

RENO MSA ECONOMIC OUTLOOK – SEPTEMBER 2019

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To answer the demand for economic trend insight and analysis in Northern Nevada, this report summarizes the coincident and leading indexes for the Reno MSA.

Leading Economic Index September 2019

Provides an economic outlook for the region by signaling future movements in the Reno MSA economy over a six to twelve-month period.

	Taxable Sales	Taxable Gaming Revenue	# of SF Homes Sold	Airport Passengers	Airport Cargo	Initial Claims for Unemploy.	S&P 500 Index	M2 Money Supply
Month to Month	0.19% ↑	-0.44% ↓	0.09% ↑	0.41% ↑	-0.08% ↓	-0.40% ↓	3.49% ↑	0.42% ↑

0.39% ↑

	Taxable Sales	Taxable Gaming Revenue	# of SF Homes Sold	Airport Passengers	Airport Cargo	Initial Claims for Unemploy.	S&P 500 Index	M2 Money Supply
Year to Year	2.29% ↑	-2.27% ↓	-5.08% ↓	4.85% ↑	-0.98% ↓	-6.20% ↓	0.97% ↑	3.87% ↑

1.66% ↑

Coincident Economic Index September 2019

Provides historical and current trends for the Reno MSA economy.

	Nonfarm Employment	Household Employment
Month to Month	0.44% ↑	0.52% ↑

0.49% ↑

	Nonfarm Employment	Household Employment
Year to Year	6.08% ↑	6.29% ↑

6.20% ↑

The Reno MSA leading economic index uses a robust econometric approach to determine variables to include in the index and a composite methodology introduced by the Bureau of Economic Analysis of the U.S. Department of Commerce to estimate weights for the selected series. The Reno MSA coincident index is created using the composite methodology introduced by the Department of Commerce and made popular by The Conference Board. All data series are monthly, many are seasonally adjusted using the moving average method, and all series reported in dollar terms are adjusted for inflation. All indexes are based on data starting January 1995, with 1995=100. The following variables are included in each index:

Leading Index

- NV Claims for Unemployment
- WC Gaming Revenue
- WC Single-Family Home Sales
- S&P 500 Index (US)
- WC Taxable Sales
- Money Supply (US)
- RTIA Passengers
- RTIA Cargo

Coincident Index

- MSA Nonfarm Employment (CES)
- MSA Household Employment (LAUS)

* MSA-Reno Metropolitan Statistical Area * NV-Nevada * WC-Washoe County * RTIA-Reno Tahoe International Airport

The initial claims for unemployment series is inversely related to economic growth. An increase in the number of new claims for unemployment would indicate a decline in the economy.

