



BUDGET KICKOFF MEETING 2014



Section 1

Economic Overview

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Nevada Economic Forecast Then & Now

- Budget Kickoff 2010: Stormy
 - Economy still in freefall
- Budget Kickoff 2012: Cloudy
 - Signs that worst behind us
- Budget Kickoff 2014: Mostly sunny
 - Recovery under way

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		US	Nevada	
		Rate	Rate	Rank
				1 = best
Foreclosure Filings Rate	Jan '14	0.1%	0.2%	49
Home Price Index (FHFA)	2013q3 v 2012q3	8.5%	25.3%	1
	2013q3 v 2008q3	0.5%	-14.8%	51
Wage & Salary Disbursements	2013q3 v 2012q3	3.8%	4.9%	8
Personal Income	2013q3 v 2012q3	3.6%	4.3%	13
Employment*	Dec '13 v Dec '12	1.6%	1.8%	10
Unemployment**	Dec '13	6.7%	9.0%	49

*Not seasonally adjusted.
**Seasonally adjusted.

In 2010, Nevada ranked at the bottom in every measure.

In 2014, Nevada is among the top in most categories.

- Unfortunately, the competition is lackluster at best.



Unemployment

- Unemployment rate steadily declining
 - 9.0% in Dec. 2013 (2nd highest behind Rhode Island)
 - Lowest rate since November 2008
 - 5.0 percentage points lower than peak
- Long-term unemployment remains a problem
 - Federally-funded benefit extension stopped Dec. 28
 - 17,000 Nevadan's lost unemployment compensation

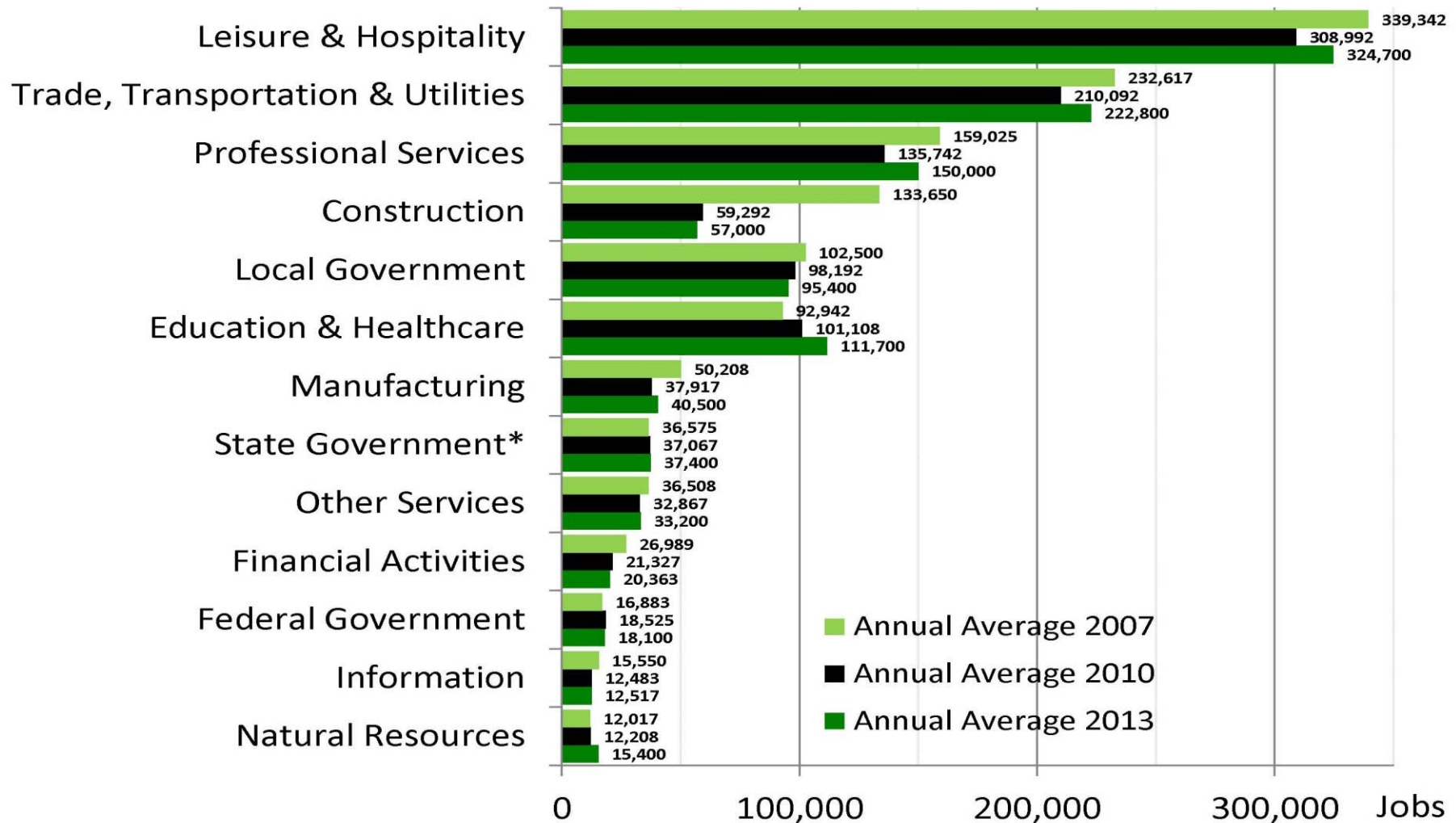


Employment Opportunities

- Number of jobs increasing since 2011
 - Grew 2.7% in CY 2013 compared to CY 2012
 - Slower pace than in previous recoveries
 - 60,000 private sector jobs added since 2010
 - Most sectors showing consistent improvement
 - Still below peak by more than 115,000 jobs
 - 85,000 jobs in construction sector gone

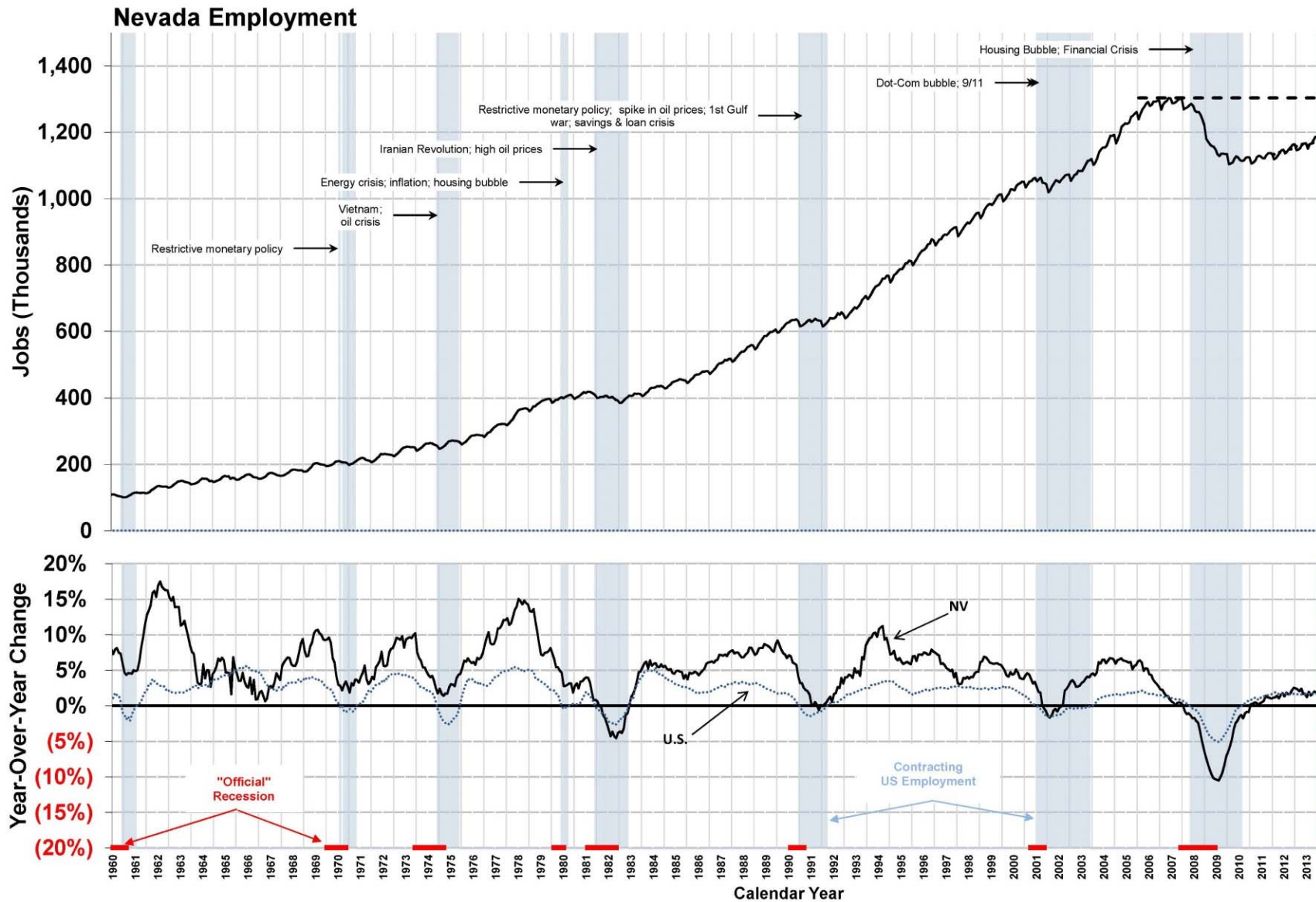


Nevada Full & Part-time Jobs by Sector



*FY 2007 Full Time Equivalency Count: 25,780 positions
 FY 2013 Full Time Equivalency Count: 24,578 positions

