


RENO MSA ECONOMIC OUTLOOK - JANUARY 2016











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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 created for the Reno MSA.











Leading Economic Index January 2016

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

0.34% 

% Change	Taxable Sales	Taxable Gaming Revenue	# of SF Homes Sold	Airport Passengers	Airport Cargo	Gasoline Sold	Initial Claims for Unemploy.	S&P 500 Index	Interest Rate Spread	M2 Money Supply
Month to Month	0.07% 	-0.17% 	0.80% 	0.39% 	1.32% 	-0.16% 	-1.38% 	-0.33% 	-12.50% 	0.82% 



5.14% 


% Change	Taxable Sales	Taxable Gaming Revenue	# of SF Homes Sold	Airport Passengers	Airport Cargo	Gasoline Sold	Initial Claims for Unemploy.	S&P 500 Index	Interest Rate Spread	M2 Money Supply
Year to Year	7.35% 	2.29% 	15.01% 	4.29% 	8.69% 	1.56% 	-9.36% 	4.07% 	-1.13% 	4.84% 



Coincident Economic Index January 2016

Provides historical and current trends for the Reno MSA economy.

0.33% 

% Change	Nonfarm Employment	Household Employment
Month to Month	0.32% 	0.35% 

3.62% 

% Change	Nonfarm Employment	Household Employment
Year to Year	3.86% 	3.41% 

The Reno MSA leading economic index uses a robust econometric approach to determine variables to include in the index and 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, 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
- Interest Rate Spread
- MSA Gasoline Sales
- Money Supply (US)
- RTIA Passengers

Coincident Index

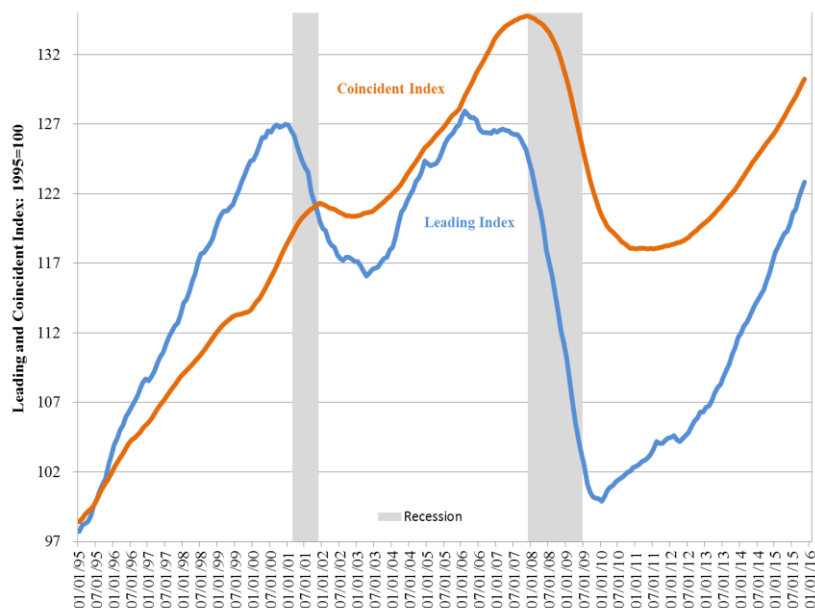
- MSA Nonfarm Employment (CES)
- MSA Household Employment (LAUS)

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

It should be noted that two series within the indexes, initial claims for unemployment and interest rate spread are inversely related to economic growth. An increase in the number of new claims for unemployment would indicate a decline in the economy, as is the interest rate, with declining interest rates acting as a stimulus for economic growth.

Reno MSA Leading Index

Reno MSA Leading Index increased between December 2015 and January 2016, indicating expected growth in the regional economy over the next 6-12 months. This is the 45th consecutive increase in the index since May 2012.



