

2024 NEVADA TRANSPORTATION CONFERENCE WORK FORCE OUTLOOK

Prepared For:



Prepared By:



What Is Economics Really?

*Economics is what Economists do.
—Jacob Viner (an Economist)*

Today's Road Map

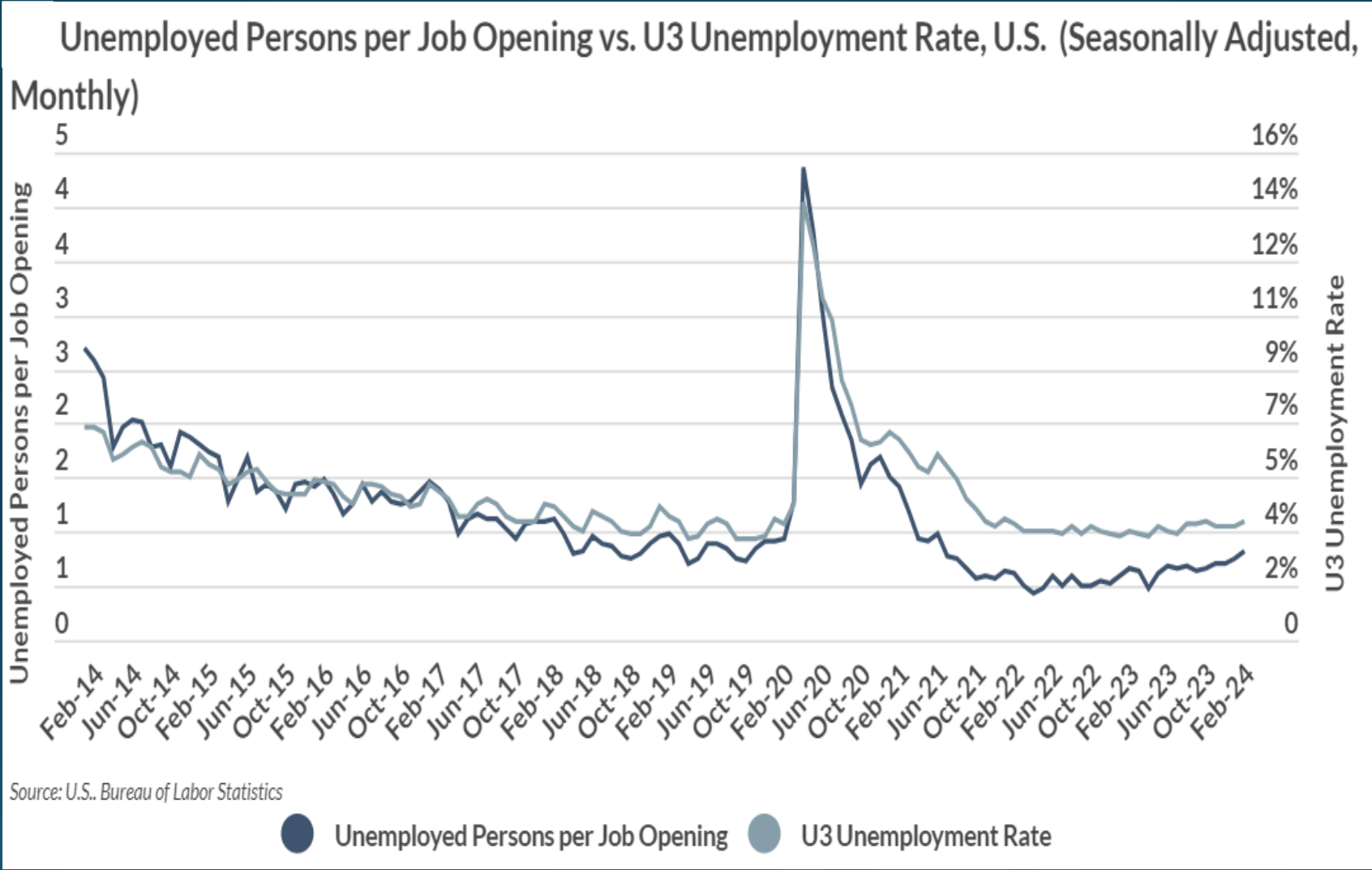
- ✓ *Macro View: The U.S. Economy*
- ✓ *Nevada Today: Jobs, Wages, & Unemployment*
- ✓ *Nevada By the Regions*
- ✓ *Final Thoughts*



Source: Microsoft

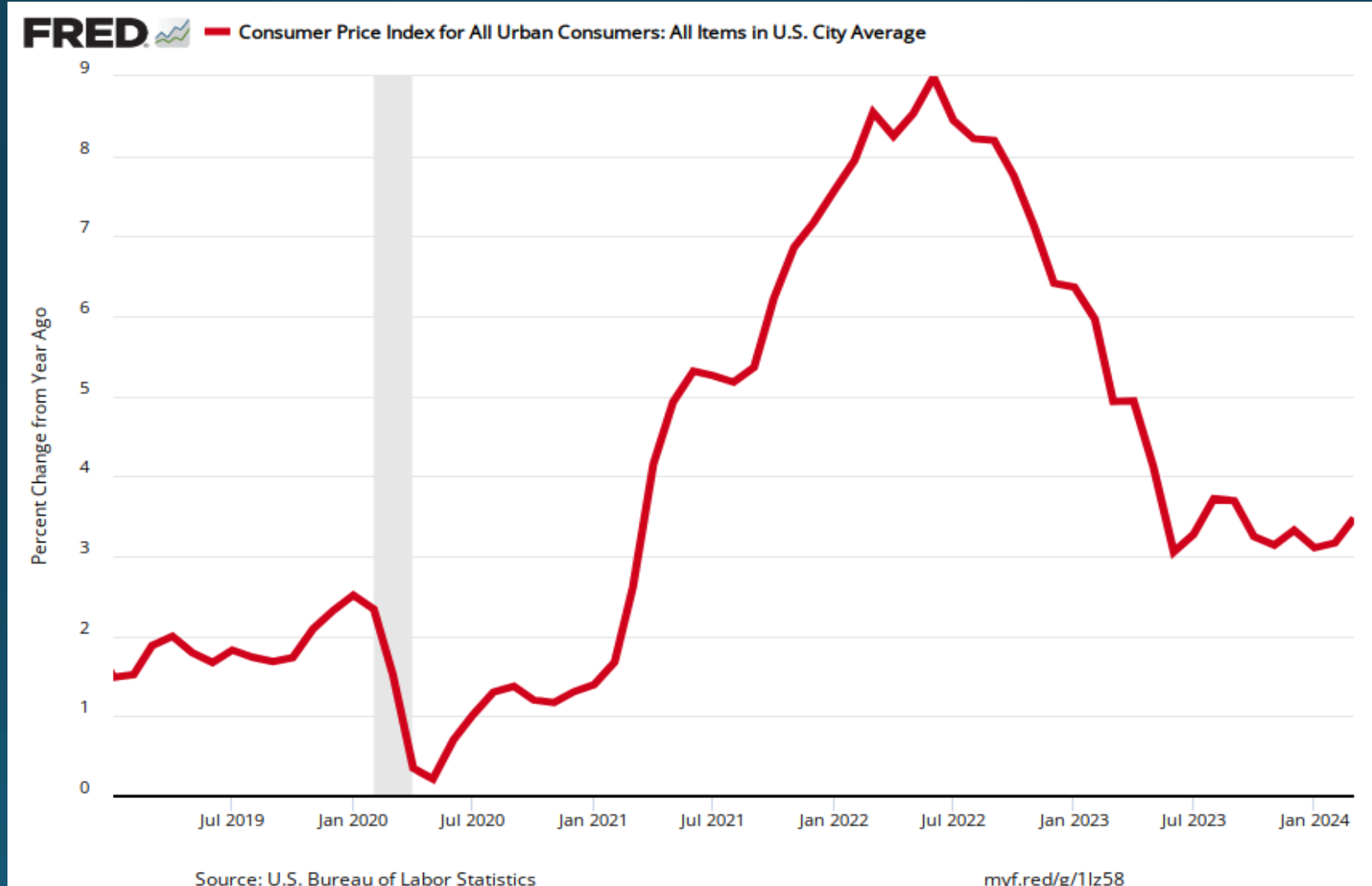
Macro View: The U.S. Economy

U.S. Labor Market Continues to See Low Unemployment



Year over Year Inflation up to 3.5% in March

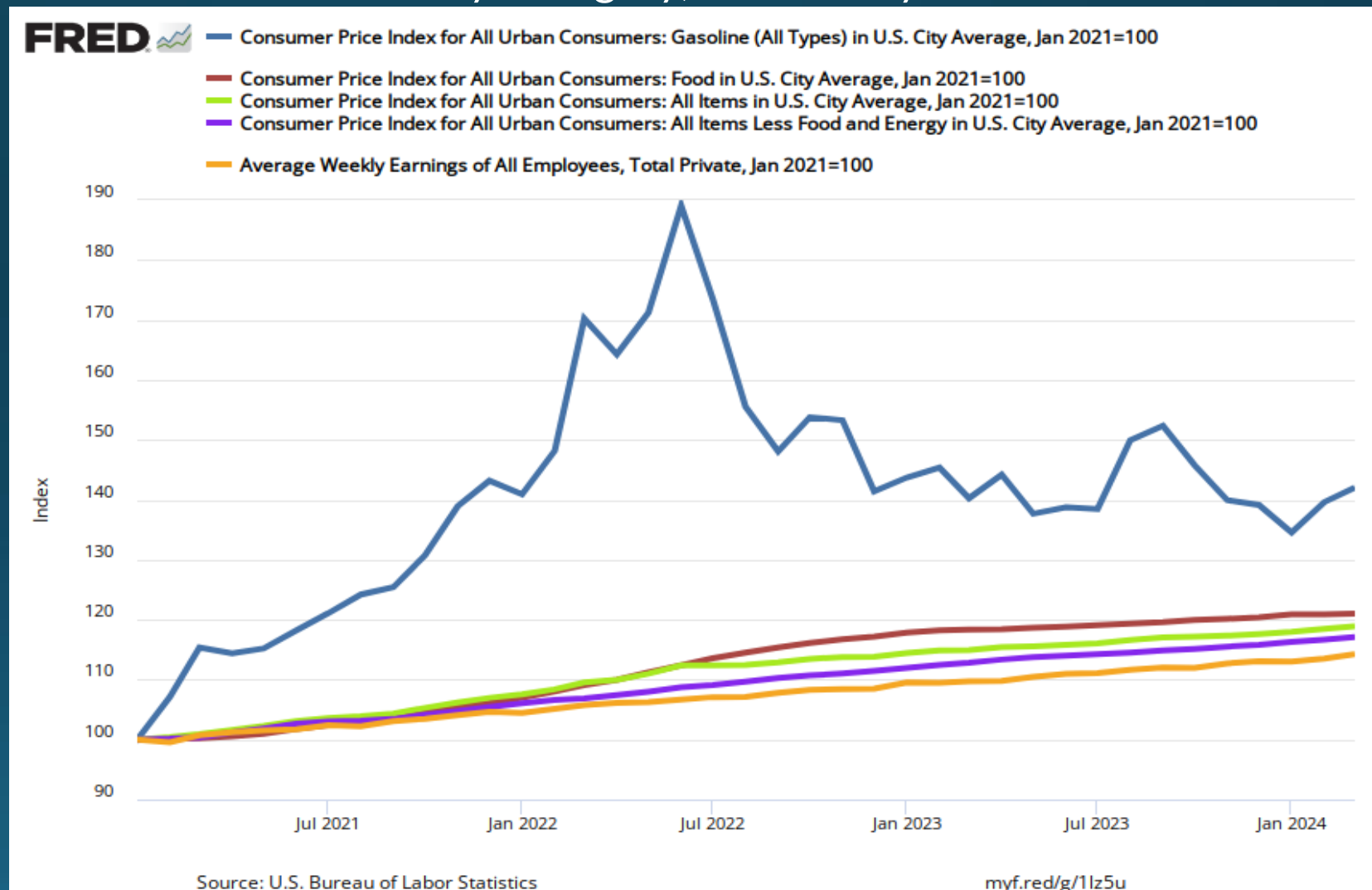
Consumer Price Index, US January 2019 – March 2024