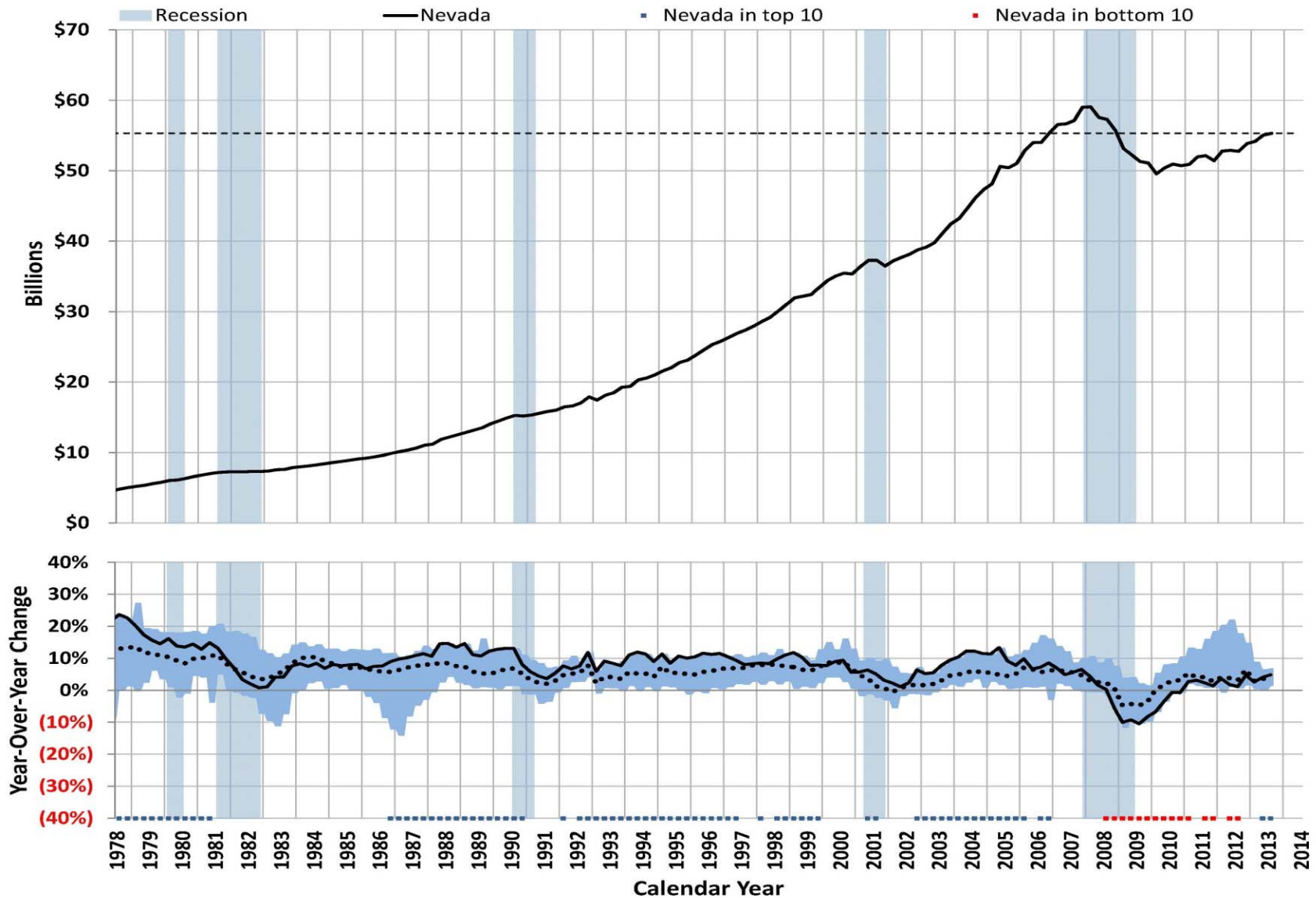
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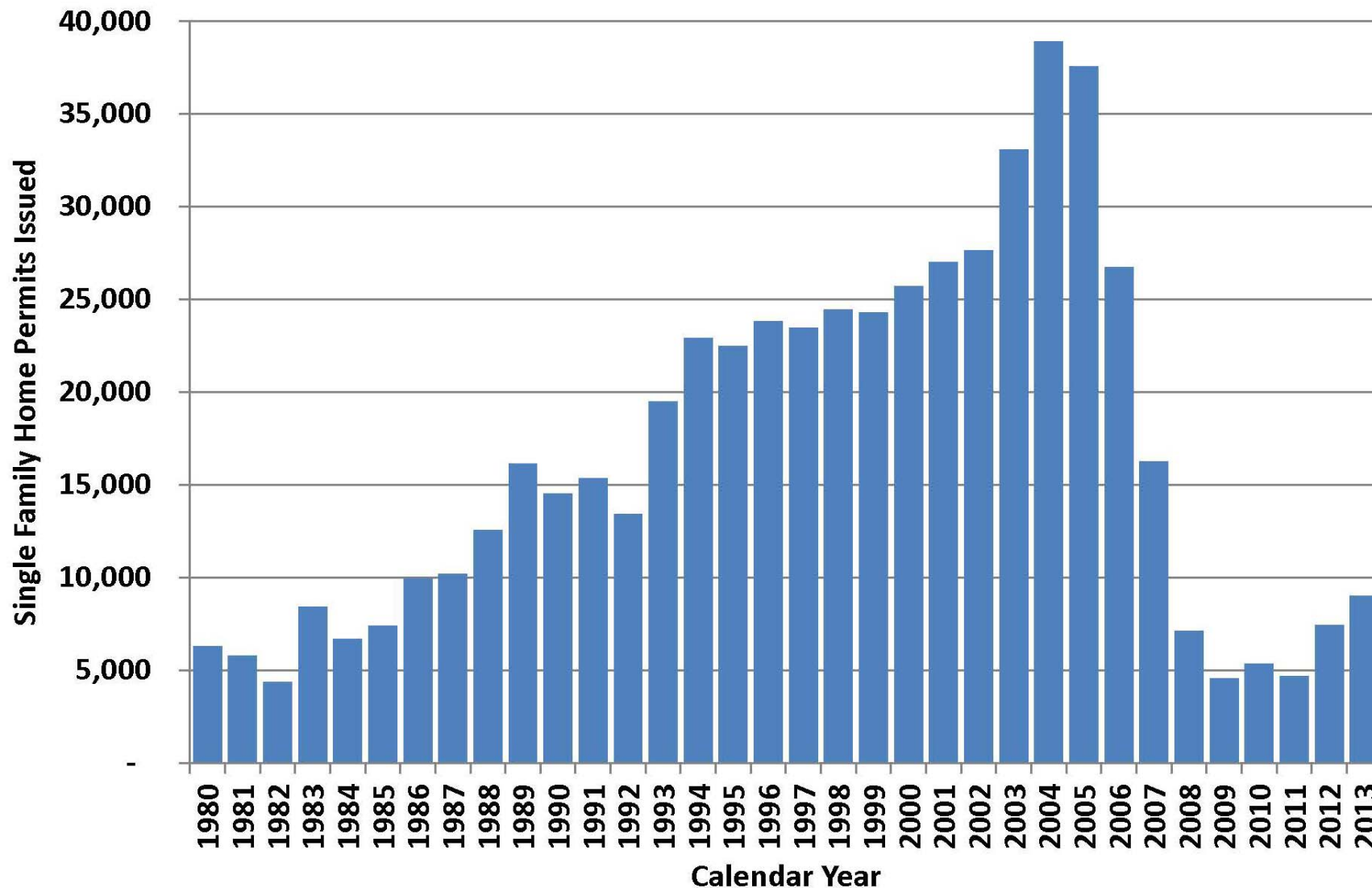


