



# ECONOMIC OUTLOOK

## CHALLENGES AND OPPORTUNITIES

EDAWN 2023

**NATIONAL**

**ECONOMY**

**LOCAL**

**ECONOMY**



**NATIONAL**

**ECONOMY**

**LOCAL**

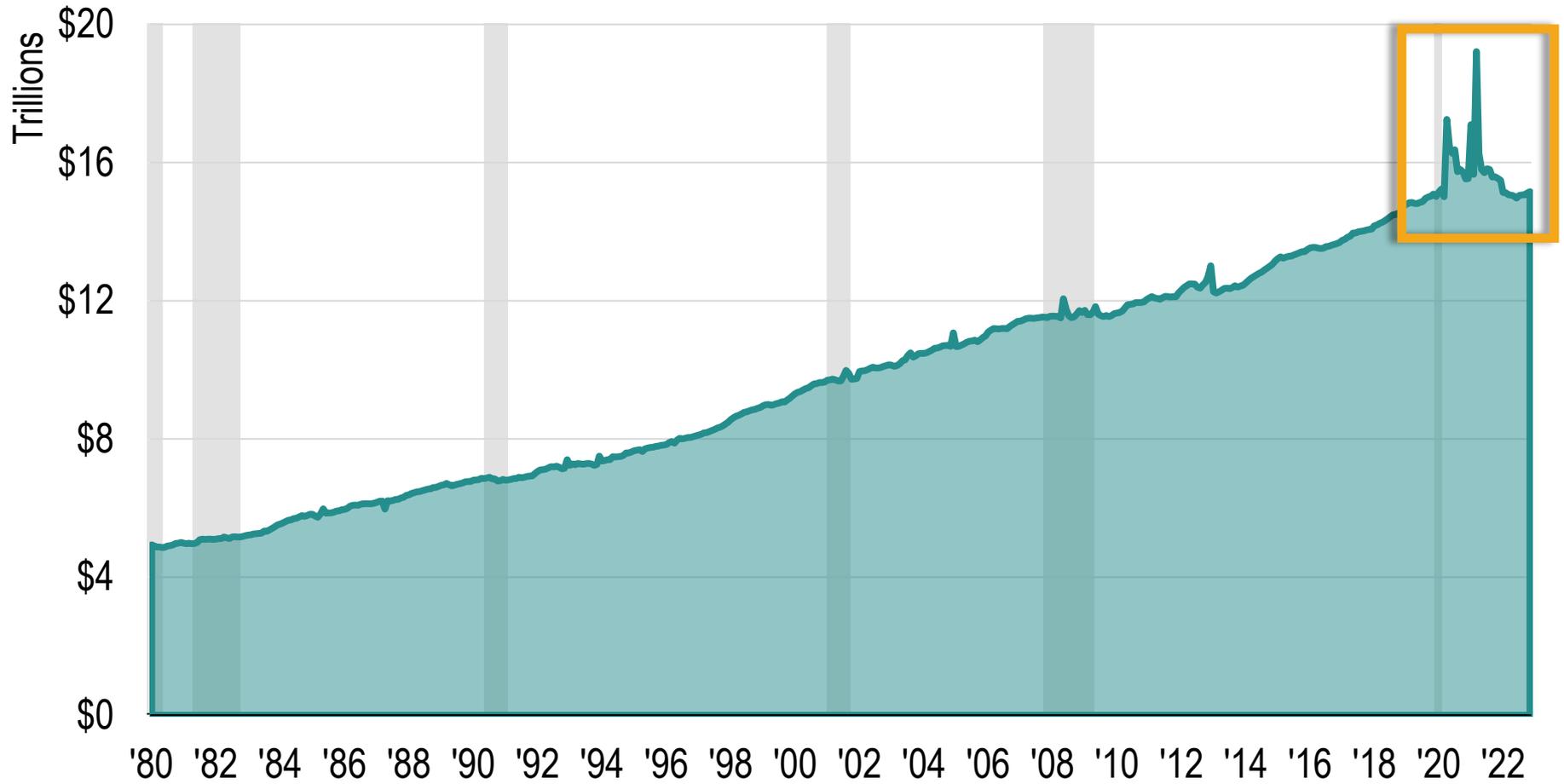
**ECONOMY**





# Real Disposable Personal Income

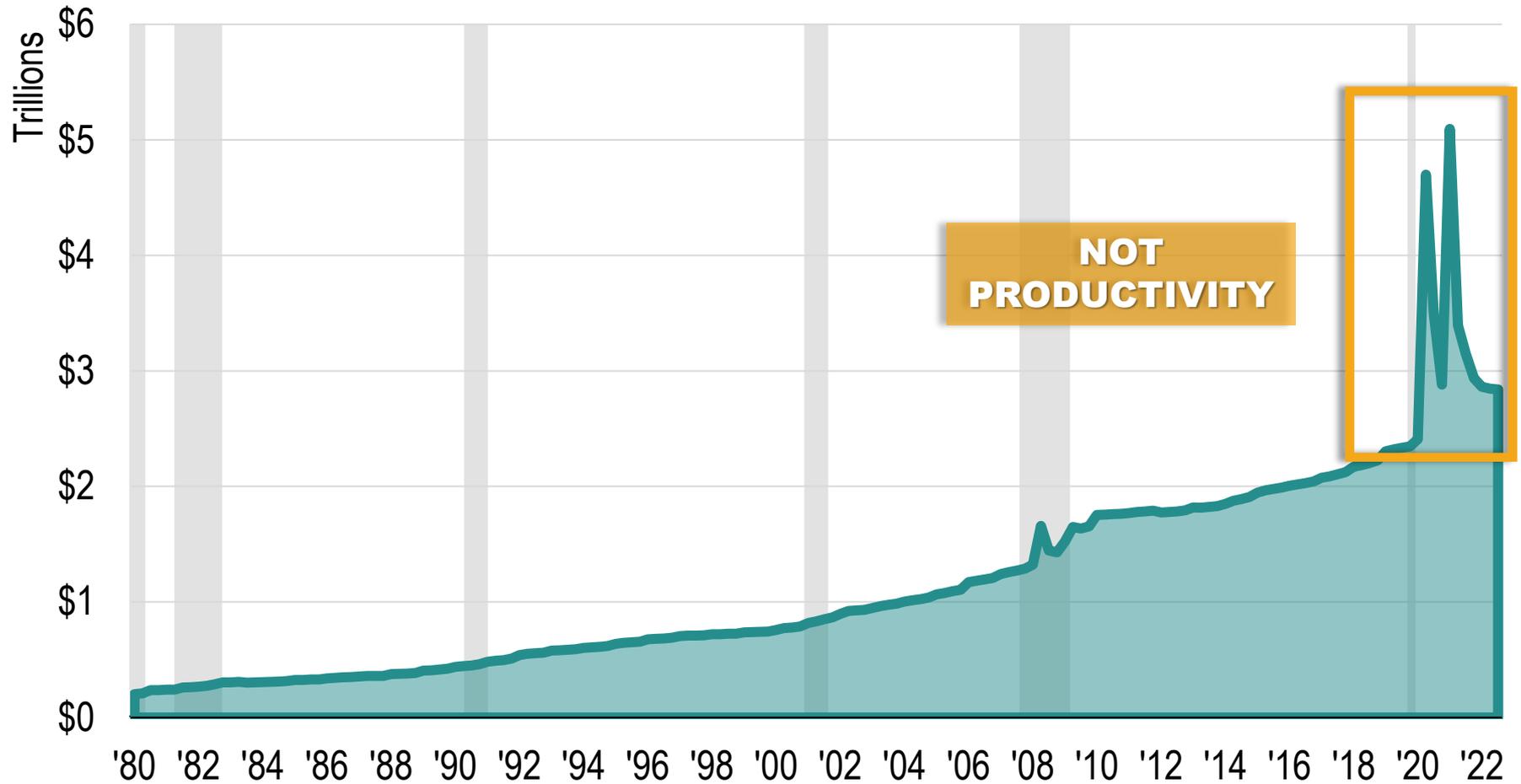
United States



Source: U.S. Bureau of Economic Analysis

# Federal Government Transfers

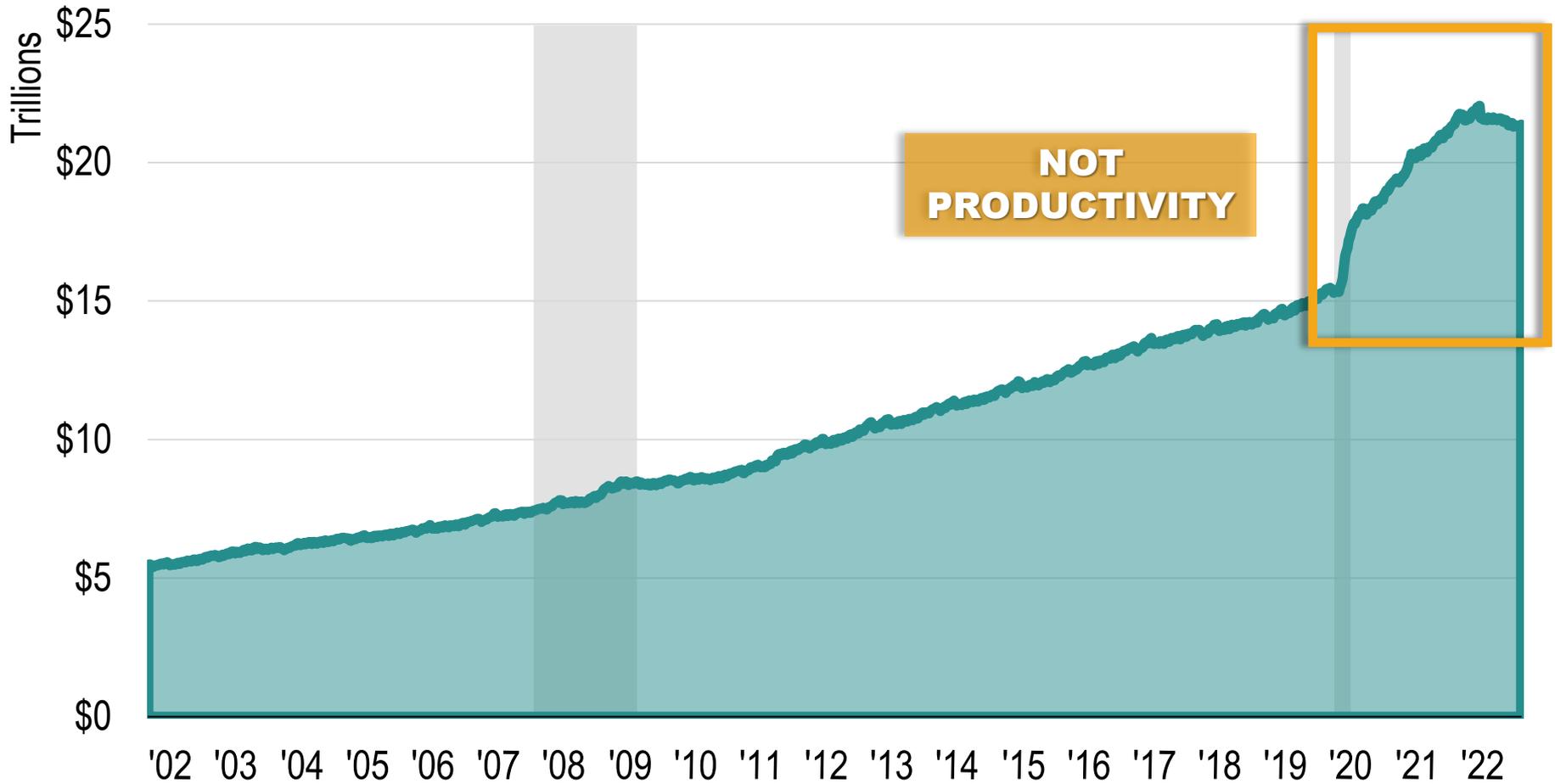
United States



Source: U.S. Bureau of Economic Analysis

# M2 Money Supply

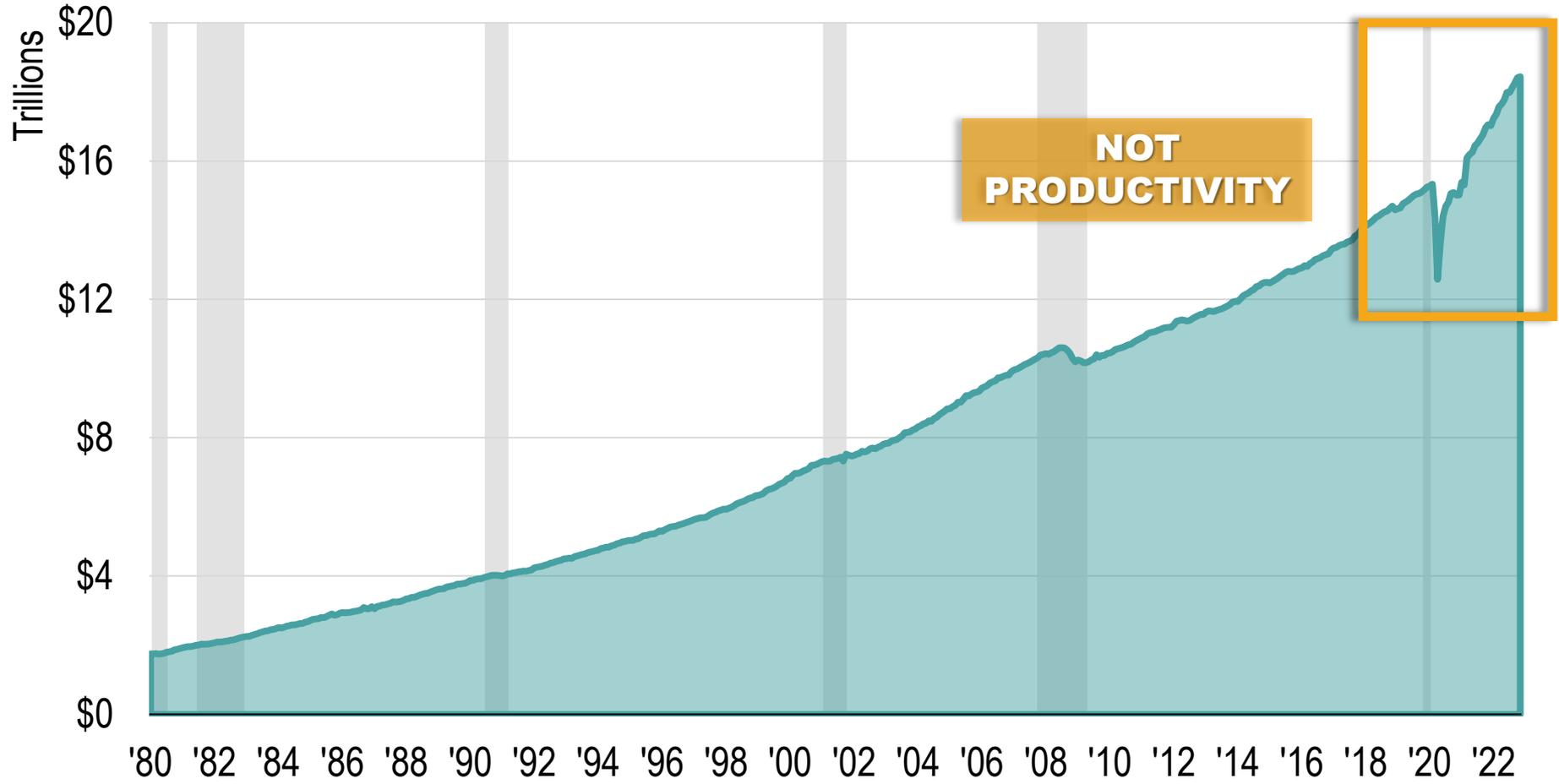
United States



Source: Board of Governors of the Federal Reserve System

# Personal Outlays

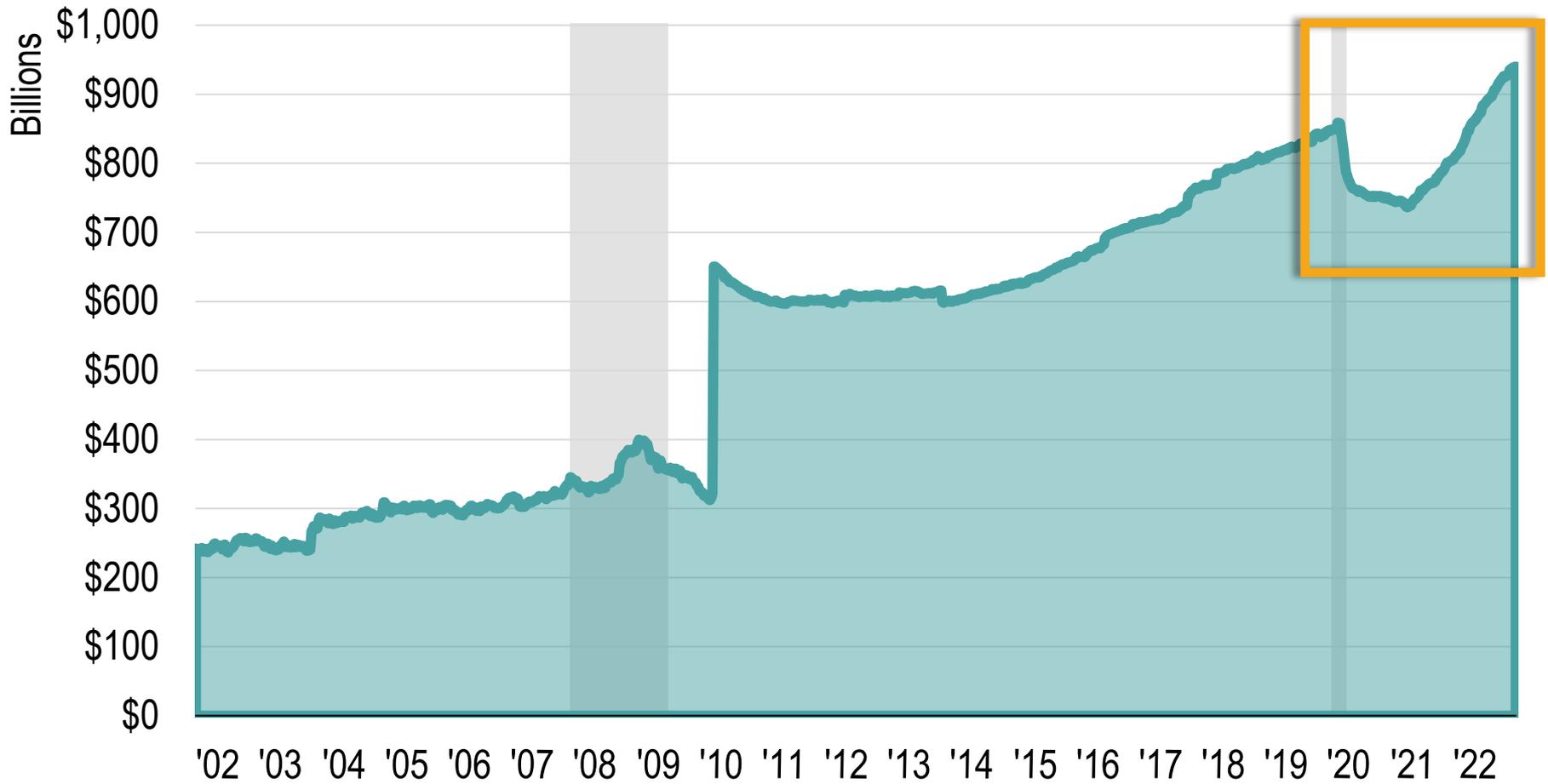
United States



Source: U.S. Bureau of Economic Analysis

# Consumer Loans

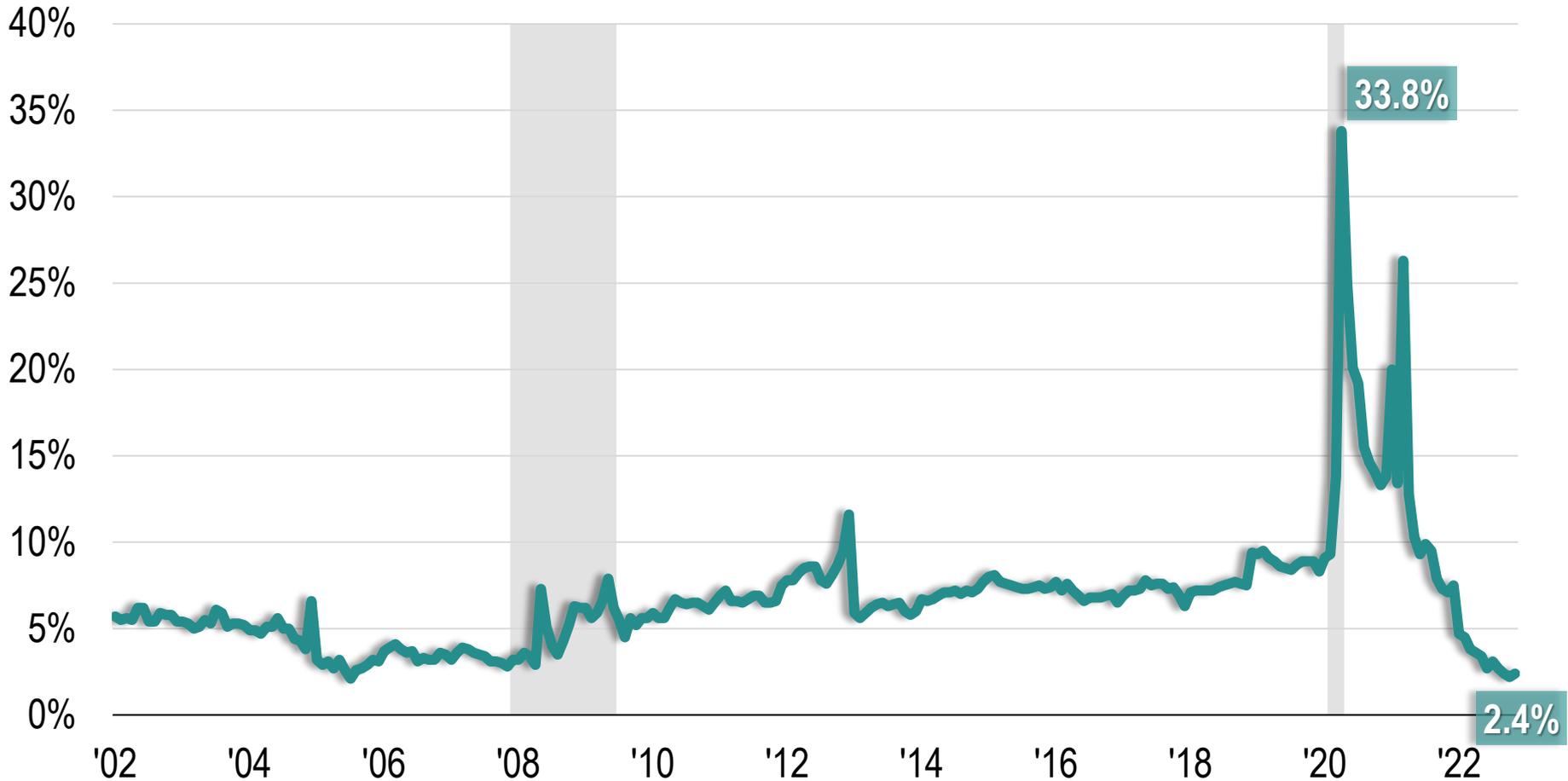
