growth was abnormally high. The consensus among Economists at the monthly meeting is that things are beginning to soften, but not a cause for concern. Now is a good time to look around and address potential impediments to attracting and growing businesses here.

CONSENSUS FORECASTS

UNEMPLOYMENT RATE

The current Statewide unemployment rate stands at 5.7% as of Oct 2024. The consensus is that the unemployment rate will decline to 5.6% by December 2024, remain flat at 5.9% by June 2025 and increase to 5.6% in June 2025.

JOB GROWTH

As of Oct 2024, Statewide employment stands 1.3% above Oct 2023. Year-over-year job growth is expected to increase to 2.6% in December 2024, and moderate to 2.5% year-over-year growth by June 2025 before going down to 2.2% growth in December 2025.

VISITOR VOLUME GROWTH

Statewide visitor volume is measured as a 12-month moving average (12MMA) to account for seasonality. Visitation was up 1.7% over the year since Sept 2023. Year-over growth is expected to be 2.8% in December 2024, then to 2.6% by June 2025 and 1.0% in December 2025.

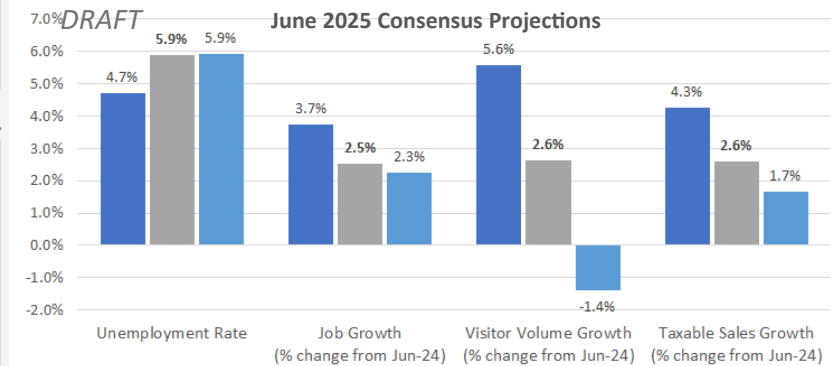
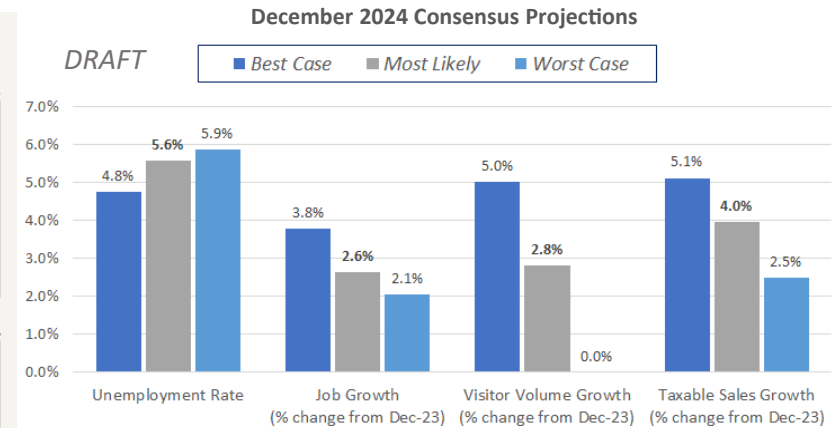
TAXABLE SALES GROWTH

Taxable sales are also projected as a 12MMA, which was down 2.7% over the year in Sept. The consensus projection shows growth of 4.0% year over year by December 2024 and then to 2.6% in June 2025, and then back up to 3.1% in December 2025.

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 2024, June 2025, and December 2025.

June 2025 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.