

INSIGHT 2018

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HIGHTOWER
LAS VEGAS



RCGeconomics

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The Trump Administration After One Year

The Impact on Nevada

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A scenic landscape photograph of a mountain range at sunset or sunrise. The mountains are illuminated with warm orange and red light. A river flows through the foreground, and a forested hillside is visible on the right. The sky is a mix of blue and orange.

HOW DO YOU

LIKE ME NOW?

Corporate Tax Cut



Source: <http://money.cnn.com/2017/04/26/news/economy/trump-tax-plan/index.html>

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Repatriation of Overseas Corporate Cash – Will It *Really* Deliver Jobs to the U.S.?



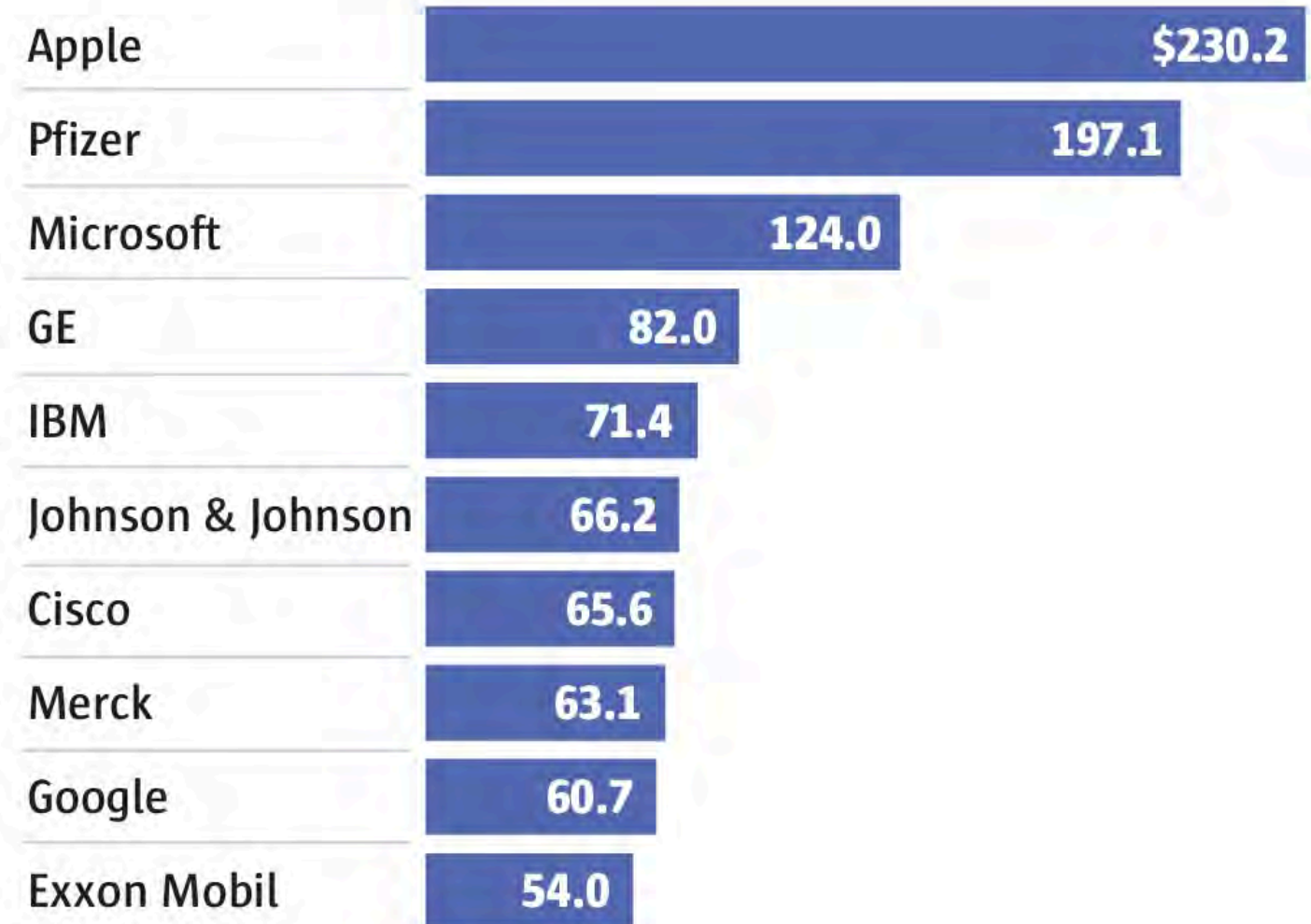
Source: <http://www.thefiscaltimes.com/2017/08/30/Will-Trump-s-Corporate-Tax-Reform-Really-Boost-Economy>

**\$1 trillion
in
overseas
cash**

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Profits held outside the U.S.

The 10 companies with the most profit held outside the United States last year, in billions.

