

MEETING HIGHLIGHTS

July 13, 2023

- Nevada continues to have the highest unemployment rate in the nation, though the gap is narrowing. In Nevada, the forces behind the high unemployment rate may be positive. For instance:

- » Historically, Nevada has had higher unemployment than many states due to the transient and dynamic nature of our economy.
- » Most states' unemployed are primarily made up of those who have lost their jobs, while in Nevada most of the unemployed are either new entrants or re-entrants into the labor force.
- » Nevada does not have the highest rates of involuntary part-time or discouraged workers, suggesting that many workers in the State are able to find full-time work if they want to.
- » Unemployment insurance claims in Nevada remain around pre-pandemic levels, even though there are now 11,000 more individuals in the labor force than in February 2020.
- » Nevada's unemployment rate is based on a household survey asking about the employment status of members of the household. The sample size of this survey is small and may be part of the reason the official model is not picking up the state's recovery.

- Both gaming win and taxable sales saw their first year-over-year revenue declines in recent months, though both still remain strong by historical standards. April's taxable sales were down by 0.8 percent from the prior year, but still marked the 12th highest month of sales ever.

- Tourism metrics softened a bit in the second quarter of the year from the strong first quarter. Analysts expect the second half of the year to be good for tourism, even though visitor volume is still below 2019 levels. However, average daily room rates and lodging tax revenues are far above pre-pandemic levels.

CONSENSUS FORECASTS

UNEMPLOYMENT RATE

The current Statewide unemployment rate stands at 5.4% as of May 2023. The consensus expectation is that the unemployment rate will decline to 5.2% by June 2023 and 5.0% in December, then further drop to 4.8% by June 2024.

JOB GROWTH

As of May, Statewide employment stands 3.7% above May 2022. Year-over-year job growth is expected to be 3.9% in June 2023 and decline slightly to 3.1% in December, and further moderate to 2.5% year-over-year growth by June 2024.

VISITOR VOLUME GROWTH

Statewide visitor volume is measured as a 12-month moving average (12MMA) to account for seasonality. Visitation was up 7.5% over the year through May. Year-over-year growth is expected to be 9.2% in June 2023, 6.5% in December 2023, and 4.1% by June 2024.

TAXABLE SALES GROWTH

Taxable sales are also projected as a 12MMA, which was up 7.3% over the year in April. The consensus projection anticipates growth slowing to 6.5% year over year by June 2023, 5.7% by December 2023, and 4.6% in June 2024.

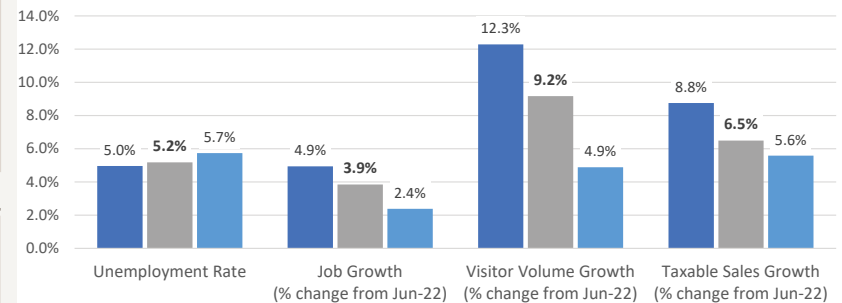
ADDITIONAL ESTIMATES

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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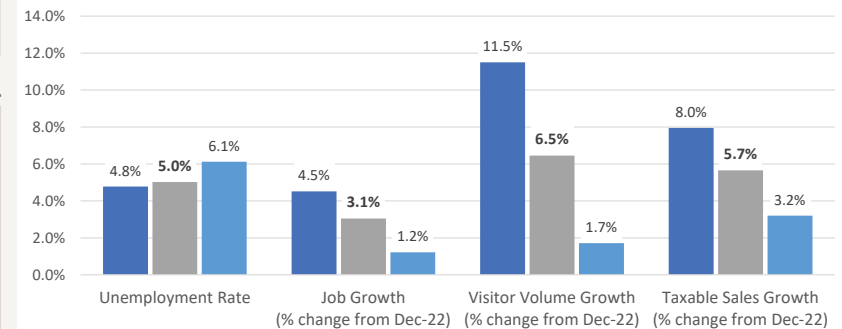
■ Best Case ■ Most Likely ■ Worst Case

June 2023 Consensus Projections



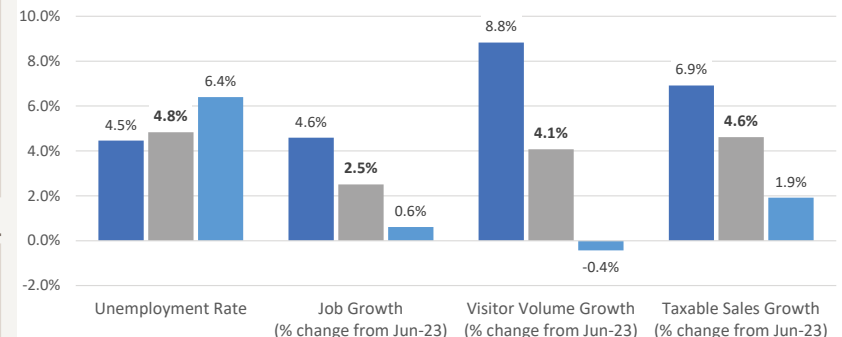
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December 2023 Consensus Projections



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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.