United States | Credit Cards & Other Revolving Plans, All Commercial Banks



Source: Board of Governors of the Federal Reserve System

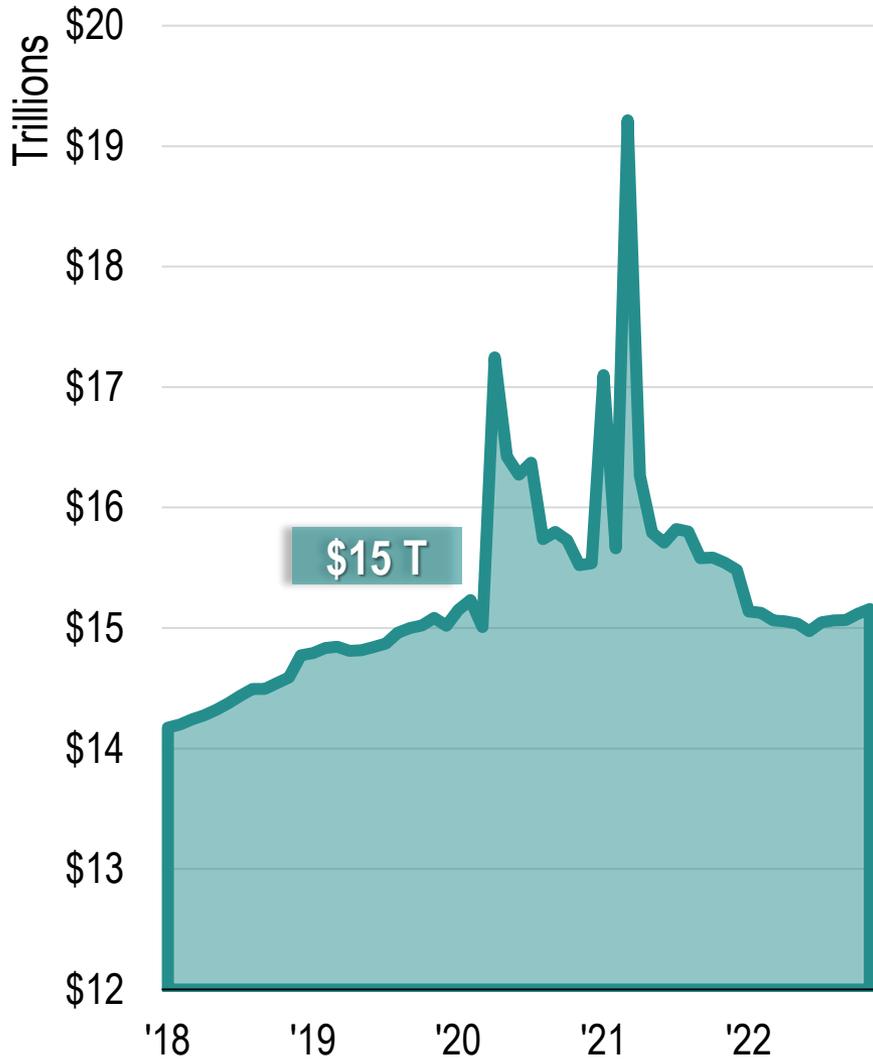
# Personal Saving Rate

United States



Source: U.S. Bureau of Economic Analysis

# Disposable Income

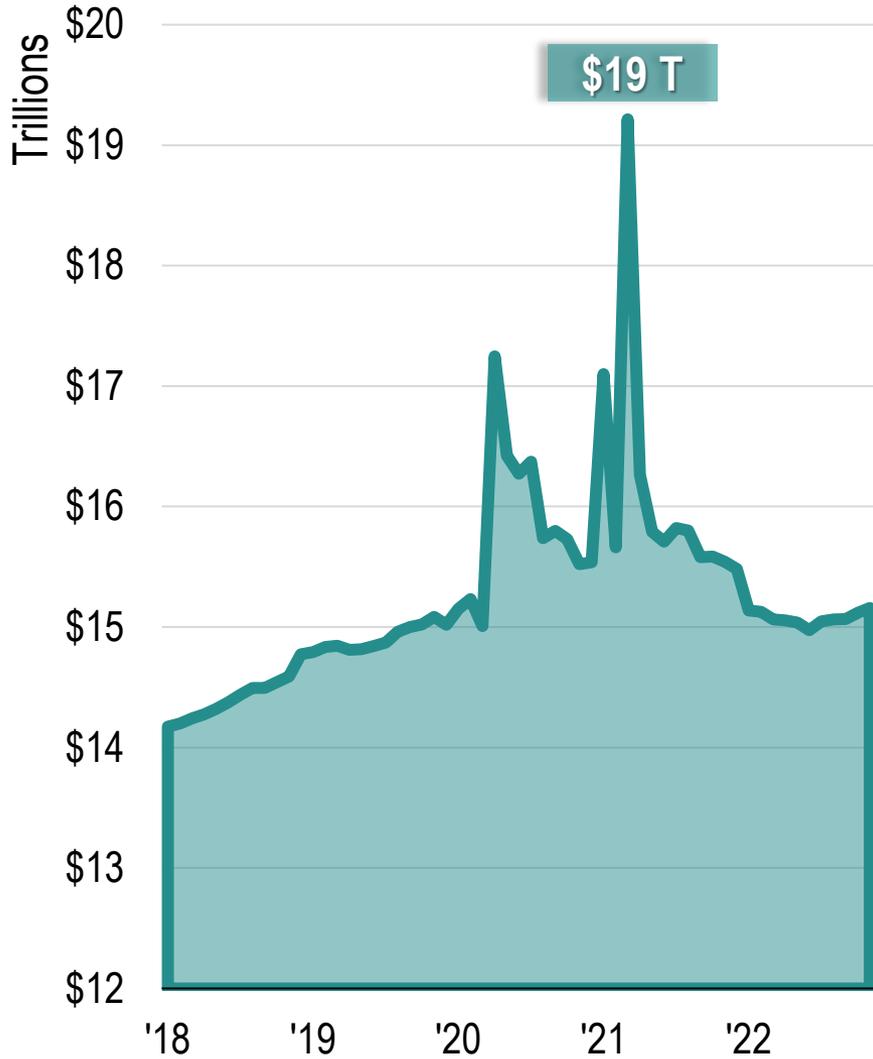


# Personal Outlays



Source: U.S. Bureau of Economic Analysis

# Disposable Income

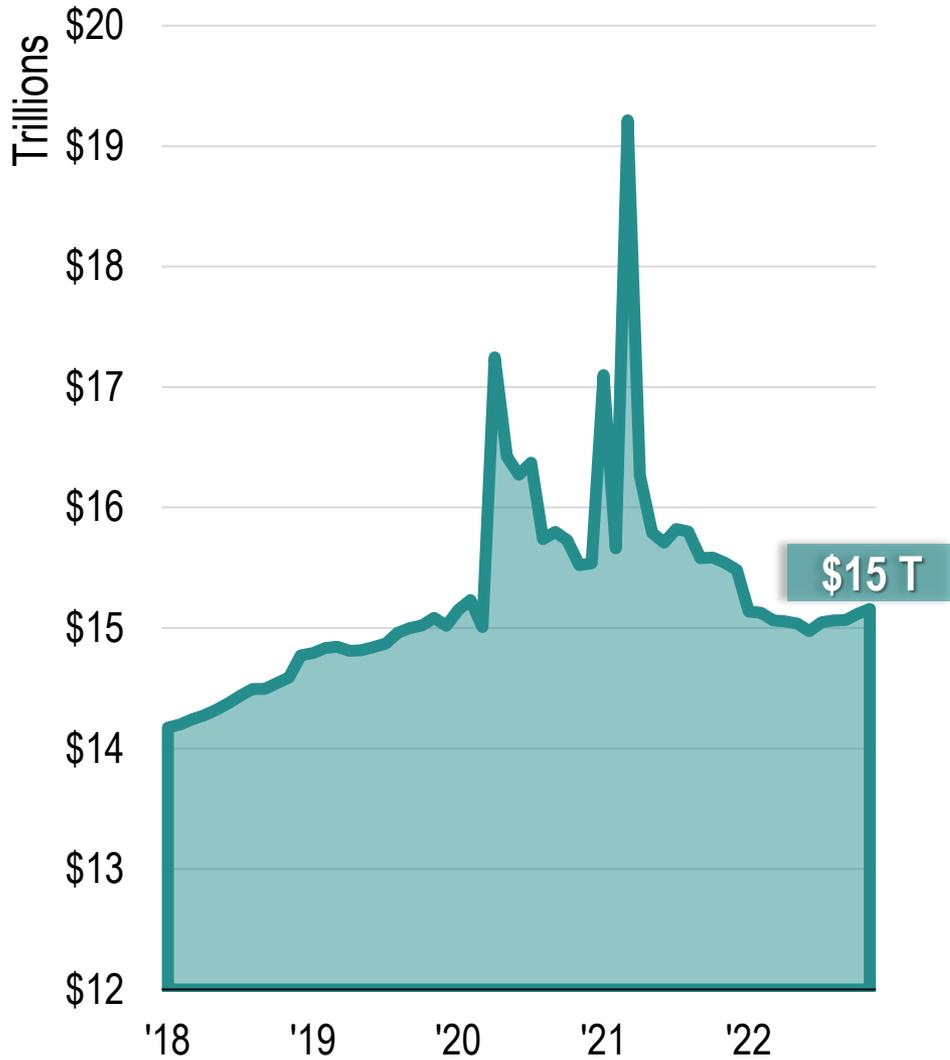


# Personal Outlays



Source: U.S. Bureau of Economic Analysis

# Disposable Income



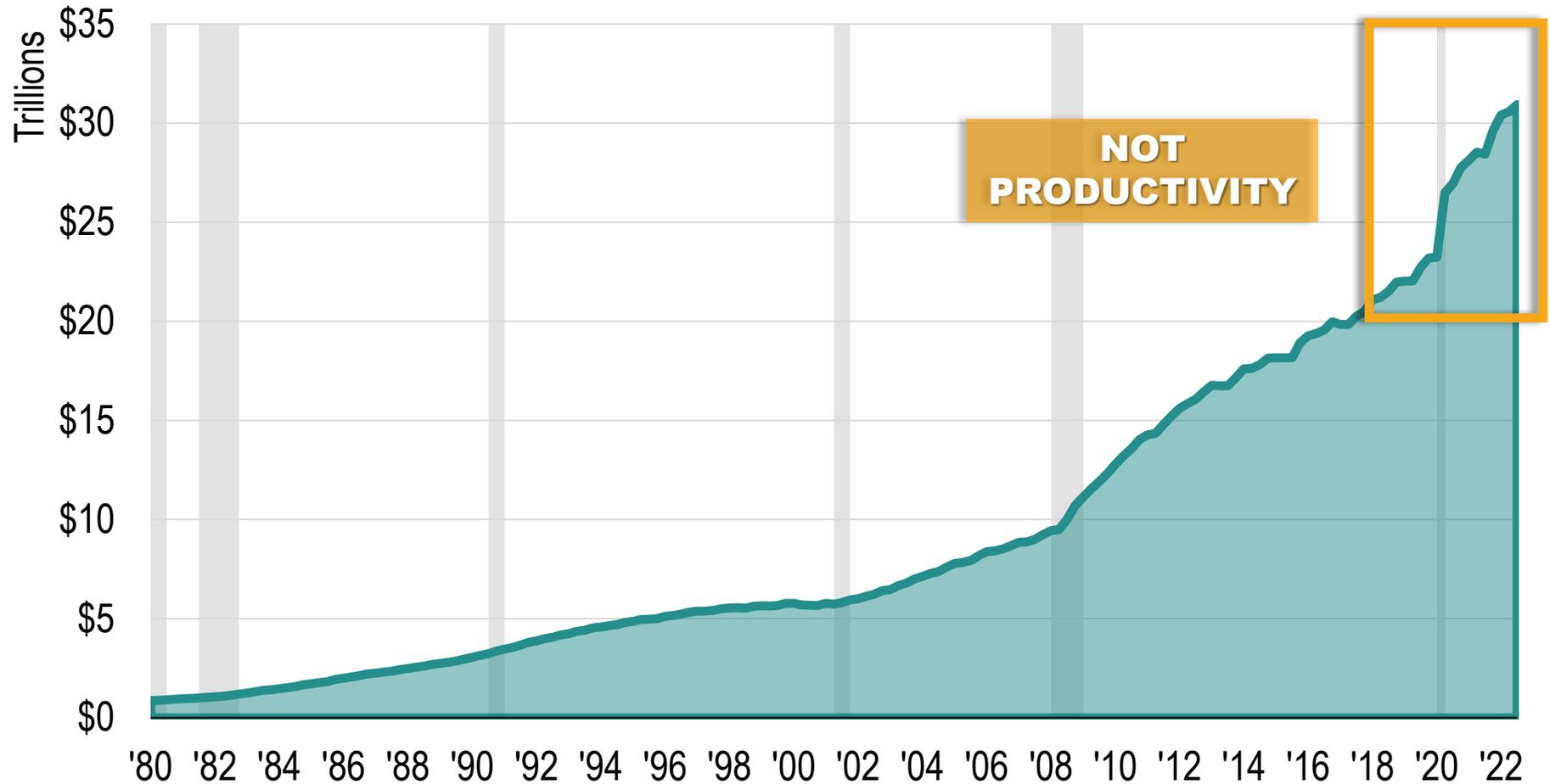
# Personal Outlays



Source: U.S. Bureau of Economic Analysis

# Federal Debt

United States | Total Public Debt



Source: U.S. Department of the Treasury

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# US HITS DEBT CEILING, PROMPTING TREASURY TO TAKE EXTRAORDINARY MEASURES