Total Wages & Salaries





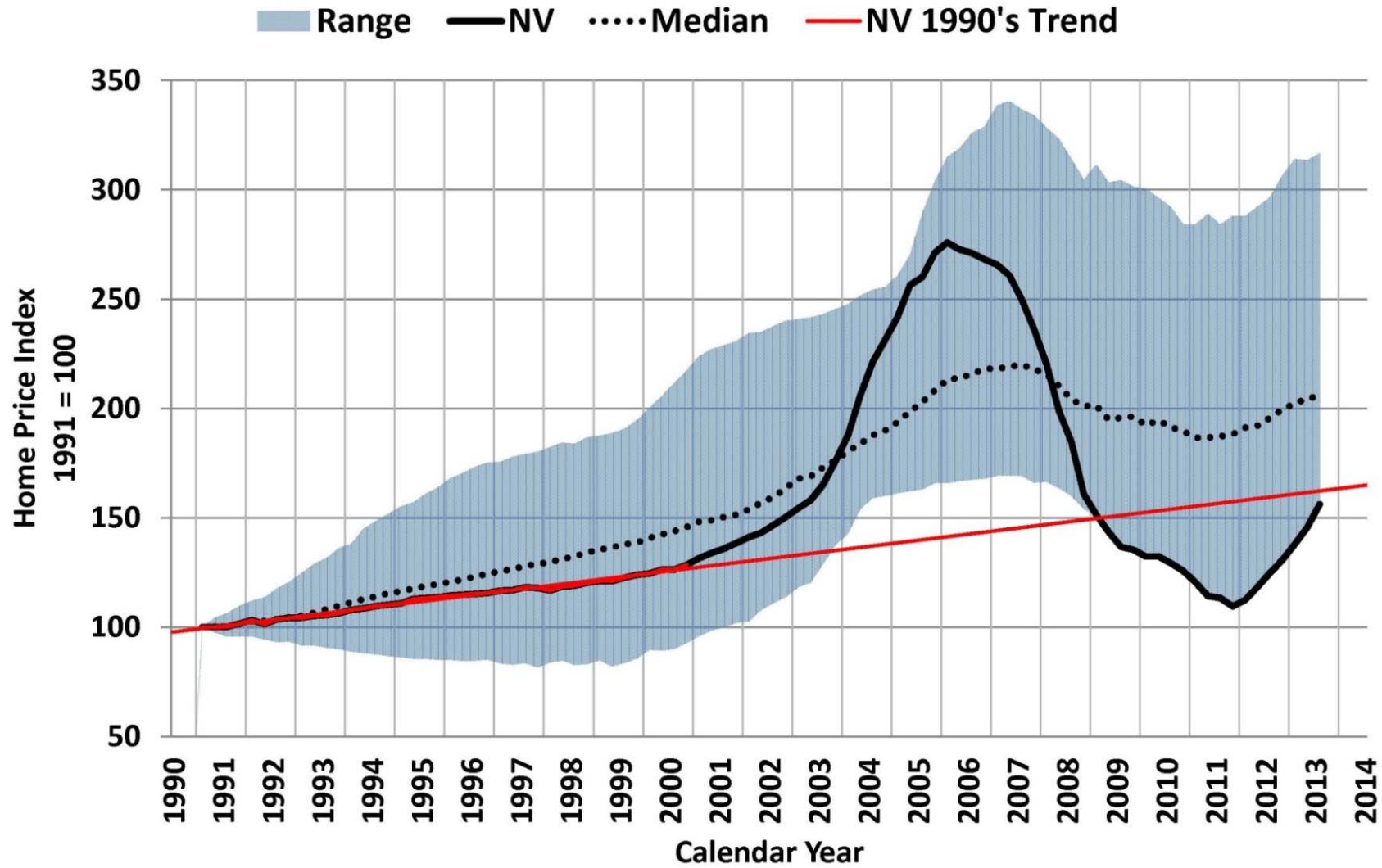
Nevada Residential Construction



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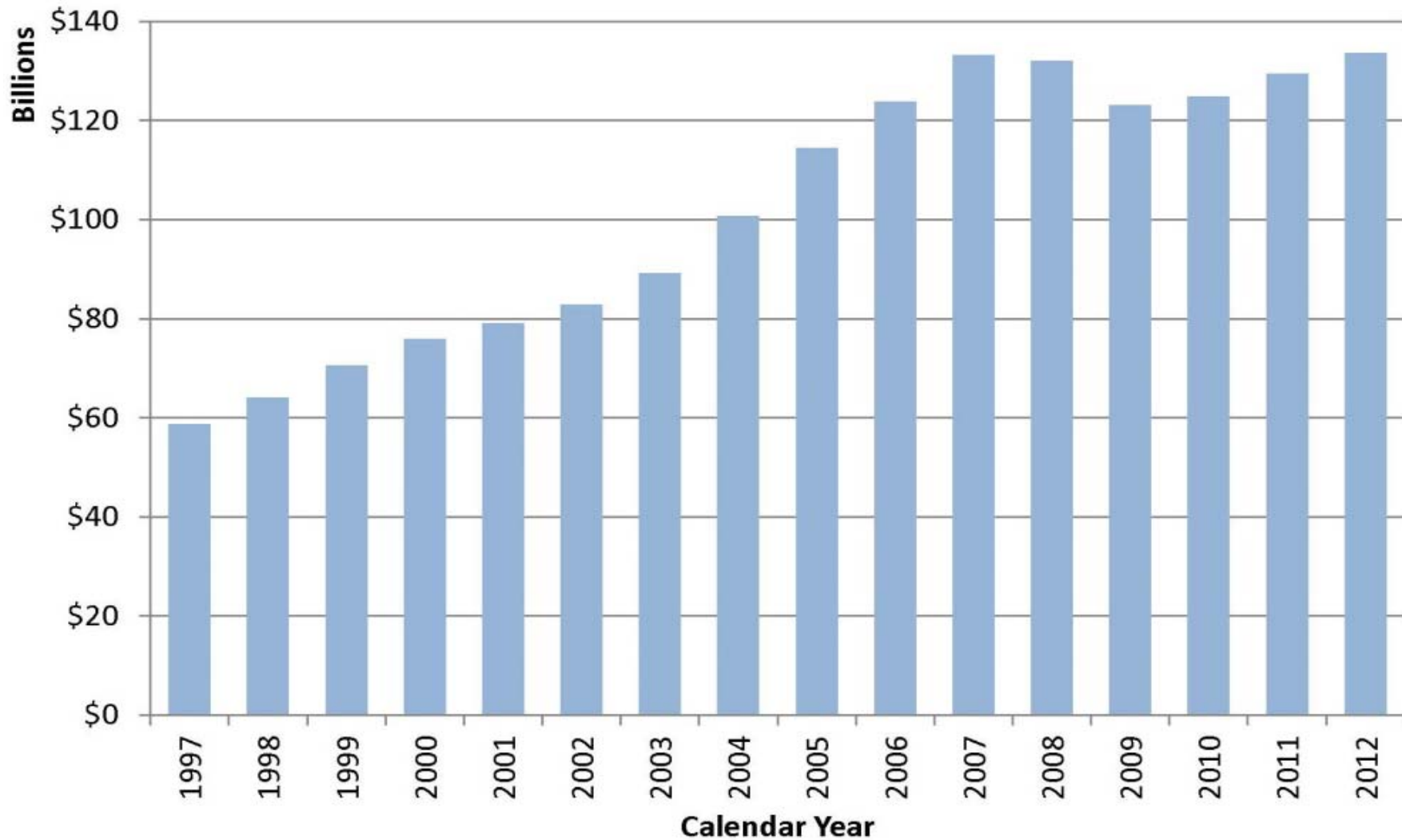


Federal Housing Finance Agency Home Price Index for States
(seasonally adjusted)





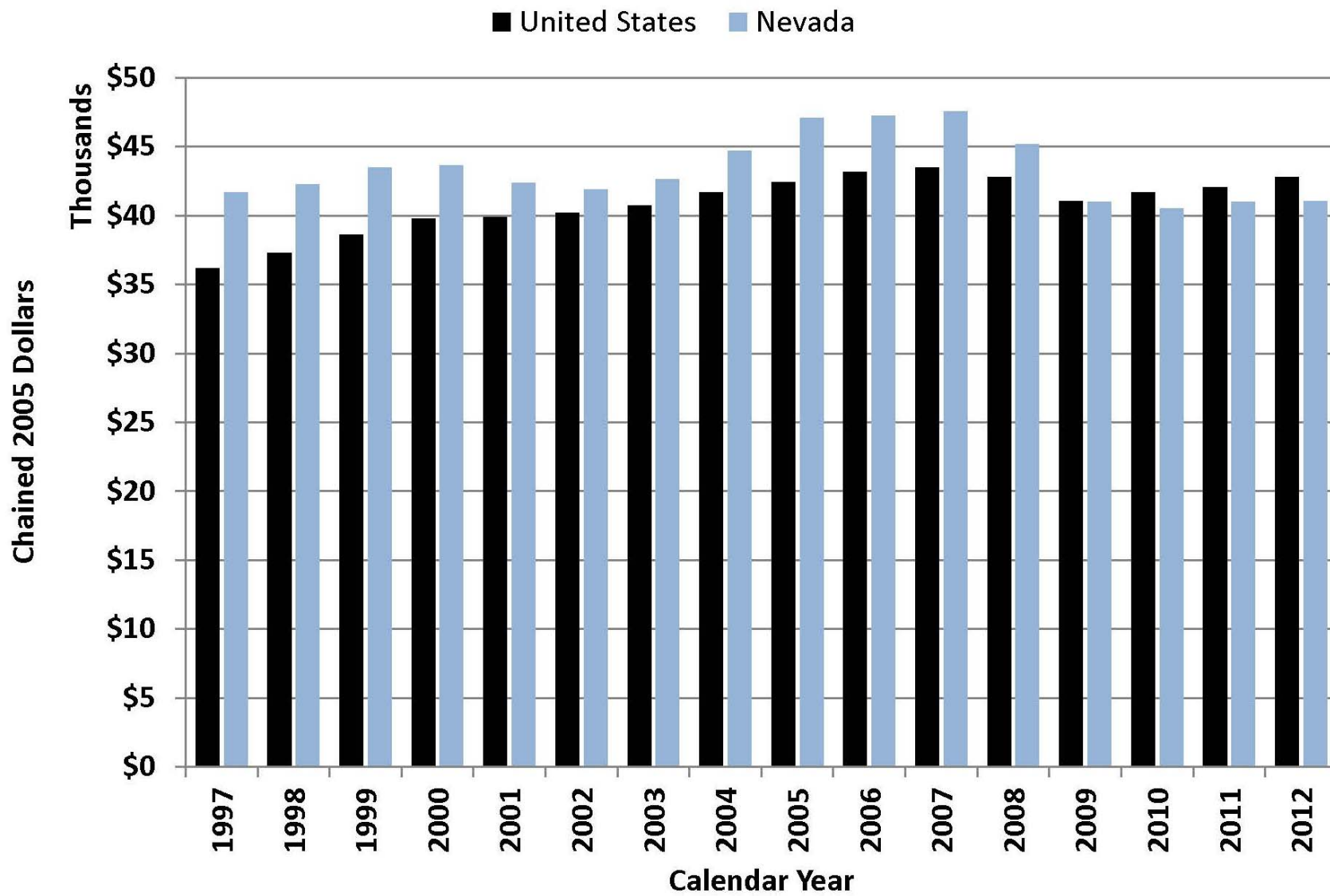
**Nevada Gross Domestic Product
Not Adjusted for Inflation**