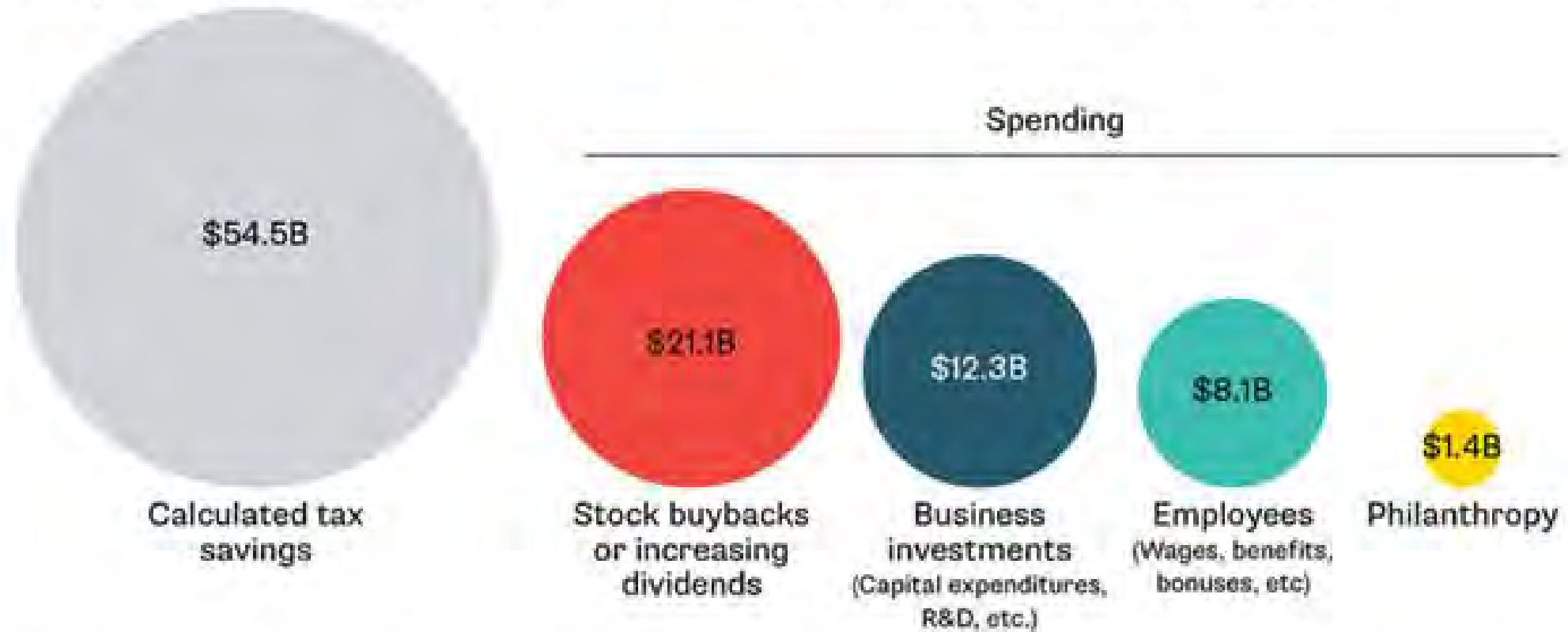


Source: Institute on Taxation and Economic Policy

THE NEW YORK TIMES

Tax Dollars at Work

Companies have devoted more than twice to buybacks as they have to employees



Source: Bloomberg reporting; Salary.com; California state filings

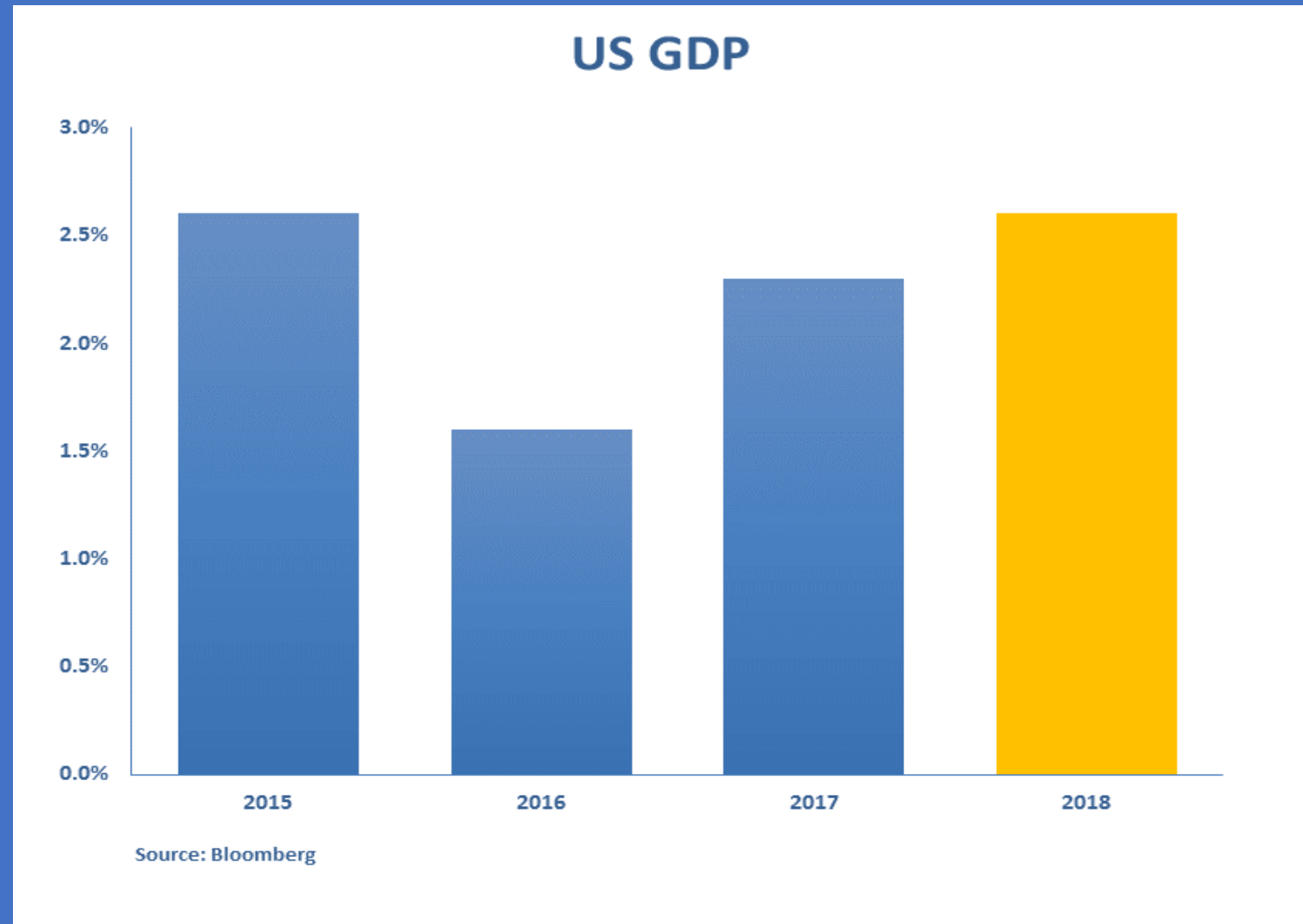
Note: Figures represent the first year of tax and spending changes

Bloomberg **Quintly**

Tax Cuts – All Good News?

- Late-cycle stimulus stokes inflation fears
- Increases budget deficit to \$1 billion
- Could it cause the Fed to raise rates more & faster?

GDP Estimates for 2018



Budget Deficit Estimates

The US federal budget deficit is projected to exceed **\$1 trillion** in 2019 & 2020

Source: <https://www.nytimes.com/2018/02/08/us/politics/republicans-spending-deficits-debt.html>

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Slump in Global Tourism



Source: <https://www.forbes.com/forbes/welcome/?toURL=https://www.forbes.com/sites/alexandratalty/2017/10/12/us-economy-losing-billions-as-trump-slump-continues-in-tourism-sector/&refURL=&referrer=#55796551869a>

Potential Gas Tax Hike



Source: <http://www.marcsteinorth.com/a-clearer-picture-of-the-gas-tax-hike/>

Renewable Energy – Nevada's Future?

White House seeks 72 percent cut to clean energy research, underscoring the administration's preference for fossil fuels.

—*The Washington Post* (2/1/2018)

Reduction in Support for Renewable Energy

“This couldn’t have been worse for this state. This is an actual assault on something that was one of the state’s largest job producers, one of the gainers in our economy, one of our points of pride.”

—Rob Lang, Executive Director of Brookings Mountain West in *The Las Vegas Sun* (2/23/2018)

Uncertainty Around Federal Marijuana Policy



Source: <https://www.gq.com/story/jeff-sessions-legal-weed>

Tip Pooling Policy

- The Trump administration has proposed permitting employers to use tip pooling to include non-tipped employees.
- Most union contracts in Southern Nevada prohibit this.

Source: <https://thenevadaindependent.com/article/as-the-trump-administrations-reverses-tip-policy-the-pendulum-swings-back-toward-the-employer>

Yucca Mountain: Trump budget includes \$120M to restart licensing process to open Nuclear Waste Repository



Source: <https://physicsworld.com/a/review-breathes-life-into-yucca-mountain-nuclear-waste-site/>

Trade War?



Source: <http://filmfisher.com/wp-content/uploads/2014/09/braveheart-mel-gibson.jpg>

Trade Policy

- Tariffs protect some industries while hurting others
- Steel & aluminum tariffs raise prices for US consumers & reduce construction jobs
- Real threat = retaliation from trading partners
- A trade war would be disastrous

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Trade Policy – Real Costs?



Source: <https://www.cnbc.com/video/2018/03/02/watch-wilbur-ross-use-a-can-of-campbells-soup-to-defend-steel-and-aluminum-tariffs.html>



OO HEAVEN WE TAKE
THE NEW ASTON FOR
A TEST DRIVE **P34**

HOLD YOUR NERVE
WHY HAMMOND
SHOULDN'T TURN
ON THE TAPS **P20**



TUESDAY 6 MARCH 2018 | ISSUE 3,076

CITYAM.COM

HIT THE CHEVY WITH A LEVY, TAX YOUR WHISKEY & RYE

EU DOUBLES DOWN ON THREAT
TO RETALIATE AS TRUMP'S
TRADE WAR HEATS UP

CATHERINE NEILAN

@CatherineNeilan

THE EUROPEAN Union will tomorrow announce a "swift, firm and proportionate" response to US President Donald Trump's threat to impose a unilateral 25 per cent tariff on steel and aluminium imports, as fears grow of a looming global trade war.

Over the weekend the EU, which already levies a 10 per cent tax on US-made cars, warned it could target other American goods including bourbon and Levi's jeans.

"We are looking at possibilities to retaliate, meaning we will also put taxes or tariffs on US imports to the EU," trade commissioner Cecilia Malmström said yesterday.

The threat of a trade war set off alarm bells at the World Trade Organization. "An eye for an eye will leave us all blind and the world in deep recession," director-general Roberto Azevedo said. "We must make every effort to avoid the fall of the first dominoes. There is still time."

However, European Commission spokesperson Margaritis Schinas also warned yesterday: "The subject, the file, will be on the college agenda on Wednesday when Commissioners

will discuss our reaction [to Trump's threat], which will be swift, firm and proportionate." Trump triggered a stock market sell-off last week with a series of comments ramping up the prospect of US protectionism. "Trade wars are good, and easy to win," he tweeted.

Late on Sunday night the controversial president added: "We are on the losing side of almost all trade deals. Our friends and enemies have taken advantage of the US for many years... Sorry, it's time for a change!"

French President Emmanuel Macron blasted the move as "economic nationalism", adding it was a war in which all sides lose.

Over the weekend, Prime Minister Theresa May called Trump to express her "deep concern" at his move, urging "multilateral action" to resolve global steel disputes.

Bernardine Adkins, head of EU trade and competition at law firm Gowling WLG, commented: "This trade war is a timely reminder that no future of completely free bilateral trade awaits the UK. Brexit Britain's Dunkirk spirit will be about fighting them on the trade barriers, not the beaches."