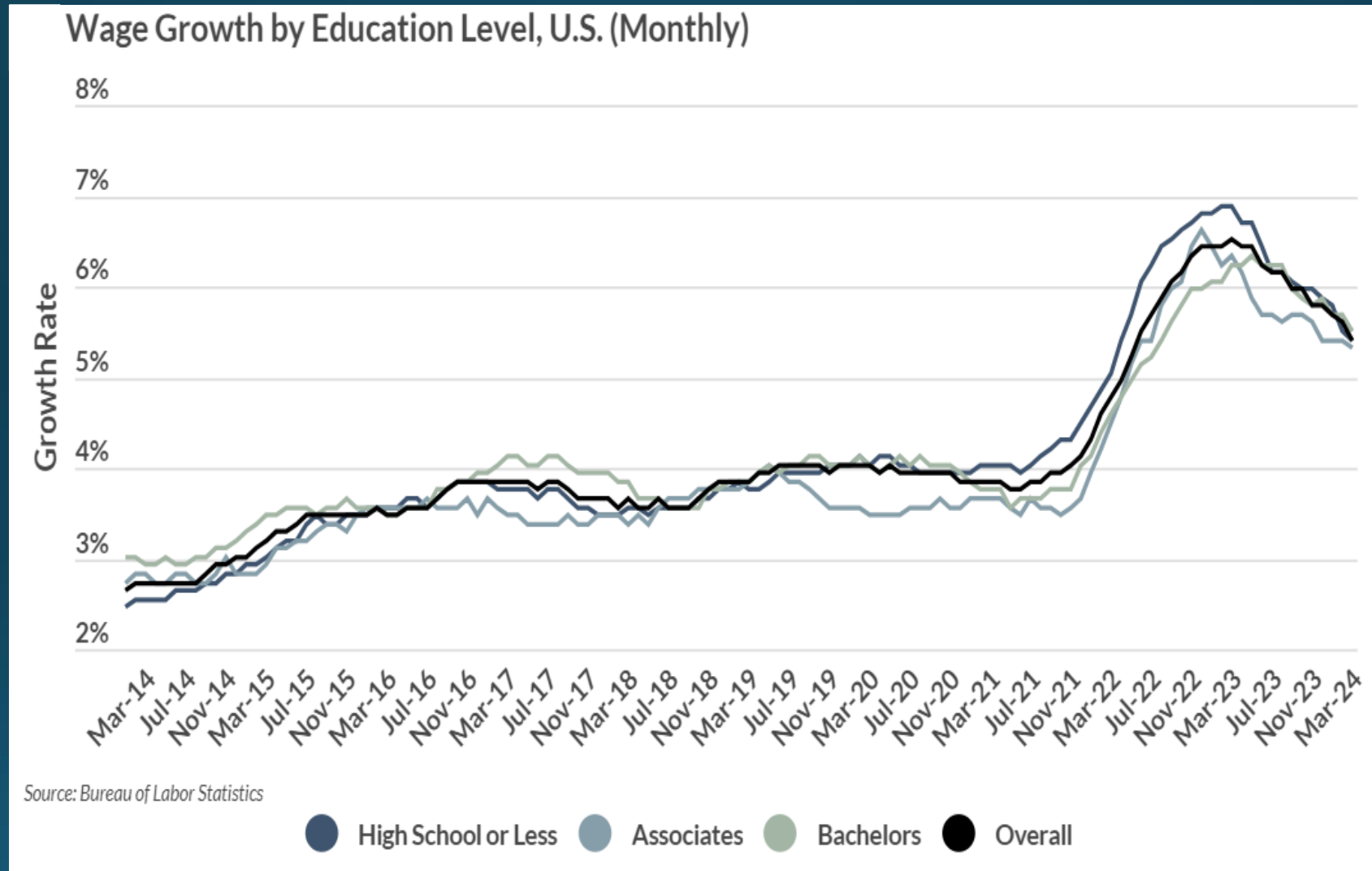
Cumulative Inflation by Category from January 2021 – March 2024

- Gasoline: +42%
- Food: +21%
- All items: +19%
- Core price +17%
- Avg weekly earnings: +14%.

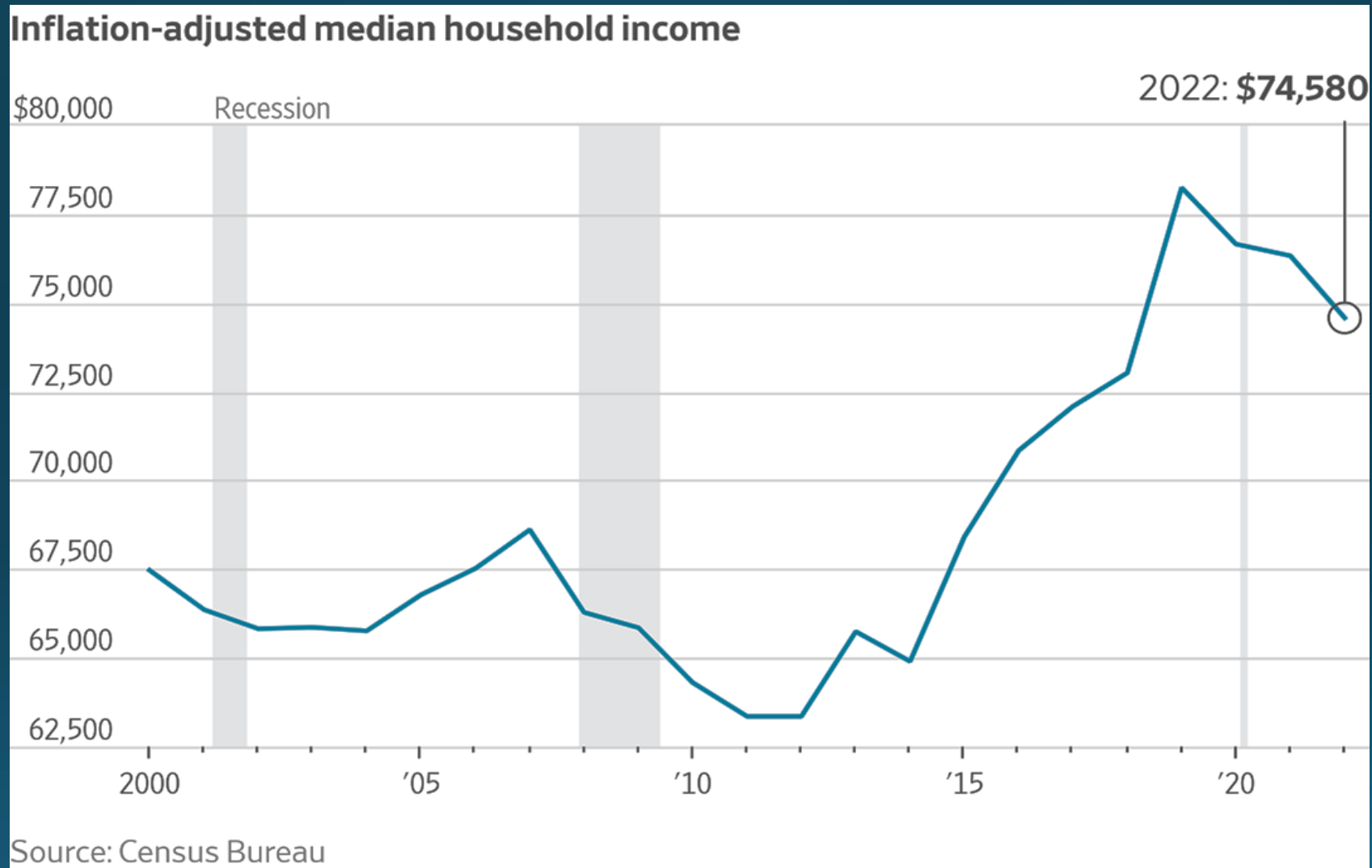
Consumer Price Index by Category, US January 2021 – March 2024