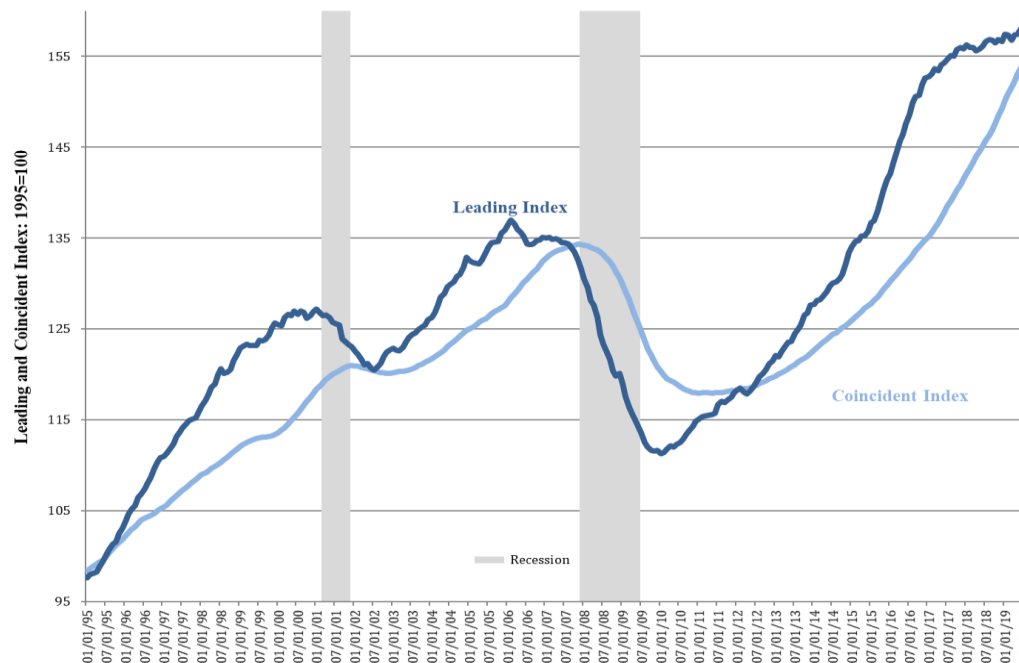
Reno MSA Leading Index

Reno MSA Leading Index¹ increased between August and September 2019, following small decline last month.

The RLI shows a 0.39% increase between August and September 2019. The index increased by 1.66% over the same period last year (September 2018 to 2019).

Taxable gaming revenue, seasonally- and inflation-adjusted, declined in September and every month of 2019 so far, except August. The series also shows a decline compared to the same time last year.

All other series experienced positive changes in September, though the number of single-family homes sold remains below September 2018 levels. Data for the



Series	Latest Period-		Change Prev. Period	Prev. Year-	
	September 2019	Prev. Period- August 2019		September 2018	Change Prev. Year
Taxable Sales (Washoe Co, SA, CPI)	446,008,072	445,149,195	0.19%	436,011,601	2.29%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	42,729,145	42,917,812	-0.44%	43,719,531	-2.27%
# of Single Family Homes Sold (Washoe Co., SA)	658	657	0.09%	693	-5.08%
Airport Passengers (RTIA, SA)	363,567	362,088	0.41%	346,766	4.85%
Airport Cargo Lbs. Shipped (RTIA, SA)	12,287,528	12,296,995	-0.08%	12,408,677	-0.98%
Initial Claims for Unemployment (Nevada, SA)	2,321	2,330	-0.40%	2,474	-6.20%
S&P 500 Index (US, CPI)	1,771	1,711	3.49%	1,754	0.97%
M2 Money Supply (US, CPI)	8,919	8,882	0.42%	8,587	3.87%
Leading Index Result	159.40	158.78	0.39%	156.80	1.66%

Source: US Department of Labor, Nevada Gaming Control Board, Washoe County Assessor/Center for Regional Studies (UNR), Federal Reserve Bank of St. Louis, Nevada Department of Taxation, Reno-Tahoe International Airport (RTIA).

SA-Series results are seasonally adjusted.

CPI-Series results are adjusted for inflation to 1995.

¹ Reno MSA Leading Economic Index (RLI) predicts future changes in the region’s economy by “leading” current economic activity, represented by the coincident index. The Leading Index is based on eight local, regional, and national data series aggregated using a combination of composite and econometric techniques. Due to lags in data availability, taxable sales data are projected for the month ahead and updated when actual data becomes available.

Reno Tahoe International Airport (passengers and cargo shipped) was not available in September and was estimated using historical growth rates.