THE CITY VIEW: P2



Late filing reveals Laing debt woes

OLIVER GILL

@ojgill

ONE OF Britain's biggest privately-owned firms is scrambling to secure a multi-million pound rescue package.

Laing O'Rourke, which counts building the Hinkley Point C nuclear power station among a string of other high-profile infrastructure projects, yesterday filed accounts five months late.

After racking up £246m of pre-tax losses in 2016, Laing O'Rourke remained in the red during the 12 months to March 2017, posting a £67m loss before tax.

Later last year, the contractor – which employs 15,000 people in the UK – was forced back to the negotiating table to thrash out a deal with lenders led by HSBC.

Laing O'Rourke was due to repay £125m in October 2017. However, it appealed to banks to waive covenant testing amid concerns it would breach arrangements put in place little over a year earlier.

And two weeks ago the firm secured £13.7m of extra bank support, which was coupled with a £15m standby shareholder loan facility. The repayment of core lending has now been delayed until April 2019 as the firm attempts to finalise terms with lenders for their long-term support.

CONTINUES ON P3

NOW AVAILABLE TO BUY



XRP



ETHEREUM



BITCOIN



NEO



STELLAR



LITECOIN



DASH



BITCOIN CASH

CRYPTO
NEEDN'T BE
CRYPTIC

etoro

Buying cryptocurrencies is not appropriate for everybody. Cryptocurrencies are not regulated. They are not backed by governments or central banks. Cryptocurrencies are backed by technology and trust. You will not benefit from the protections available to clients receiving regulated investment services, such as access to the Financial Services Compensation Scheme (FSCS) and the Financial Ombudsman Service (FOS) for dispute resolution. You are at risk of losing all of your invested capital.

Top State Exports (2015)



Immigration Policy

The Las Vegas MSA had approximately 170,000 unauthorized immigrants in 2014

Source: Pew Research

20 metropolitan areas with the largest number of unauthorized immigrants

2014 estimates



Source: Pew Research Center estimates based on augmented 2014 American Community Survey (IPUMS).

PEW RESEARCH CENTER

Trump Pros

- Corporate Tax Cuts
- Individual Tax Cuts
- Repatriation of Overseas Corporate Cash
- Deregulation Potential

Trump Cons

- Potential Trade War
- Increasing Federal Budget Deficit
- Potential Cuts in Renewable Energy Support
- Potential Gas Tax Hike
- Uncertainty Around Marijuana
- Yucca Mountain Controversy
- Potential Effects of Immigration Policy



Source: imgflip.com

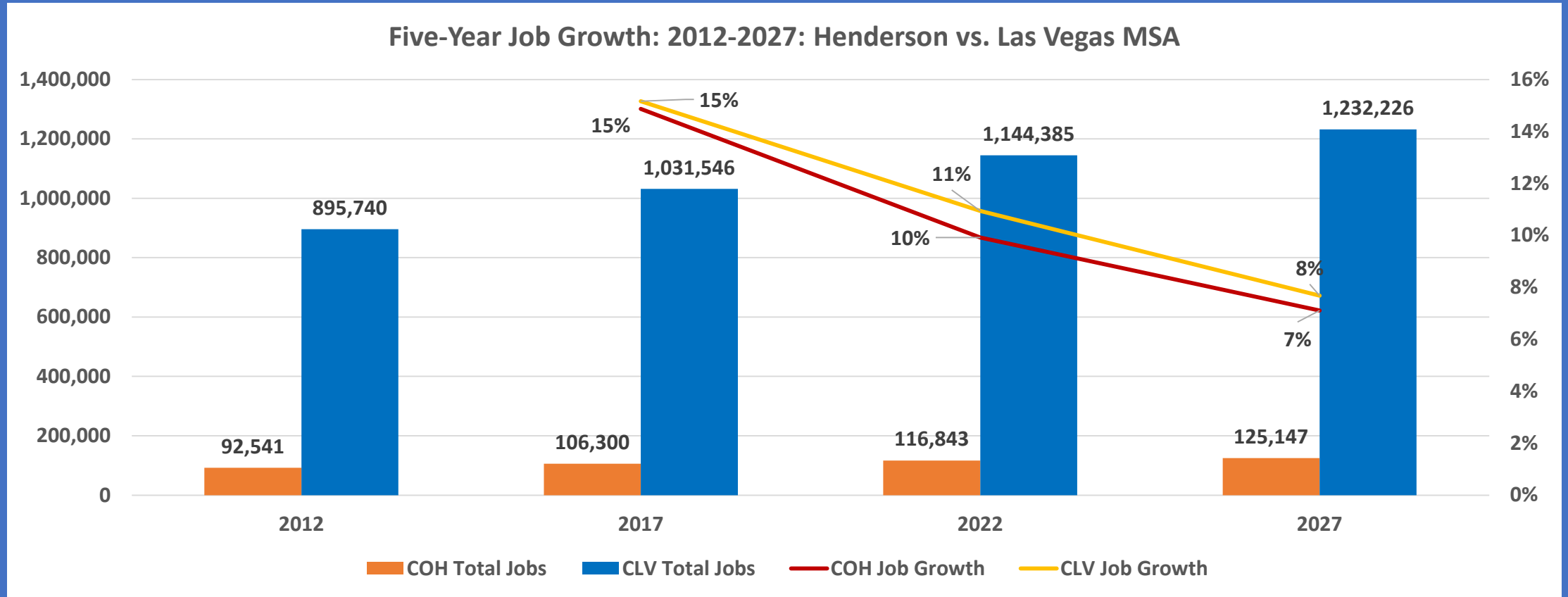
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Source: imgflip.com

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COH job growth will match Las Vegas MSA's & COH job % will stay steady

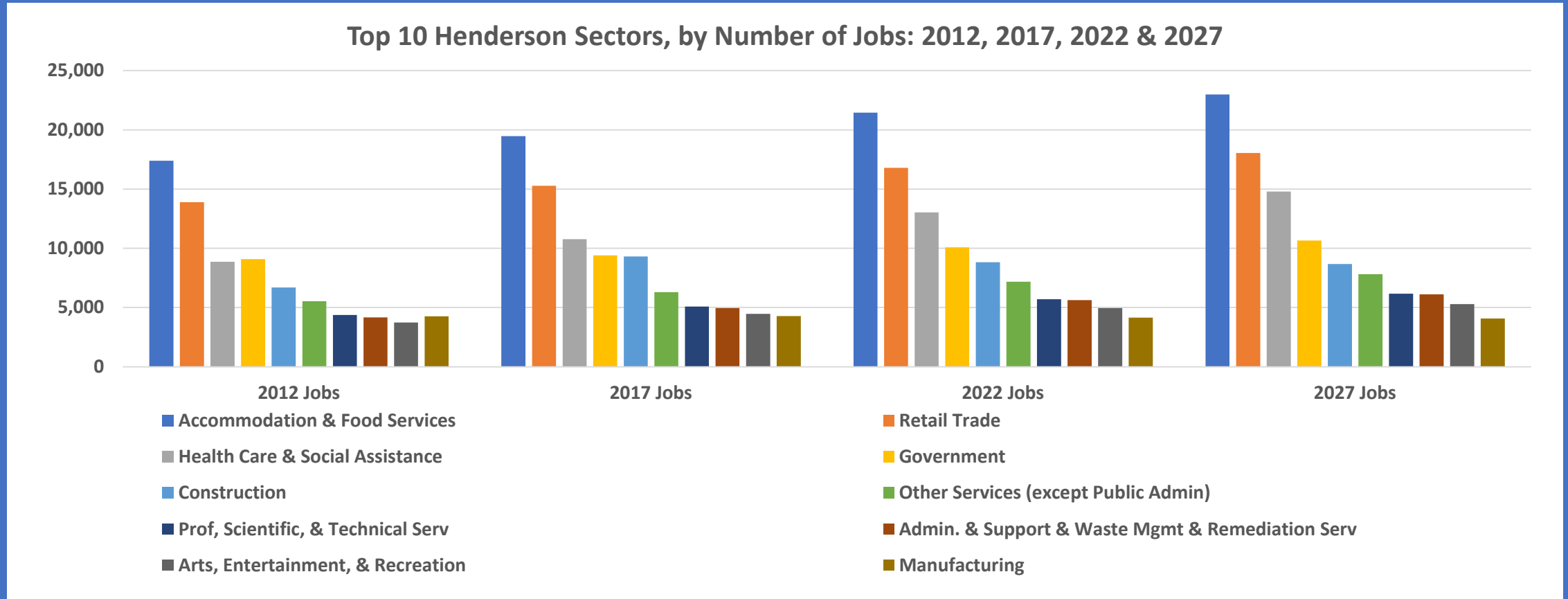


Source: EMSI

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COH job distribution will also remain steady