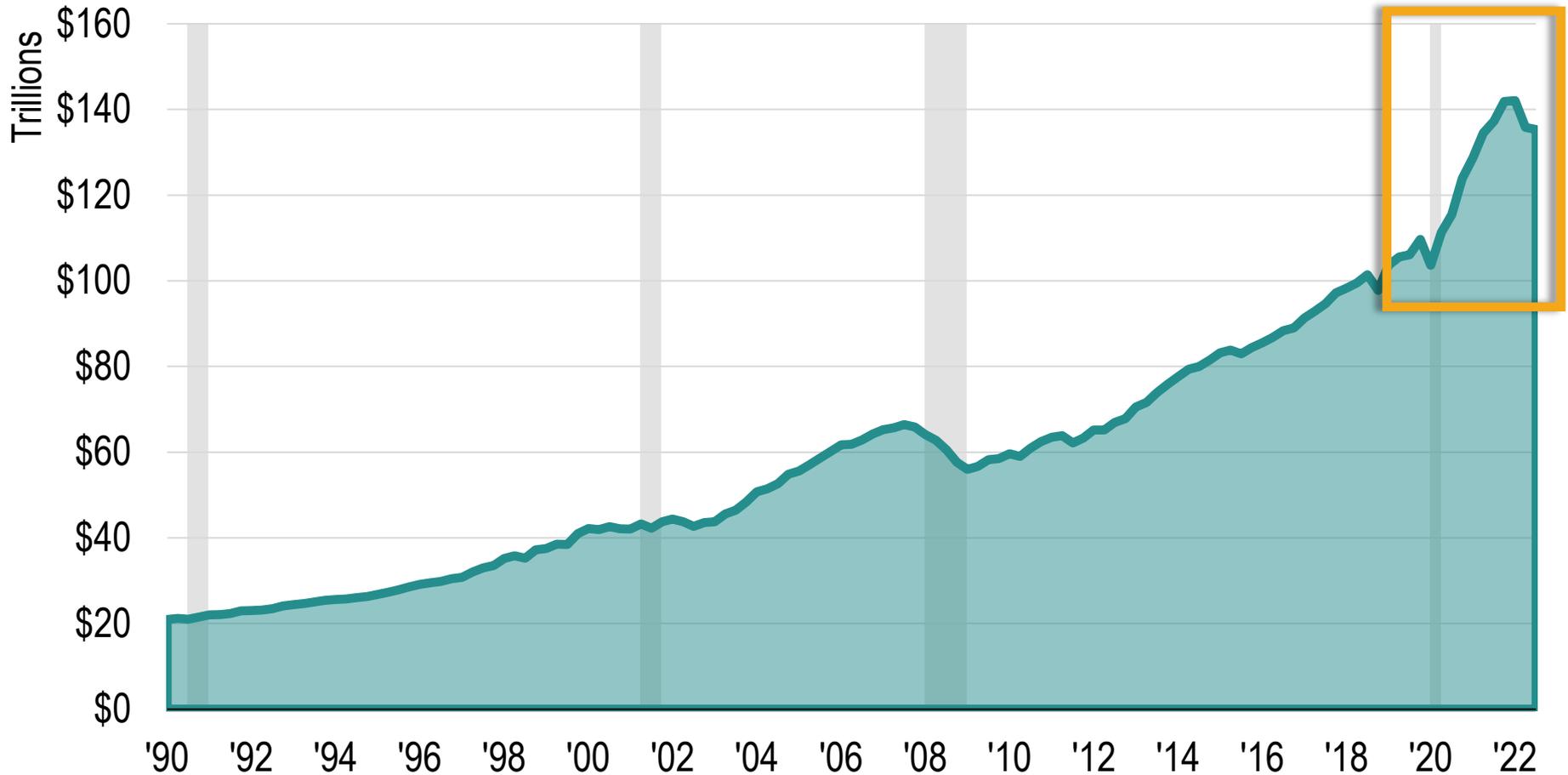
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*“The US hit the debt ceiling set by Congress on Thursday, forcing the Treasury Department to start taking extraordinary measures to keep the government paying its bills and escalating pressure on Capitol Hill to avoid a catastrophic default.”*

Source: CNN, January 19, 2023

# Household Net Worth

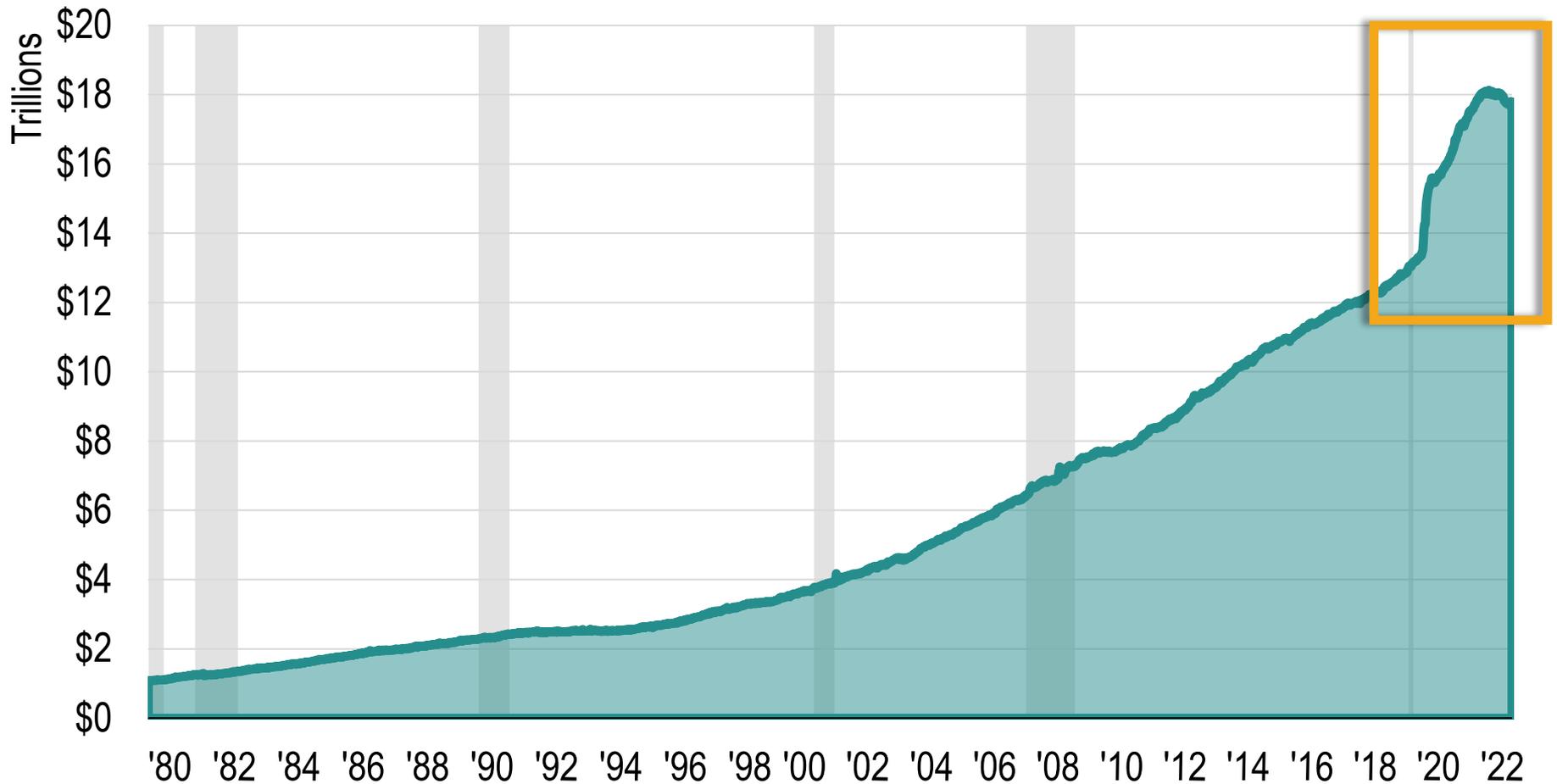
United States



Source: Board of Governors of the Federal Reserve System

# Bank Deposits

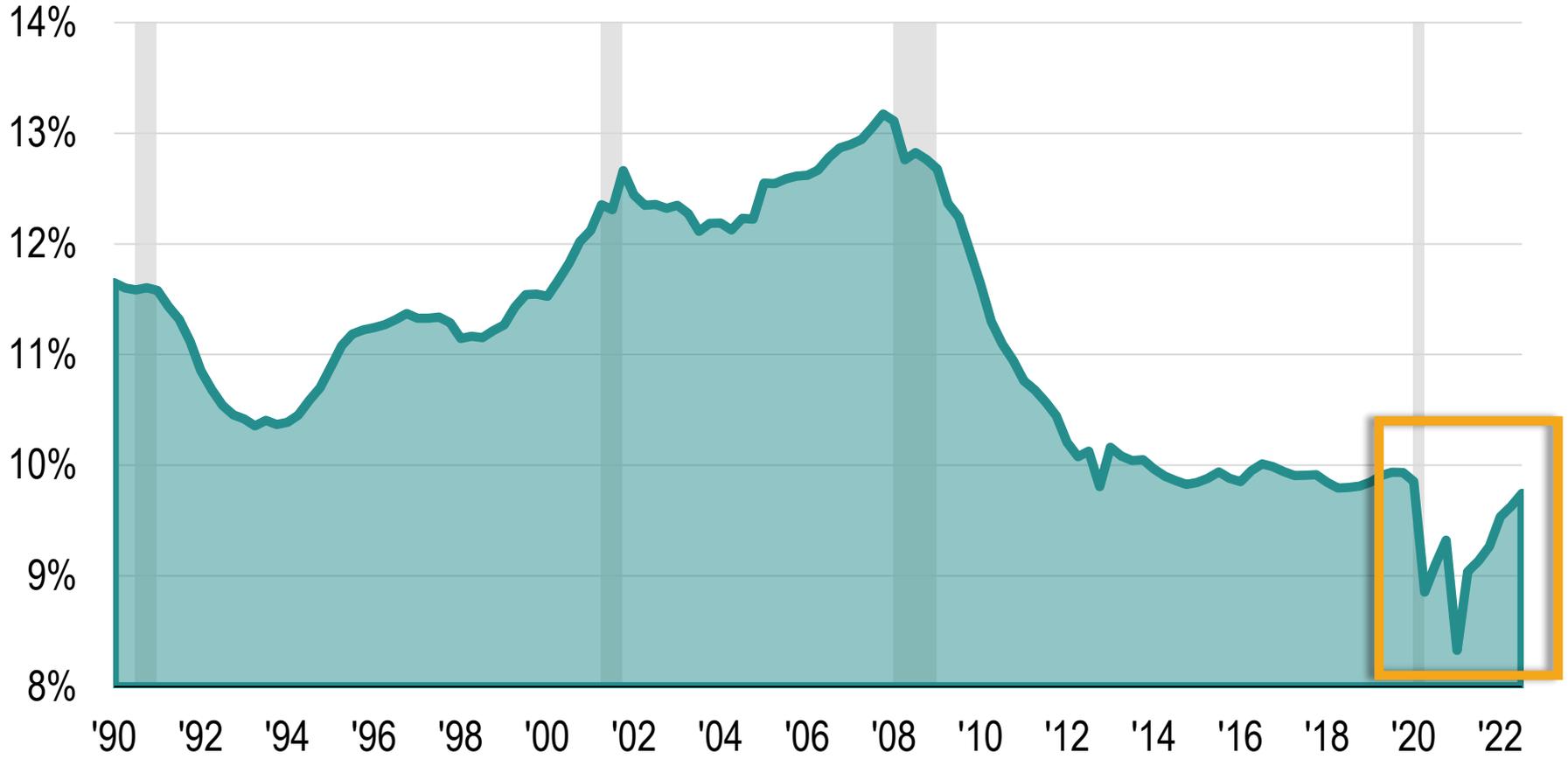
United States | All Commercial Banks



Source: Board of Governors of the Federal Reserve System

# Household Debt Service Payments

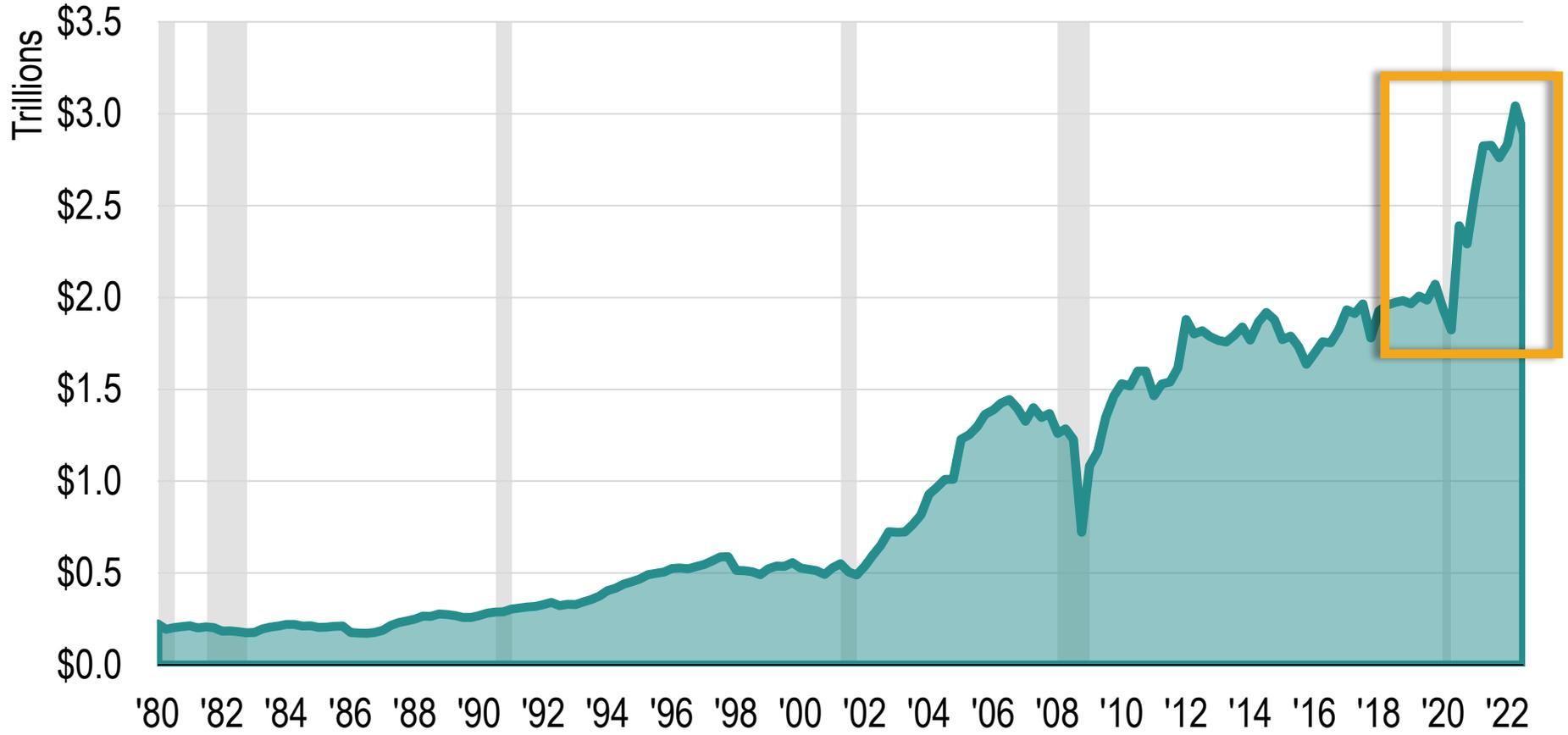
United States | As a Percent of Disposable Personal Income



Source: Board of Governors of the Federal Reserve System

# Corporate Profits After Tax

United States



Source: U.S. Bureau of Economic Analysis.

