

Economic Outlook and Revenue Forecast

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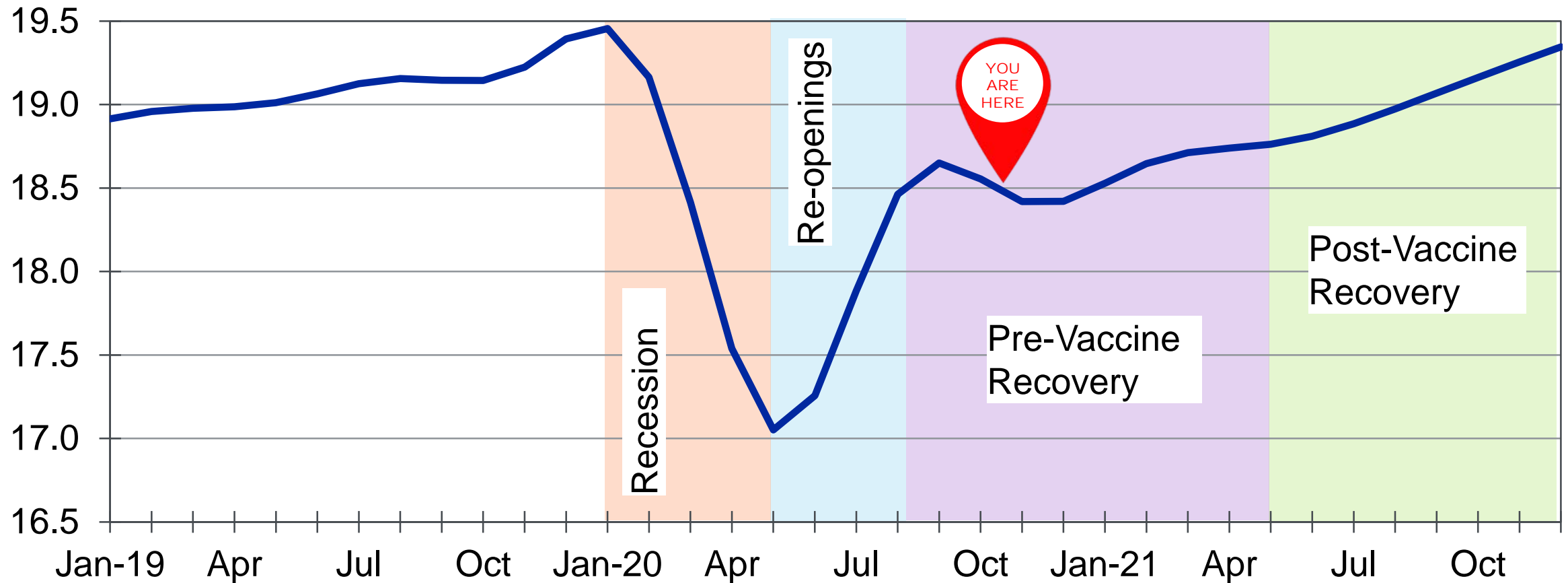
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The Pandemic Economy Roadmap