But U.S. Wage Growth Has Slowed Across Education Levels

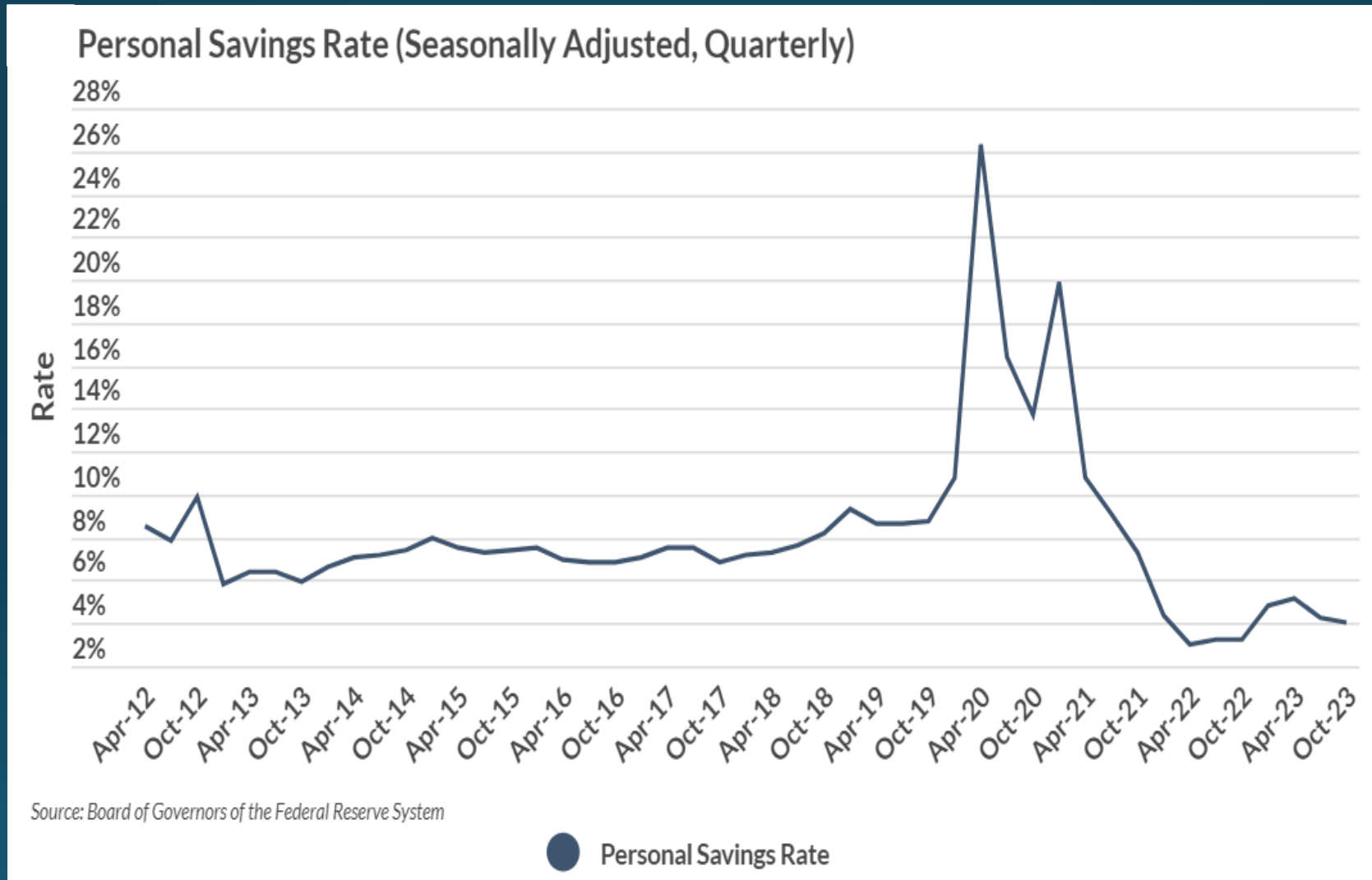


U.S. Median Household Incomes Declined 4.7% from 2019 Peak

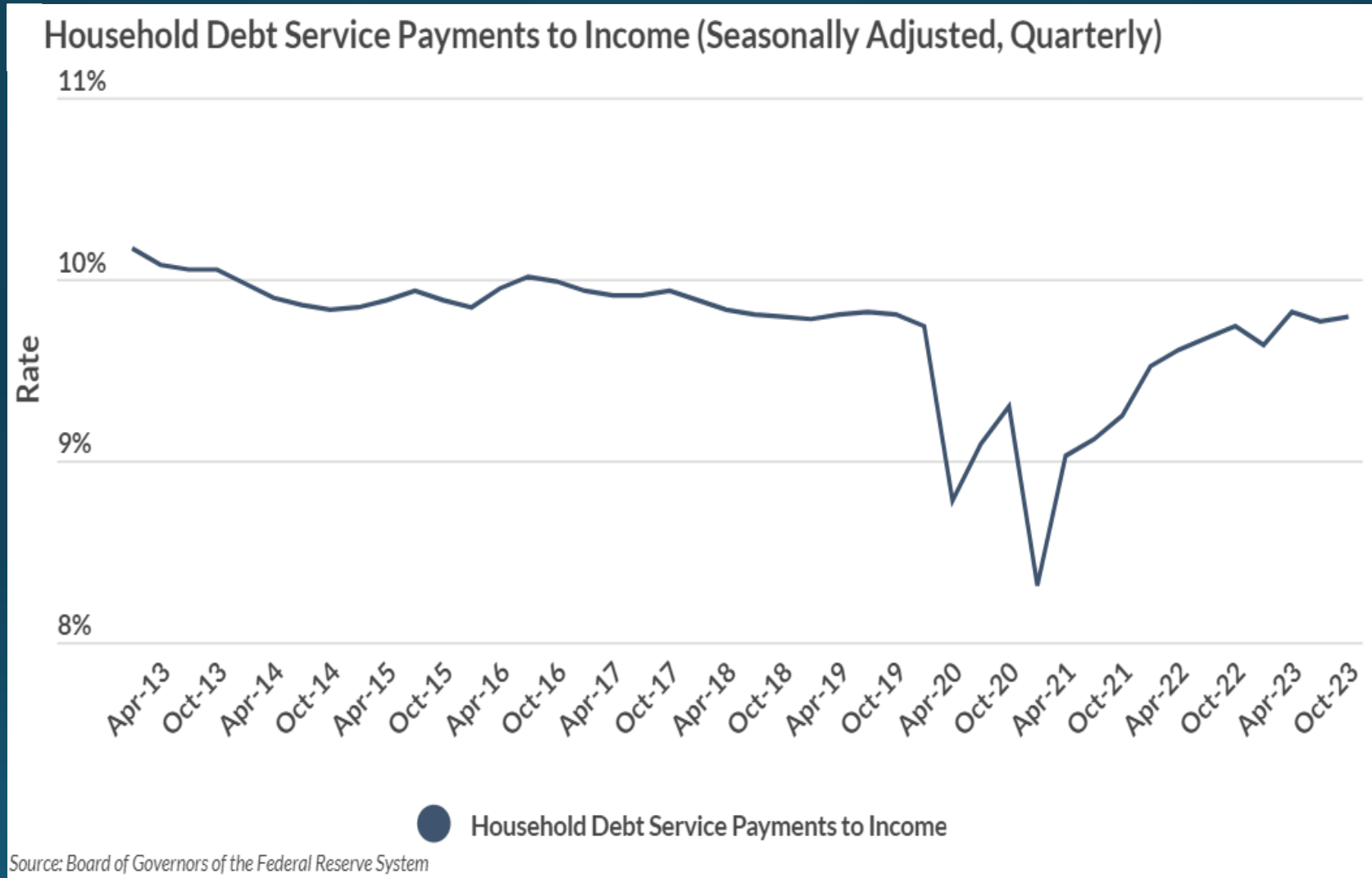


Source: WSJ

U.S. Personal Savings Rate Is Now Half Pre-2020 Trend



U.S. Household Debt Payments as % of Income Increasing

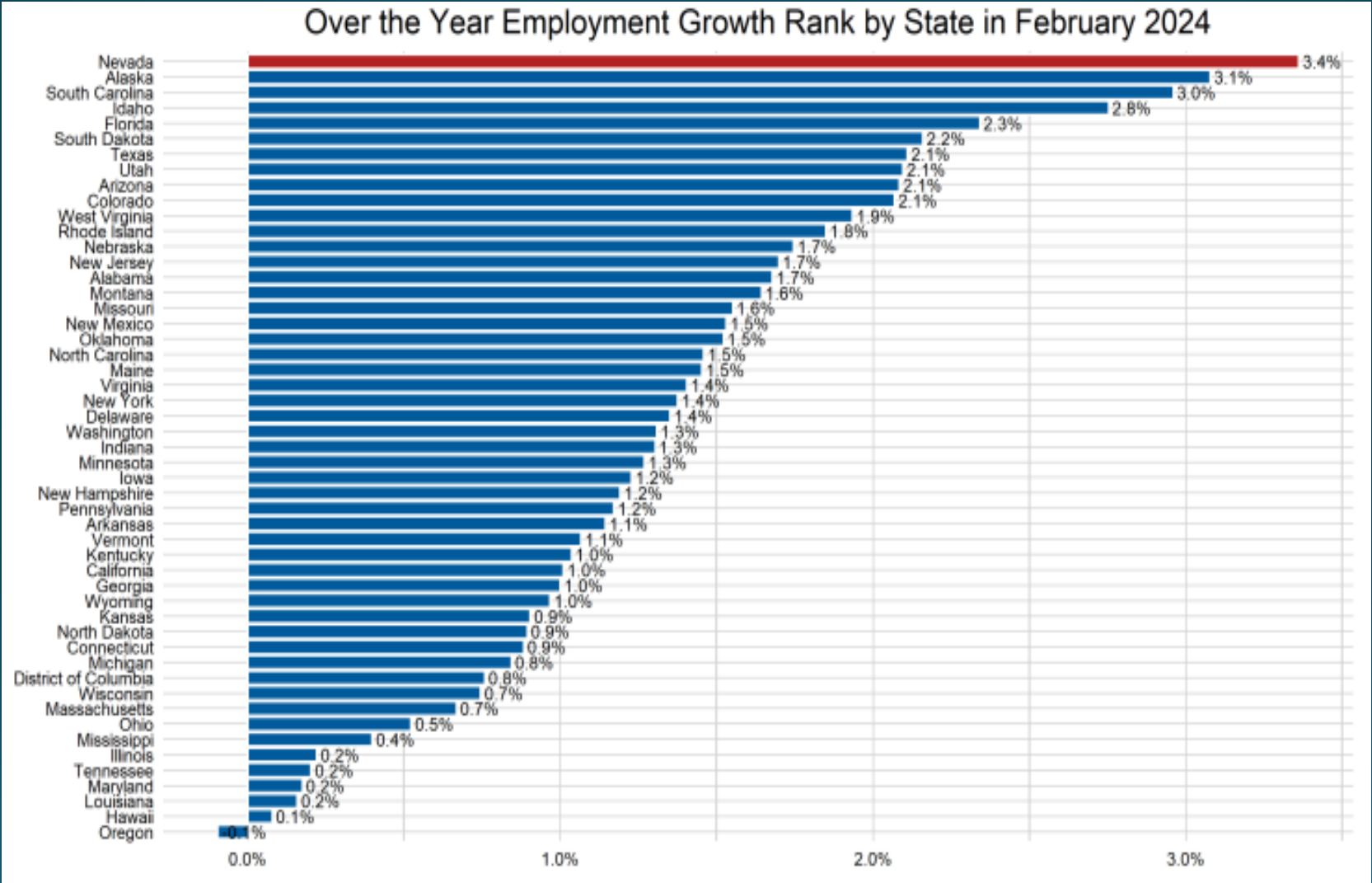




Source: Canva

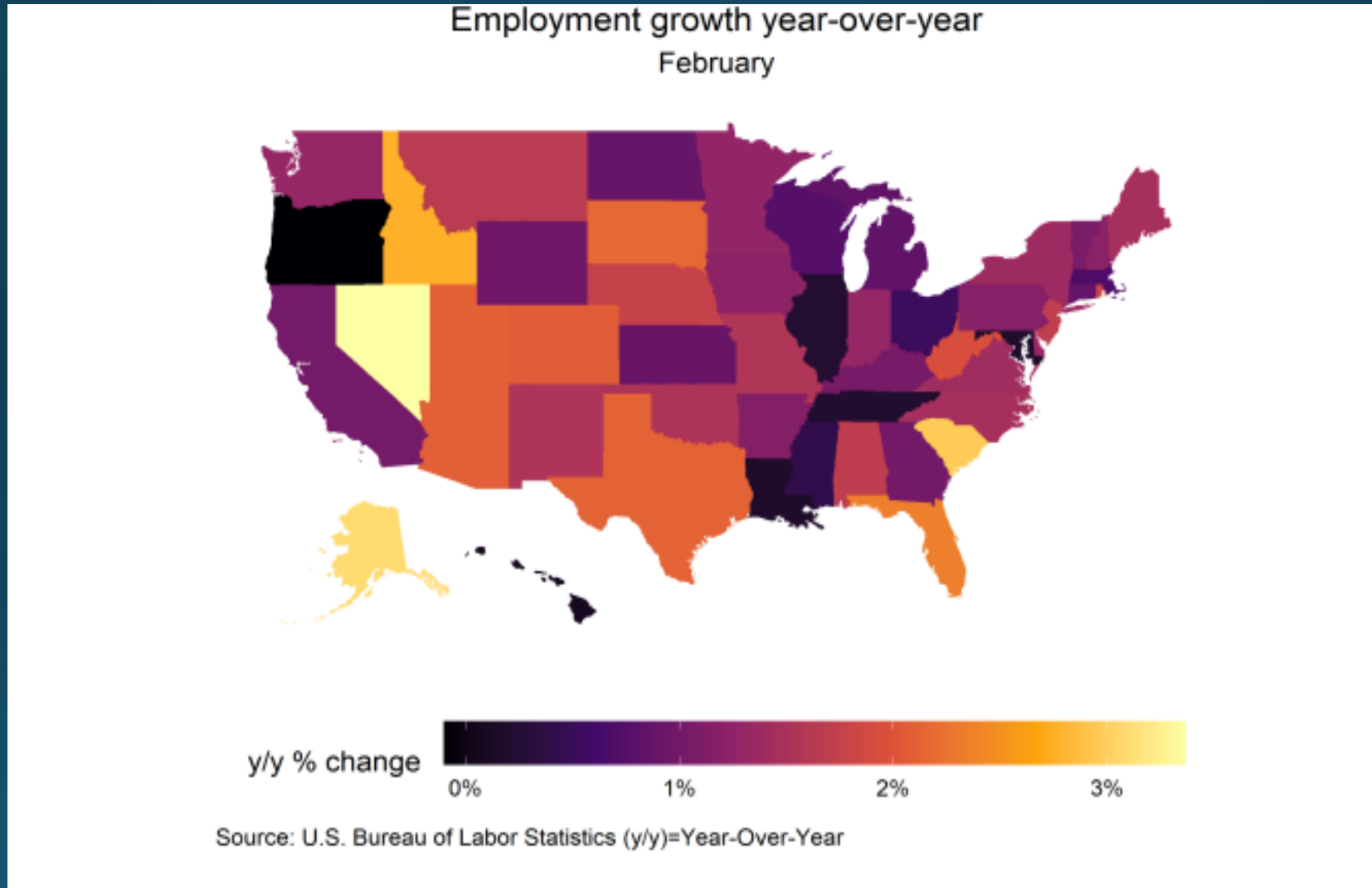
Nevada Today: Jobs, Wages, & Unemployment

Nevada Led the U.S. in Annual Job Growth in February



Source: NV Department of Employment, Training, & Rehabilitation (DETR)

Nevada is Clearly Leading the West

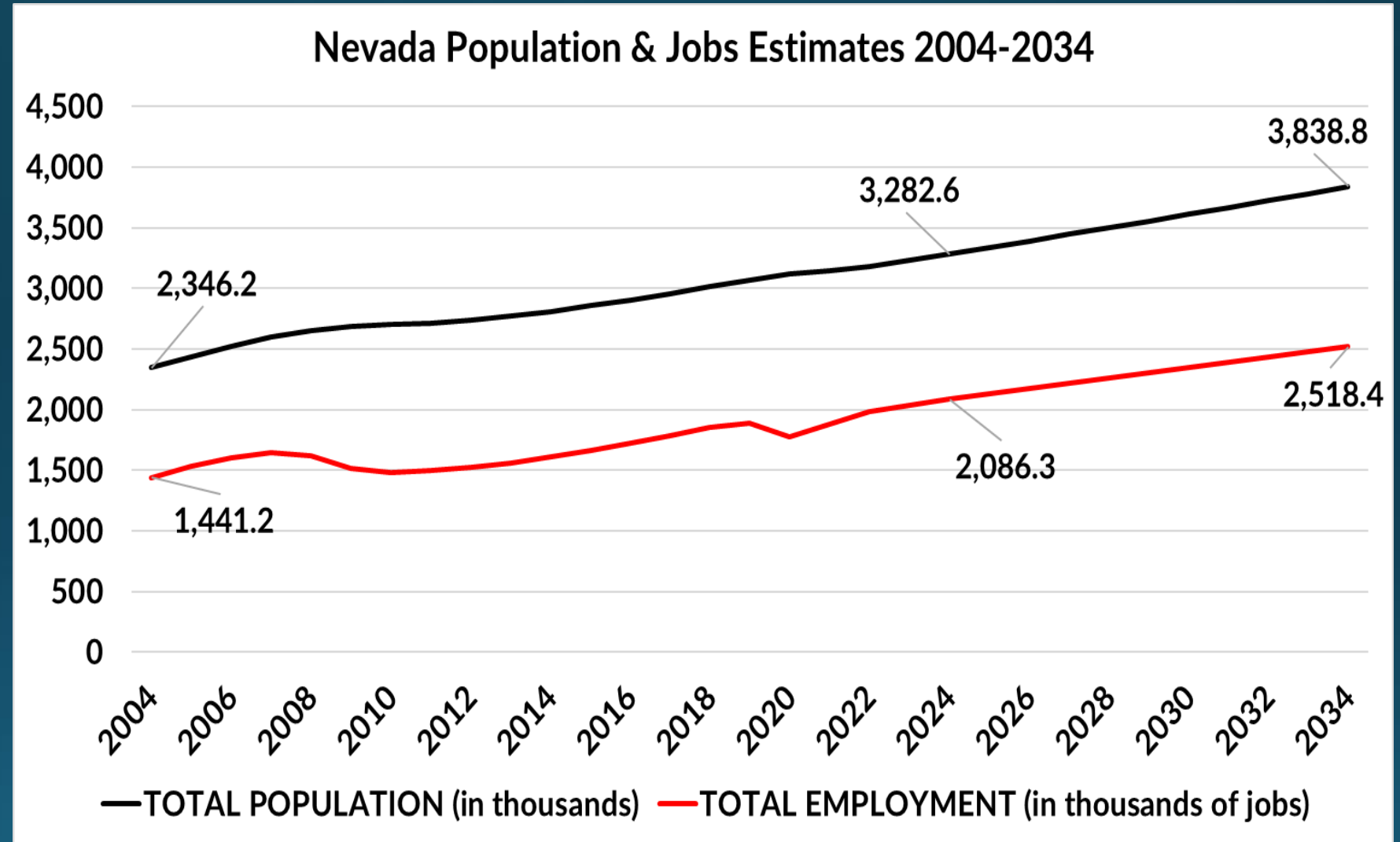


Source: NV Department of Employment, Training, & Rehabilitation (DETR)