Top 5 sectors in 2017 will stay Top 5 in 2027

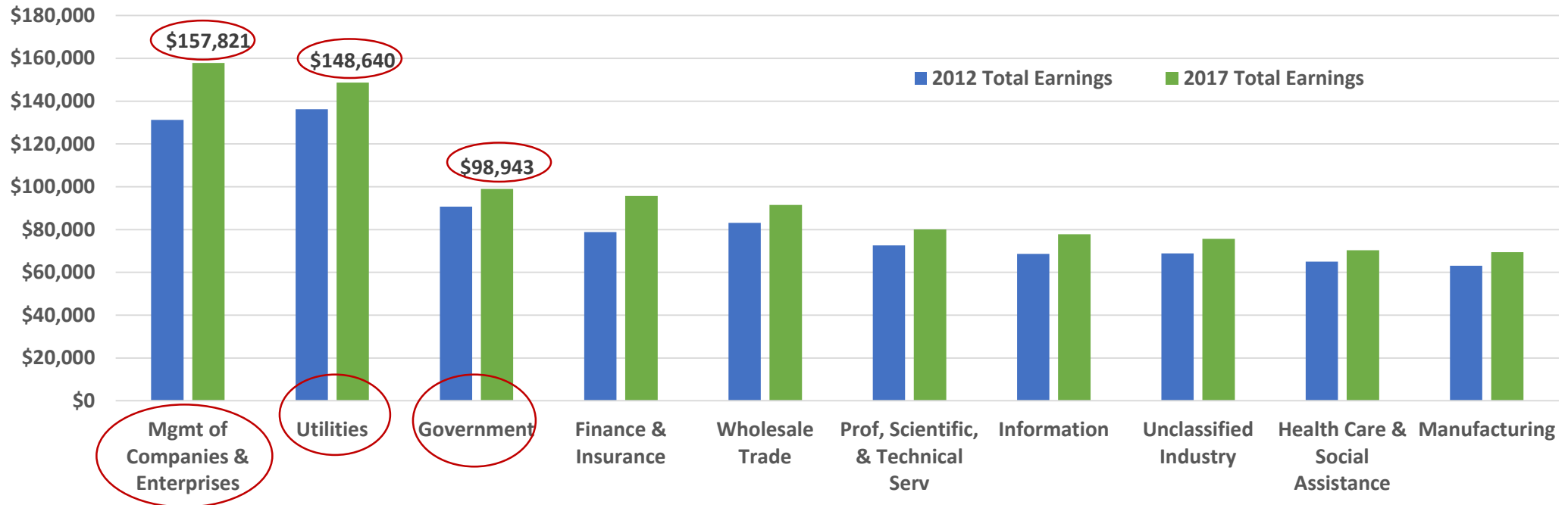


Source: EMSI

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2017: Three highest paying sectors: Company Management, Utilities & Government

Top 10 Henderson Sectors, by Annual Earnings: 2012 & 2017



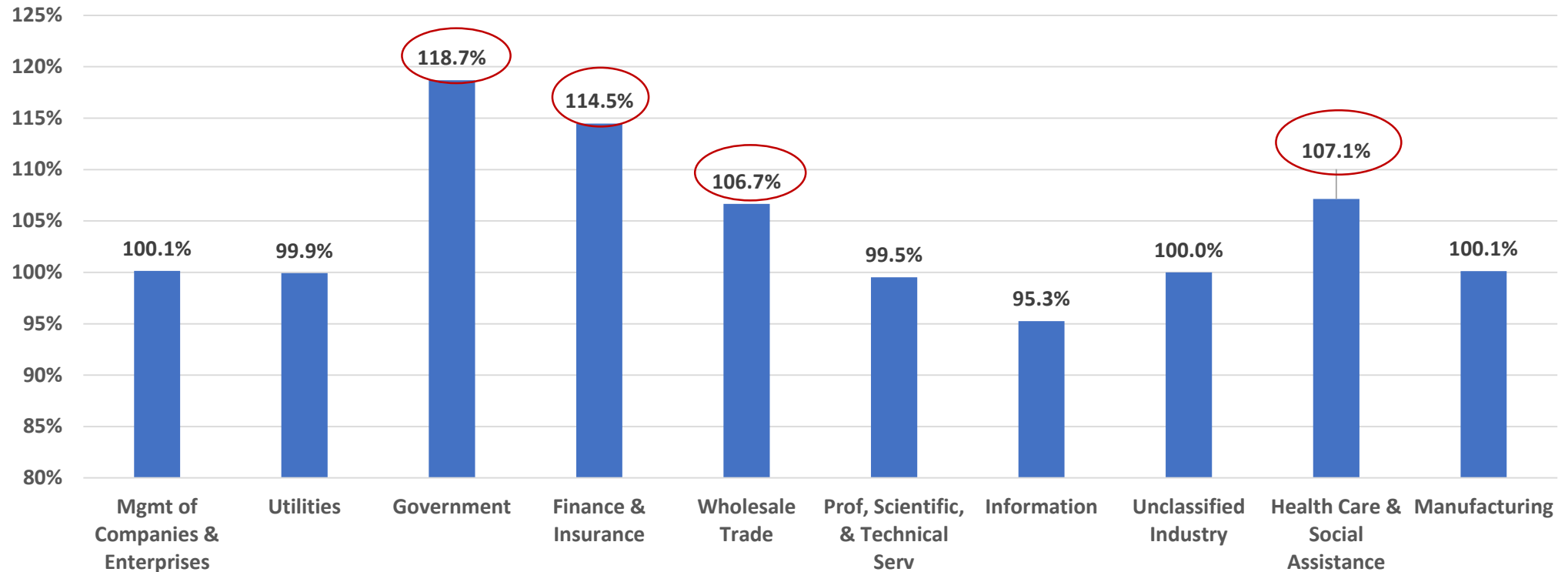
Earnings include wages, salaries, profits, benefits & other compensation.

Source: EMSI

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COH yrly. earnings most above LV MSA in 4 sectors: Govt., Finance & Ins., Wholesale Trade, Health Care

Top 10 Henderson Sectors: Annual Earnings as a % of Las Vegas MSA Earnings



Earnings include wages, salaries, profits, benefits & other compensation.

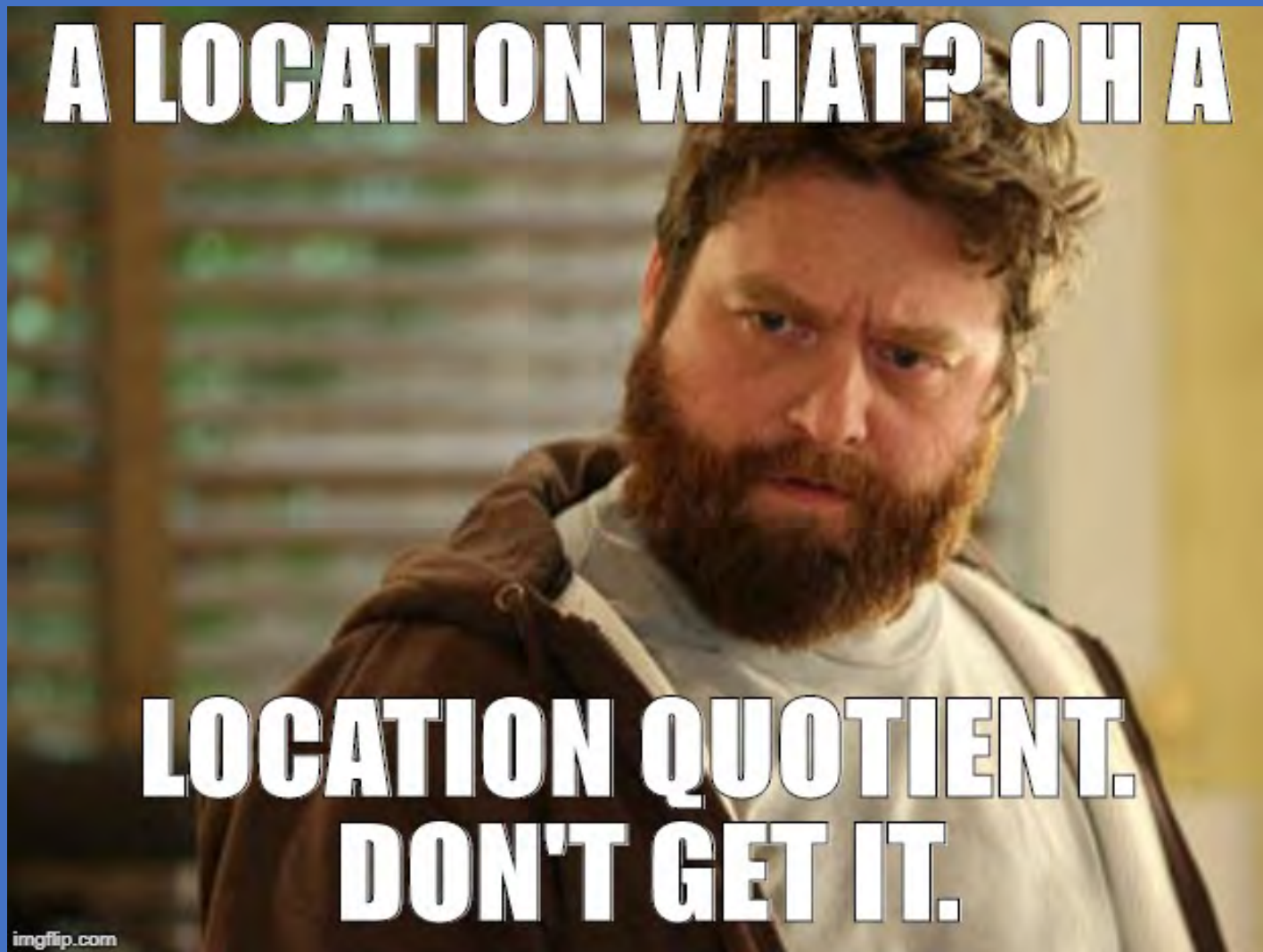
Looking at the actual dollars...