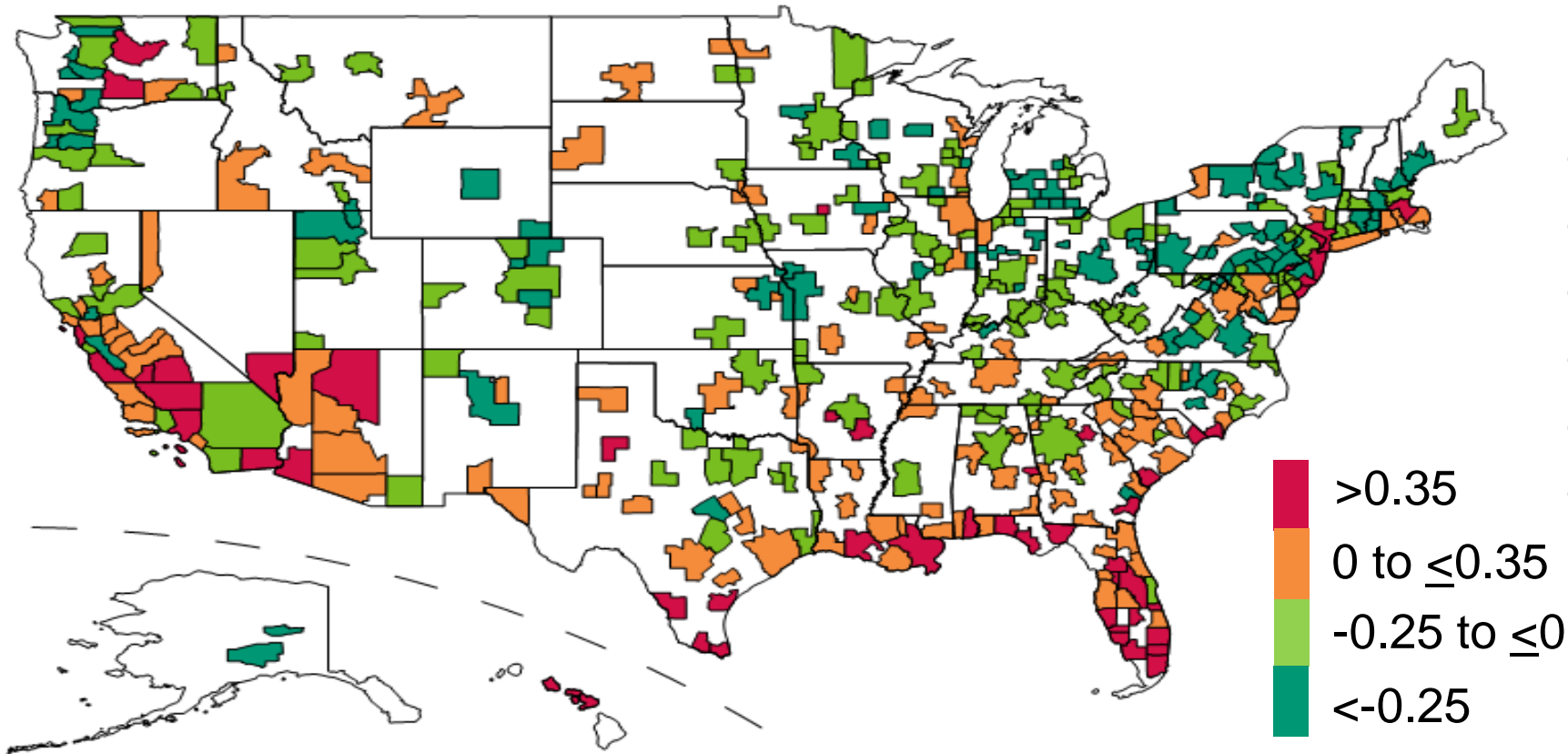
U.S. Real GDP, Moody's Analytics Baseline Scenario, Trillions 2012\$, SAAR



Sources: BEA, Moody's Analytics

Where the Economy Is Most Vulnerable

COVID Economic Exposure Score, 0=metro area avg, Oct 2020



MA Economic Exposure Score Key Components:

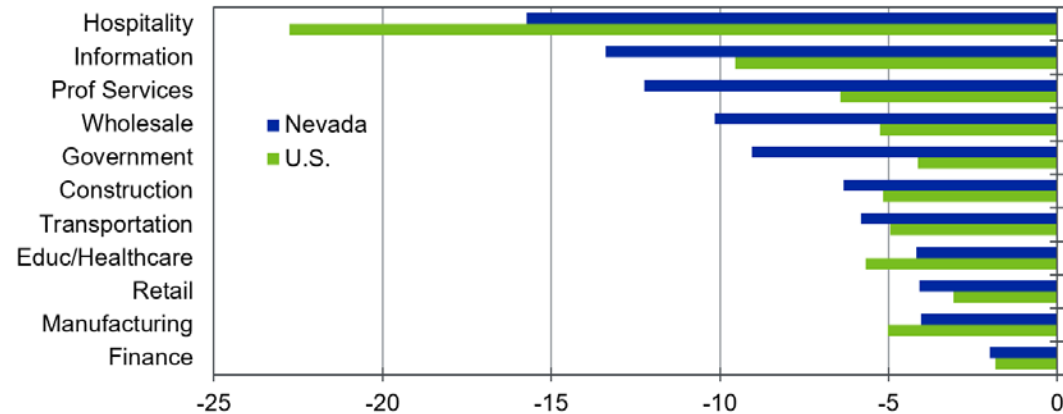
- Previous infections
- Demographics
- Commuting patterns
- Population density
- Industrial mix
- Income levels

Source: Moody's Analytics

Hospitality Hardest Hit

Tourism Leading Declines

% change in jobs from Feb 2020 by industry, Sep 2020



Sources: BLS, Moody's Analytics

Return to the Skies Is Crucial

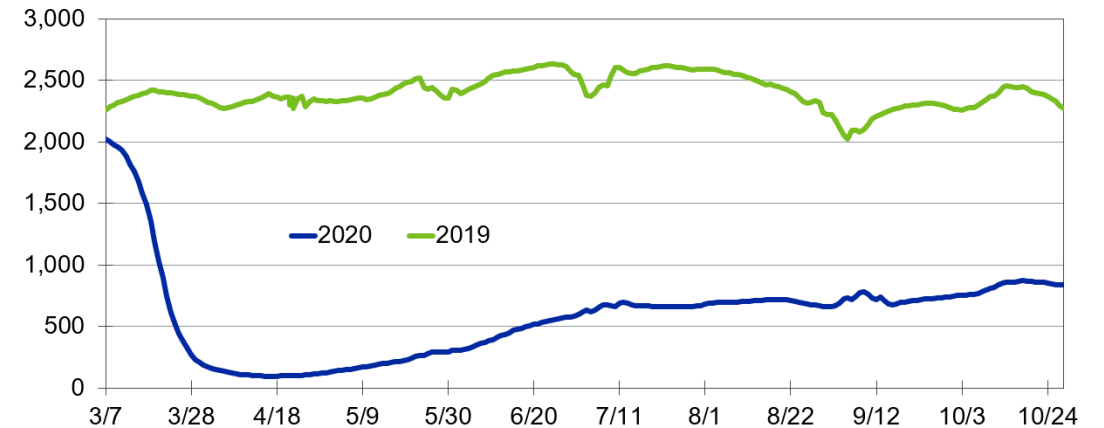
- No industry has suffered as much as the airlines thus far into the pandemic.
- The pace of recovery ultimately depends on the timing of an eventual vaccine, and how soon it gains acceptance from a majority of Americans.

Core Industries Bearing Brunt of Pandemic

- Leisure and hospitality jobs make up the largest share of lost payrolls both nationally and in Nevada.
- The industry in Nevada has actually been able to outperform the rest of the country thus far in terms of the share of job losses that have been recovered.
- Long-term recovery depends on the ability to bring back air passengers, especially visitors from overseas.

Air Travel Not Coming Back Quickly

Travelers through TSA checkpoints, ths, 7-day MA, (10/28)



Sources: Transportation Security Administration, Moody's Analytics

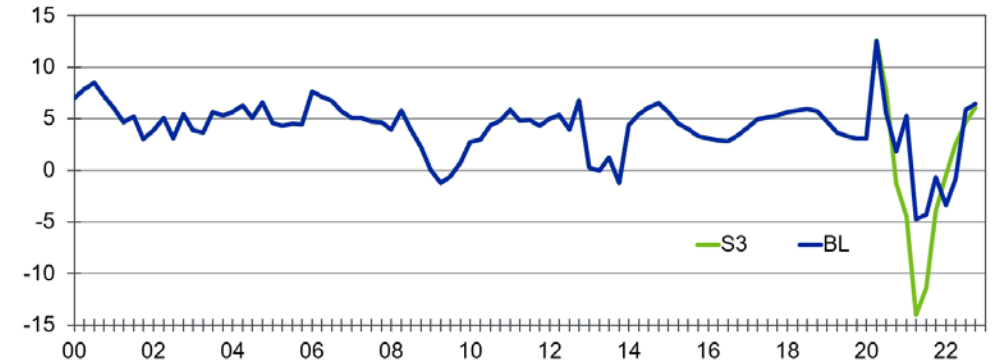
Important Forecast Assumptions and Risks