NV Population & Employment to Grow Over Next Decade

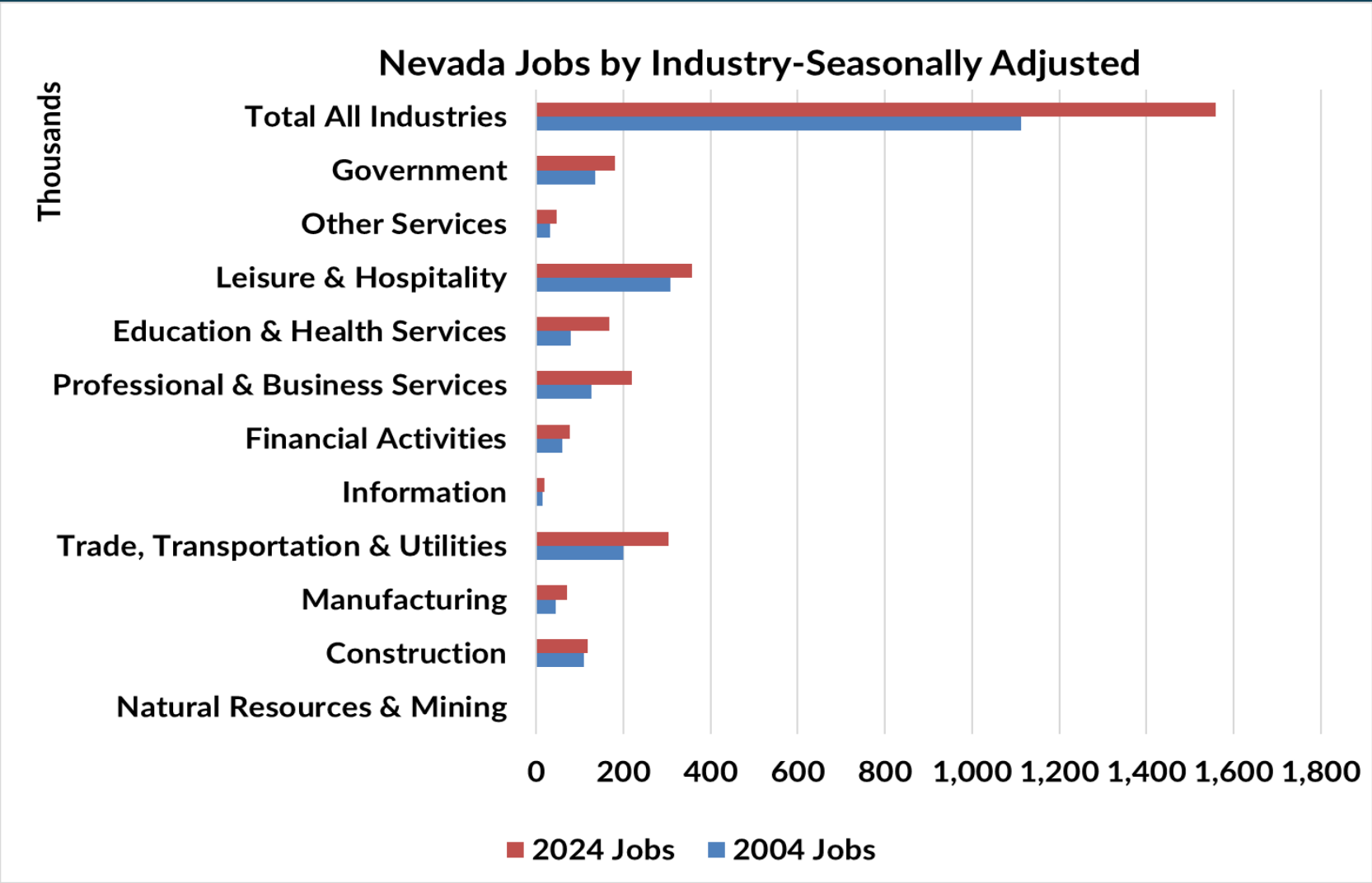
NV Population 2024-2034:
+16.9%

NV Employment 2024-2034:
+20.7%



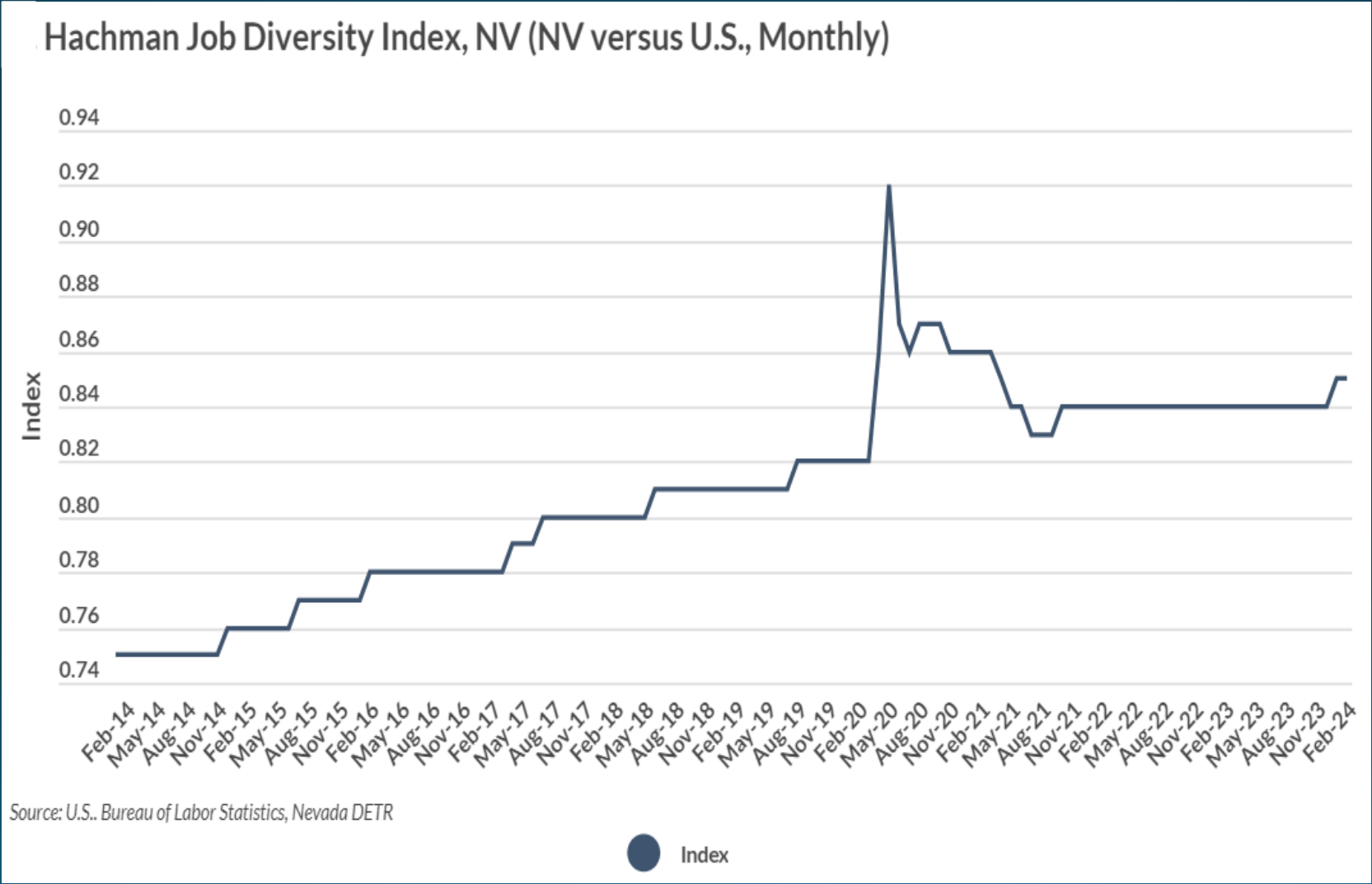
Source: Woods & Poole

Since 2004 Nevada Employment Has Grown 40% Overall

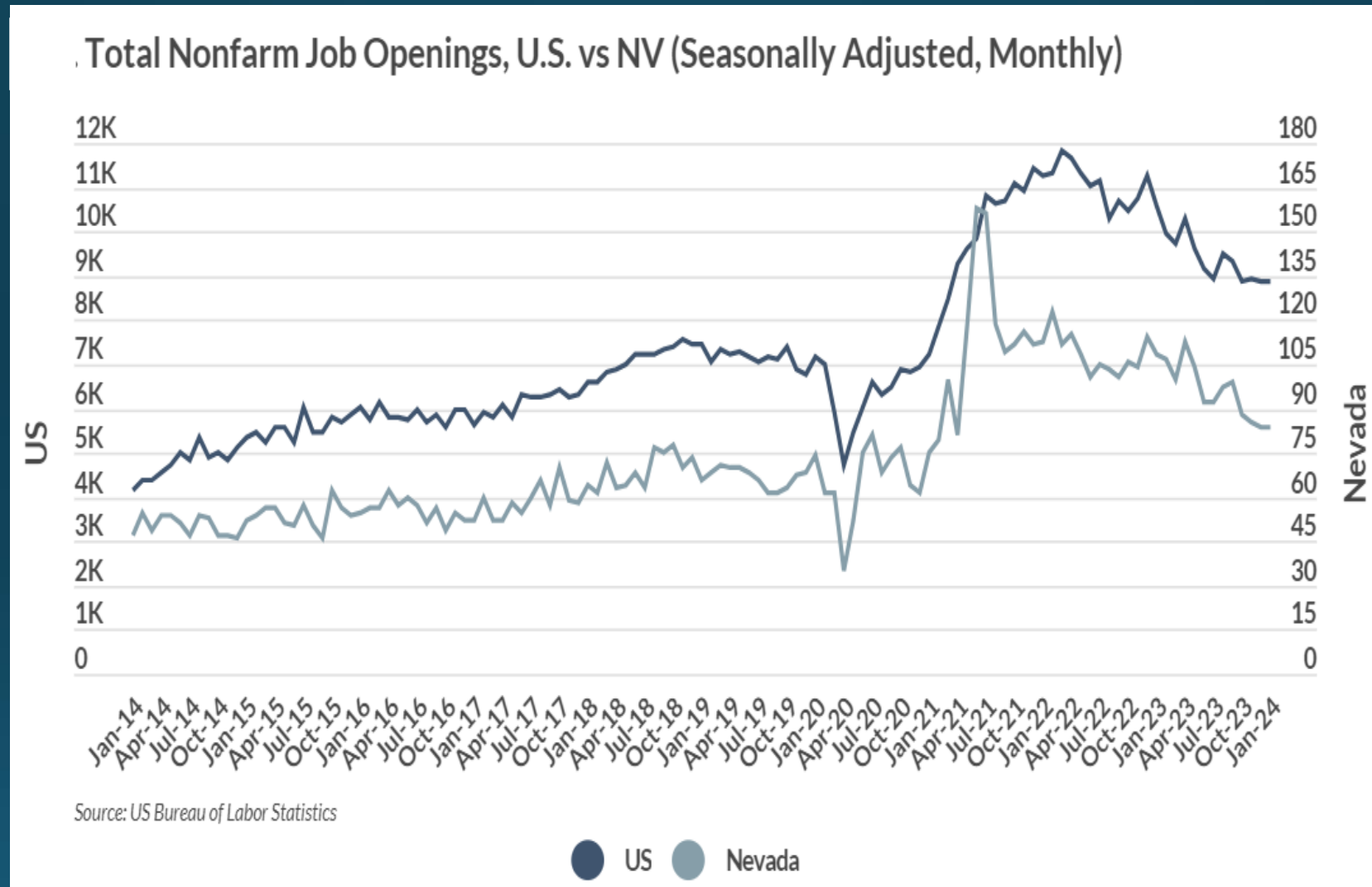


Source: NV Department of Employment, Training, & Rehabilitation (DETR)