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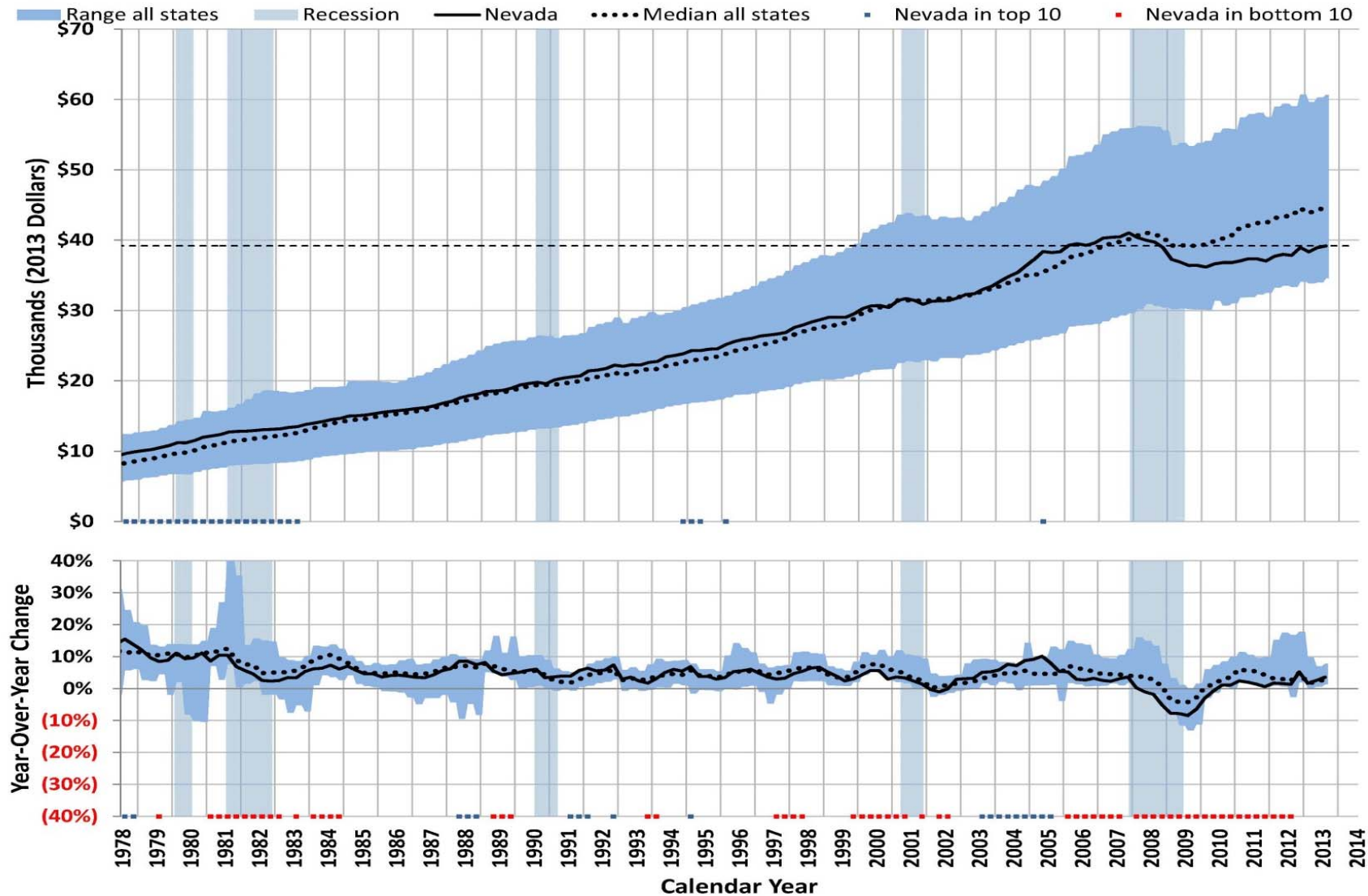
Inflation-Adjusted Per Capita Gross Domestic Product



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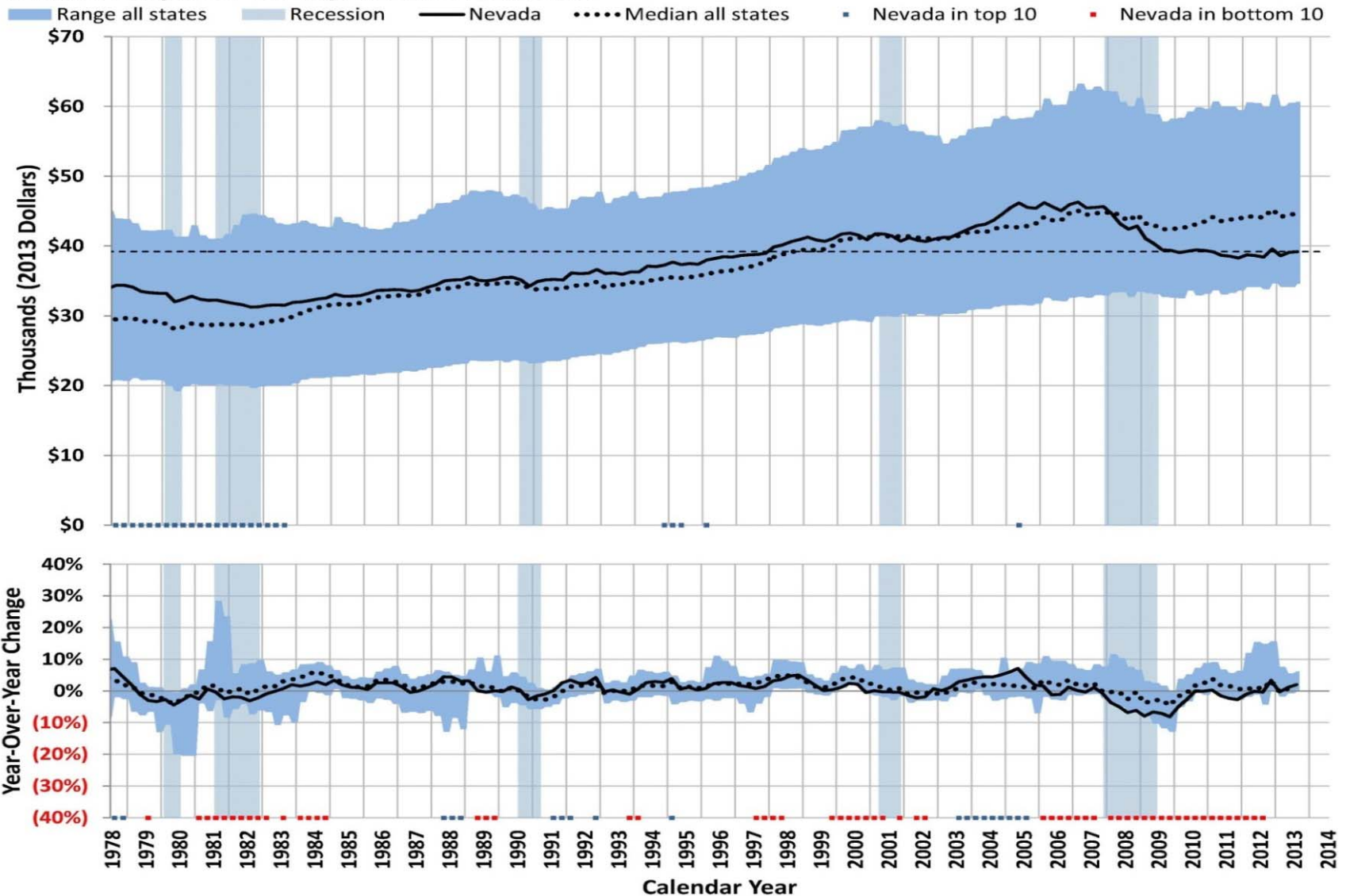
Per Capita Personal Income