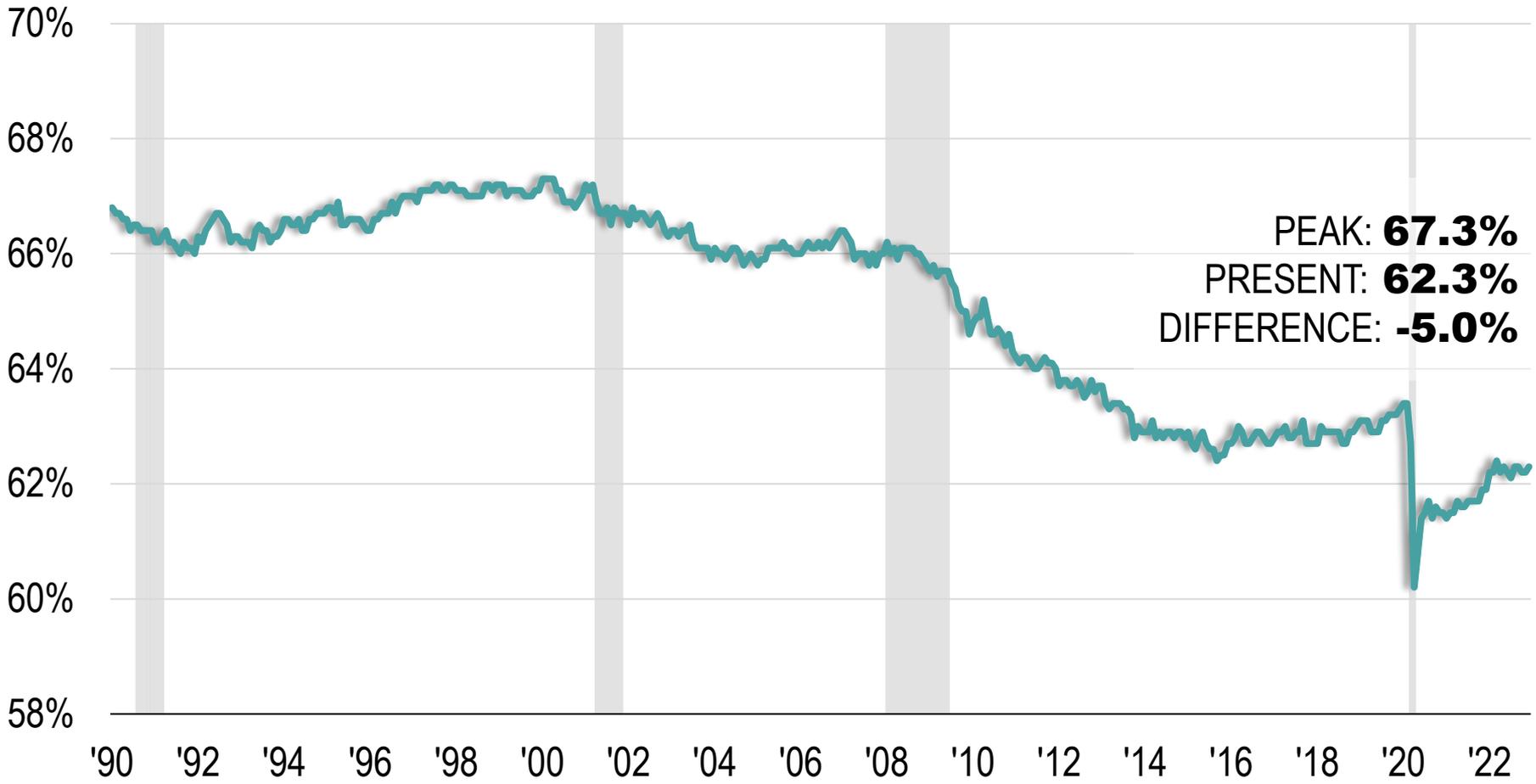


# THE ECONOMY STRUGGLING TO FIND ITS **BALANCE**



# Labor Force Participation

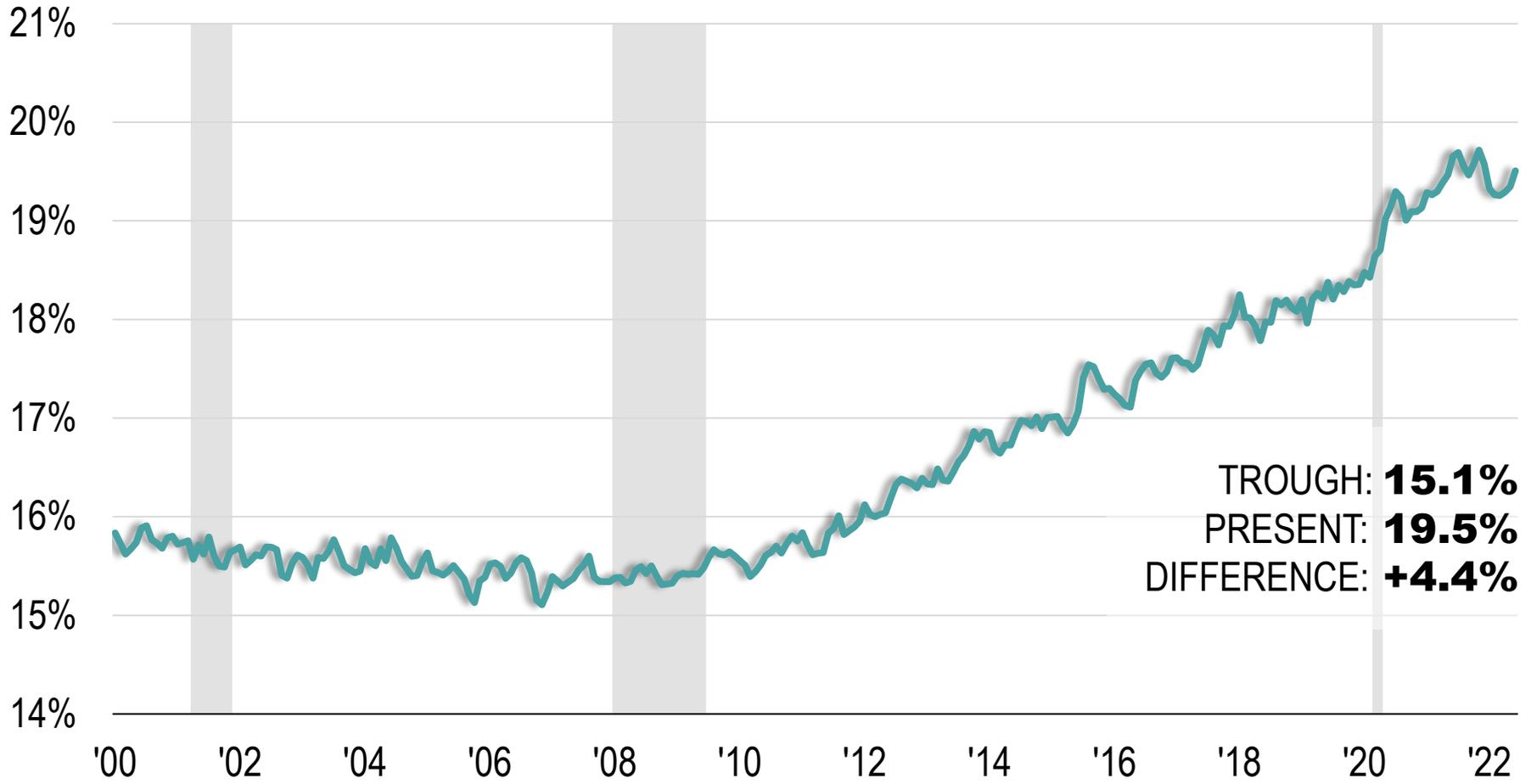
United States



Source: U.S. Bureau of Labor Statistics

# Share of Retired Population

United States

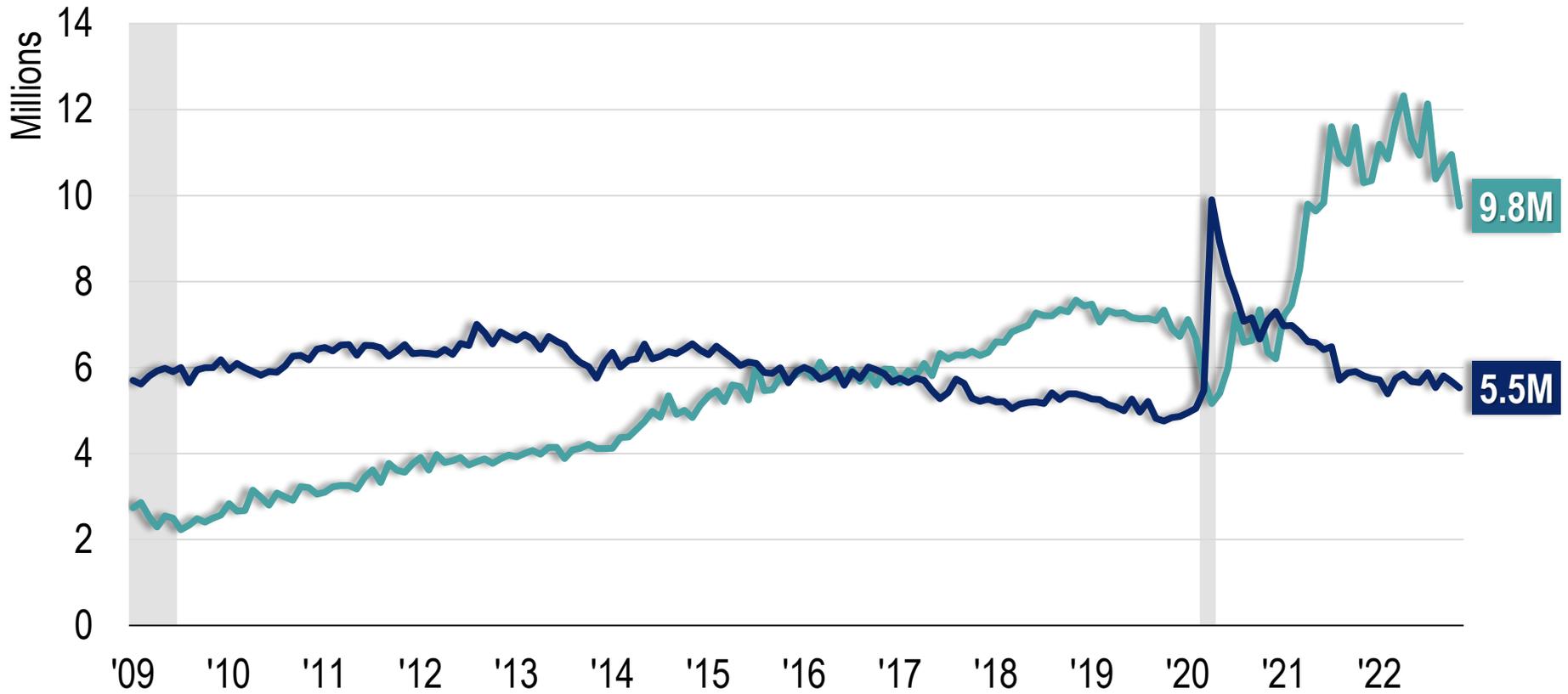


Source: IPUMS-CPS

# Openings vs. Seeking Employment

United States

— Job Openings — Want a Job Now



Source: U.S. Bureau of Labor Statistics

**41%**

**OF WORKERS TO SWITCH JOBS**

## TOP REASONS TO MAKE A MOVE



**65%**

Want a  
Salary  
Boost



**39%**

Looking for  
Advancement  
Opportunities



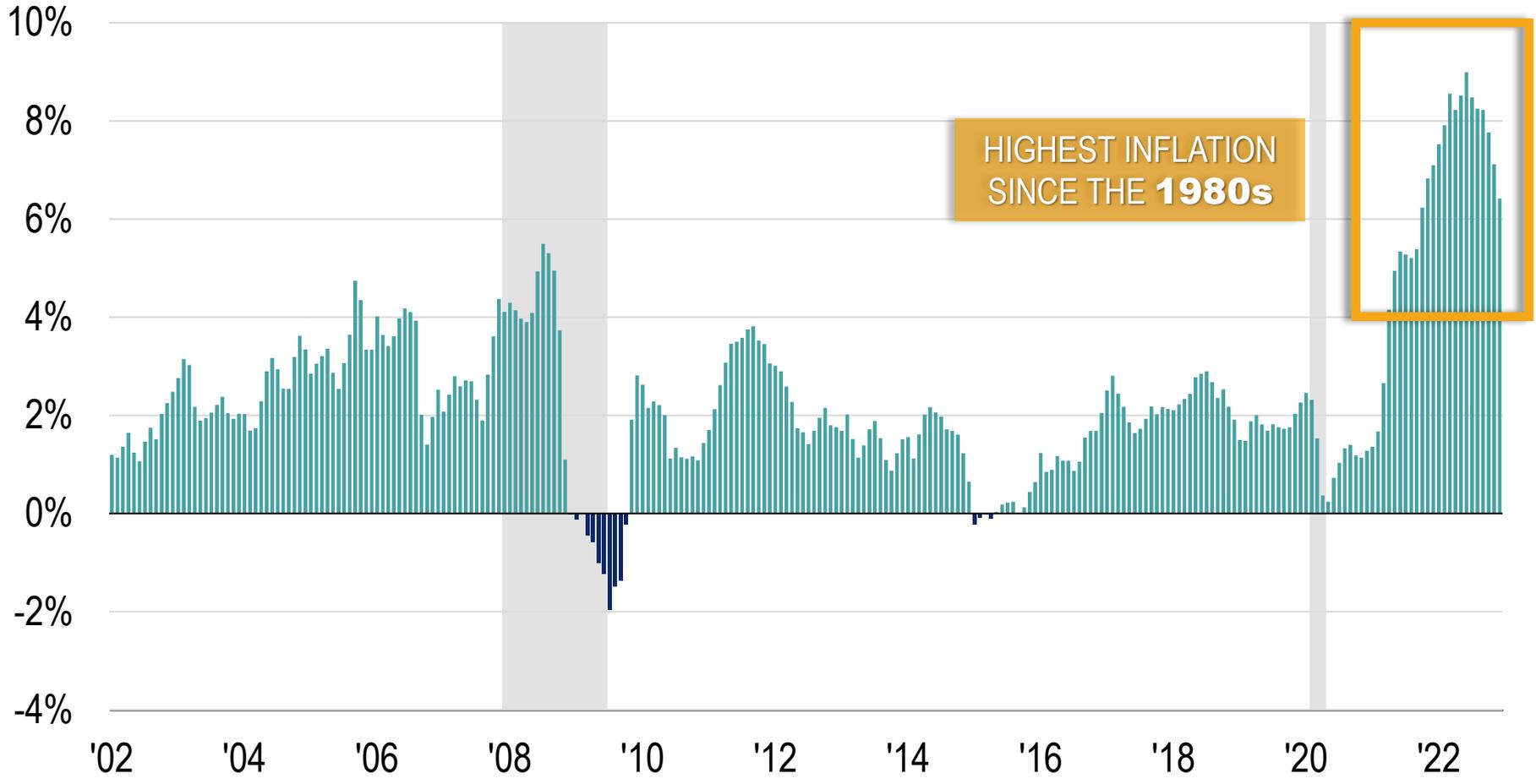
**34%**

Seeking Career  
Change After  
Burnout

*Source: Robert Half Talent Solutions*

# Consumer Price Index Growth

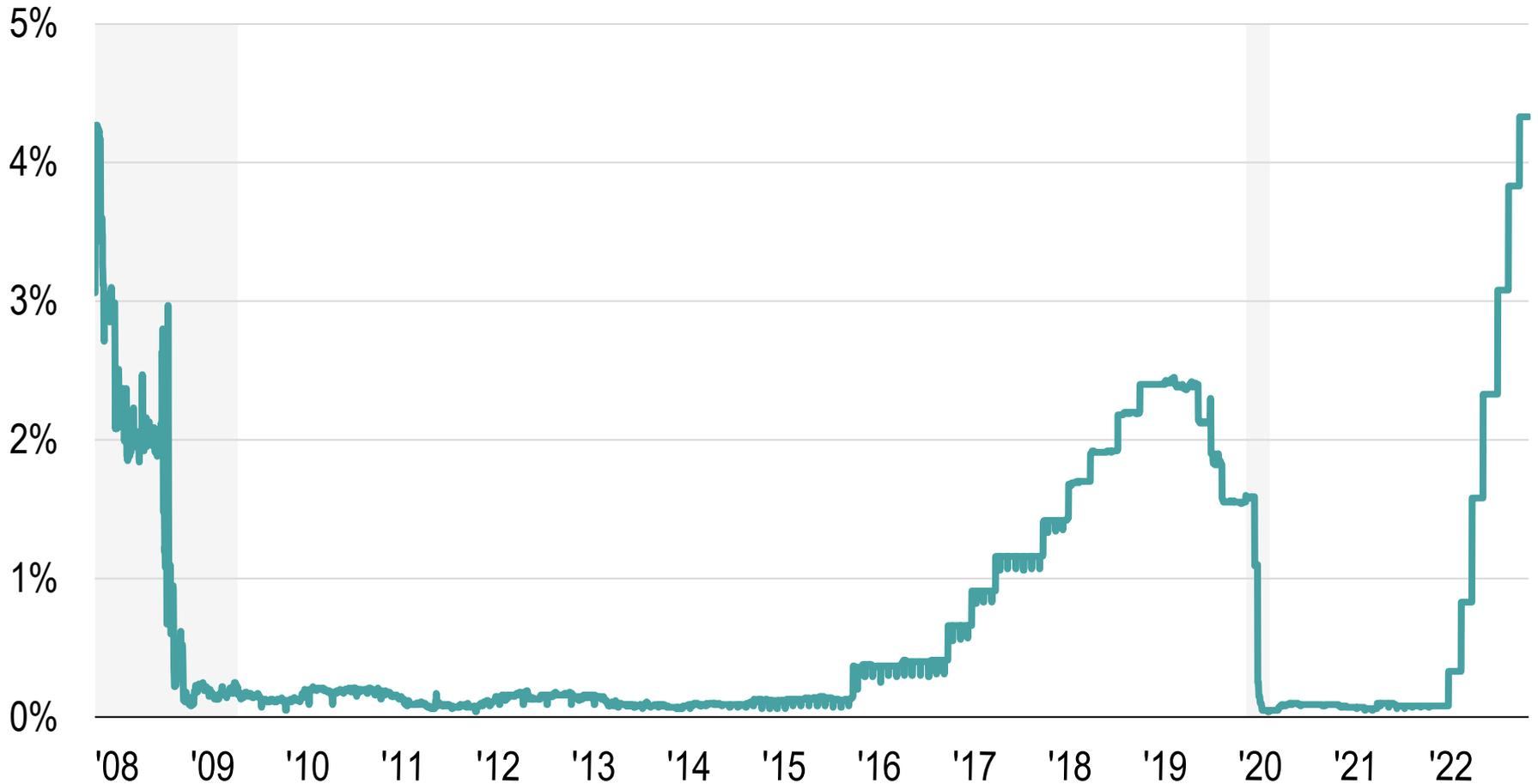
United States | All Urban Consumers, All Items City Average



Source: U.S. Bureau of Labor Statistics. Note: Year-over-year growth.