Top 10 Henderson Industries by <u>Annual</u> Earnings & Share of Las Vegas MSA: 2017			
Top 10 COH Sectors	COH Job Industry	2017 COH Total Earnings	2017 LV MSA Total Earnings
1	Mgmt of Companies & Enterprises	\$ 157,821	\$ 157,594
2	Utilities	\$ 148,640	\$ 148,744
3	<i>Government</i>	<i>\$ 98,943</i>	\$ 83,364
4	<i>Finance & Insurance</i>	<i>\$ 95,663</i>	\$ 83,561
5	<i>Wholesale Trade</i>	<i>\$ 91,539</i>	\$ 85,824
6	Prof, Scientific Tech Services	\$ 80,097	\$ 80,484
7	Information	\$ 77,817	\$ 81,688
8	Unclassified Industry	\$ 75,659	\$ 75,659
9	<i>Health Care & Social Assistance</i>	<i>\$ 70,362</i>	\$ 65,671
10	Manufacturing	\$ 69,446	\$ 69,365

Earnings include wages, salaries, profits, benefits & other compensation.

Source: EMSI

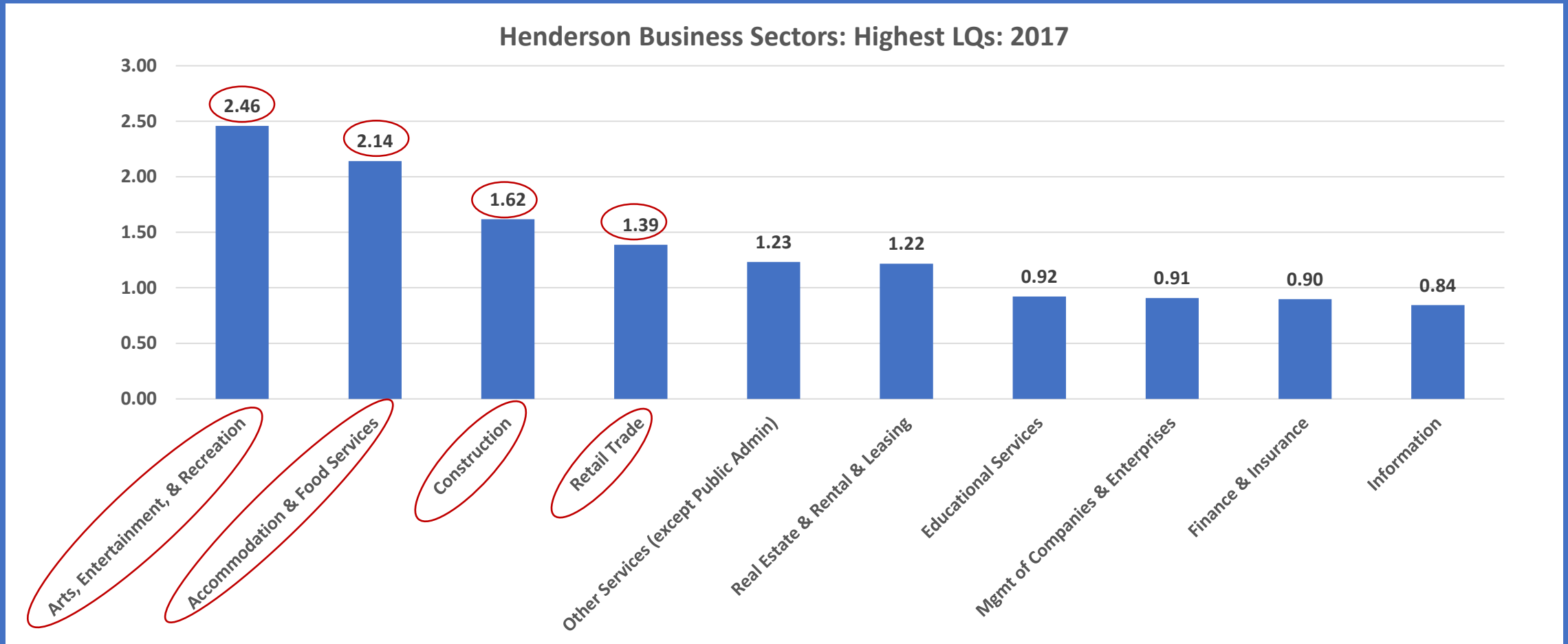
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Source: imgflip.com

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Fun with LQs



Source: EMSI

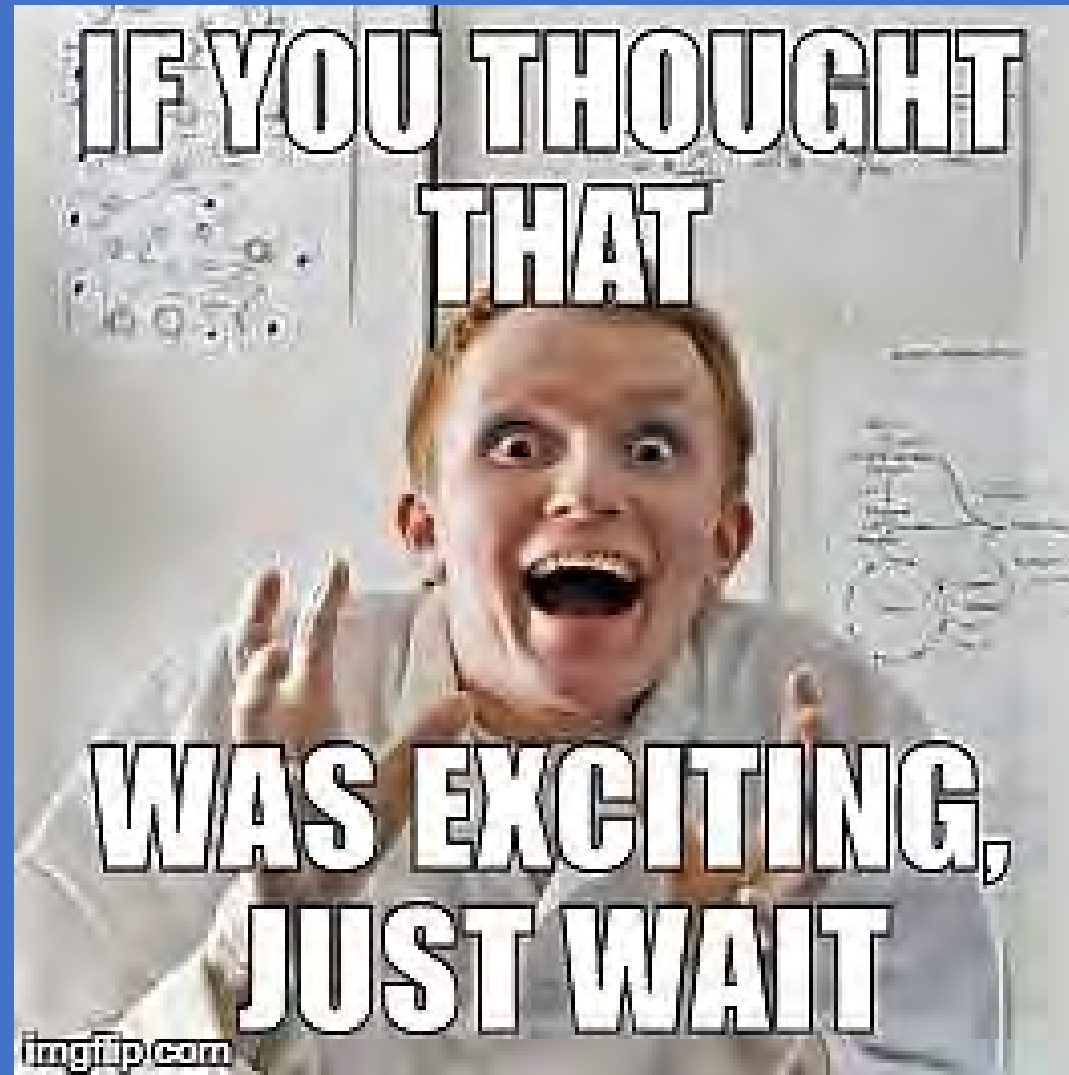
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Keep an eye on COH's LQ Top 5 trend setters, next 10 years