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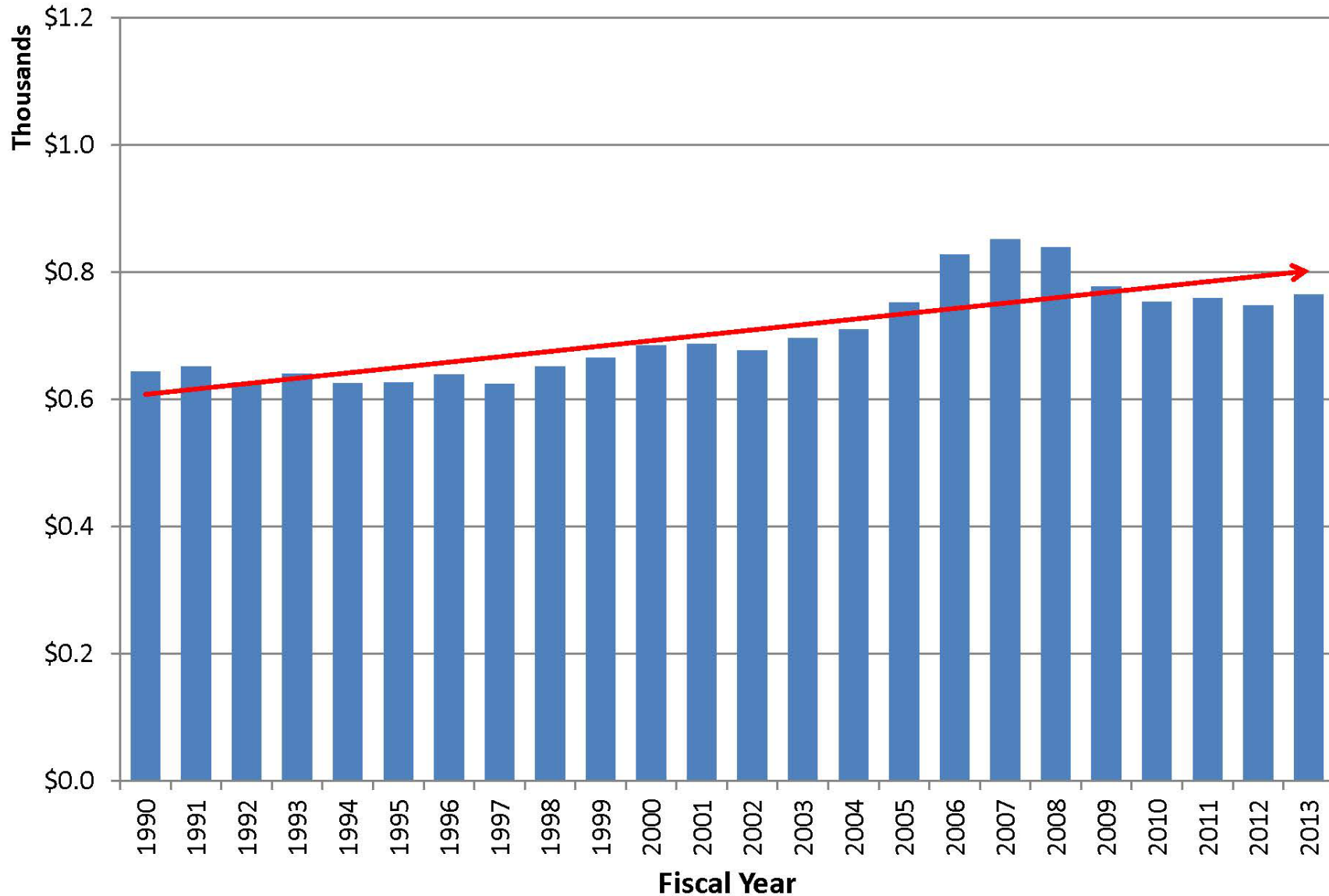
Inflation-Adjusted Per Capita Personal Income



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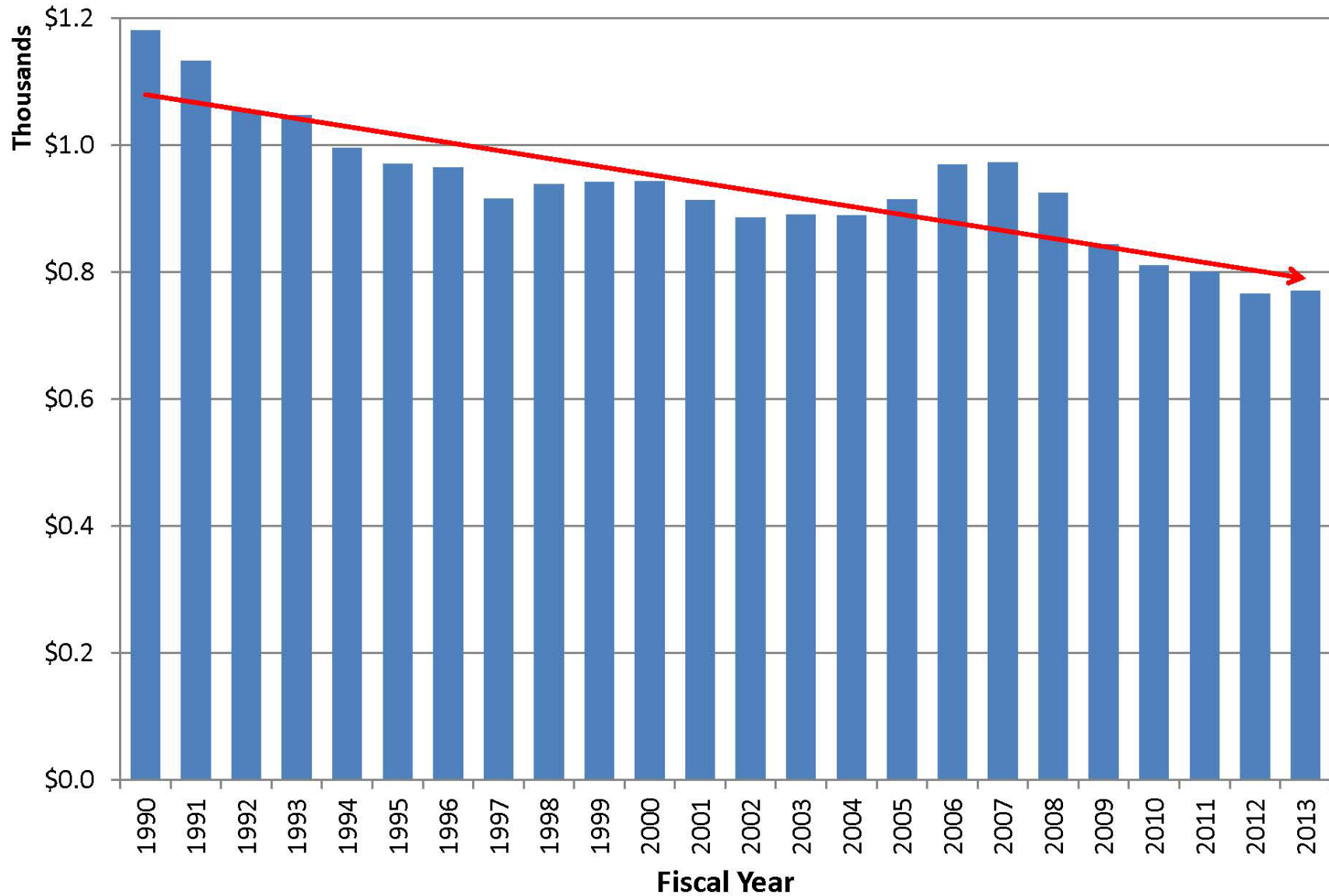
Win Per Las Vegas Visitor



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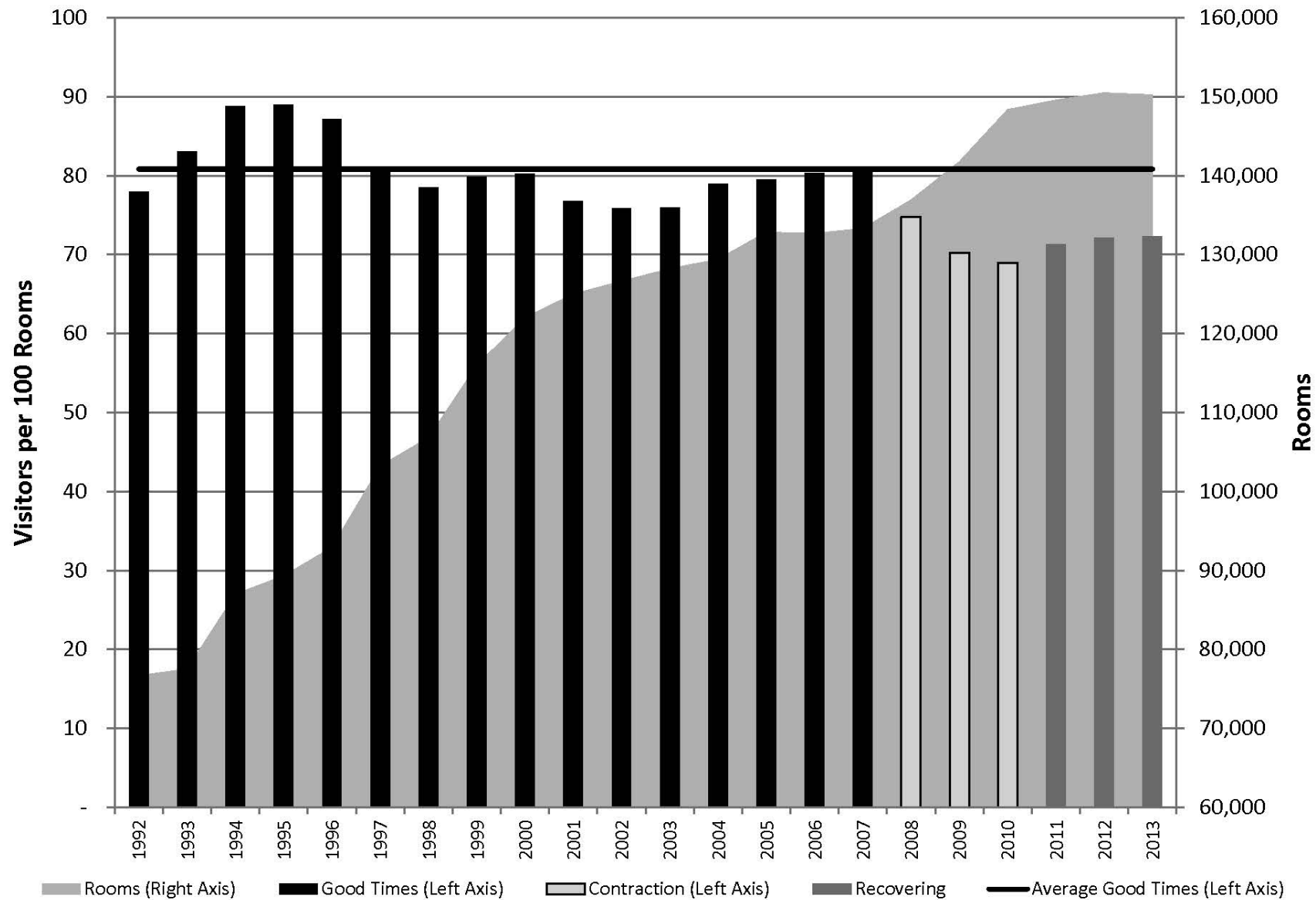
Inflation-Adjusted Win Per Las Vegas Visitor



