THE ECONOMIC FUTURE OF NORTHERN NEVADA
CHALLENGES & OPPORTUNITIES

MARCH 22, 2017 2:00 PM - 4:00 PM
UNIVERSITY OF NEVADA, RENO: WELLS FARGO AUDITORIUM
in the MATHEWSON-IGT KNOWLEDGE CENTER
The Wild West
Current Performance and Outlook

Presented at:
The Economic Future of Northern Nevada
Challenges and Opportunities
March 22, 2017

George Hammond, Ph.D.
Director
Economic and Business Research Center
Eller College of Management
University of Arizona
U.S. Real GDP And Job Growth

IHS Economics, March 2017

Unemployment Rate
(Line: Right Axis)

Real GDP Growth
(Bars: Left Axis)
U.S. Population

IHS Economics, March 2017

Population Growth (left)

Share 65+ (right)
U.S. Consumer Spending and Income

Inflation-Adjusted, IHS Economics, March 2017
U.S. Core Inflation

Annual Growth Rates, IHS Economics March 2017

Percent

CPI

PCE Deflator

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Impacts Of The New Administration

► International trade
  ► Retreat from free trade, renegotiate NAFTA, tariffs, etc.

► Immigration
  ► The Wall, deport undocumented immigrants

► Fiscal Stimulus
  ► Restructure tax policy, increase infrastructure investment and defense spending

► Regulation
  ► Roll back ACA and Dodd-Frank
  ► Spur energy development
U.S. Dollar Appreciation Almost Over

Real Effective Exchange Rate, IHS Economics, March 2017

Index 2005=1.0

Major Currencies

Other Important Trading Partners

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U.S. Productivity Growth

Over the Year, IHS Economics March 2017
U.S. Educational Attainment

Bachelor’s Degree Or Better, Population Age 25-64

Percent

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Job Growth During The Expansion

Trough To Peak During The 2000s
Job Losses During The Great Recession

Peak To Trough

Peak To Trough

-16 -14 -12 -10 -8 -6 -4 -2 0

Percent

Texas New Mexico Washington U.S. Colorado Utah Oregon California Idaho Arizona Nevada
Annual Job Growth Rates

During The Current Expansion

[Bar chart showing job growth rates for New Mexico, U.S., Arizona, Washington, Idaho, California, Oregon, Texas, Colorado, Nevada, and Utah.]
Job Replacement Rates

Percent Of Jobs Lost That Have Been Replaced

- New Mexico
- Arizona
- Nevada
- Idaho
- U.S.
- California
- Oregon
- Washington
- Colorado
- Utah
- Texas
Population Growth Rates

2010-2016

Nevada
1.4% Per Year

U.S.
0.7% Per Year
Real Per Capita Personal Income

Adjusted For Cost Of Living, 2015

2009 Dollars Per Person

U.S. $42,207
Nevada $38,252
Voting With Their Feet

Estimating Relative “Quality of Life” with Cross-Migration Data
Census 2000

186,151 to 92,452: WIN: +1
8,739 to 9,304: LOSS: -1
Voting With Their Feet

Census 1970

Migration Rank

1 - 10
11 - 20
21 - 30
31 - 40
41 - 51
Voting With Their Feet

Census 1980

Migration Rank

1 - 10
11 - 20
21 - 30
31 - 40
41 - 51
Voting With Their Feet

Census 1990

Migration Rank

- 1 - 10
- 11 - 20
- 21 - 30
- 31 - 40
- 41 - 51
Voting With Their Feet

ACS Five-Year 2005-2009

Migration Rank

1 - 10
11 - 20
21 - 30
31 - 40
41 - 51
Voting With Your Feet

ACS One-Year Domestic Gross Migration Flow Data: 2010-2014

Migration Rank
- 1 - 10
- 11 - 20
- 21 - 30
- 31 - 40
- 41 - 51
Western Blue Chip Job Growth

2017-2018

[Chart showing job growth percentages for various Western states, with bars for 2017 and 2018, indicating growth trends.]
Western Blue Chip Population Growth

2017-2018

Percent

New Mexico  Nevada  Colorado  Texas  Utah  Arizona  Oregon  Washington  Idaho  California  U.S.

NA
Western Blue Chip Income Growth

2017-2018
The Risks

► Major disruptions to global trade caused by new tariffs.
► Severe labor market disruptions caused by large-scale deportation of undocumented immigrants.
► Productivity growth remains sluggish.
► Major oil price shock.
► Geopolitical risks.
The Takeaways

► U.S. economy is likely to grow this year and next, but at a slow pace.
► Interest rates will rise, but not choke off growth.
► Western states will continue to add jobs, population, and income.
► Western states will continue to be attractive to domestic migrants.
► Productivity will be a key concern.
► Educational attainment trends will help determine which states generate prosperity.