# Federal Funds Effective Rate

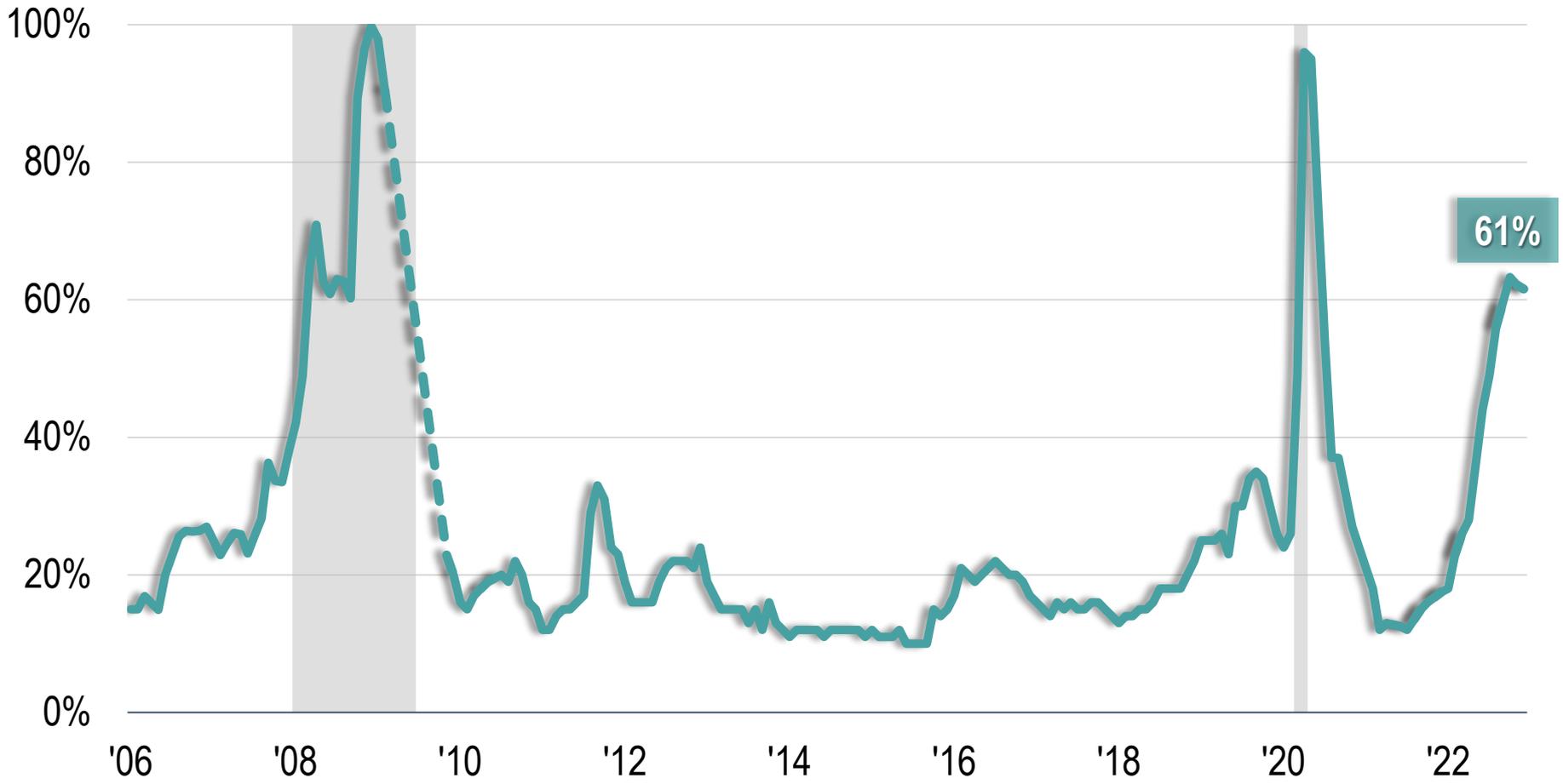
United States | Daily



Source: Board of Governors of the Federal Reserve System

# Probability of U.S. Recession

In Next 12 Months Including Today



Source: Wall Street Journal Economic Forecasting Survey. Note: Dashed lines indicate areas where question was not asked or data was unavailable, in which case a trend line was created.

# Recession Scenarios



**SOFT**



**HARD**



**CRASH**

**NATIONAL**

**ECONOMY**

**LOCAL**

**ECONOMY**



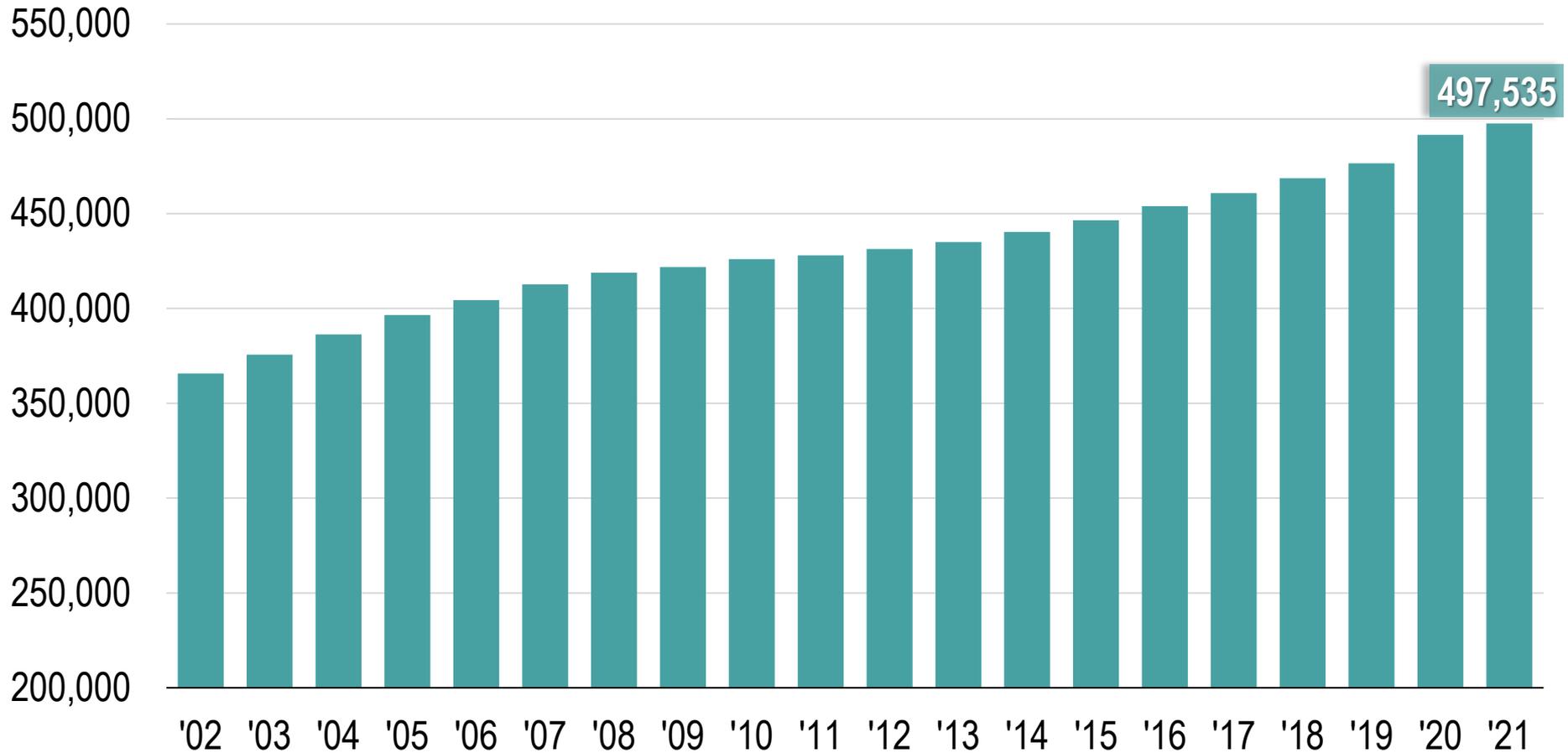
# Economic Snapshot

## Northern Nevada

Indicator	Current Period		Prior Year		Annual Growth		
Population	2021	<b>497,535</b>	2020	<b>491,494</b>	6,041	1.2%	▲
Employment	Nov '22	<b>262,400</b>	Nov '21	<b>254,300</b>	8,100	3.2%	▲
Unemployment Rate	Nov '22	<b>3.5%</b>	Nov '21	<b>2.6%</b>	N/A	0.9 pts.	▲
Average Weekly Wages (Private)	Nov '22	<b>\$1,036</b>	Nov '21	<b>\$944</b>	\$92	9.7%	▲
House Price Index ( <i>All Transactions</i> )	Q3 '22	<b>378.6</b>	Q3 '21	<b>340.6</b>	38.0	11.1%	▲
Visitor Volume ( <i>12 Months</i> )	Nov '22	<b>3.85M</b>	Nov '21	<b>3.67M</b>	0.18M	4.9%	▲
RNO Airport Passengers ( <i>12 Months</i> )	Nov '22	<b>4.30M</b>	Nov '21	<b>3.45M</b>	0.85M	25.2%	▲
Gross Gaming Revenue ( <i>12 Months</i> )	Nov '22	<b>\$1.04B</b>	Nov '21	<b>\$986.8M</b>	\$0.53B	5.1%	▲
Taxable Retail Sales ( <i>12 Months</i> )	Oct '22	<b>\$12.38B</b>	Oct '21	<b>\$11.78B</b>	\$0.60B	5.1%	▲