Nevada's Job Base Has Diversified Over the Decade

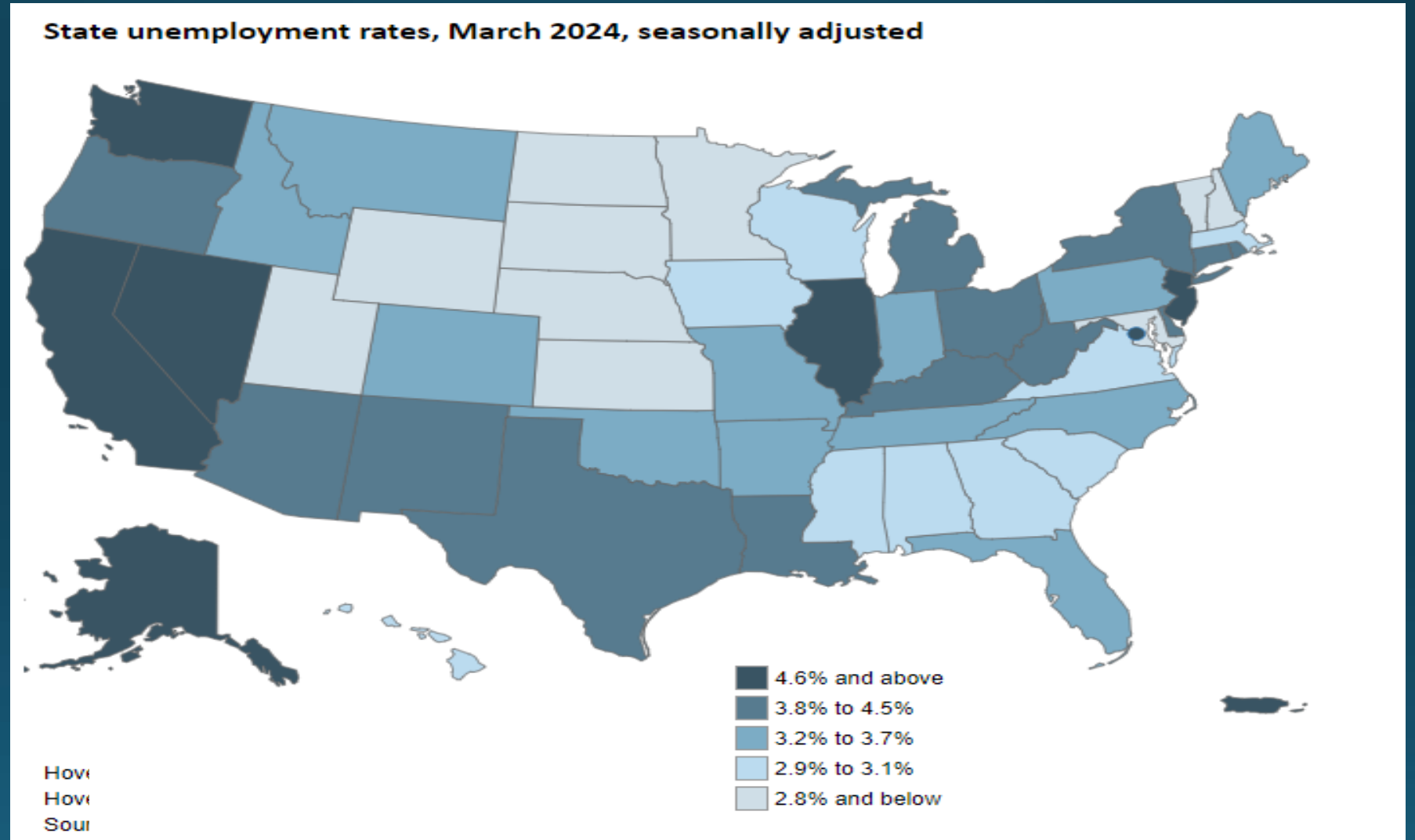


Total Nonfarm Job Openings in NV & U.S. Returning to Trend



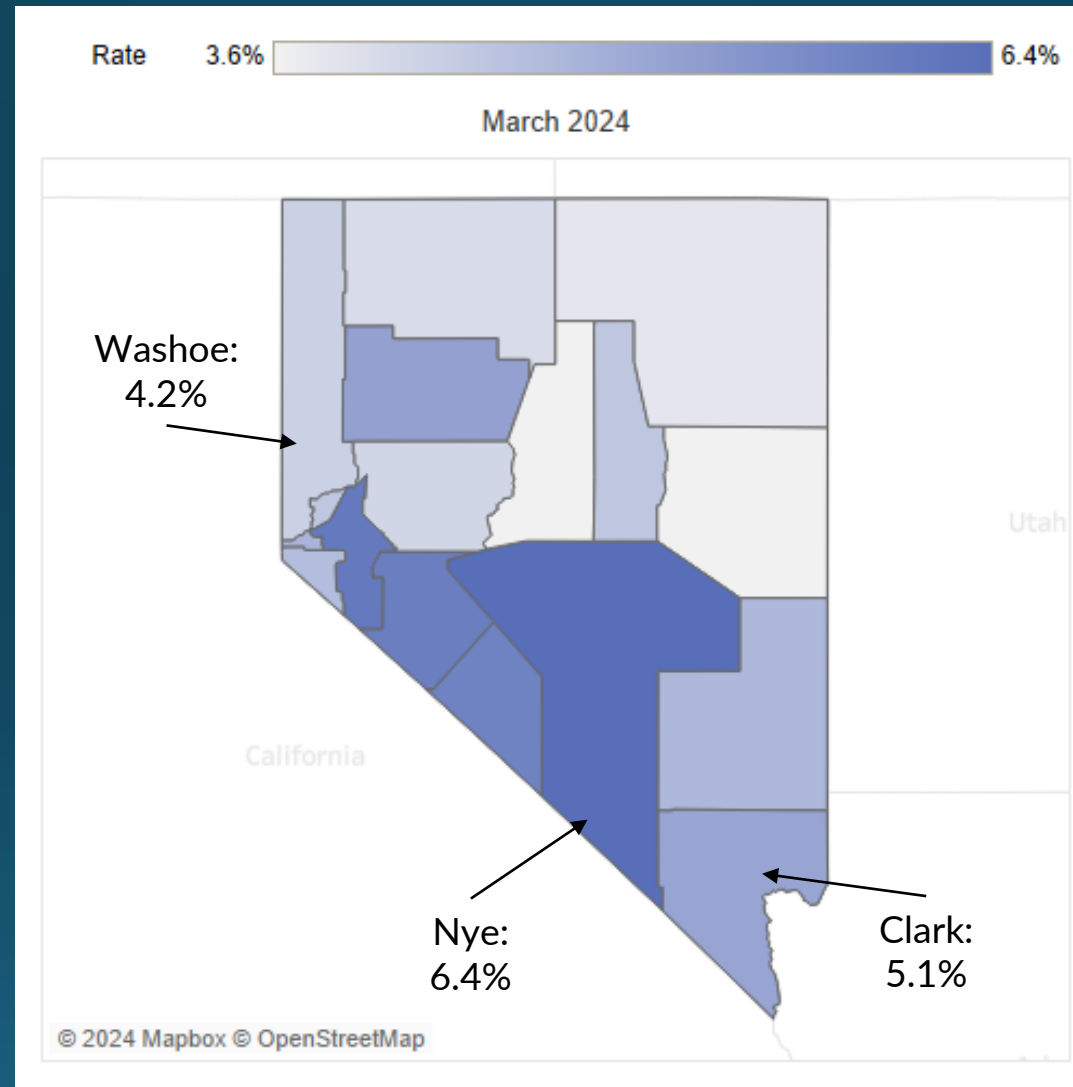
But NV is Also Among Highest Unemployment Rate in U.S.