Henderson Healthy & Fastest Growing LQ Industries, 2017-2027			
Henderson	2017 Location Quotient	2027 Location Quotient	LQ % Change 2017-27
Other Services (except Public Admin)	1.23	1.31	7%
<i>Educational Services</i>	<i>0.92</i>	<i>1.02</i>	<i>10%</i>
<i>Mgmt of Companies & Enterprises</i>	<i>0.91</i>	<i>1.06</i>	<i>17%</i>
Information	0.84	0.9	7%
<i>Agriculture, Forestry, Fishing & Hunting</i>	<i>0.11</i>	<i>0.16</i>	<i>49%</i>
Las Vegas MSA	2017 Location Quotient	2027 Location Quotient	COH LQ % Change 2017-27
<i>Mgmt of Companies & Enterprises</i>	<i>1.37</i>	<i>1.58</i>	<i>15%</i>
Admin & Support & Waste Mgmt & Remed Serv	1.29	1.37	6%
Other Services (except Public Admin)	0.83	0.88	6%
Health Care & Social Assistance	0.67	0.7	5%
Agriculture, Forestry, Fishing & Hunting	0.07	0.1	44%

Source: EMSI

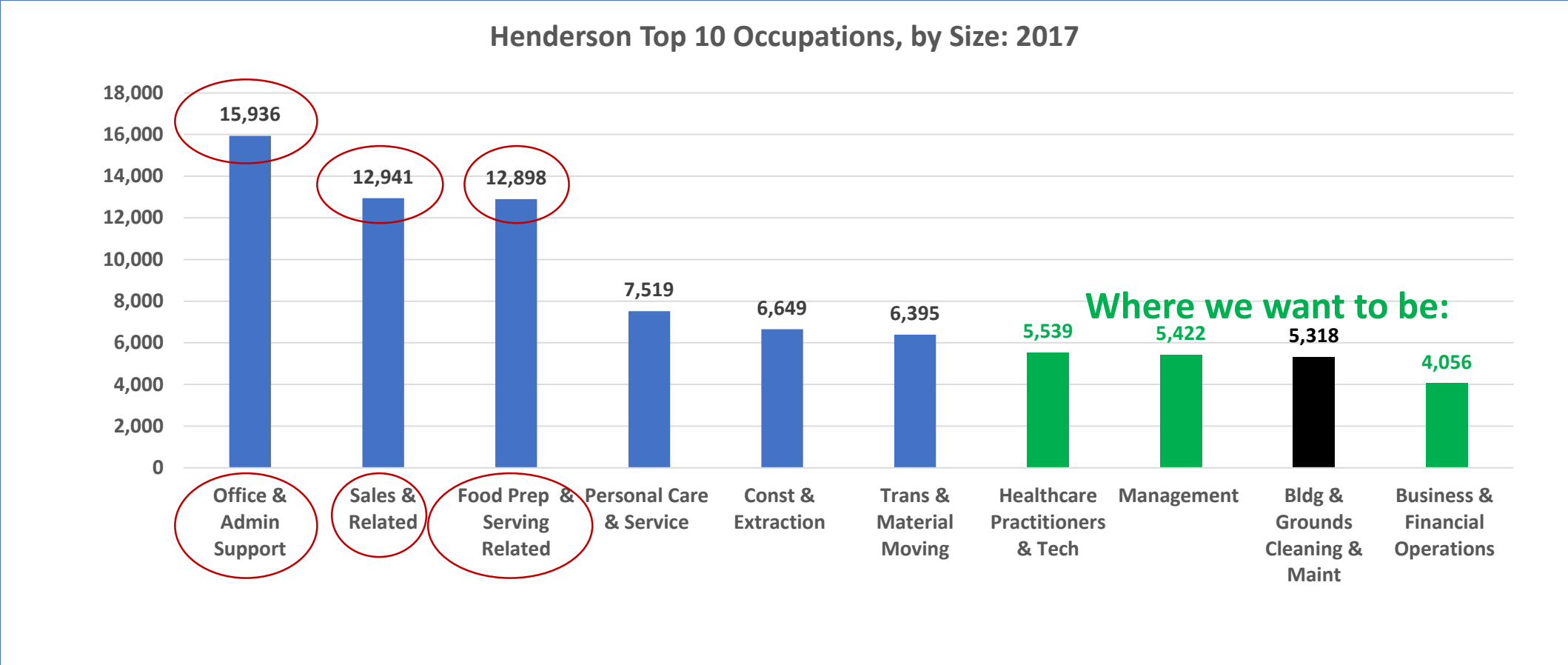
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Source: imgflip.com

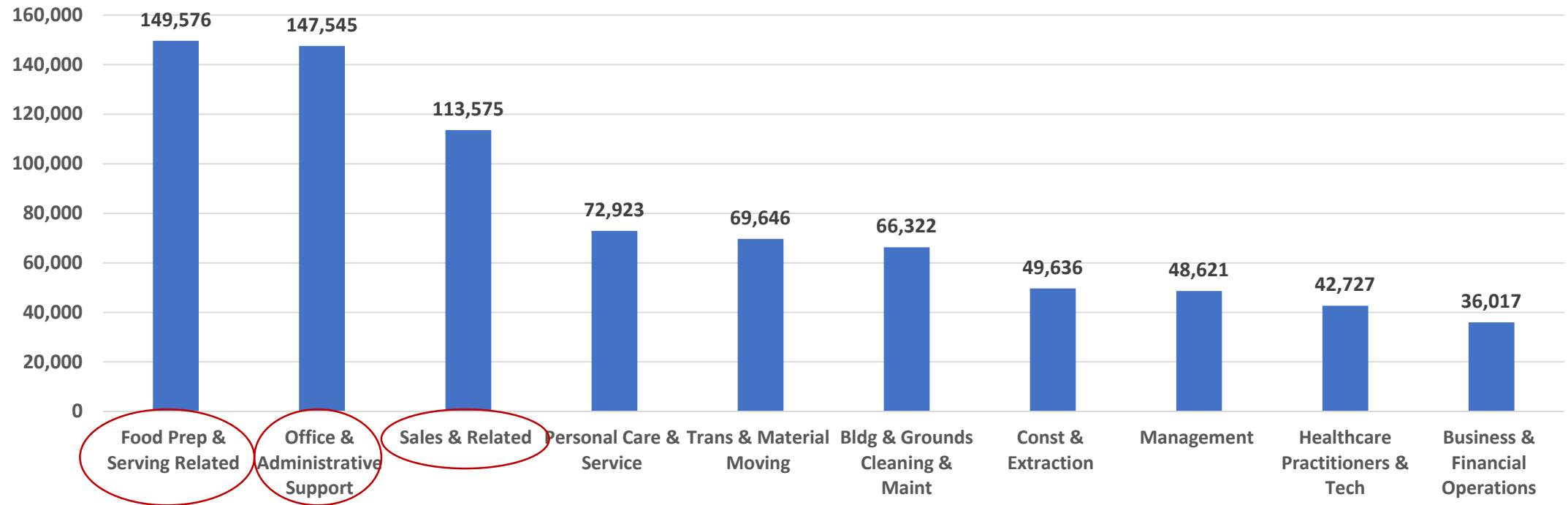
COH's Top 3 Occupations in 2017 are...