# Population

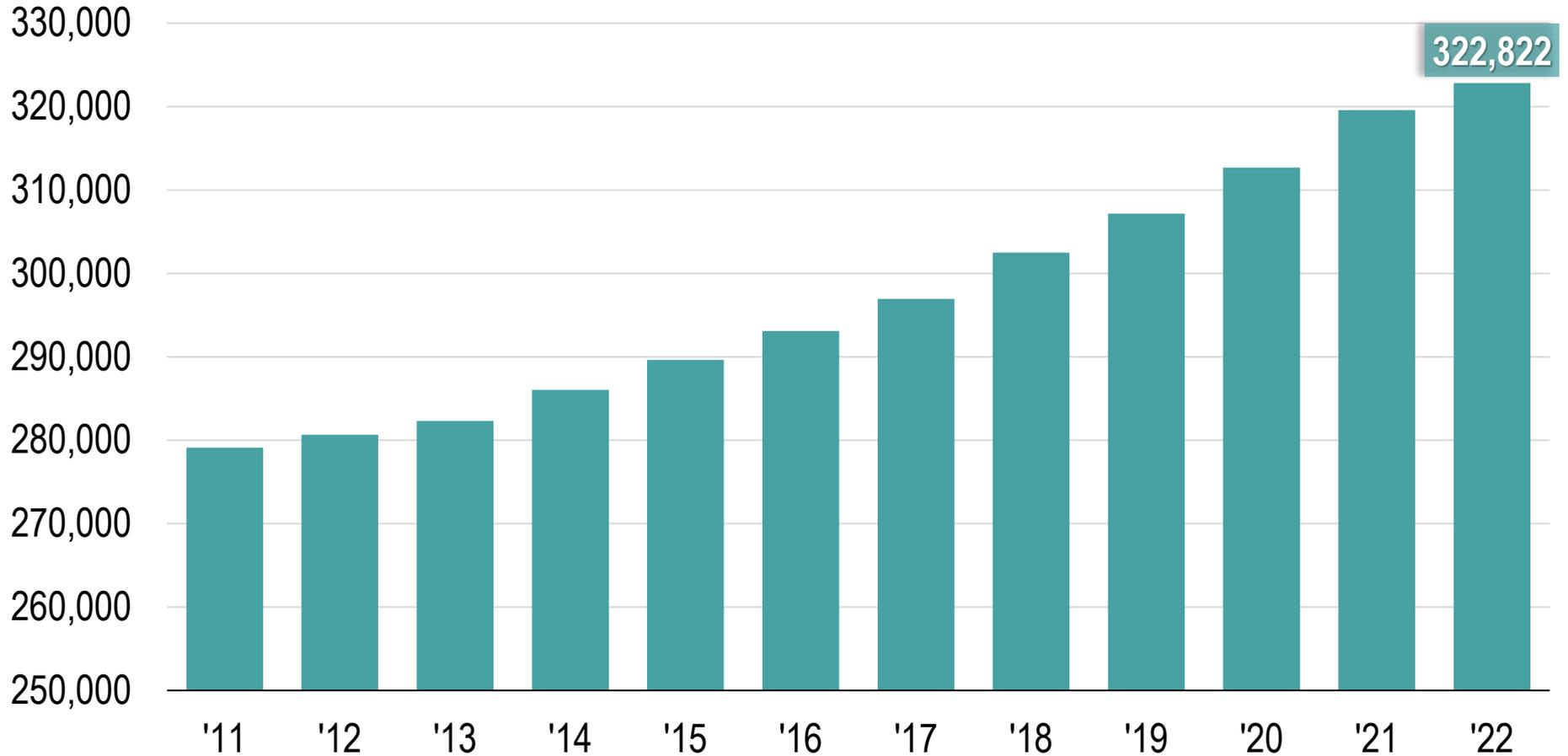
## Reno-Sparks Metro Area



Source: U.S. Bureau of Economic Analysis

# Electric Meter Connections

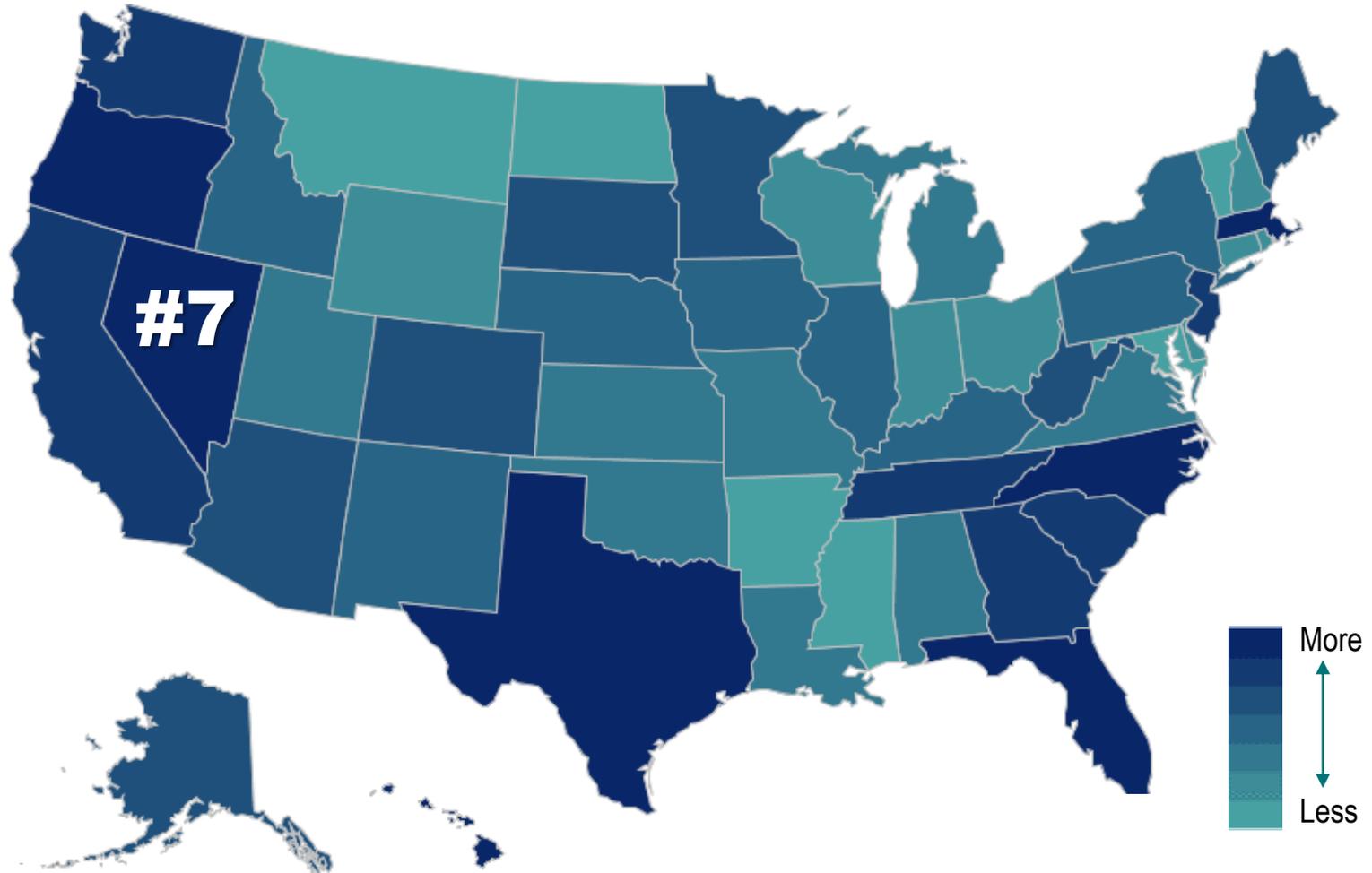
Northern Nevada



Source: NV Energy

# Employment Growth by State

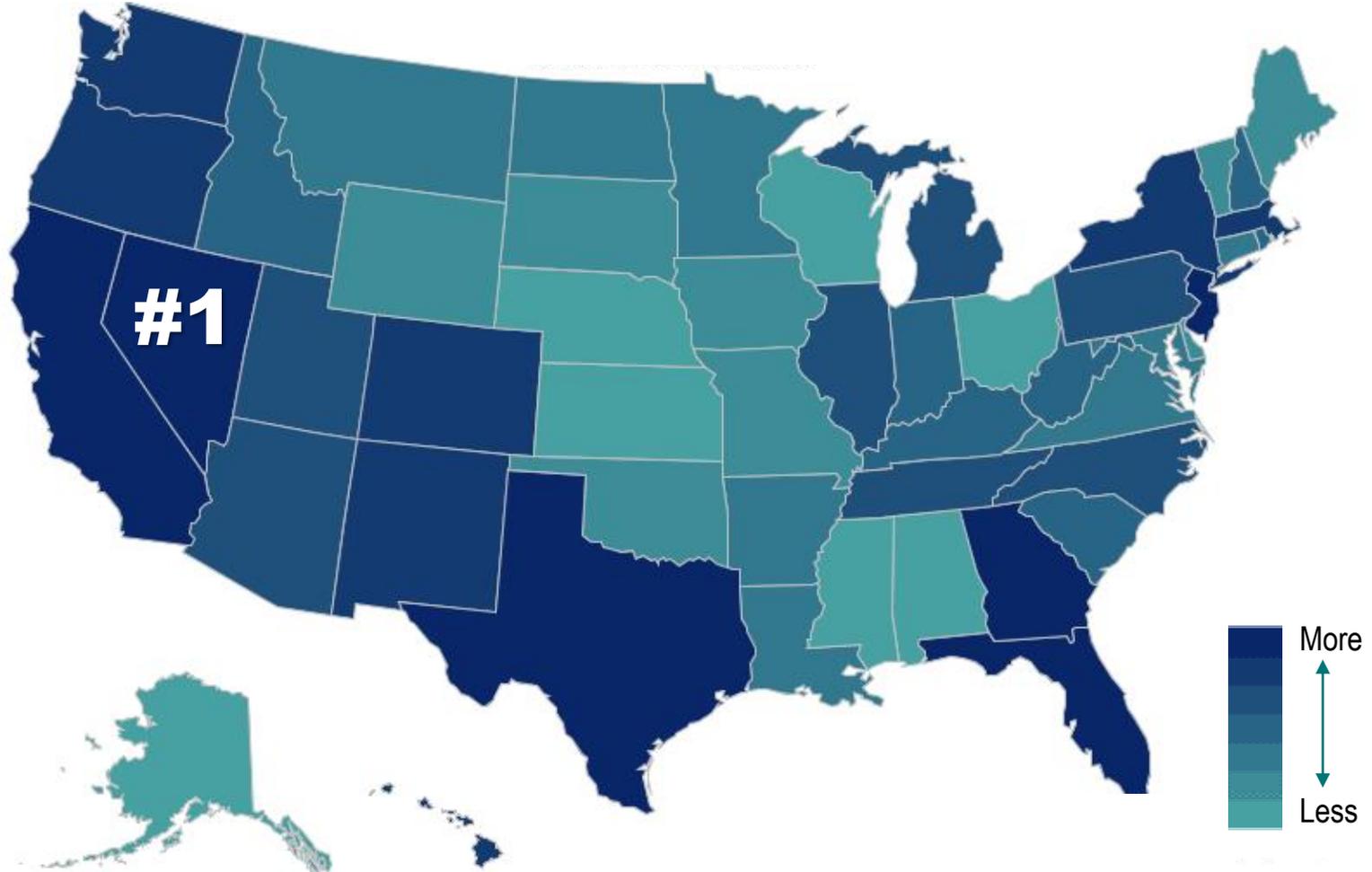
2021 vs. 2022



Source: Bureau of Labor Statistics. Note: Growth for November 2022 vs. November 2021.

# Employment Growth by State

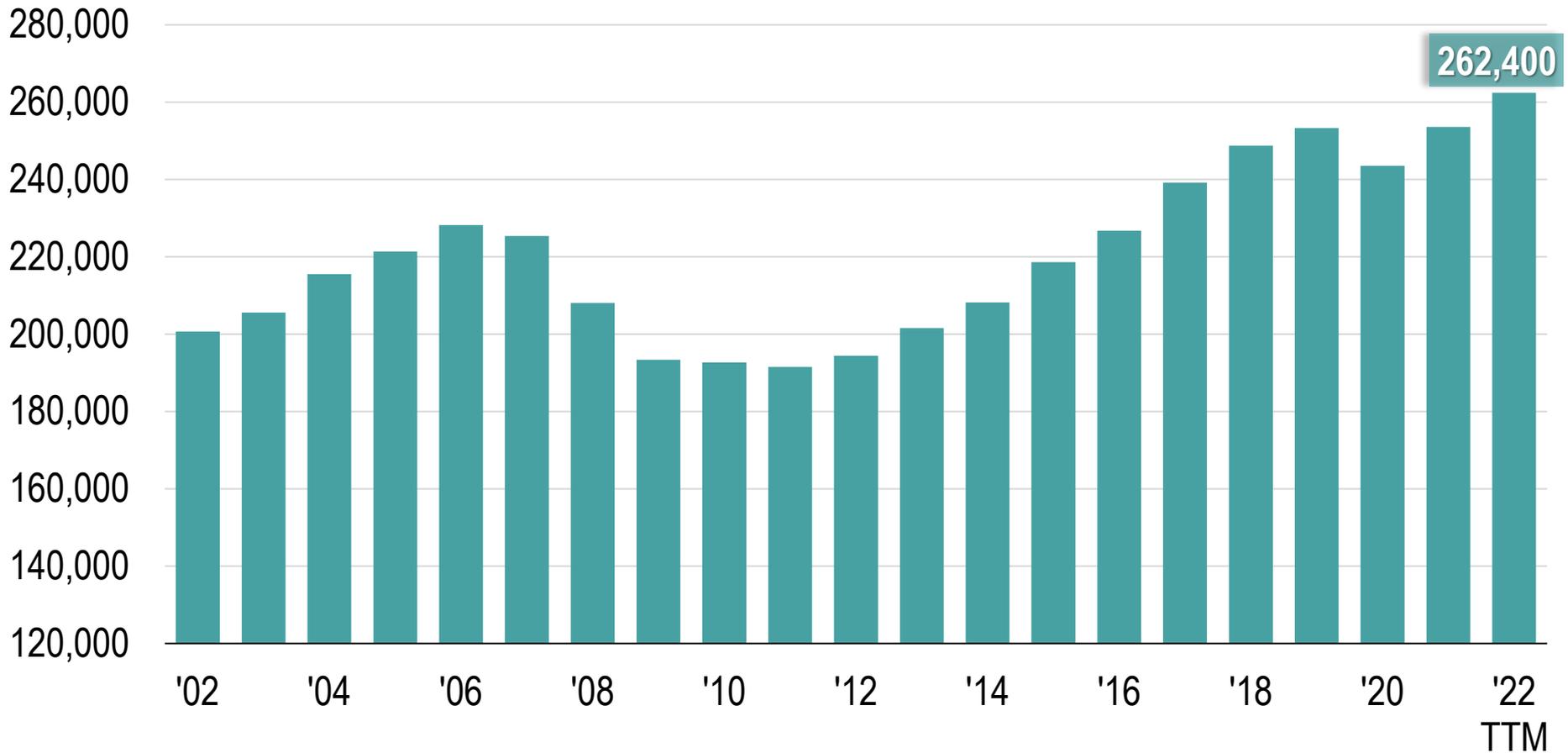
2021 vs. 2022



Source: Bureau of Labor Statistics. Note: Growth for the trailing 12-months ending November.

# Employment

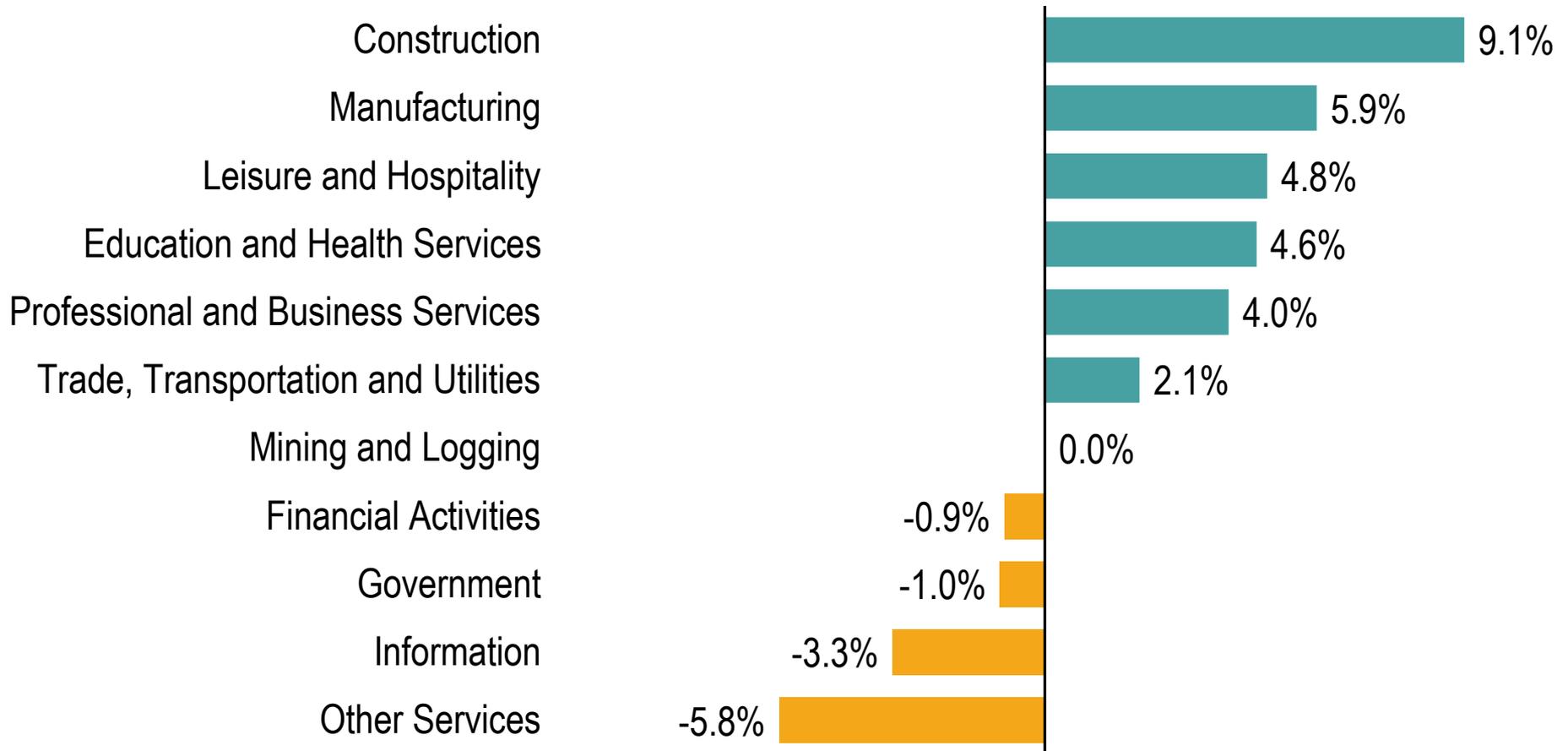
## Reno-Sparks Metro Area



Source: Bureau of Labor Statistics

# Employment % Growth by Sector

Reno-Sparks Metro Area | Last 12 Months



Source: Bureau of Labor Statistics

10 YEARS AGO

**\$13,043**

TAXABLE RETAIL SALES PER PERSON

TODAY

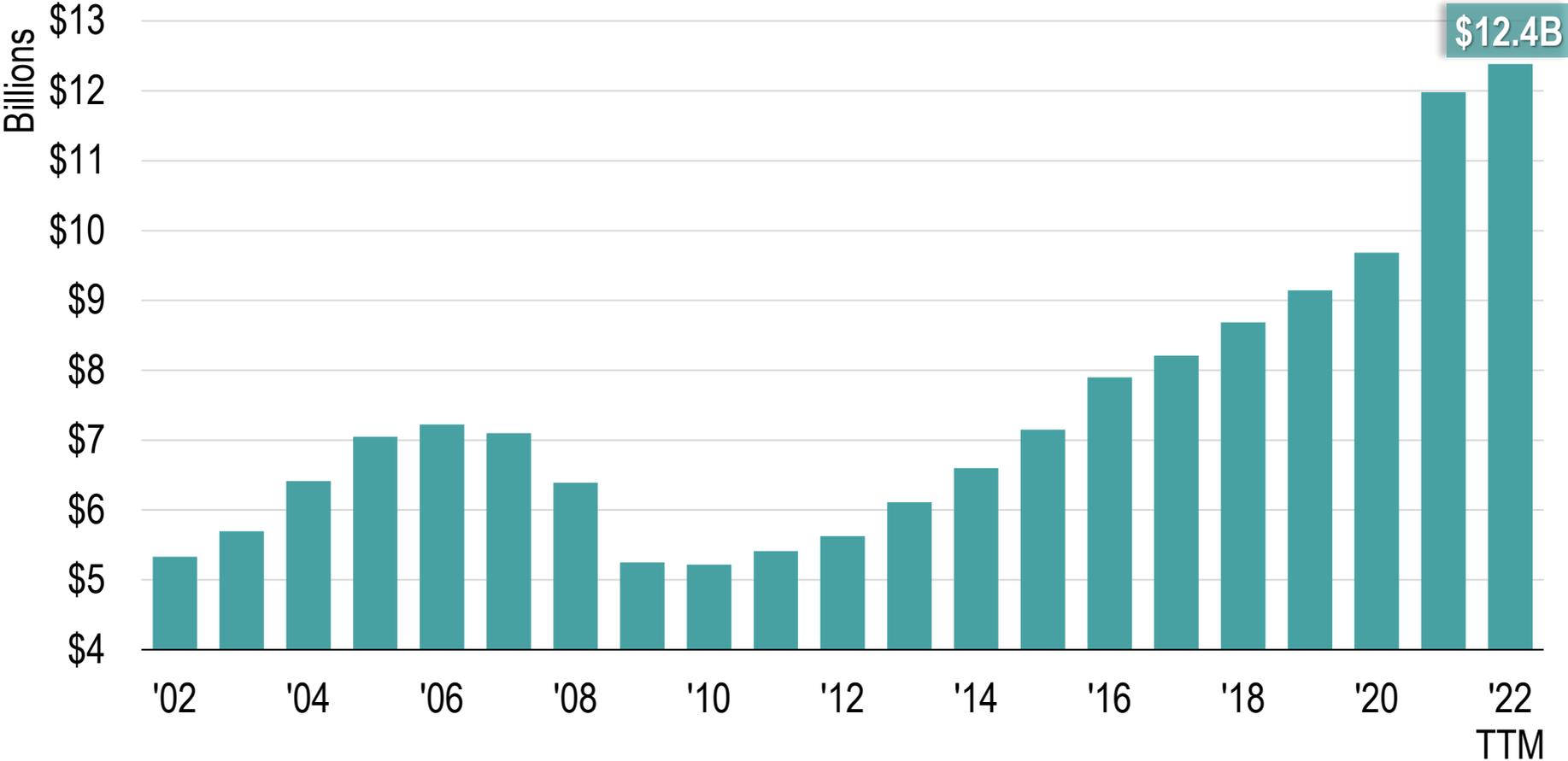
**\$24,891**

TAXABLE RETAIL SALES PER PERSON



# Taxable Retail Sales

Washoe County



Source: Nevada Department of Taxation

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# RETIREEES, YOUNGER RESIDENTS FLOOD RENO HOUSING MARKET, PUSH PRICES TO RECORD HIGH

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*“It would be very hard to be a single-income earner’ and own a home at the median price in Reno currently, said Larmore. ‘We were seeing a lot of investment purchasing, a lot of cash by people moving here from outside of the area.’”*