- CA: 5.3%
- NV: 5.1%
- U.S.: 3.8%
- AZ: 3.8%
- UT: 2.8%



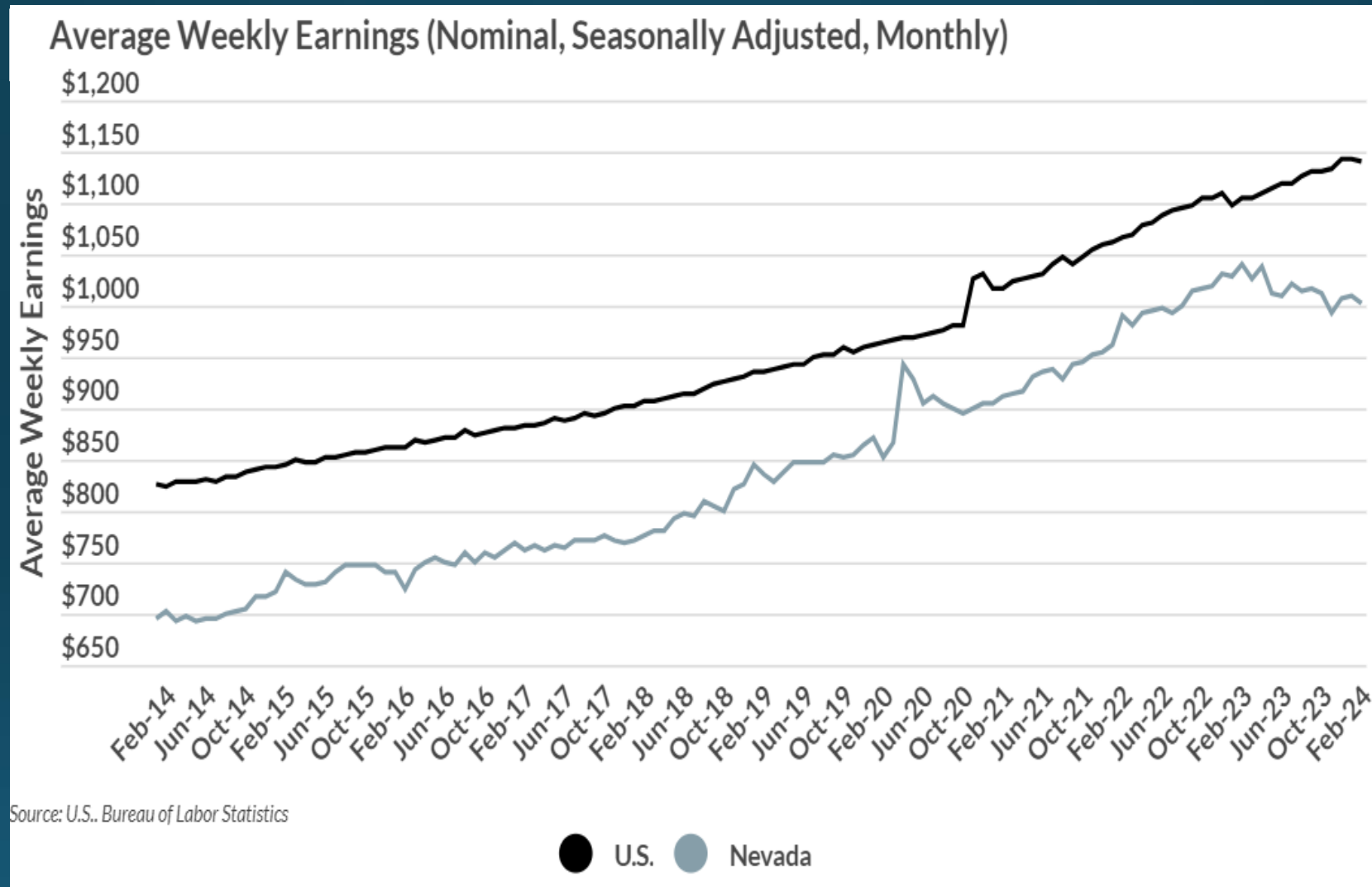
Source: Bureau of Labor Statistics

Unemployment Rates Differ Across Nevada

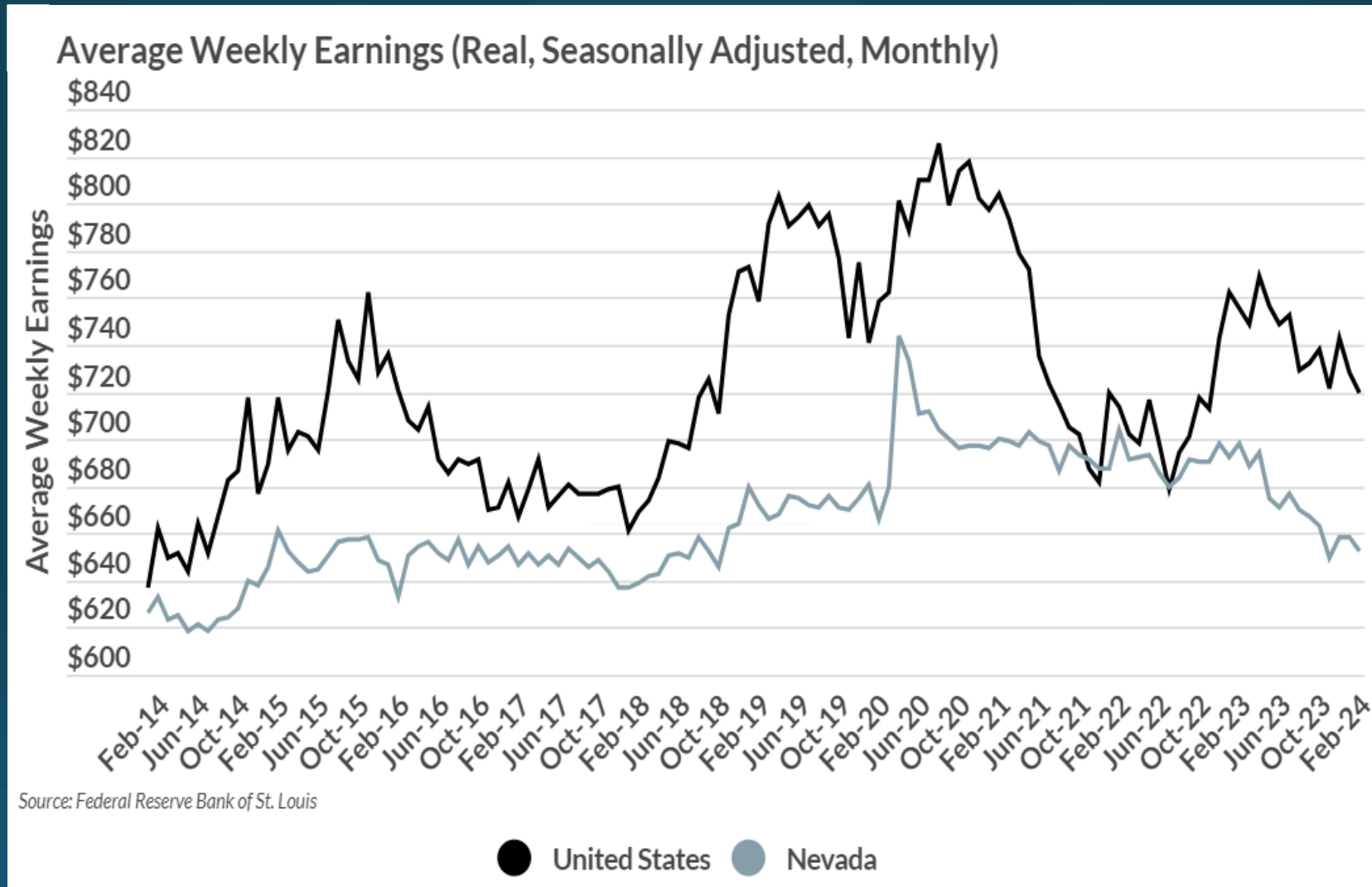


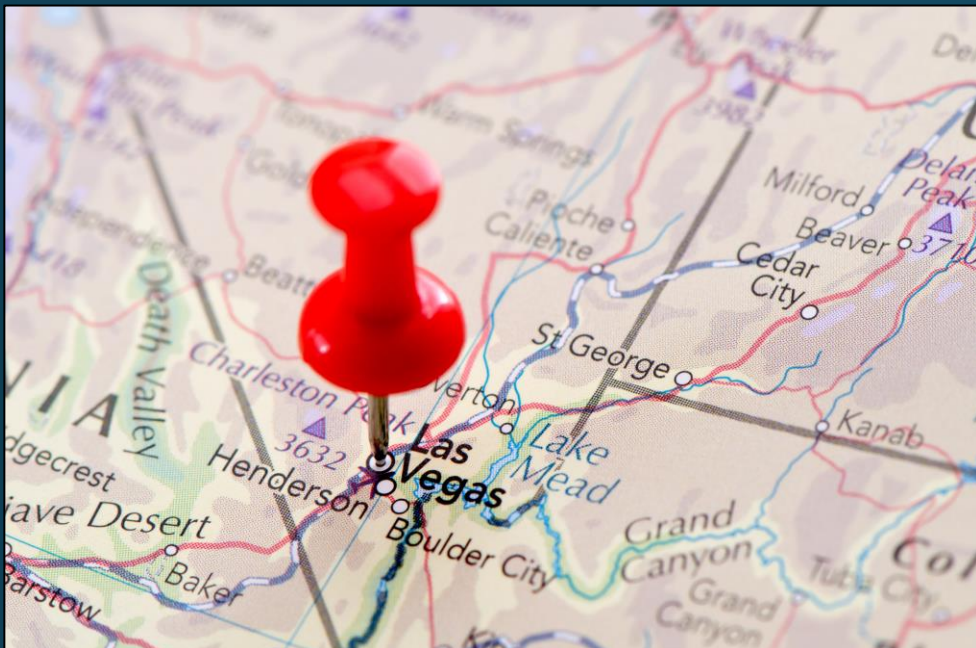
Source: Nevada Department of Employment, Training, & Rehabilitation (DETR)

