

RENO MSA ECONOMIC OUTLOOK – MAY 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 May 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	0.18% ↑	-0.10% ↓	0.91% ↑	0.42% ↑	-0.02% ↓	-0.32% ↓	-3.37% ↓	0.48% ↑
	0.07% ↑							
Year to Year	1.68% ↑	-0.37% ↓	-10.70% ↓	4.90% ↑	-0.16% ↓	-7.46% ↓	2.05% ↑	2.29% ↑
	1.04% ↑							

Coincident Economic Index May 2019

Provides historical and current trends for the Reno MSA economy.

	Nonfarm Employment	Household Employment
Month to Month	0.49% ↑	0.49% ↑
	0.49% ↑	
Year to Year	5.85% ↑	5.83% ↑
	5.84% ↑	

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

Initial claims for unemployment and interest rate spread series are inversely related to economic growth. An increase in the number of new claims for unemployment would indicate a decline in the economy.

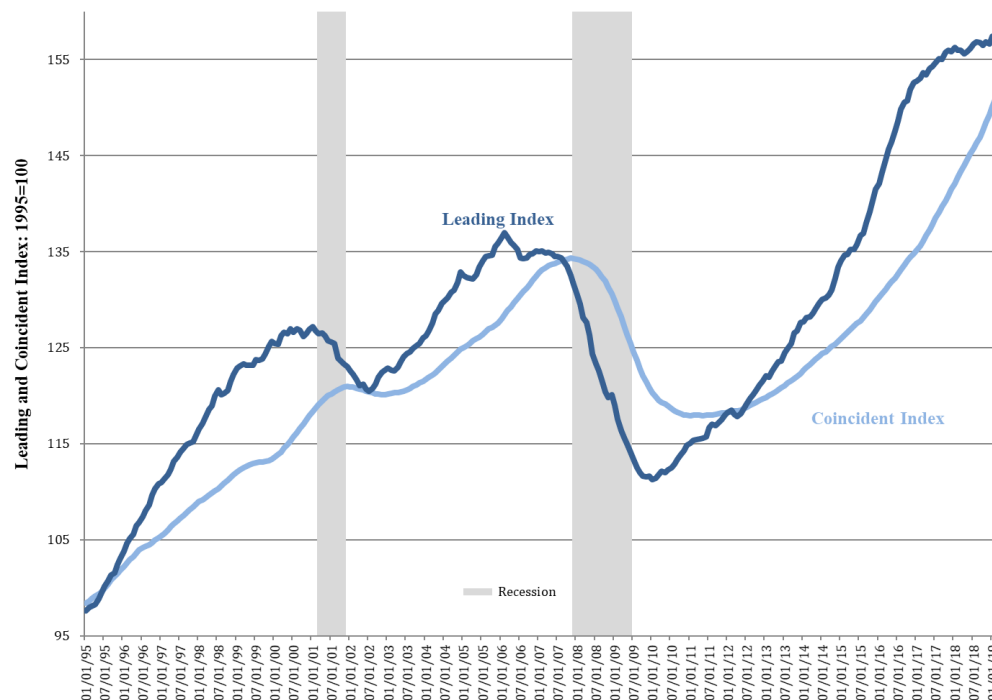
Reno MSA Leading Index

Reno MSA Leading Index¹ increased between April and May 2019, the second monthly increase following declines in February and March 2019.

The RLI shows a 0.07% increase between April and May 2019. The index increased by 1.04% over the same period last year (May 2018 to 2019).

For the third month in a row, the taxable gaming revenue series shows a decline. This is because while the series continues to grow compared to the same period previous year, it is growing at a slower rate than inflation.