Stimulus Assumptions Are Key

- Federal fiscal stimulus has helped to buoy personal income thus far into the recession, offsetting some potential revenue weakness.
- Expiration of key income assistance measures like enhanced UI represent a major difference our baseline and downside scenarios.
- Knock-on effects from lower consumer spending would prolong the recession well beyond FY22 in most states.

Incomes Drive Revenue Forecast

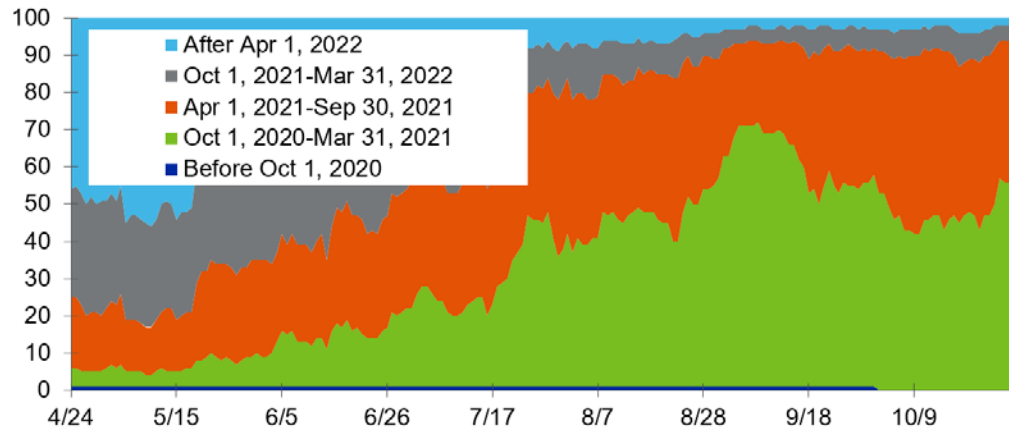
U.S. disposable personal income, % change yr ago



Sources: BEA, Moody's Analytics

Vaccination Availability

Probability, timeframe for 25 million inoculations in the U.S. (10/29)