Average Weekly Earnings in NV Have Increased 50% since 2014

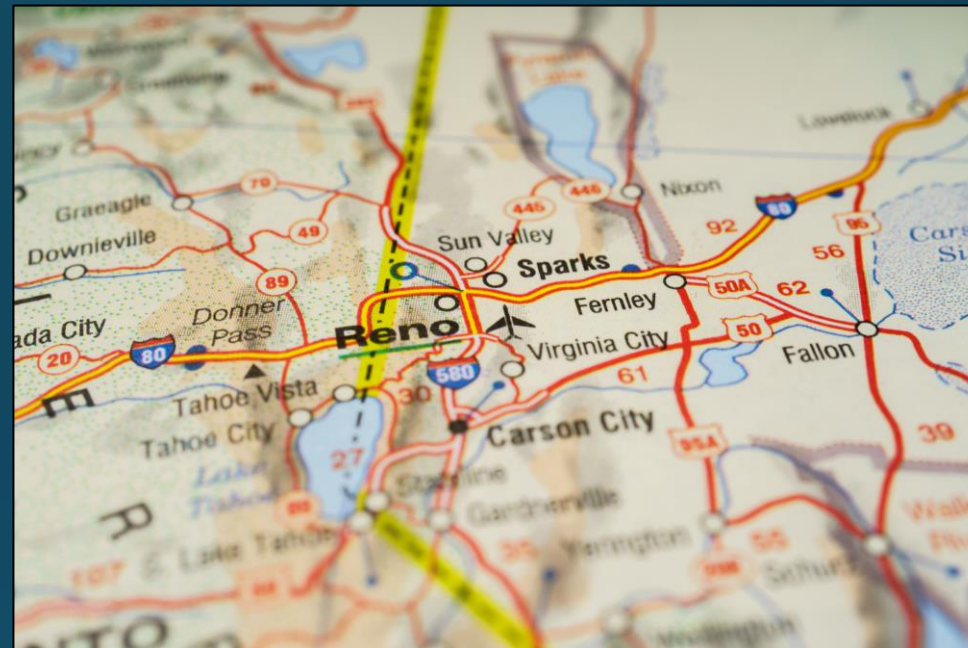


But, When Adjusted for Inflation, NV Earnings are only up 7%





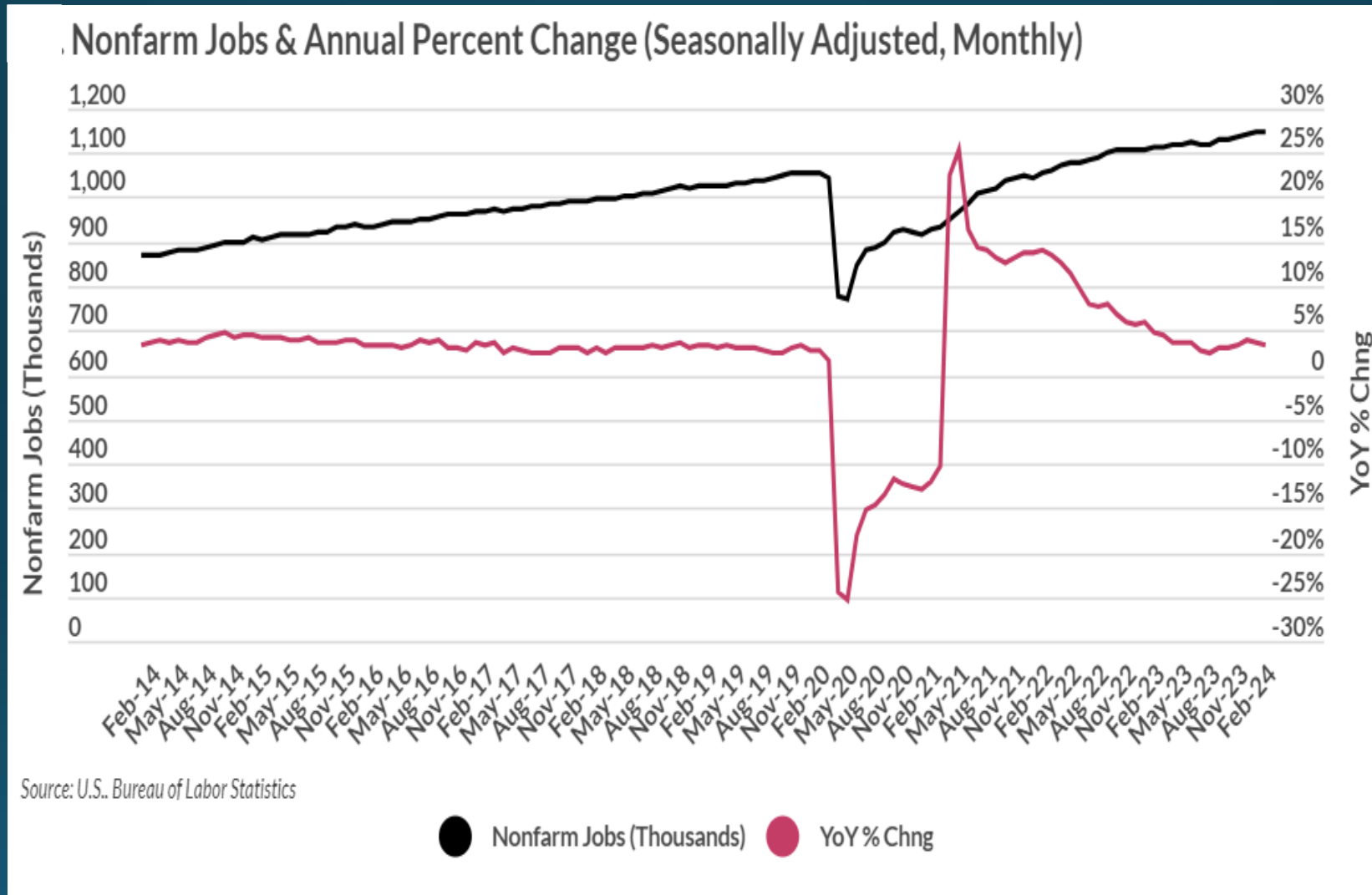
Source: Canva



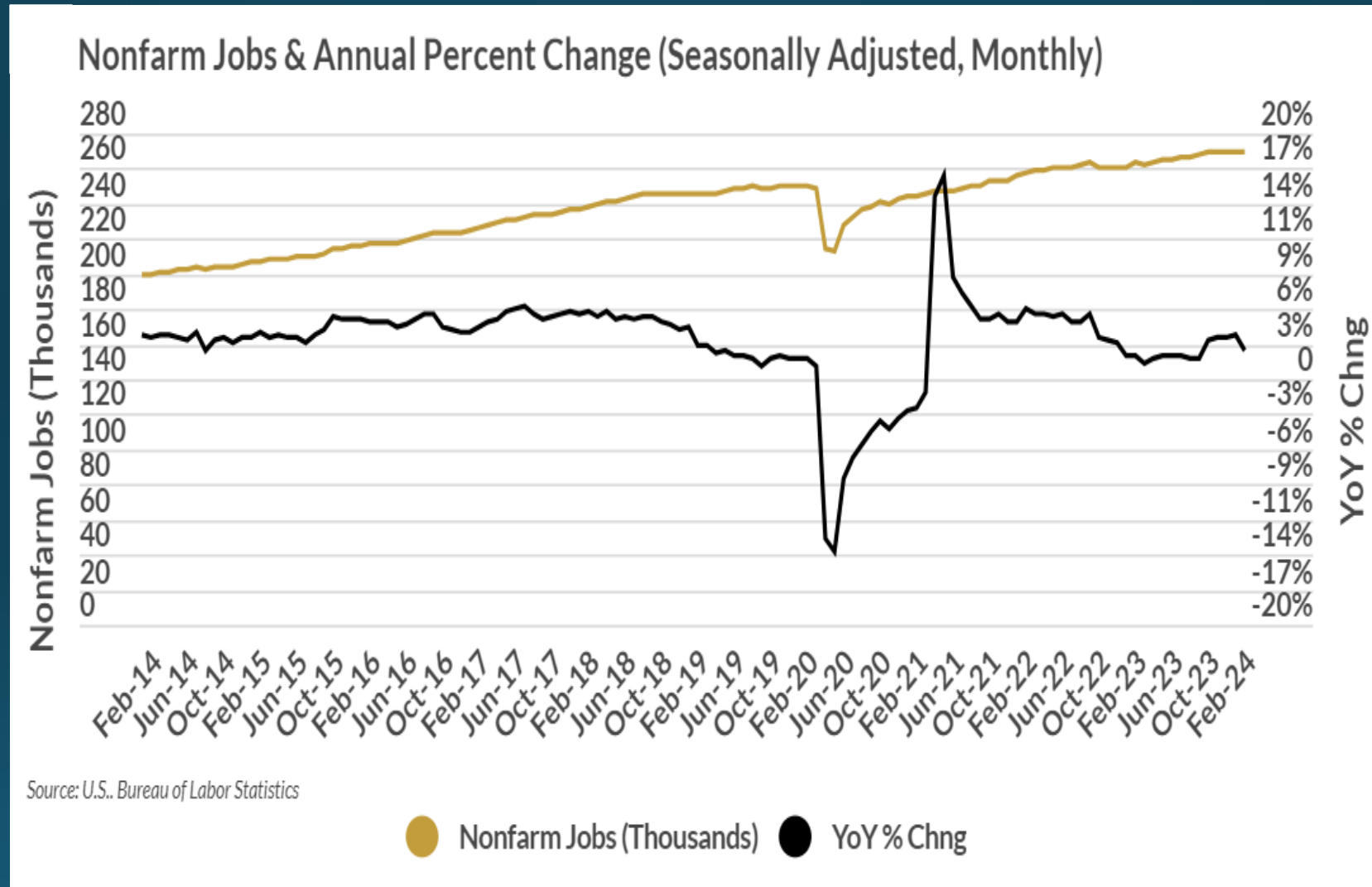
Source: Canva

Nevada by Region

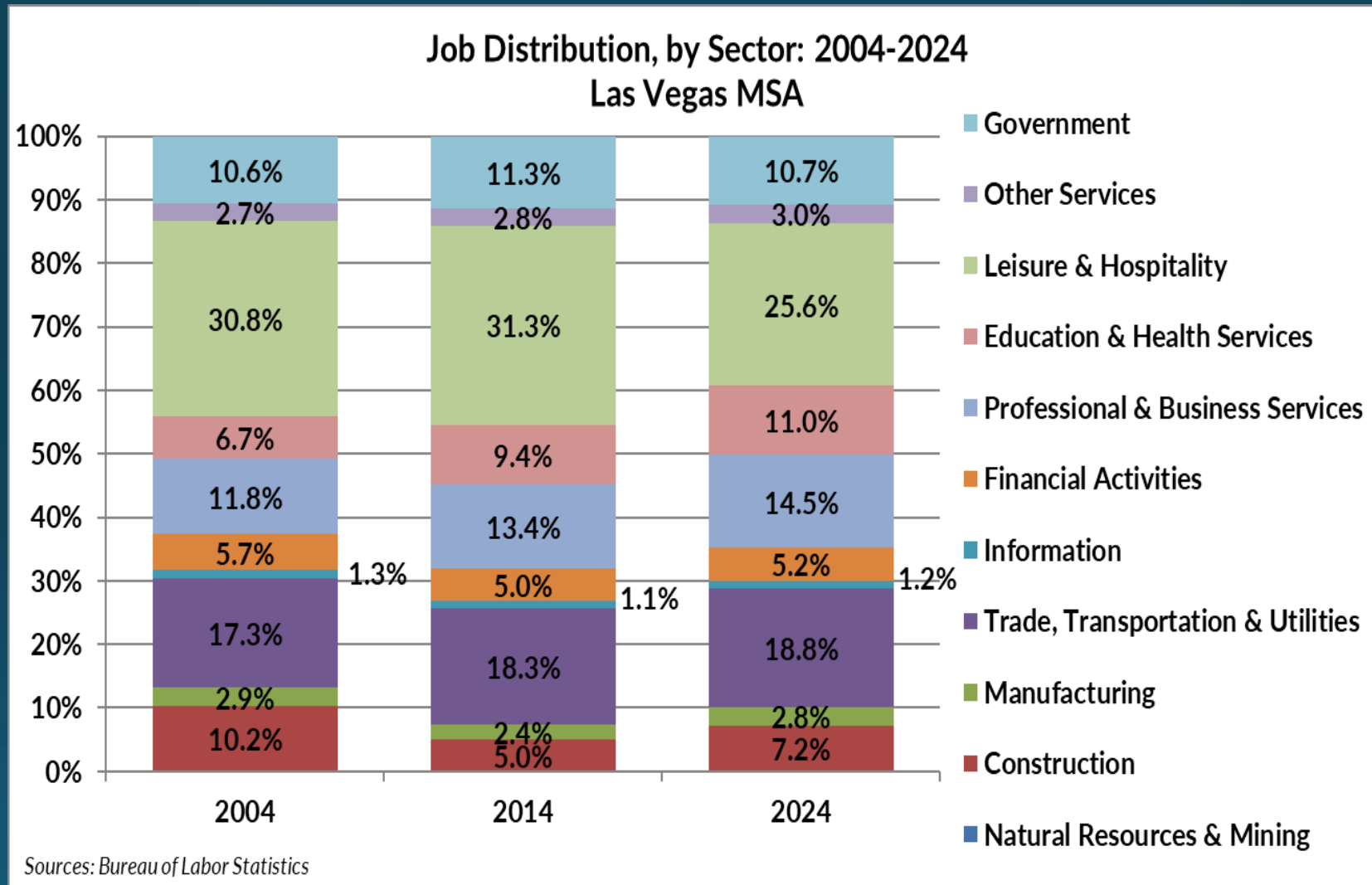
Total Non-Farm Jobs for Las Vegas MSA +9% vs pre-2020



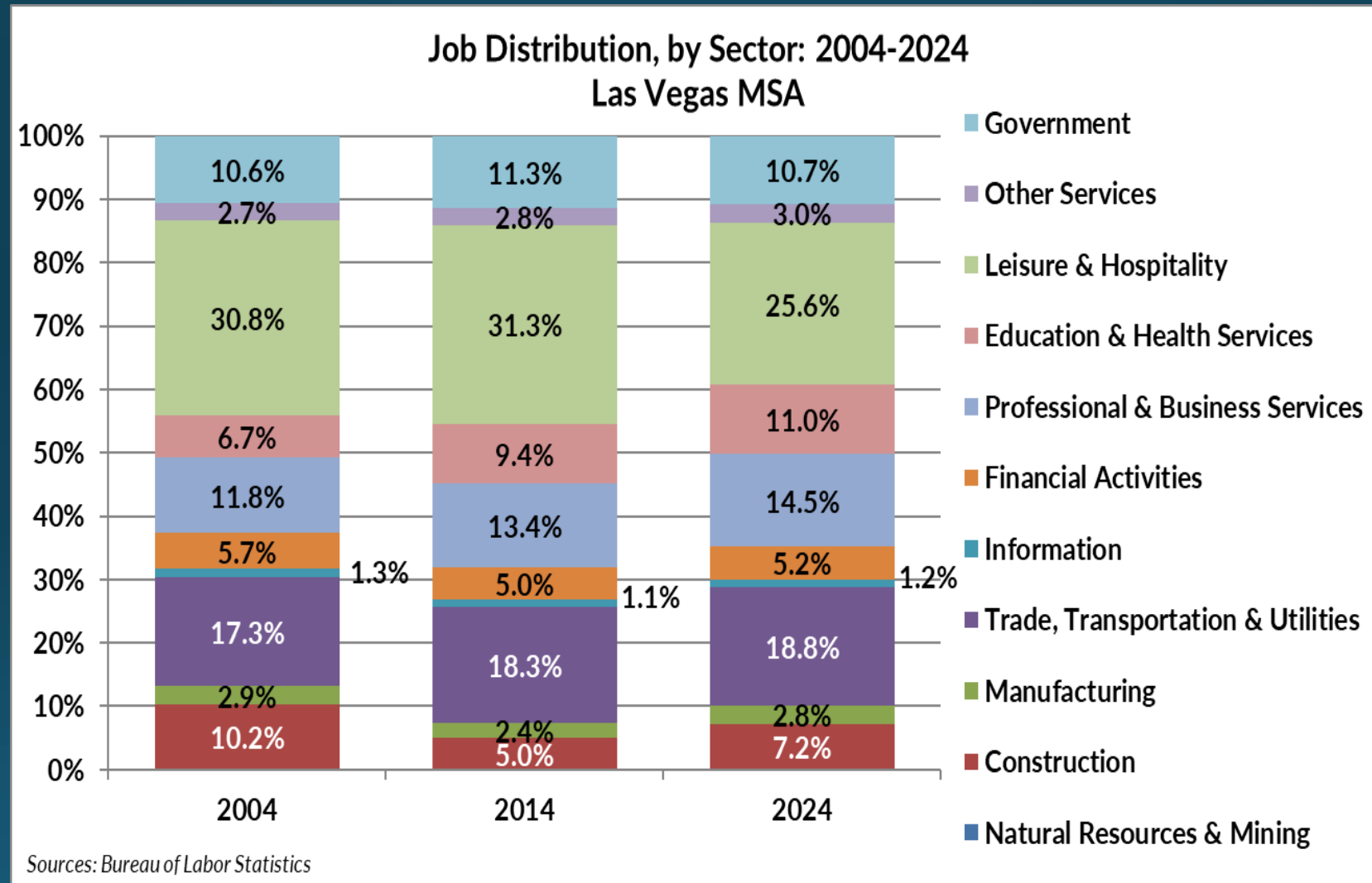
Total Non-Farm Jobs for Reno-Sparks MSA +7.6% vs pre-2020



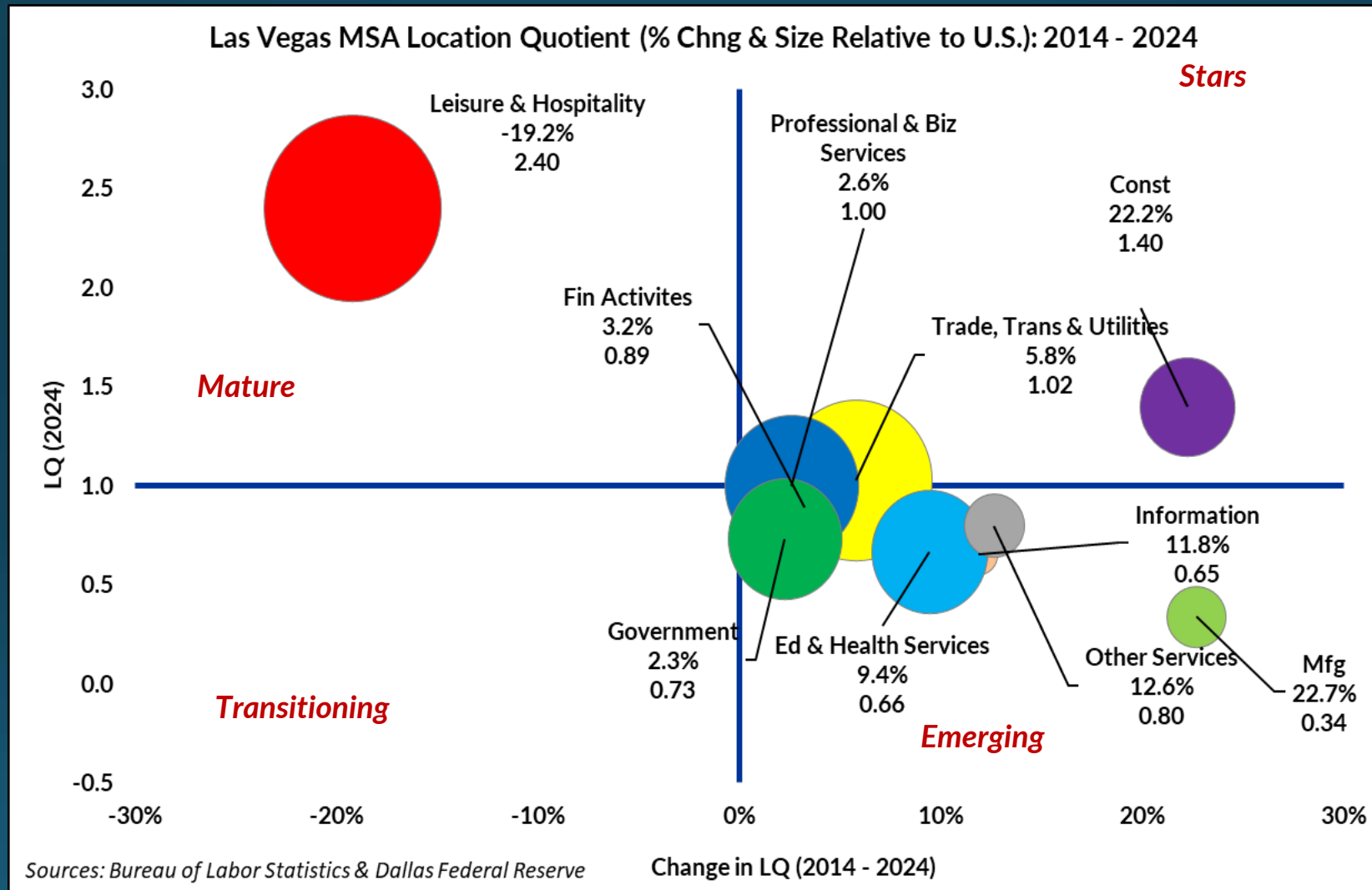
Vegas Job Mix Changing. Leisure & Hospitality Down. Professional & Business Services Up