Source: EMSI

LV MSA's Top 3 Occupations in 2017 are...

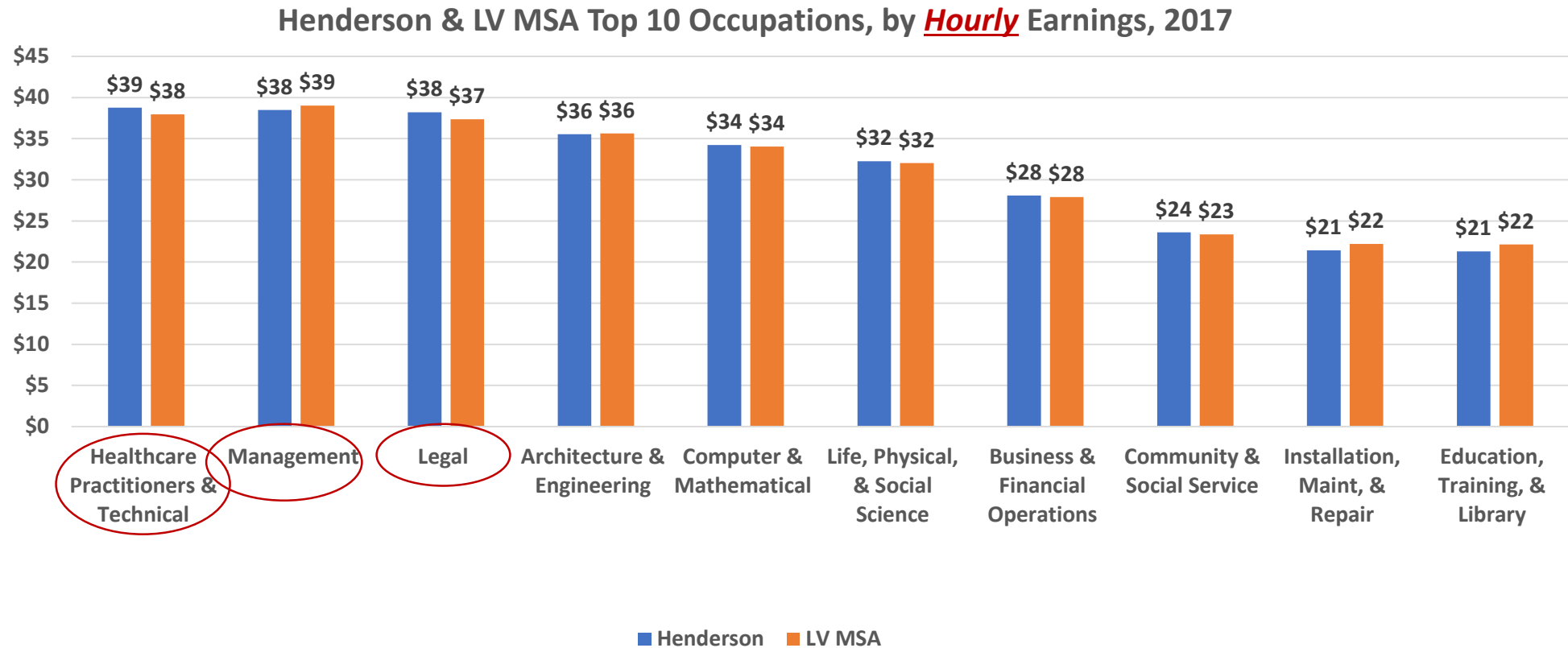
LV MSA Top 10 Occupations, by Size: 2017



Source: EMSI

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On wage front, COH & LV MSA occupations are generally in line



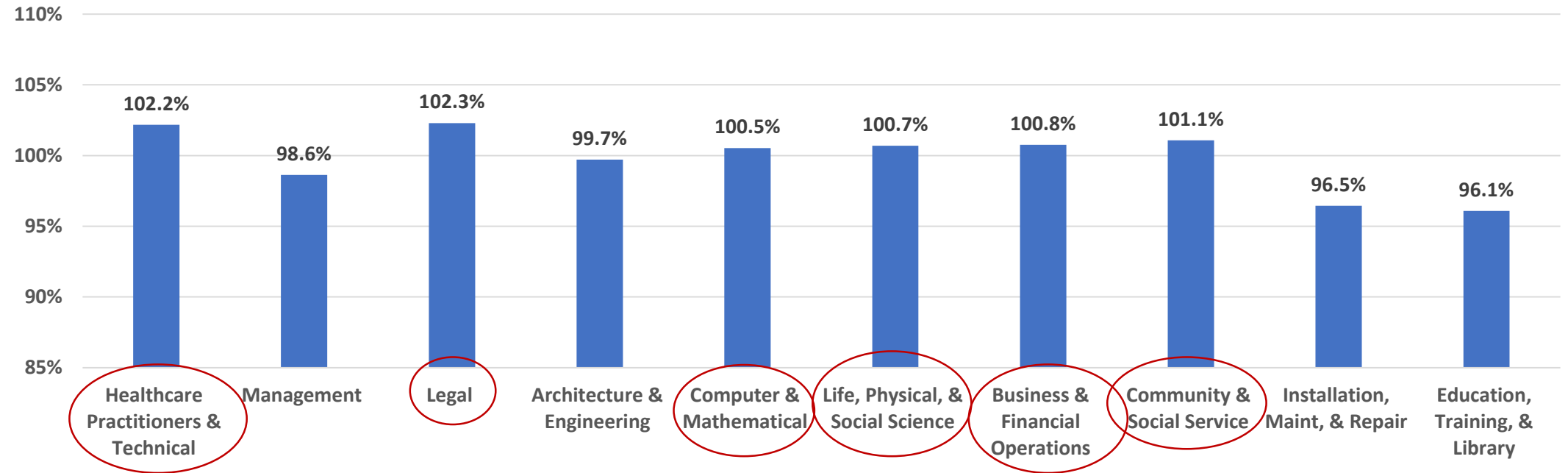
Occupation data earnings excludes benefits.

Source: EMSI

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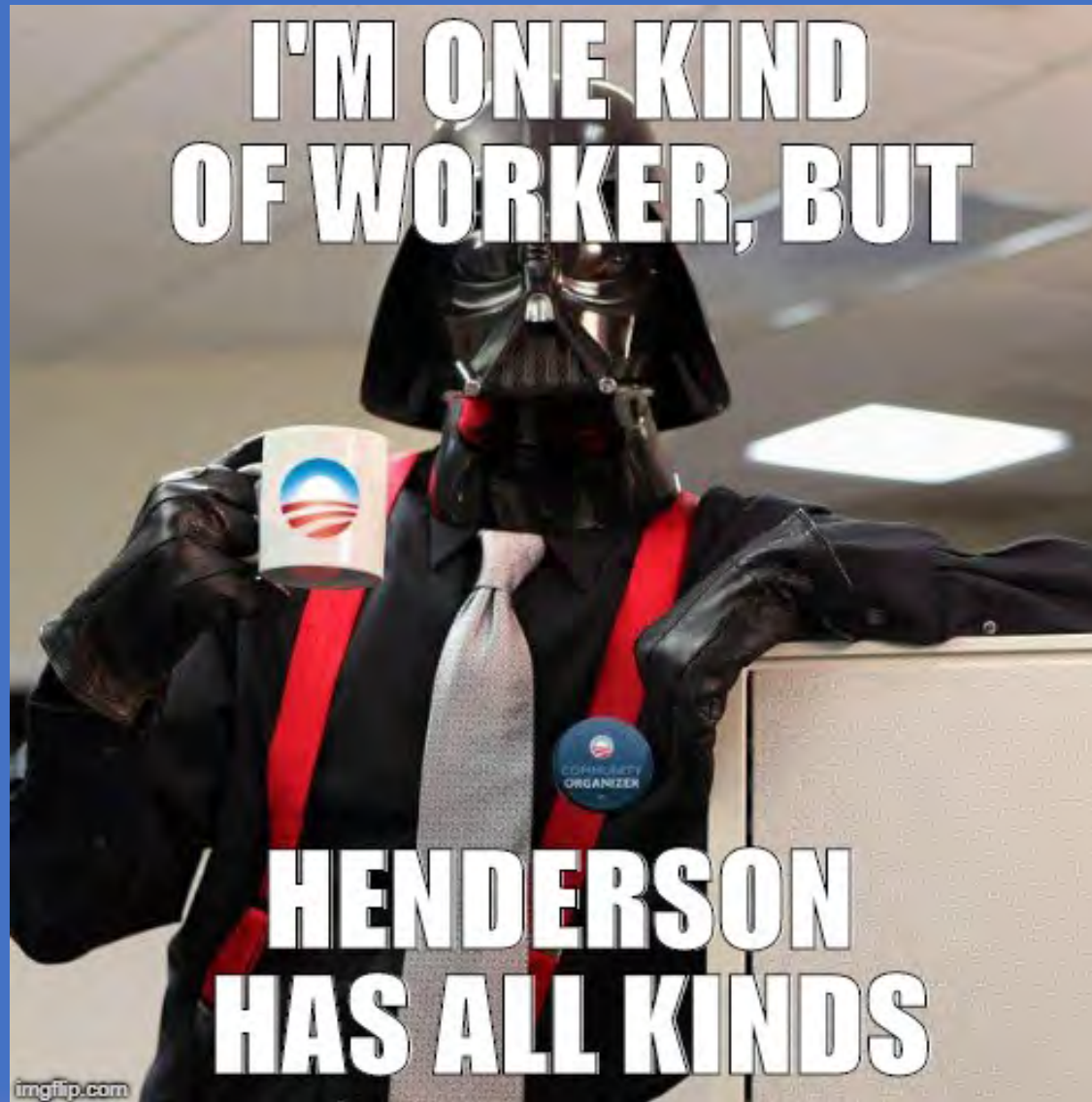
But COH pay slightly above LV in 6 occupations