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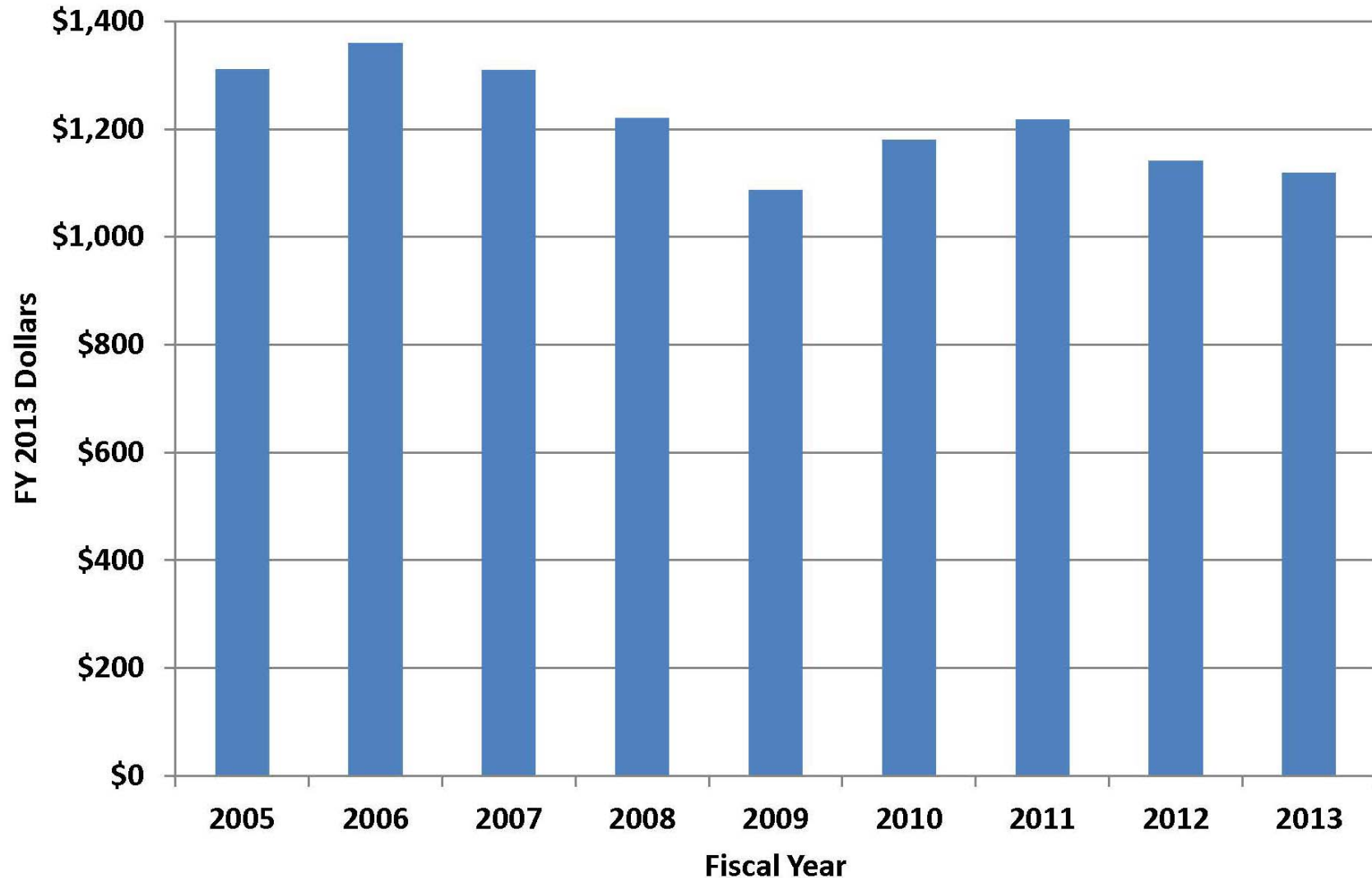
Las Vegas Visitors



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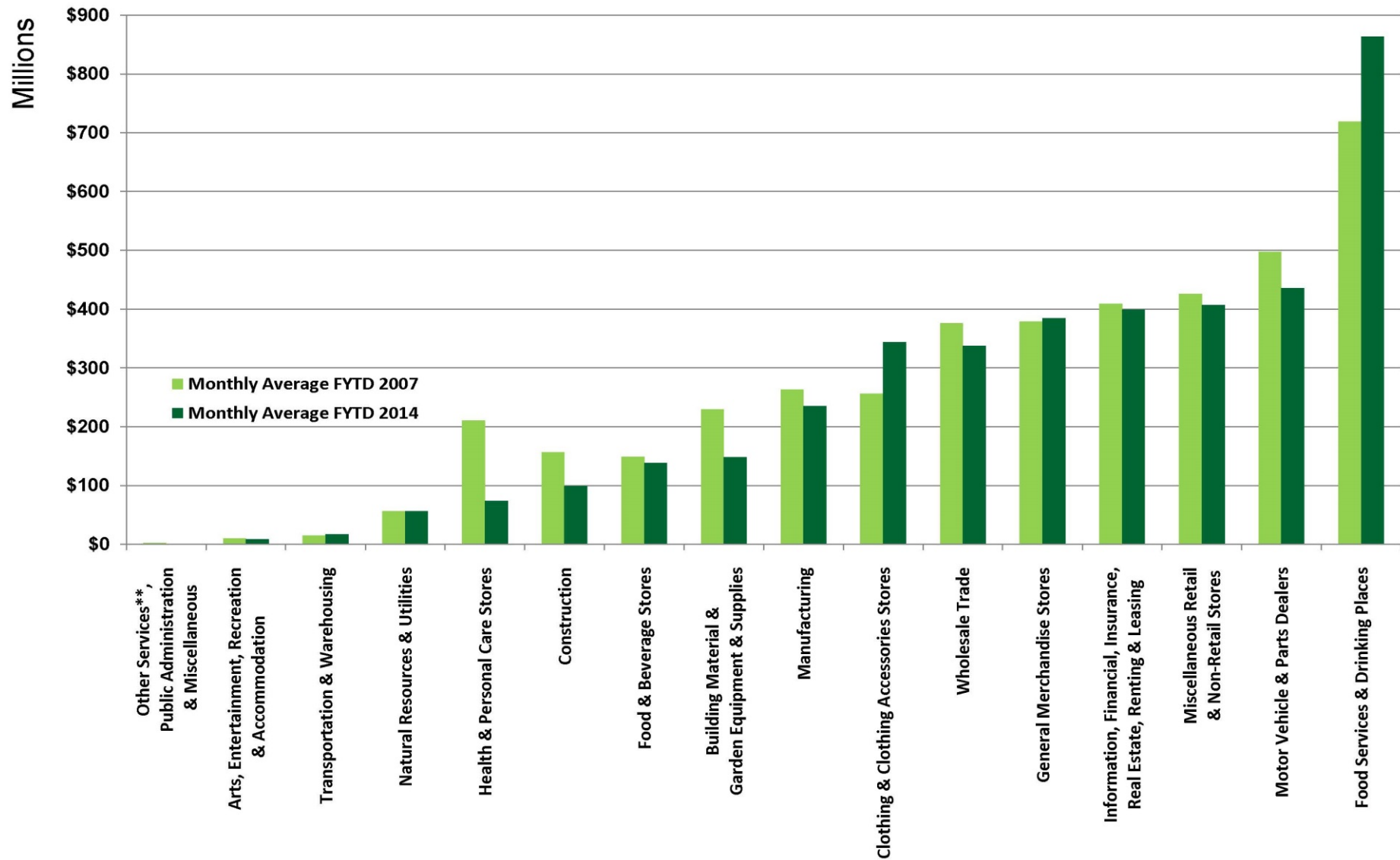