Source: KNPR News 88.9, April 5, 2022

# Mortgage Interest Rates

Fixed Rate



Source: Freddie Mac

BUYING POWER DECREASED BY

**31%**

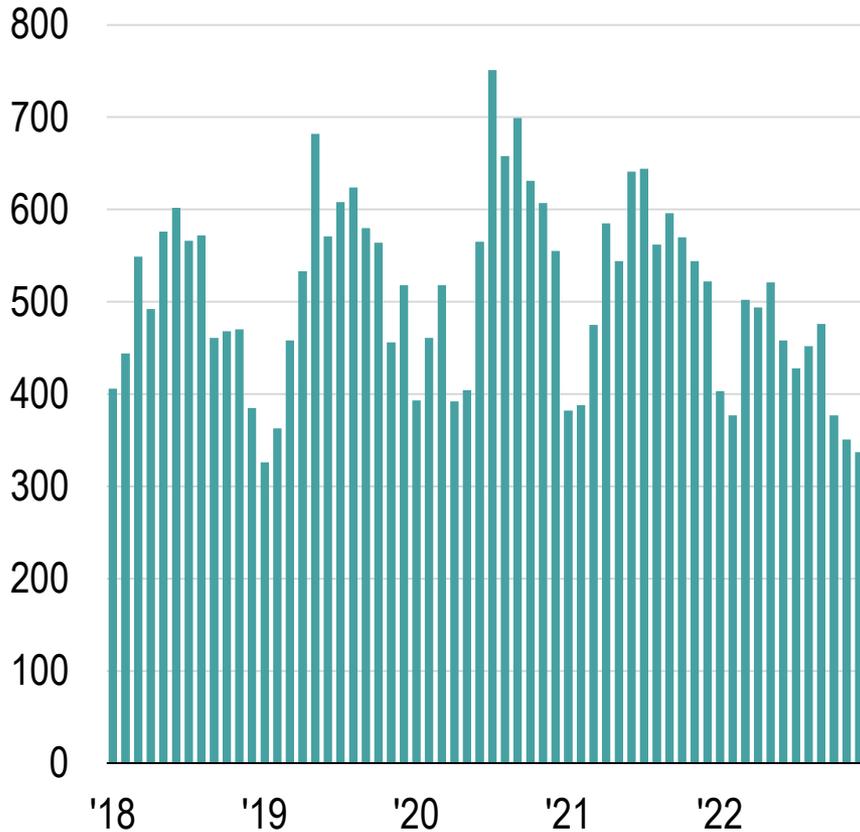
IN THE LAST 12 MONTHS



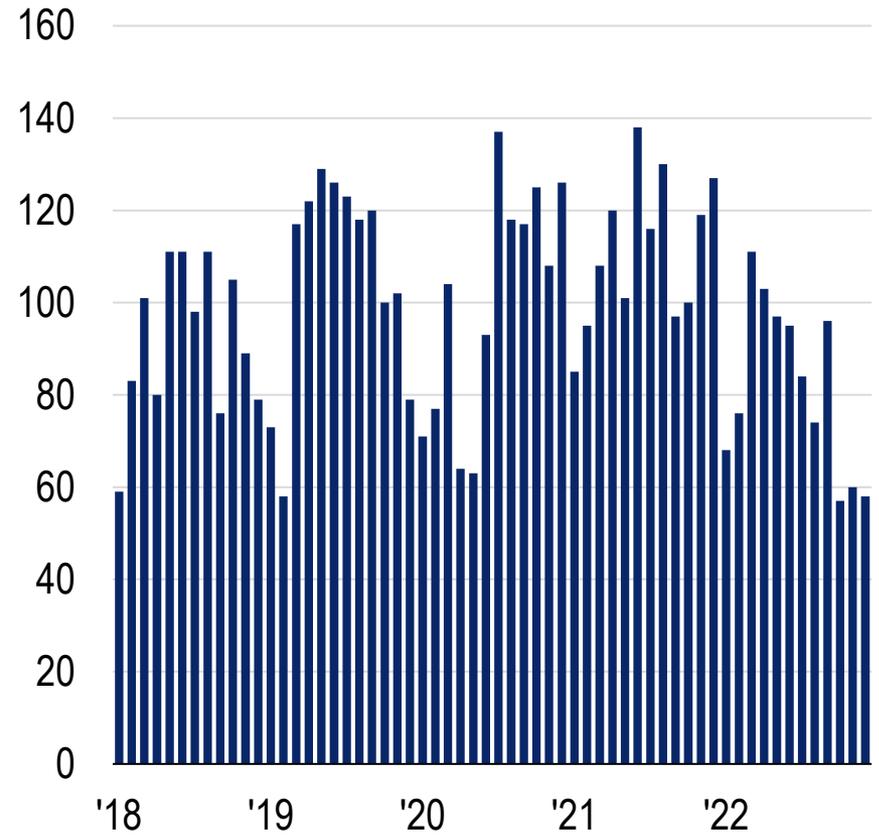
# Resale Home Closings

## Reno-Sparks

### Single Family Residence



### Condo/Townhouse

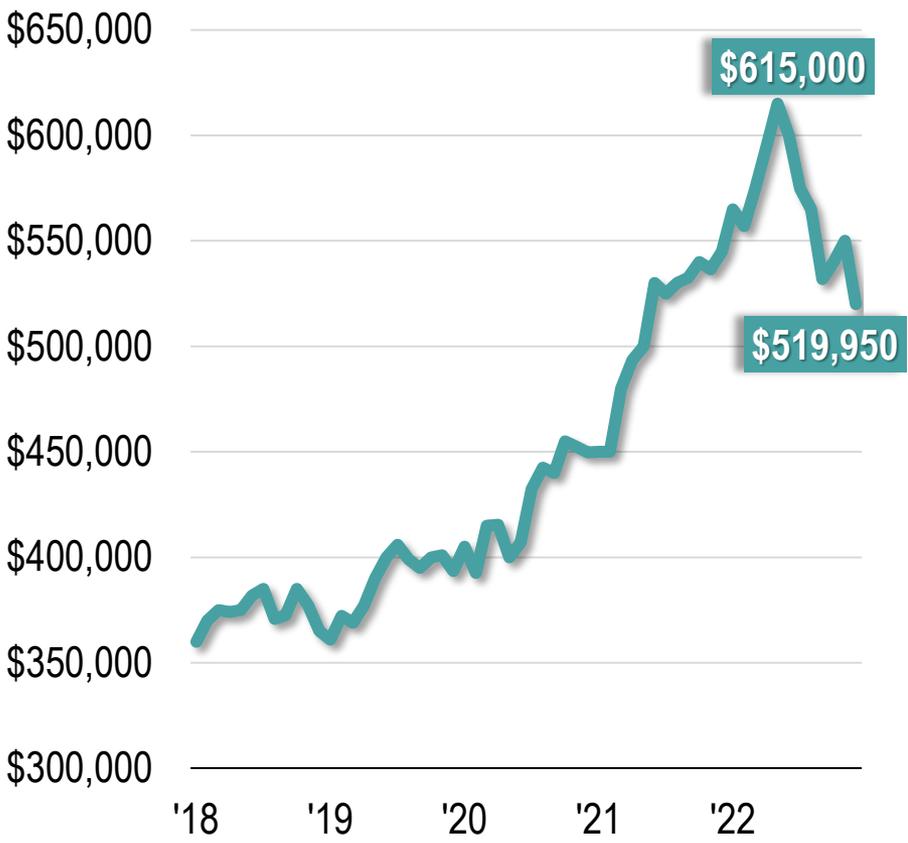


Source: Reno-Sparks Association of Realtors

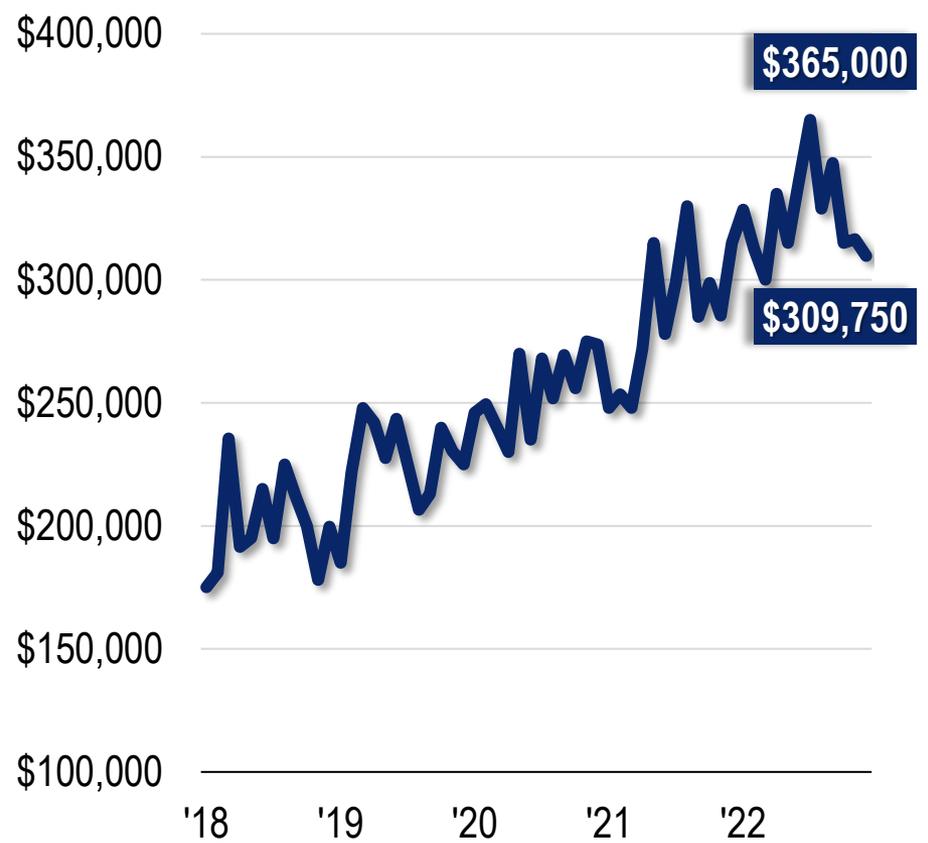
# Resale Median Sales Price

Reno-Sparks

### Single Family Residence



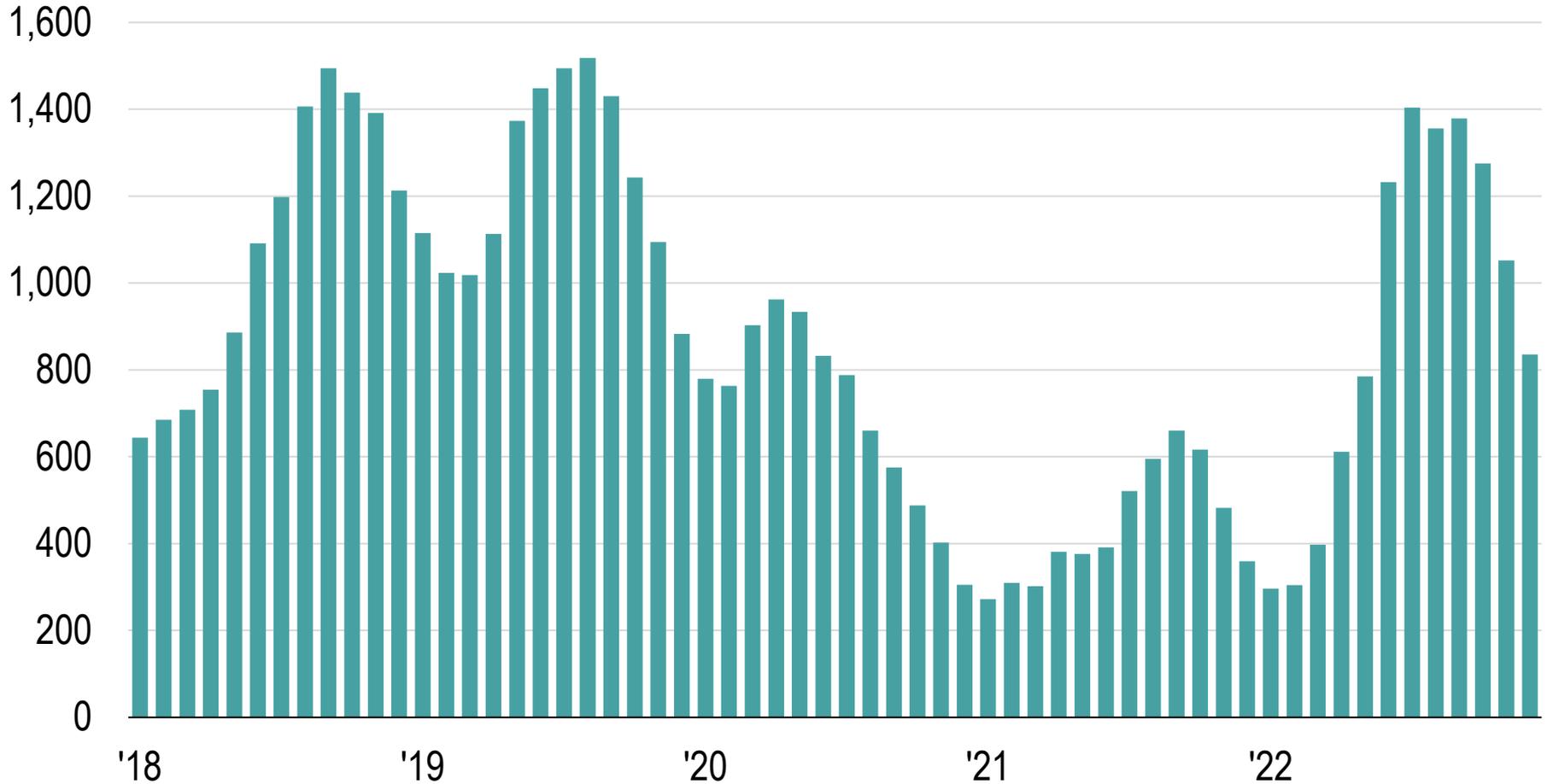
### Condo/Townhouse



Source: Reno-Sparks Association of Realtors

# Active Inventory

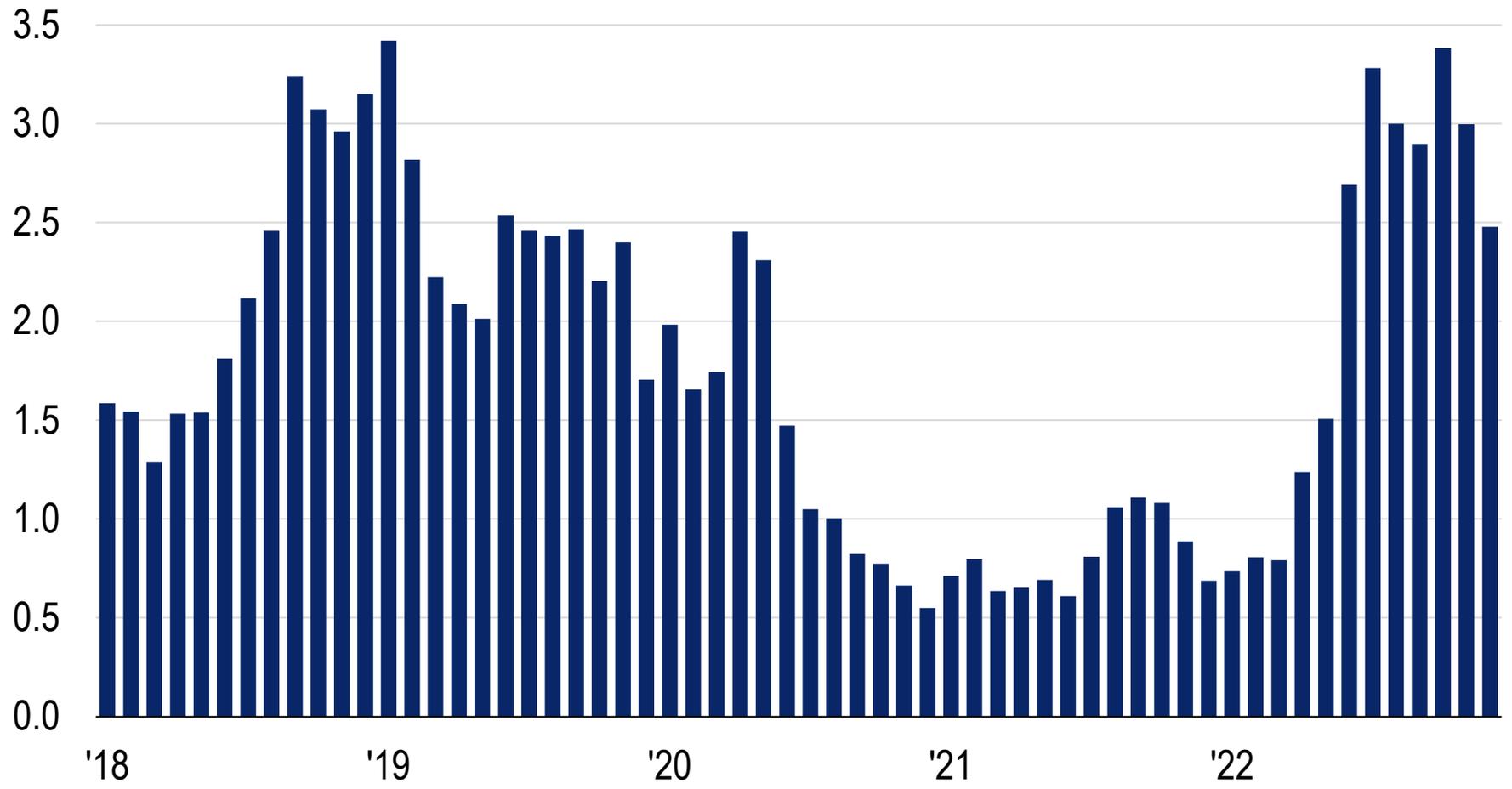
Reno-Sparks | Single Family Residential



Source: Reno-Sparks Association of Realtors

# Effective Inventory (in Months)

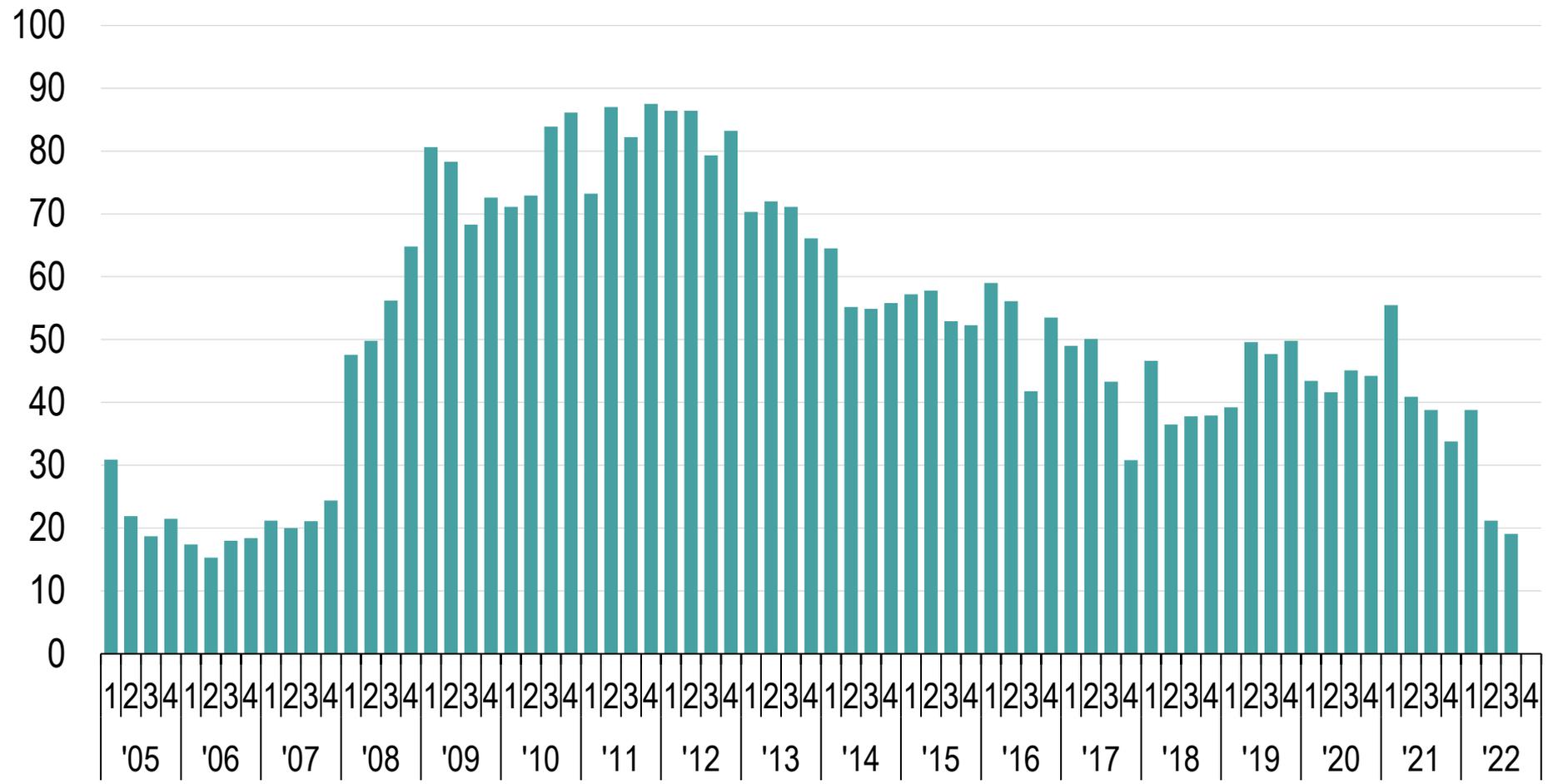
Reno-Sparks | Single Family Residential



Source: Reno-Sparks Association of Realtors

# Housing Opportunity Index

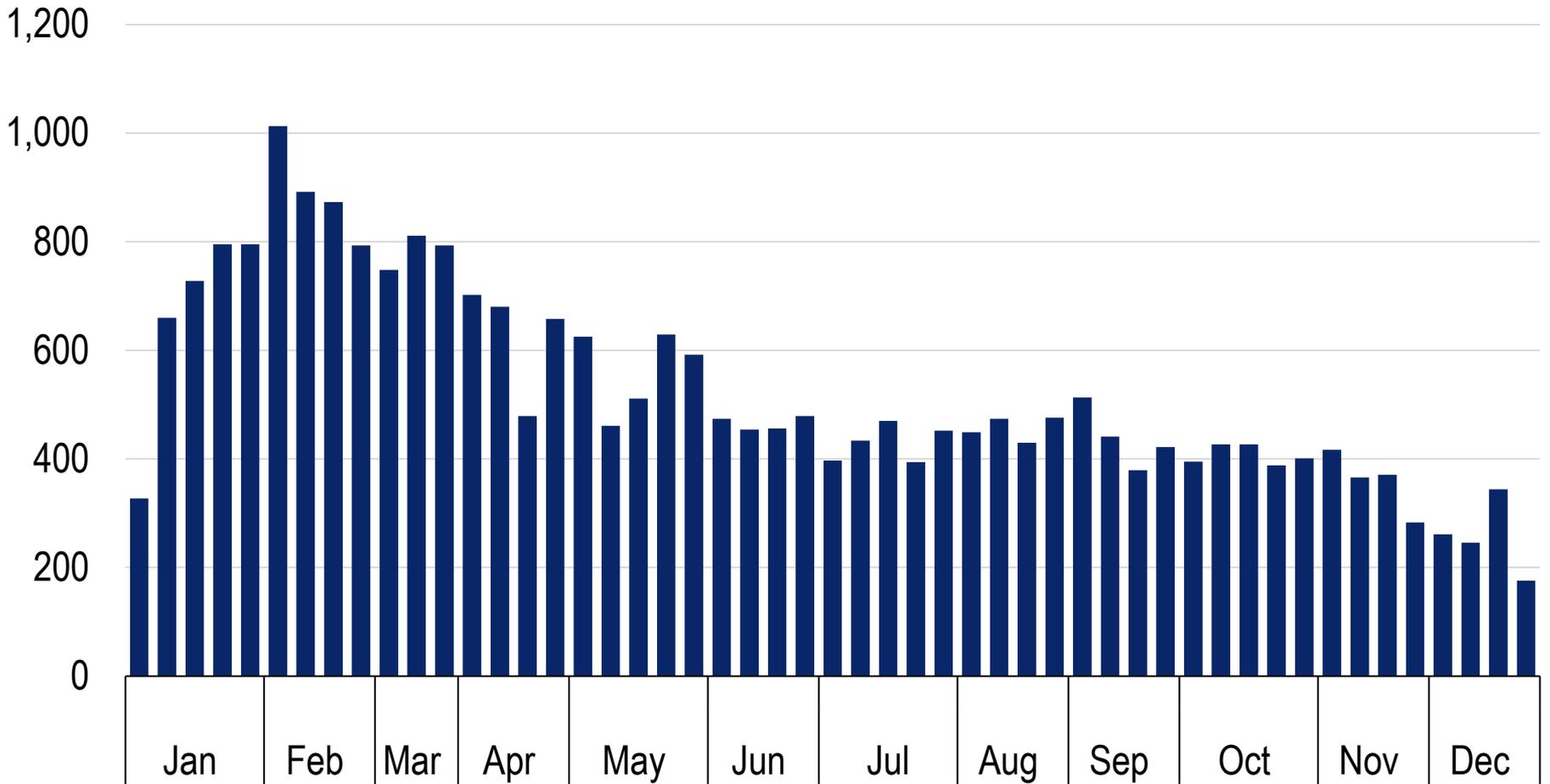
Reno-Sparks Metro Area



Source: National Association of Homebuilders

