

MEETING HIGHLIGHTS

March 9, 2023

- The Department of Employment, Training, and Rehabilitation has released updated job counts for 2022. Overall, about 50,000 jobs were added to the State's employment count as a result of the revision process, with January employment now above 1.5 million for the first time ever in the State.

- » In January, the leisure and hospitality sector still lags pre-pandemic levels by 3,000 jobs. At the same time, the transportation, warehousing, and utilities sector has surpassed its pre-pandemic peak by 20,100 jobs or 24.4%, suggesting that the pandemic helped to usher in structural change to the state's economic base.

- Fiscal year to date, the State General Fund has seen collections totalling \$2.87B, over \$46 million higher than forecast at last December's Economic Forum. The surplus is due largely to better-than-expected collections in the Gaming Percentage Fees, the Modified Business Tax, and the Live Entertainment Tax.

- » The Economic Forum will meet again on May 1, 2023 to update forecasts for the FY24-FY25 Biennium.

- December 2022 saw record-high taxable sales, with \$8.2B reported for the month. This marks the first time ever that reported sales surpassed \$8B in the State, and the 10th month in a row with actual sales tax collections over \$500 million.

- On March 7, Federal Reserve Chair Jerome Powell spoke to U.S. lawmakers and suggested that, nationally, economic data continues to come in stronger than expected and as a result the Fed may continue raising interest rates higher and faster than previously expected. As Nevada's economy is highly pro-cyclical in relation to the nation, it will be important to continue monitoring macroeconomic conditions as the year unfolds.

CONSENSUS FORECASTS

UNEMPLOYMENT RATE

The current Statewide unemployment rate stands at 5.5% as of January 2023. The consensus expectation is that the unemployment rate will decline to 5.0% by Jun-2023 and 4.8% in Dec-2023, then further decline to 4.3% by Jun-2024.

JOB GROWTH

As of January, Statewide employment stands 6.0% above January 2022. Year-over-year job growth is expected to slow to 3.2% by Jun-2023 and 2.6% in Dec-2023, holding steady with a slight drop to 2.5% year-over-year growth by Jun-2024.

VISITOR VOLUME GROWTH

Visitor volume is measured as a 12-month moving average (12MMA) to account for seasonality. Visitor volume was up 22.1% over the year through Nov-22 (preliminary figures only for Oct and Nov). Year-over-year growth is expected to slow to 10.5% by Jun-2023, 7.9% in Dec-2023, and 5.2% by Jun-2024.

TAXABLE SALES GROWTH

Taxable sales are also projected as a 12MMA, and were up 6.6% over the year in December 2022. The consensus projection anticipates growth slowing to 6.3% year over year by Jun-2023, 5.3% by Dec-2023, and 5.1% in Jun-2024.

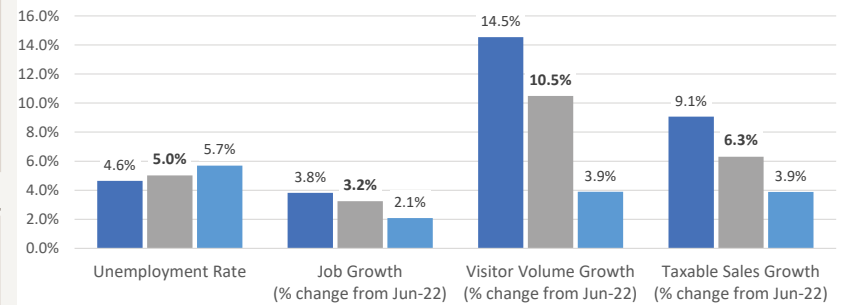
ADDITIONAL ESTIMATES

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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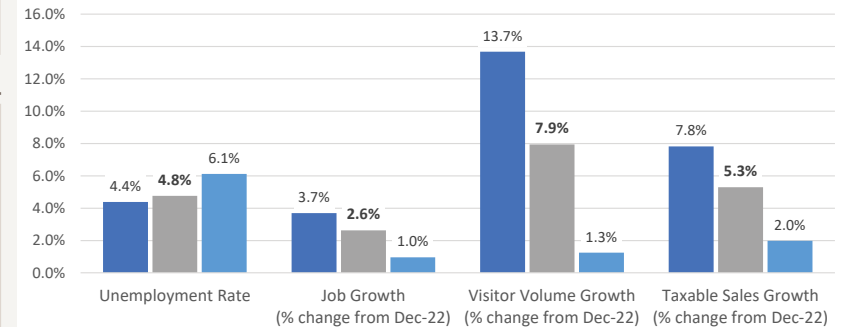
■ Best Case ■ Most Likely ■ Worst Case

June 2023 Consensus Projections



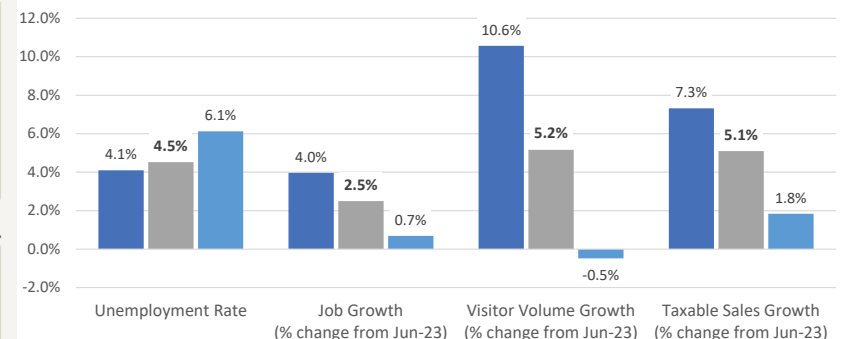
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December 2023 Consensus Projections



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June 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.