

MEETING HIGHLIGHTS Nov 14, 2024

- Following the U.S. Presidential election, there is a lot of uncertainty about how potential policies with an incoming Trump administration will affect the economy. The major policy discussion centers around the impact of tariffs, mass deportation, and tax cuts. Tariffs, which are inflationary could ignite a trade war leading to higher prices, which in turn may cause the Federal Reserve to keep interest rates high to tame inflation. Higher interest rates will then likely exacerbate housing affordability concerns. However, some economists question how much of what was promised during the election can actually be accomplished, and how much of it may be negotiation tactics.

- Nevada's employment is beginning to soften. It's uncertain whether this is due to employers delaying hiring decisions until after the election results; but it is more likely that the softening is a result of higher wages. It's acknowledged that the possibility of deporting large swaths of undocumented immigrants will definitely impact the labor market, but the data is very difficult to gather because undocumented workers are unlikely to volunteer their immigration status in household surveys.

- Tourism was up for the Month of September led primarily by Las Vegas. Southern Nevada is expected to see slight growth in tourism over the next year, but Northern Nevada is likely to be flat or experience slight declines. Despite relatively positive macro-economic indicators, consumer sentiment continues its downward trend, which impacts travel expectations.

- The outlook generally is that Nevada will experience low to moderate growth over the next year.

CONSENSUS FORECASTS

UNEMPLOYMENT RATE

The current Statewide unemployment rate stands at 5.6% as of Sept 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 December 2025.

JOB GROWTH

As of Sept 2024, Statewide employment stands 3.0% above Sept 2023. Year-over-year job growth is expected to decline 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

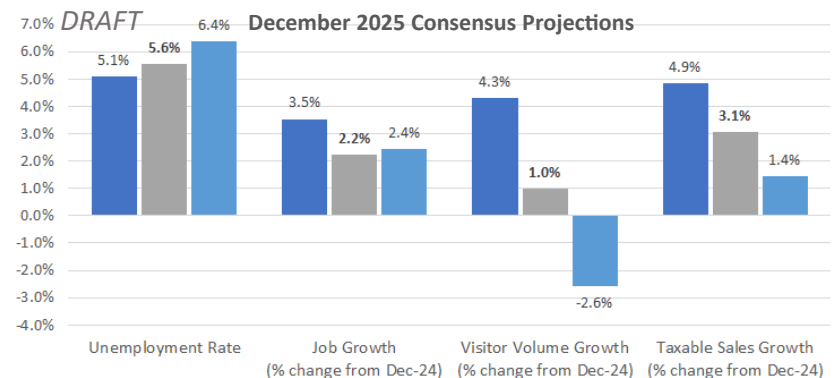
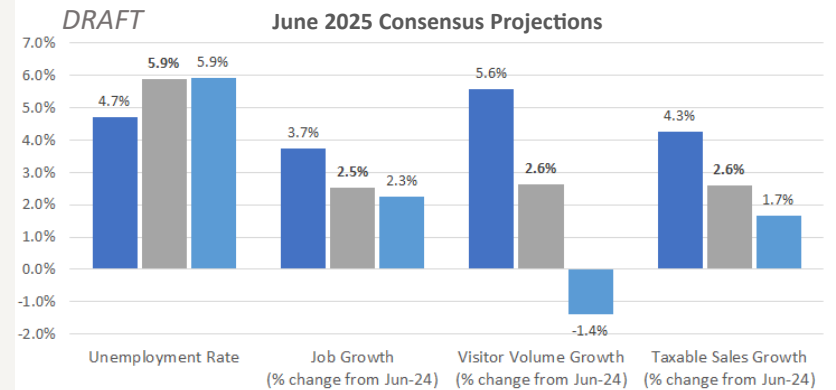
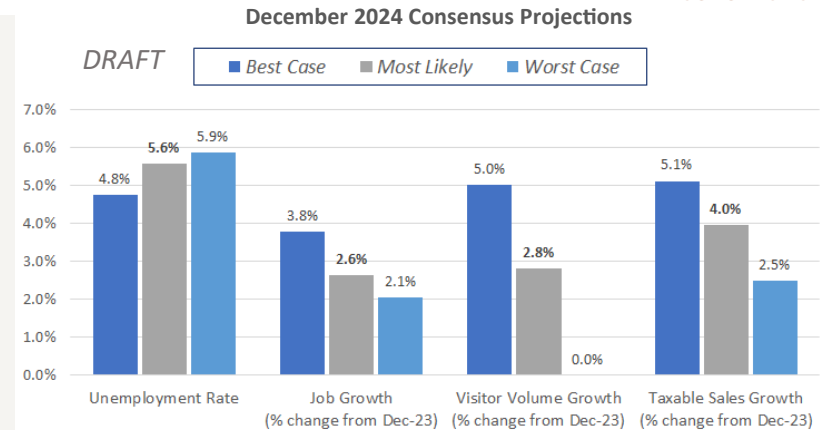
Statewide visitor volume is measured as a 12-month moving average (12MMA) to account for seasonality. Visitation was up 1.7% over the year since Sept 2023. Year-over-year growth is expected to be 2.8% in December 2024, then to 2.6% by June 2025 and 1.0% in December 2025.

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.



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.