# New Home Traffic by Week

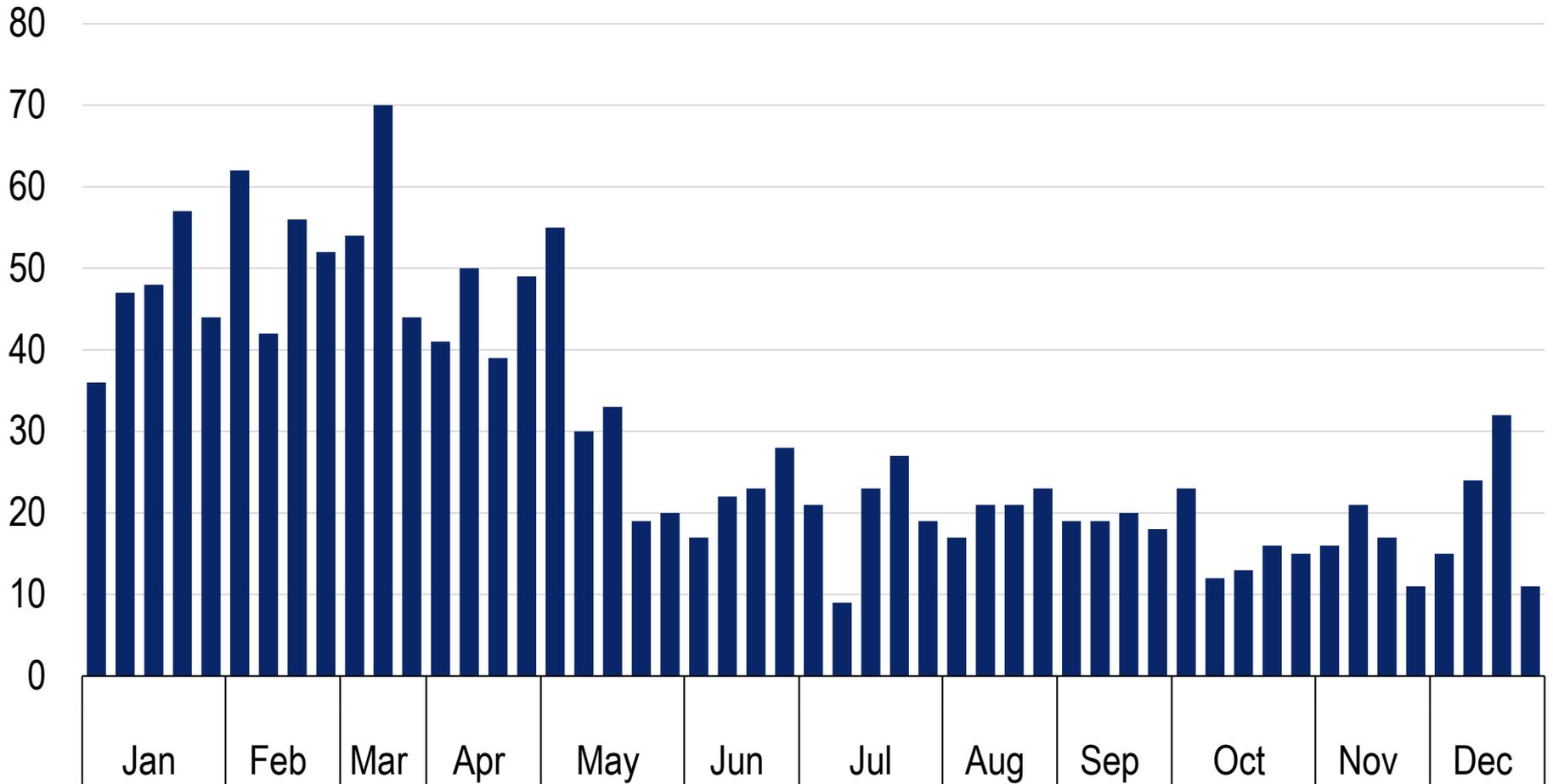
Northern Nevada | 2022



Source: The Builders Association

# New Home Sales by Week

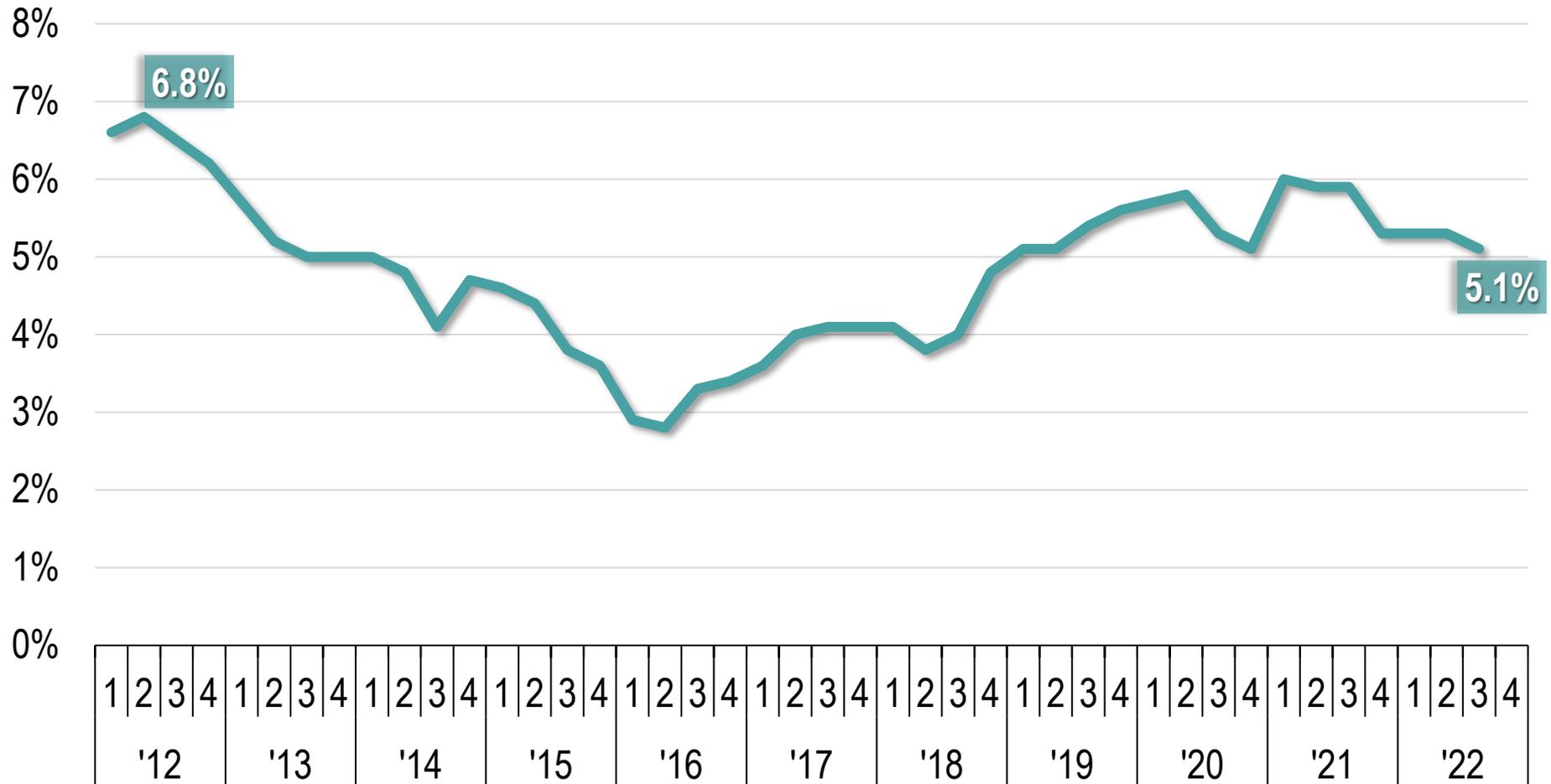
Northern Nevada | 2022



Source: The Builders Association

# Apartment Vacancy Rate

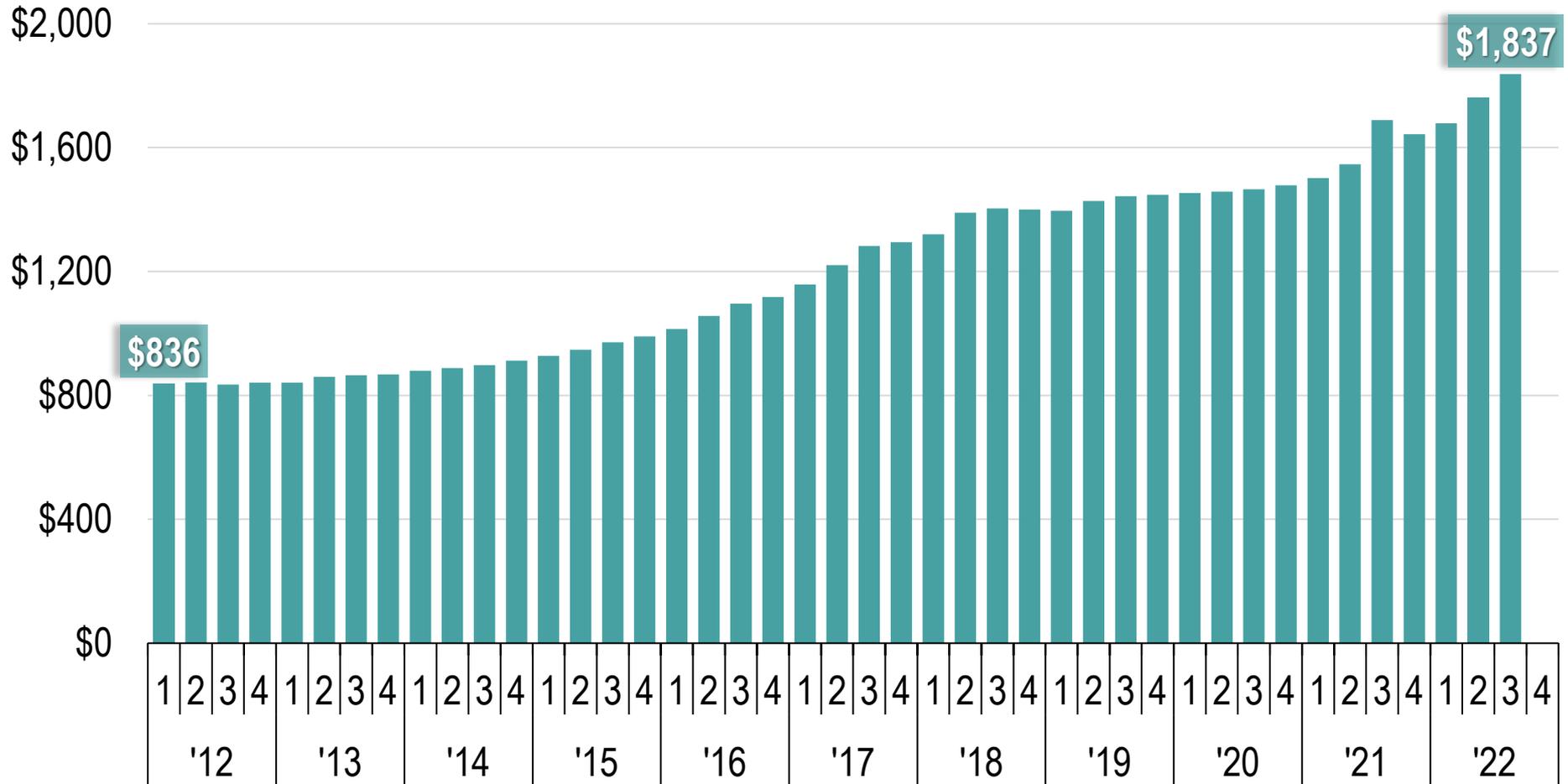
Reno-Sparks Area



Source: REIS

# Apartment Asking Rent Per Unit

Reno-Sparks Area



Source: REIS

# \$10B+

TOTAL PROJECT COSTS  
IN THE DEVELOPMENT  
PIPELINE



Source: Third-party Media and Applied Analysis



# Gigafactory Nevada

## MINIMUM REQUIREMENTS

**\$3.5B**



CAPITAL  
INVESTMENT

**\$6.2B**

(EXCEEDS +76.7%)

**6,000**



OPERATIONS  
EMPLOYMENT

**10,521**

(EXCEEDS +75.4%)

**\$22.00**



AVERAGE  
HOURLY WAGE

**\$42.35**

(EXCEEDS +92.5%)

**50%**



NEVADA  
WORKFORCE

**90%**

(EXCEEDS +40.0%)

## ACTUAL RESULTS TO DATE



# Gigafactory Nevada

2022



OPERATIONS  
EMPLOYMENT

**17,400**



SALARIES  
AND WAGES

**\$1.2B**



ECONOMIC  
OUTPUT

**\$5.4B**











# THANK YOU

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ANALYSIS



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