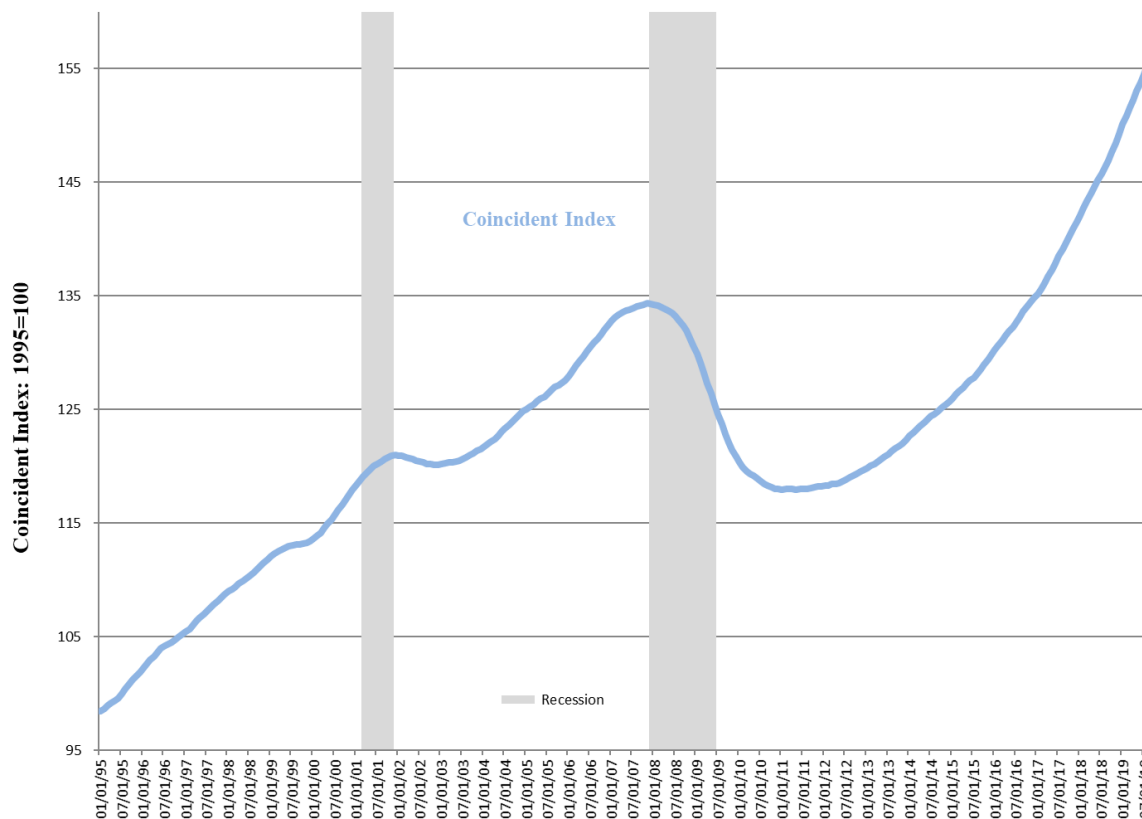
While we are seeing the end the period of significant growth in the region since 2010, the index shows that the regional economy is also not expected to see a decline in the near future.

Reno MSA Coincident Index

Reno MSA Coincident Index increased between August and September 2019, as the regional economy continues to expand.

The Reno MSA Coincident Index, which reflects current economic conditions in the region, is based on two indicators: Washoe and Storey County employment from the Current Employment Statistics (CES) series and Local Area Unemployment Statistics (LAUS) series.² Both series are administered by the Bureau of Labor Statistics (BLS).

The index shows a 0.49% increase between August and September 2019. The index increased by 6.20% between September 2018 and 2019. The Reno MSA coincident



Series	Latest Period-			Prev. Year-	
	September 2019	Prev. Period- August 2019	Change Prev. Period	September 2018	Change Prev. Year
Reno MSA Employment (CES, SA)	254,775	253,667	0.44%	240,175	6.08%
Reno MSA Employment (LAUS, SA)	254,042	252,723	0.52%	239,012	6.29%
Coincident Index Result	156.03	155.28	0.49%	146.92	6.20%

index has increased for 98 straight months since August 2011 as employment in the region continues to expand.

Source: Current Employment Statistics (CES) and Local Area Unemployment Statistics (LAUS), Bureau of Labor Statistics. SA-Series results are seasonally adjusted.

² The CES series is based on the establishment-level data, estimates jobs by place of work, and does not include agricultural or self-employed workers. The LAUS series is based on household-level data, estimates employed persons by place of residence, and includes agricultural and self-employed workers. A combination of the two series provides a more accurate picture of the employment situation in the region.