**Inflation-Adjusted Per Capita General Fund Revenues
Including Sunsets & Diversions**



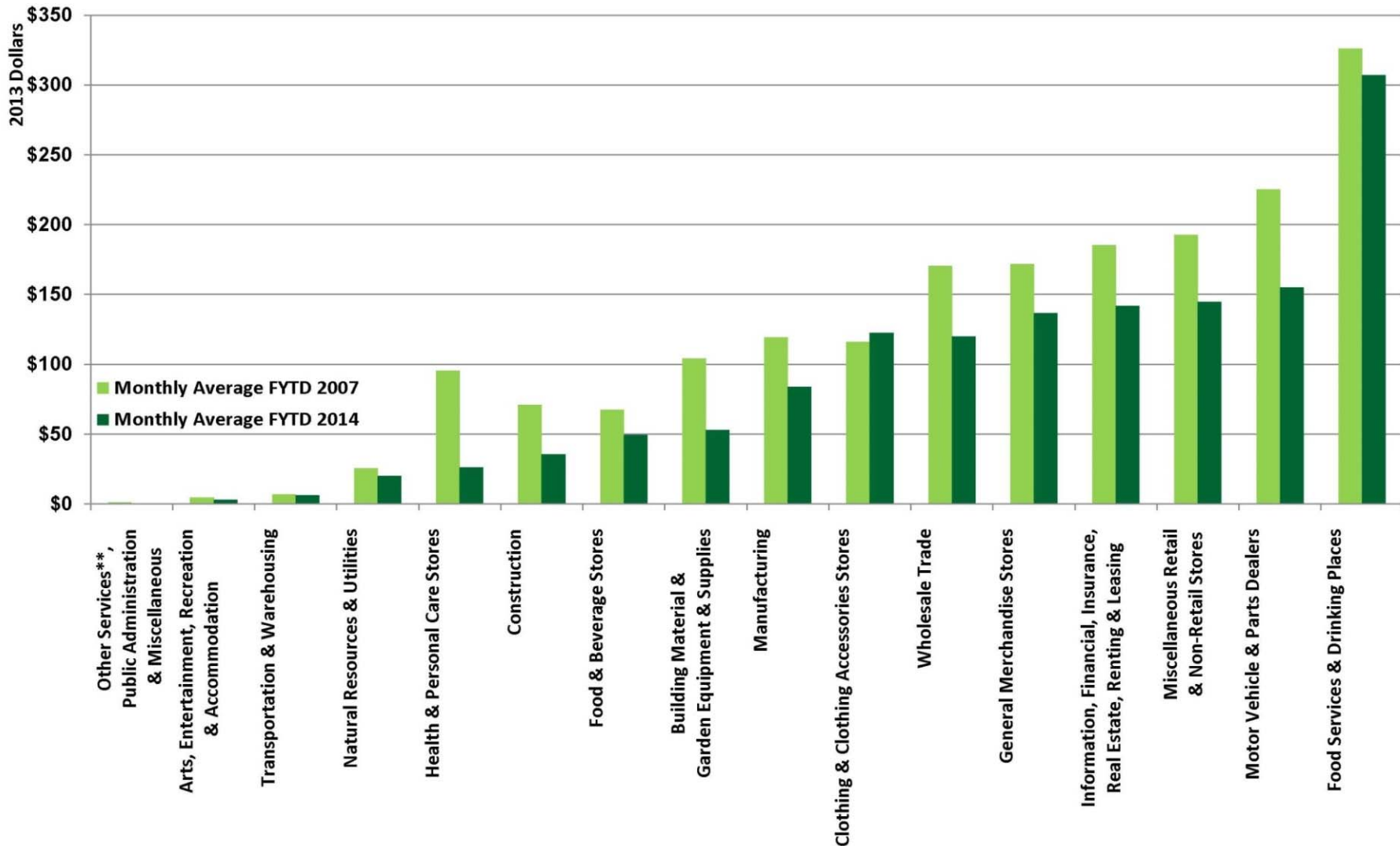


Nevada Retail Sales by Sector

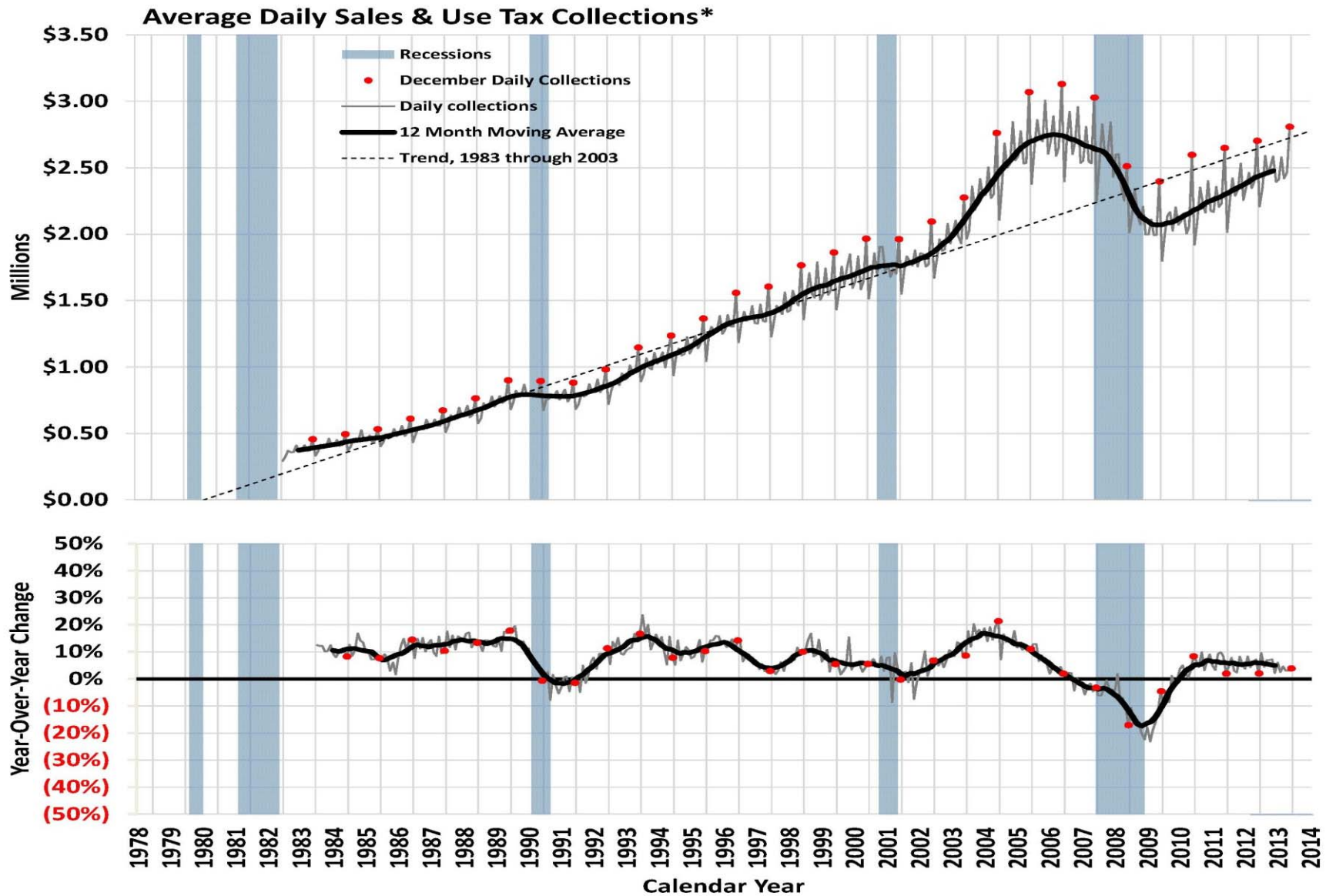




Inflation-Adjusted Per Capita Nevada Retail Sales by Sector

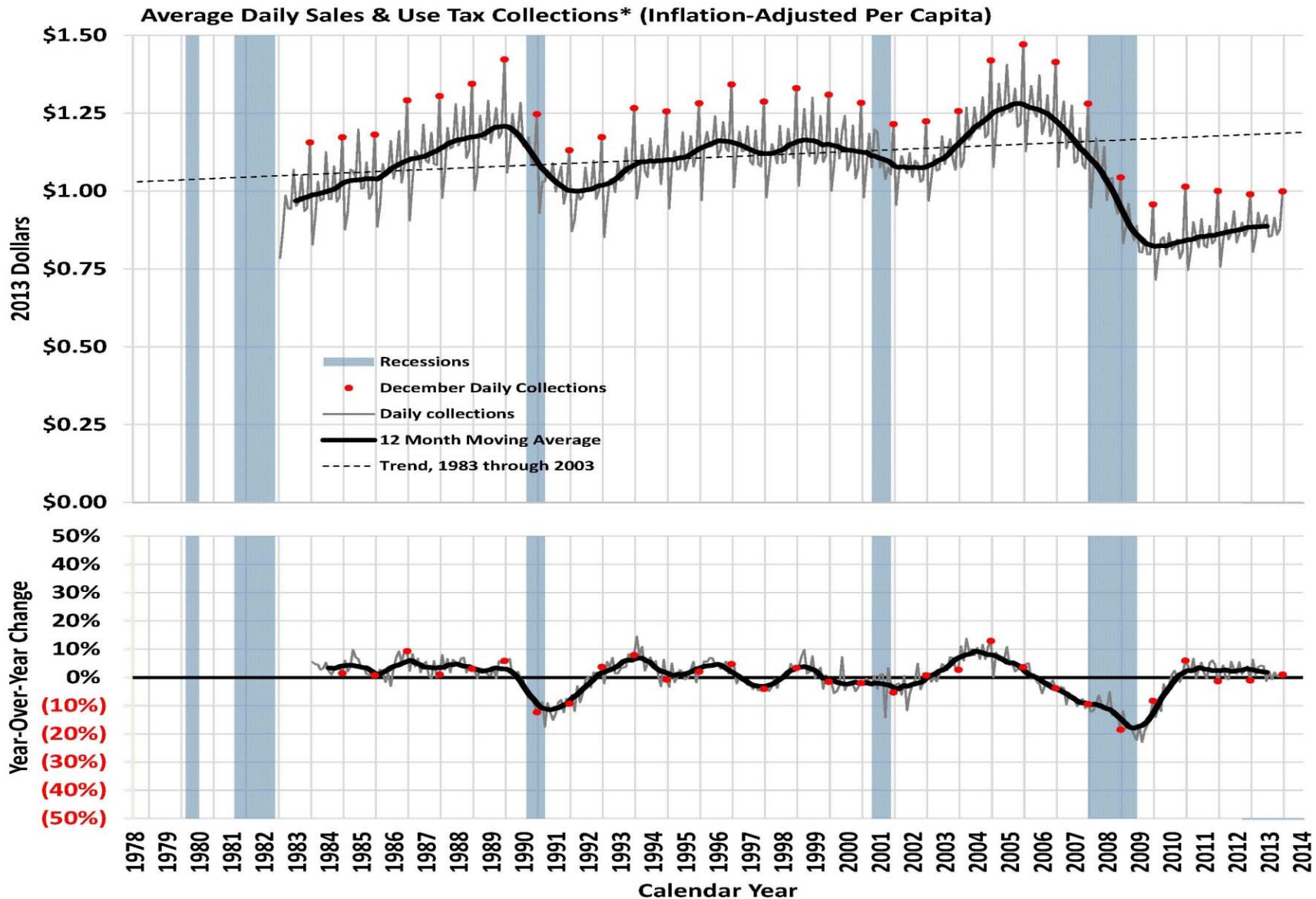


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*Reported values exclude amounts collected under state tax amnesty programs.

