

MEETING HIGHLIGHTS

September 14, 2023

- Nevada continued to lead the nation in year-over-year job growth in August, with the number of employed expanding by 3.9 percent from last August. Additionally, the state's labor force has expanded every month so far in 2023 as more and more Nevadans move back into the workforce from the sidelines.
- The State's General Fund collections surpassed \$5.7 billion for the first time ever in Fiscal Year 2023, an increase of 5.9 percent from the prior fiscal year and almost a percentage point over forecast.

» A number of revenue sources performed better than expected, including the Modified Business Tax (1.8 percent above forecast), the Cigarette Tax (3.4 percent above forecast), and the Real Property Transfer Tax (2.7 percent above forecast, though still down 37.8 percent from the prior fiscal year).

- Nationally, the economy remains strong though with some points of concern. The Federal Reserve Board increased their forecast for 2023 GDP growth from 1 percent (forecasted in June) to 2.1 percent. Similarly, GDP growth in 2024 is expected to reach 1.5 percent, versus 1.1 percent forecasted last June.

» Consumer spending, the largest component of GDP, has remained strong. However, the personal savings rate is declining while credit card delinquencies are rising and recently surpassed pre-pandemic levels. These trends may negatively impact consumer spending going forward.

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 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 3.9% above August 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 5.9% in December 2023, then moderate to 4.7% by June 2024 and 4.4 percent in December 2024.

TAXABLE SALES GROWTH

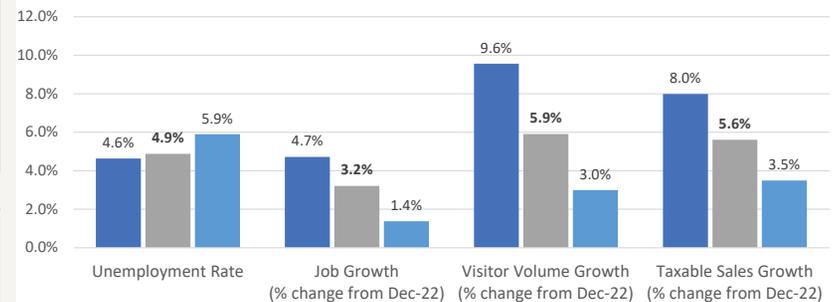
Taxable sales are also projected as a 12MMA, which was up 6.3% over the year in June. The consensus projection anticipates growth slowing to 5.6% year over year by December 2023 and 4.8% in June 2024, moderating to 4.4% by December 2024.

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.

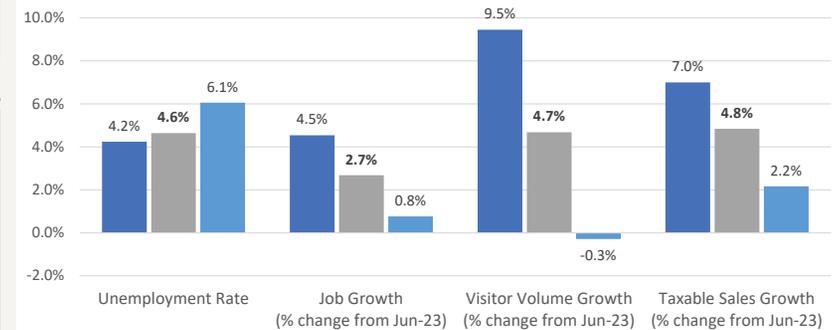
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December 2023 Consensus Projections



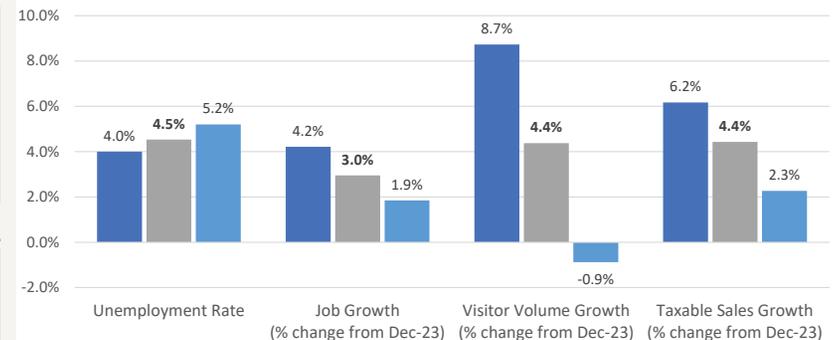
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June 2024 Consensus Projections



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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.