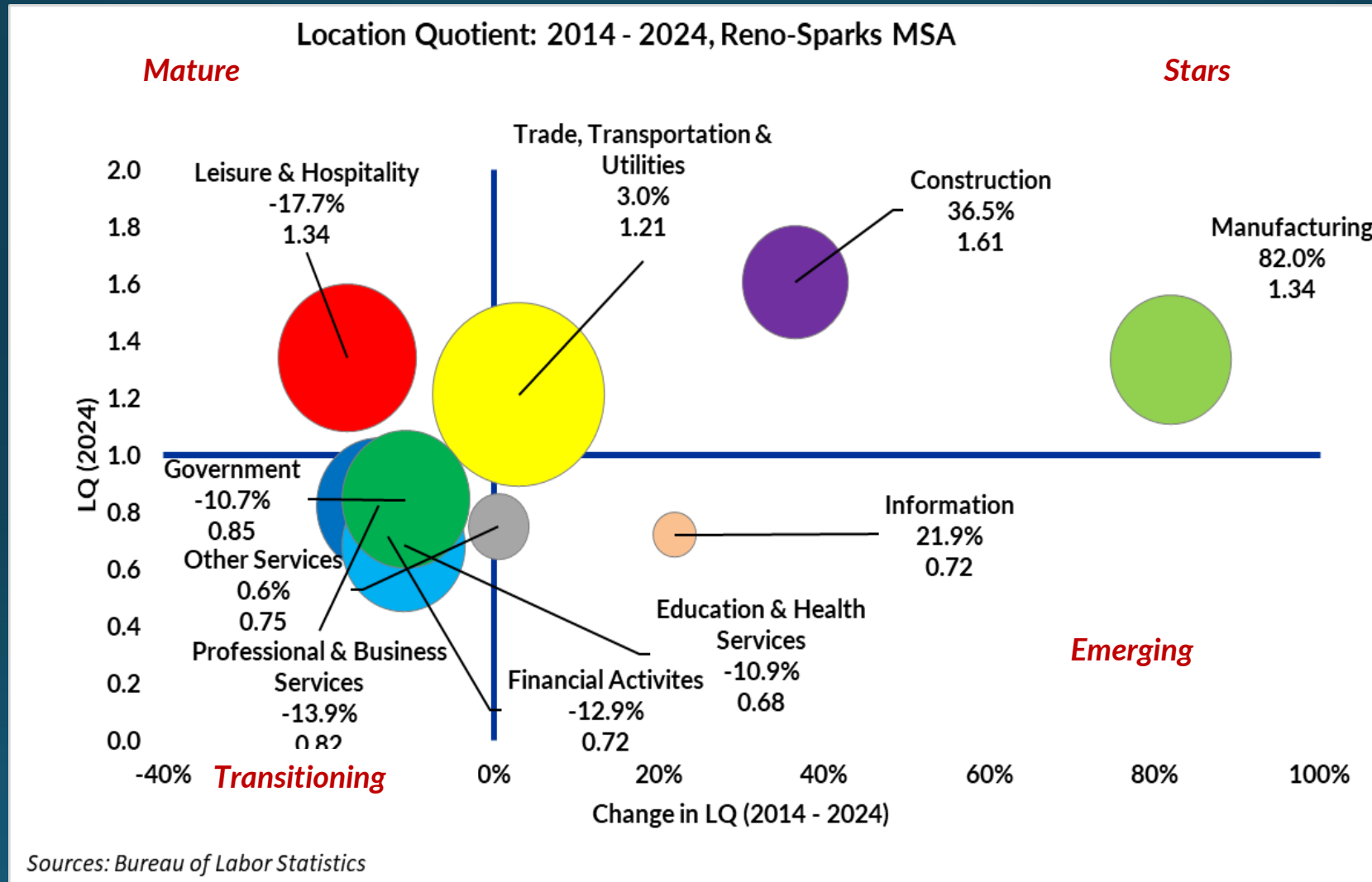
Reno-Sparks Job Mix Changing, Leisure & Hospitality Down. Manufacturing Up.



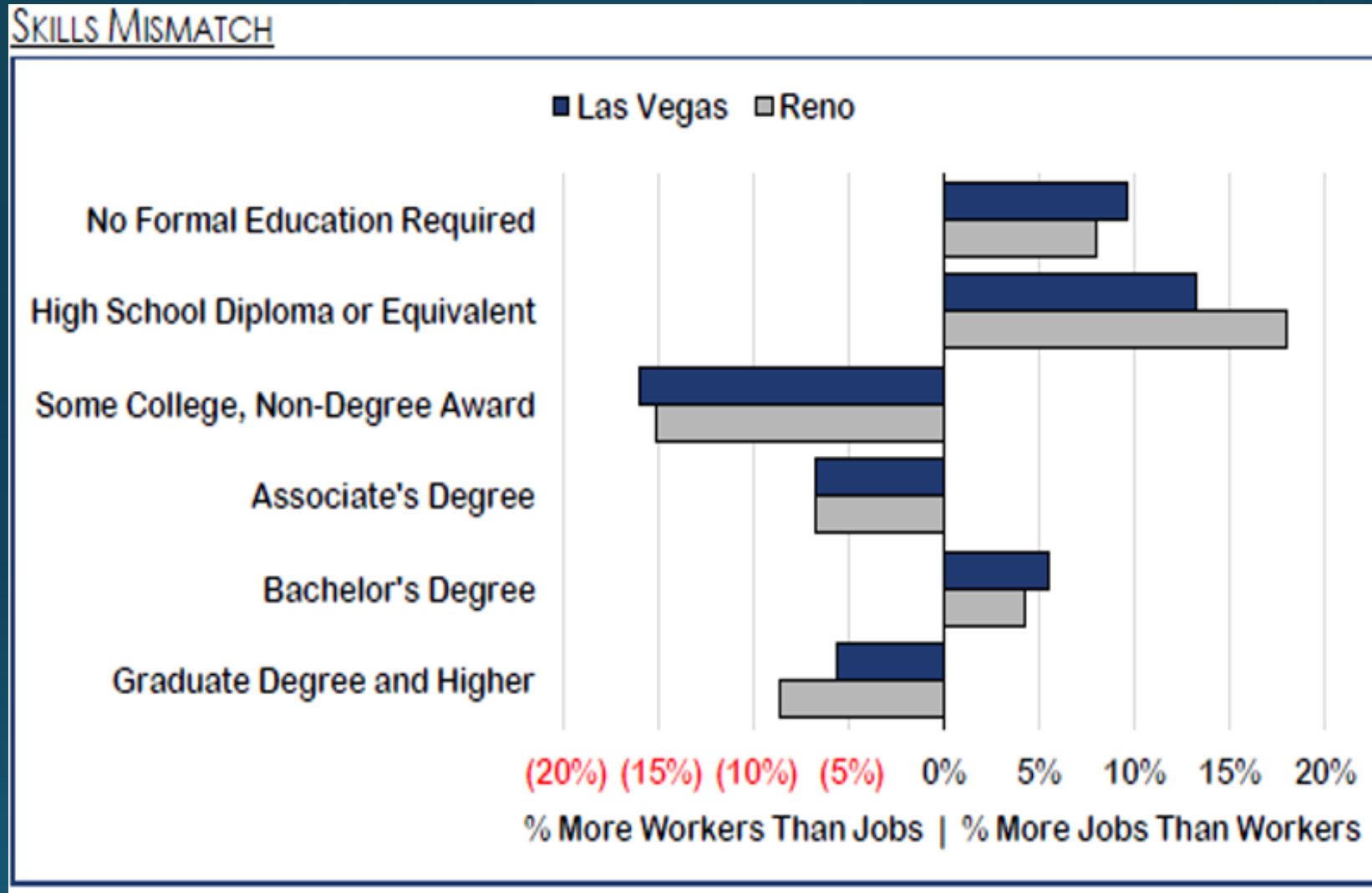
Leisure & Hospitality Remains Strong in Vegas. Construction & Professional Services Emerging



Leisure & Hospitality is Maturing in Reno-Sparks. Trade, Manufacturing & Construction are the Stars.



The Supply & Demand of Workers is Slightly Imbalanced



Source: Governor's Office of Workforce Innovation



Source: Canva

Final Thoughts

The Big 6 for Nevada

1. *The Future of AI, Automation, & Robotics*
2. *Land Supply*
3. *Wages & Income*
4. *What Makes a Skilled Workforce*
5. *Diversify or Double Down?*
6. *Regulations & Taxes*

Will There Be a Recession?

- Recessions Are Difficult to Call
 - Economists have called 9 of the last 5 Recessions
- That Being Said...Recession isn't off the Table
 - Gross Domestic Income vs GDP
- Timing Suggests Q1 2024 as Possible Start of Recession
 - Due to Data Delays Likely Won't Know Until Q3 2024
- Recessions are based solely on GDP Growth
 - International Events + Government Spending Play Material Factor

What Does a Recession Mean? What Can We Expect?

- The Big Question is: “Is the Economy ‘Healthy’”
 - Low Unemployment + Low Labor Force Participation
 - Higher Debt, Lower Savings, Stagnant Wages
 - Stagflation?? (High Inflation + Unemployment + No Growth)
- I Am Optimistic (about Nevada)
- Nevada Will Do Better Compared to 2008
 - Our Labor Market Has Become More Diversified
 - BUT...Still Likely to be Impacted More than Rest of U.S. Given Reliance on Tourism

The Last Word on Economics

“The curious task of economics is to demonstrate to men how little they really know about what they imagine they can design.”

– F.A. Hayek (Nobel Laureate)

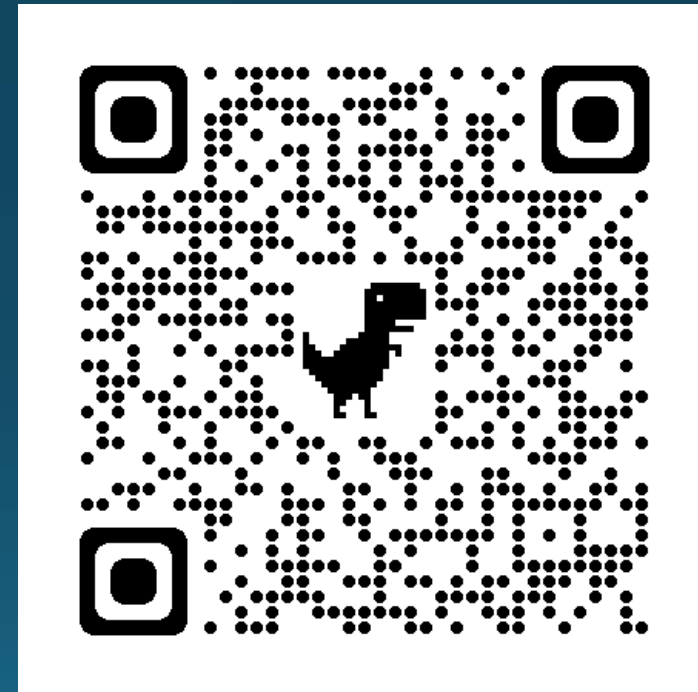


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