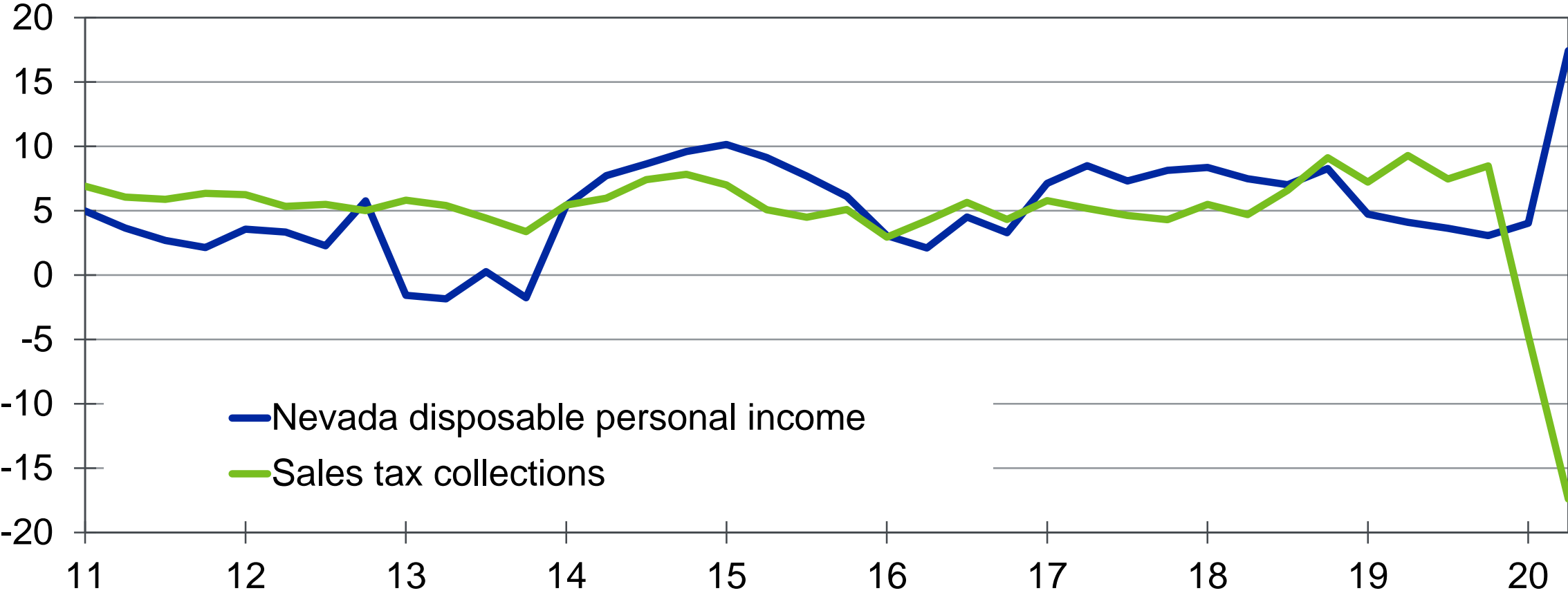
Sources: Good Judgment Project, Moody's Analytics

Vaccine Roll-out AND Acceptance

- Baseline assumes a vaccine is released in mid-2021, with relatively widespread acceptance by next fall.
- It will take time to get Americans comfortable with any vaccine and to accelerate to a normal pace of recovery.
- Any delay in this timeline would represent a significant downside risk to the outlook for both sales taxes and gaming percentage fees.

Divergence of Income and Sales

% change yr ago



Sources: BEA, Moody's Analytics

Sales and Use Tax Forecast

	Q1	Q2	Q3	Q4	Total
Fiscal 2020, \$ mil	321.60	344.69	284.28	264.13	1,214.70
Change yr ago	7.46%	8.48%	-4.71%	-17.41%	-1.65%
Fiscal 2021, \$ mil	295.43	304.67	286.72	305.25	1,192.07
Change yr ago	-8.14%	-11.61%	0.86%	15.57%	-1.86%
Fiscal 2022, \$ mil	298.43	310.55	290.31	309.70	1,208.99
Change yr ago	1.02%	1.93%	1.25%	1.46%	1.42%
Fiscal 2023, \$ mil	310.36	323.95	305.15	327.31	1,266.77
Change yr ago	4.00%	4.32%	5.11%	5.69%	4.78%

Source: Moody's Analytics

Gaming Percentage Fee Forecast

	Q1	Q2	Q3	Q4	Total
Fiscal 2020, \$ mil	190.53	199.10	192.42	37.22	619.27
Change yr ago	5.65%	8.93%	-3.08%	-80.46%	-17.67%
Fiscal 2021, \$ mil	111.22	138.72	119.26	139.91	509.11
Change yr ago	-41.63%	-30.32%	-38.02%	275.86%	-17.79%
Fiscal 2022, \$ mil	125.96	139.46	132.68	155.97	554.07
Change yr ago	13.26%	0.53%	11.26%	11.47%	8.83%
Fiscal 2023, \$ mil	141.20	156.13	150.58	179.24	627.14
Change yr ago	12.09%	11.96%	13.49%	14.92%	13.19%

Source: Moody's Analytics

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help@economy.com

moodyanalytics.com

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