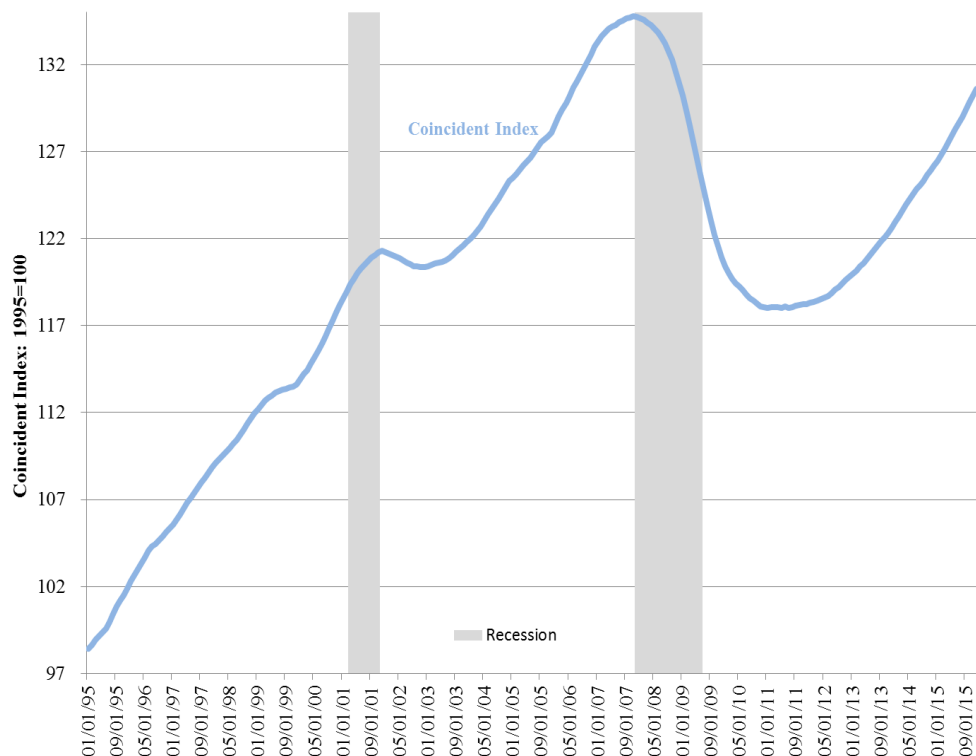
Series	Latest Period- January 2016	Previous Period- December 2015	Change Previous Period	Previous Year- January 2015	Change Previous Year
Taxable Sales (Washoe Co, SA, CPI)	383,259,527	382,976,867	0.07%	357,012,833	7.35%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	41,442,854	41,512,853	-0.17%	40,516,068	2.29%
# of Single Family Homes Sold (Washoe Co., SA)	703	698	0.80%	611	15.01%
Airport Passengers (RTIA, SA)	287,163	286,055	0.39%	275,359	4.29%
Airport Cargo Lbs. Shipped (RTIA, SA)	11,675,213	11,523,082	1.32%	10,741,606	8.69%
Gallons of Gasoline Sold (Washoe & Storey Co., SA)	14,311,213	14,333,930	-0.16%	14,091,002	1.56%
Initial Claims for Unemployment (Nevada, SA)	3,063	3,106	-1.38%	3,379	-9.36%
S&P 500 index (US, SA, CPI)	1,315	1,319	-0.33%	1,263	4.07%
Interest Rate Spread (US)	1.75	2.00	-12.50%	1.77	-1.13%
M2 Money Supply (US, CPI)	7,989	7,924	0.82%	7,620	4.84%
Leading Index Result	123.88	123.47	0.34%	117.82	5.14%

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, Nevada Department of Motor Vehicles, Reno-Tahoe International Airport (RTIA).
 SA-Series results are seasonally adjusted.
 CPI-Series results are adjusted for inflation to 1995.

The Reno MSA Leading Economic Index predicts future changes in the region’s economy by “leading” current economic activity, represented by the coincident index. The Leading Index is based on ten local, regional, and national data series aggregated using a combination of composite and econometric techniques.

The RLI shows a 0.34% increase between December 2015 and January 2016, the latest period for which all series data are available. The index increased by 5.14% over the same period last year (January 2015 to 2016). This is a continuation of the period of growth enjoyed by the region in the recent years and provides a positive outlook for future growth in the region over the next six to twelve months.

Reno MSA Coincident Index



Reno MSA Coincident Index increased between December 2015 and January 2016, as the current 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. Both series are administered by the Bureau of Labor Statistics.

The index shows a 0.33% increase between December 2015 and January 2016, the latest data available for both series. The index increased by 3.62% between January 2015 and 2016.

The Reno MSA coincident index has increase for 54-straight months since August 2011.

Reno MSA Coincident Economic Index

Series	Latest Period- January 2016	Previous Period- December 2015	Change Previous Period	Previous Year- January 2015	Change Previous Year
Reno MSA Employment (CES, SA)	211,067	210,400	0.32%	203,217	3.86%
Reno MSA Employment (LAUS, SA)	215,215	214,463	0.35%	208,120	3.41%
Coincident Index Result	131.04	130.61	0.33%	126.46	3.62%

Source: Current Employment Statistics (CES) and Local Area Unemployment Statistics (LAUS), Bureau of Labor Statistics.

SA-Series results are seasonally adjusted.