The number of homes sold series grew for the second month after months of declines. This series is still lower



Series	Latest Period- May 2019	Prev. Period- April 2019	Change Prev. Period	Prev. Year- May 2018	Change Prev. Year
Taxable Sales (Washoe Co, SA, CPI)	443,355,685	442,540,684	0.18%	436,042,024	1.68%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	43,278,709	43,323,092	-0.10%	43,440,673	-0.37%
# of Single Family Homes Sold (Washoe Co., SA)	658	653	0.91%	737	-10.70%
Airport Passengers (RTIA, SA)	358,338	356,823	0.42%	341,596	4.90%
Airport Cargo Lbs. Shipped (RTIA, SA)	12,351,776	12,354,084	-0.02%	12,371,910	-0.16%
Initial Claims for Unemployment (Nevada, SA)	2,345	2,353	-0.32%	2,534	-7.46%
S&P 500 Index (US, CPI)	1,684	1,743	-3.37%	1,650	2.05%
M2 Money Supply (US, CPI)	8,696	8,654	0.48%	8,501	2.29%
Leading Index Result	157.47	157.35	0.07%	155.85	1.04%

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.

than the same time last year (May 2018). Airport data for May was unavailable as of the date of this report and was estimated using historical data.

The index shows growth in the region is expected to remain positive in the short-term, but is slowing following a long period of strong growth since 2010.

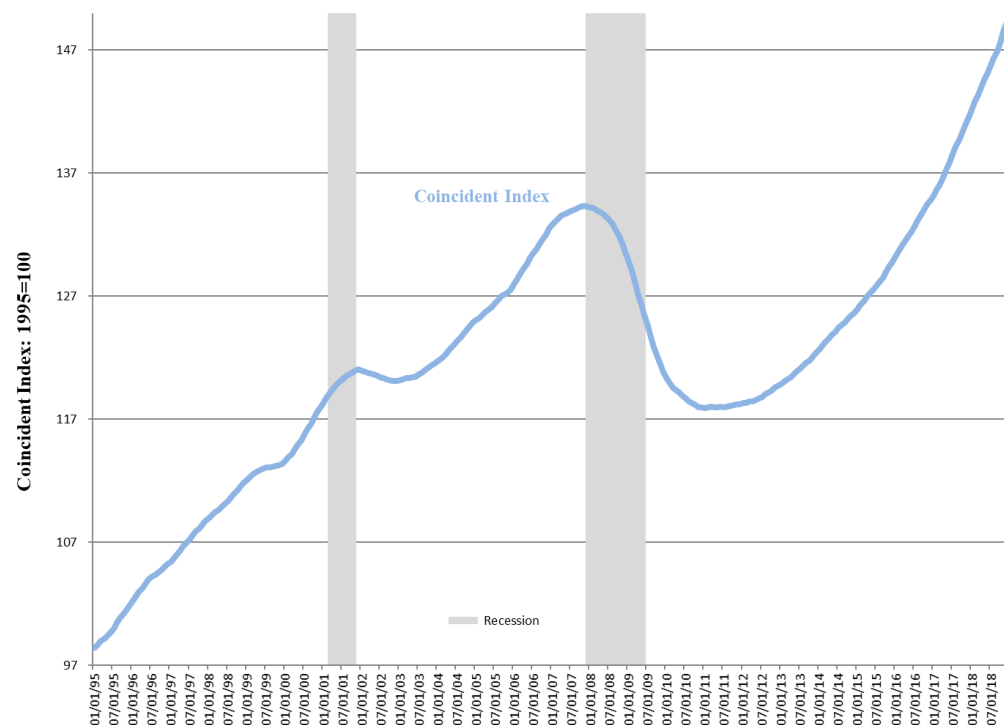
¹ Reno MSA Leading Economic Index (RLI) predicts future changes in the region’s economy by “leading” current economic activity, represented by the coincident index. The Leading Index is based on eight local, regional, and national data series aggregated using a combination of composite and econometric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

Reno MSA Coincident Index

Reno MSA Coincident Index increased between April and May 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 April and May 2019. The index increased by 5.84% between May 2018 and 2019. The Reno MSA coincident index has increased for 94 straight months since August 2011 as employment in the region continues to expand.



Series	Latest Period- May 2019	Prev. Period- April 2019	Change Prev. Period	Prev. Year- May 2018	Change Prev. Year
Reno MSA Employment (CES, SA)	250,150	248,933	0.49%	236,333	5.85%
Reno MSA Employment (LAUS, SA)	248,948	247,746	0.49%	235,236	5.83%
Coincident Index Result	153.03	152.29	0.49%	144.59	5.84%

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.