

## MEETING HIGHLIGHTS

### January 12, 2023

- Nevada continues to add jobs, averaging 5,500 new jobs each month over the past three months. Over the same period, the State's unemployment rate has increased 0.3 percentage points to 4.9 percent, the highest in the nation.

- » However, much of the increase in unemployment is being driven not by people being laid off (going from employed to unemployed), but rather folks re-entering the labor market from the sidelines (going from not participating in the labor force, to unemployed and looking for work).

- As reported in January's Silver Sage report, Nevada's General Fund revenues through the first quarter of FY2023 total nearly \$1.5 billion, up \$84 million or six percent from the same period last fiscal year. This comparison excludes first quarter collections for the Modified Business Tax and Insurance Premium Tax, typically the 3<sup>rd</sup> and 4<sup>th</sup> largest sources of revenue for the General Fund.

- Nevada ranked 7<sup>th</sup> in the Tax Foundation's 2023 State Business Tax Climate index. Nevada's highest scores were in the individual taxes and property taxes categories, while our lowest scores were for sales taxes and unemployment insurance taxes. We were middle of the pack for corporate taxes.

- The Kosmont-Rose Institute's 2022 Cost of Doing Business Survey found that from 1990 to 2019, Las Vegas was the number one destination for businesses leaving California, while Reno was number three. Carson City, Henderson, and Gardnerville were amongst the least costly cities to do business, of 158 cities in the Western United States that were analyzed.

### UNEMPLOYMENT RATE

The current November 2022 State unemployment rate stands at 4.9%. The consensus expectation is that the unemployment rate will drop slightly to 4.6% in December and 4.5% in March 2023, and further decline to 4.4% in July 2023.

### JOB GROWTH

As of November, Statewide employment stands 1.5% above June. Job counts are expected to continue to grow to 2.4% above June's level by December. The growth rate is expected to strengthen slightly through mid-2023, with jobs up 2.5% from June's baseline in March, and up 3.0% by July.

### VISITOR VOLUME GROWTH

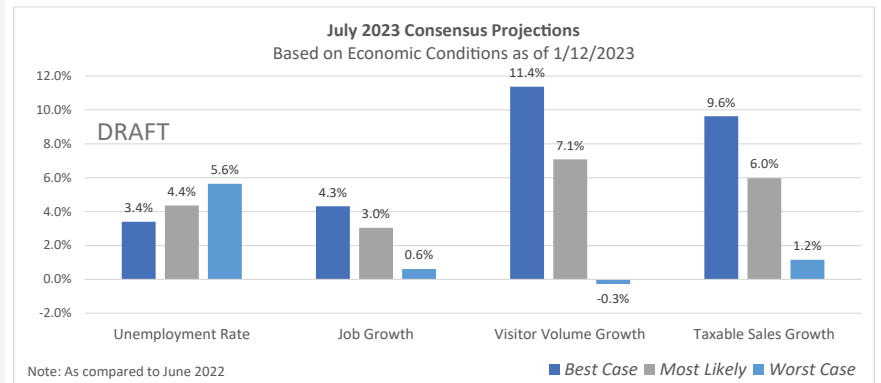
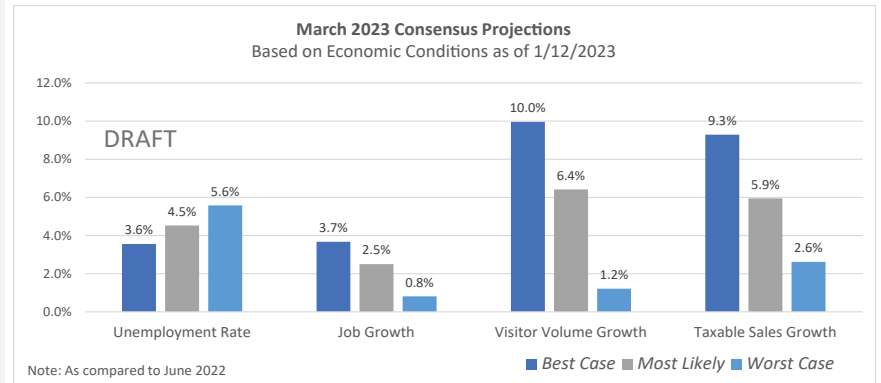
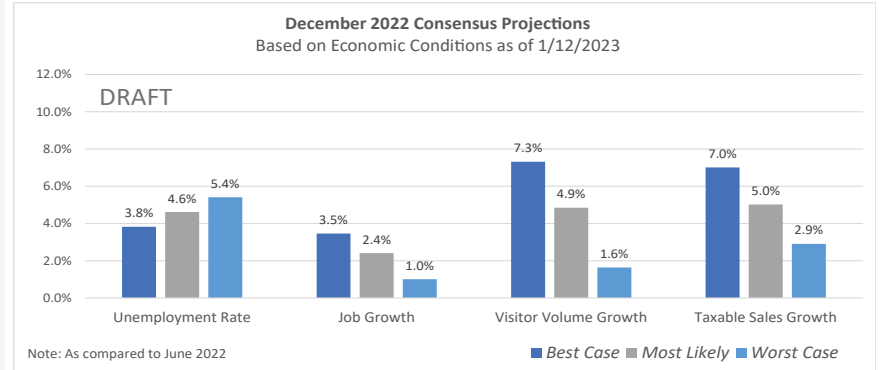
The 12-month trailing total of visitor volume for December 2022 is estimated to be 4.9% above the June total. Further improvement is expected in 2023, with an expected increase of 6.4% in March and 7.1% in July.

### TAXABLE SALES GROWTH

Taxable sales are projected as a 12-month trailing total. The consensus projection for December anticipates a 5.0% increase from June's sales. In March 2023, a 5.9% gain from the June 2022 baseline is expected. This growth is expected to continue through July 2023, with sales 6.0% over June 2022.

### ADDITIONAL ESTIMATES

To account for uncertainty, best case and worst-case scenarios were also estimated. The "most likely" scenarios are the primary projections for December 2022, March 2023, and July 2023. Next month's report will have updated forecast horizon periods.



All charts are labeled "DRAFT" due to changing conditions. Charts are updated monthly.