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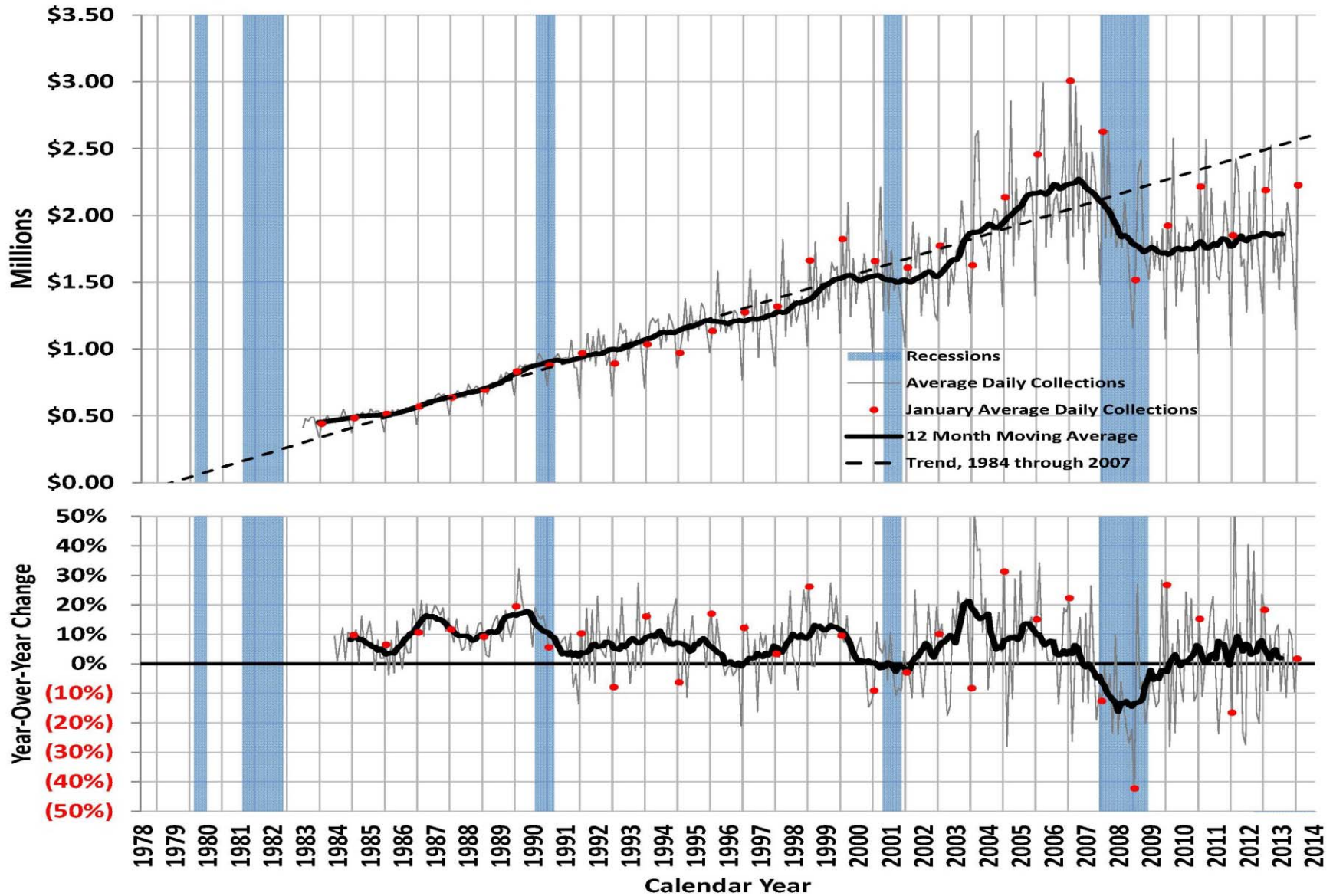


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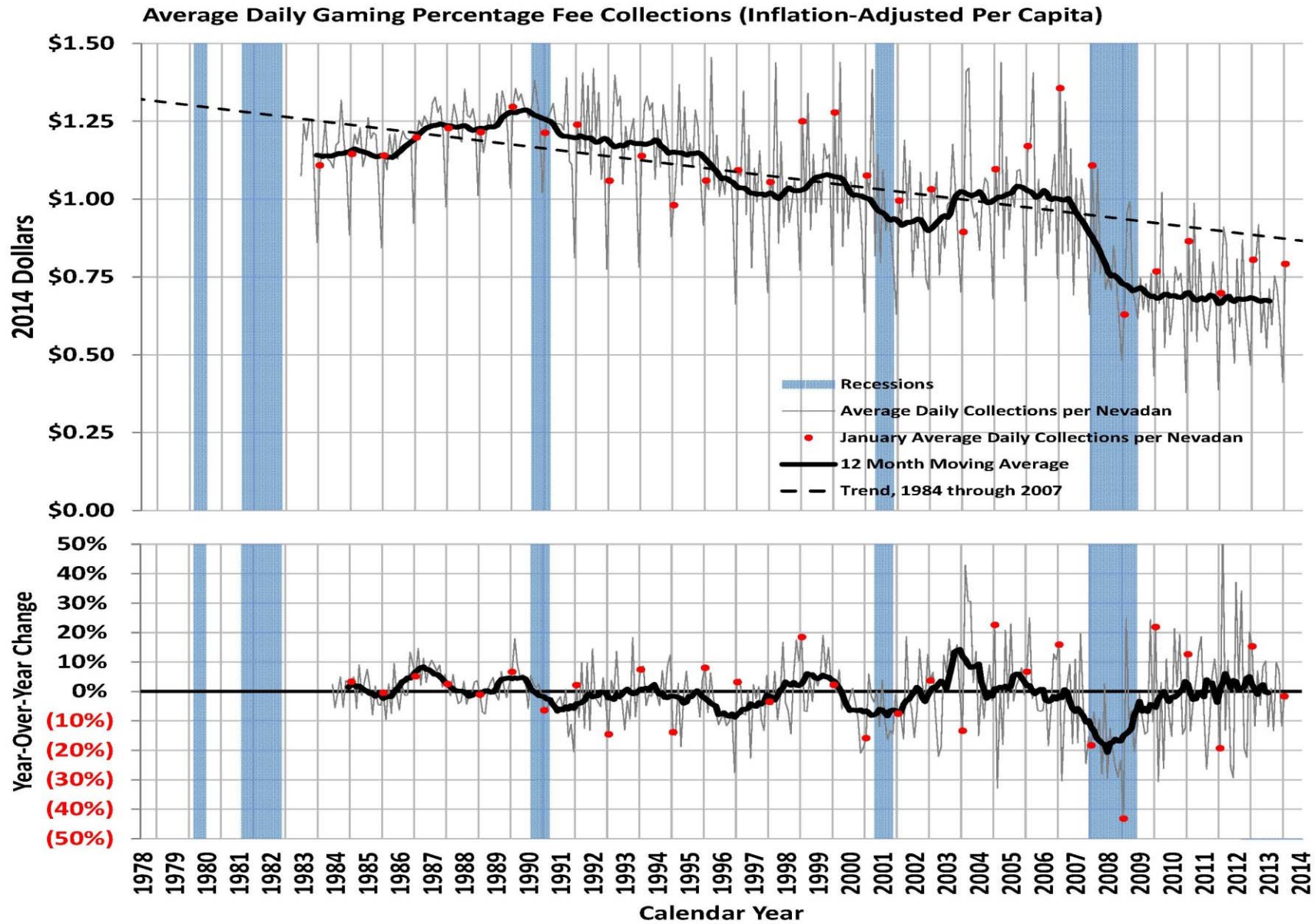
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Average Daily Gaming Percentage Fee Collections



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General Fund Outlook

- May 2013 Economic Forum Forecast
 - FY 2013: up 0.2% compared to FY 2012
 - FY 2014: up 1.2% compared to FY 2013
 - FY 2015: up 5.4% compared to FY 2014
- FY 2013 revenues 1.4 pct.pt. above forecast
 - 1.6% year-over-year increase
- FY 2014 revenues 0.3 pct.pt. below forecast ytd
 - 1.0% year-over-year increase



Conclusions

- Nevada's economy is recovering
 - Not at rapid pace seen in past recoveries, but slow & steady beats boom & bust!
- Revenues are where they were forecast to be
- No extreme change (up or down) anticipated



QUESTIONS?

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