Henderson Top 10 Occupations: Hourly Earnings as % LV MSA, 2017



Source: EMSI

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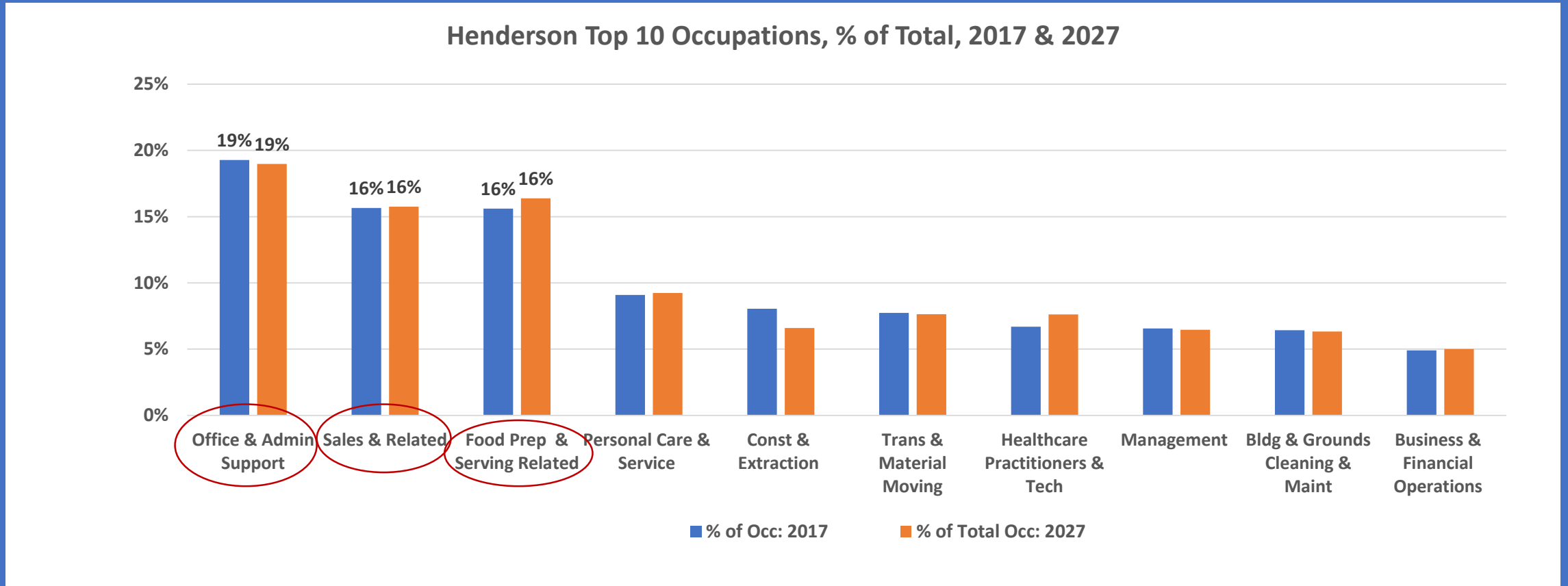
Source: imgflip.com

COH vs. LV MSA: Top 5 growth occupations # change – Food Prep & Serving will lead

Henderson Top Growing (#) Occupations: 2017-2027	2017-27 # Chng1.
1. Food Prep & Serving Related	2,943
2. Office & Admin Support	2,422
3. Sales & Related	2,304
4. Healthcare Practitioners & Tech	1,838
5. Personal Care & Service	1,421
LV MSA Top Growing (#) Occupations	2017-27 # Chng: Occ
1. Food Prep & Serving Related	32,804
2. Office & Admin Support	27,644
3. Sales & Related	22,692
4. Healthcare Practitioners & Tech	14,043
5. Personal Care & Service	11,246

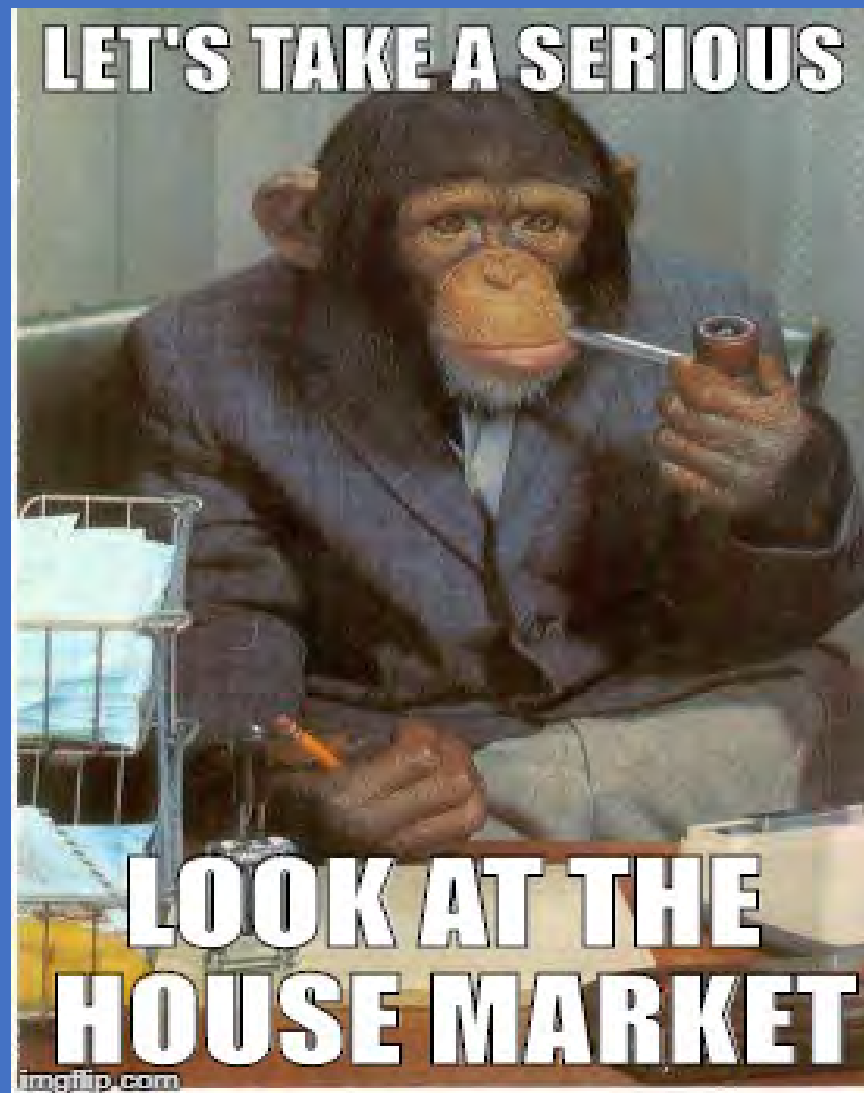
Source: EMSI

Office/Admin, Sales & Food Prep/Serv to remain largest Henderson occupations through 2027



Source: EMSI

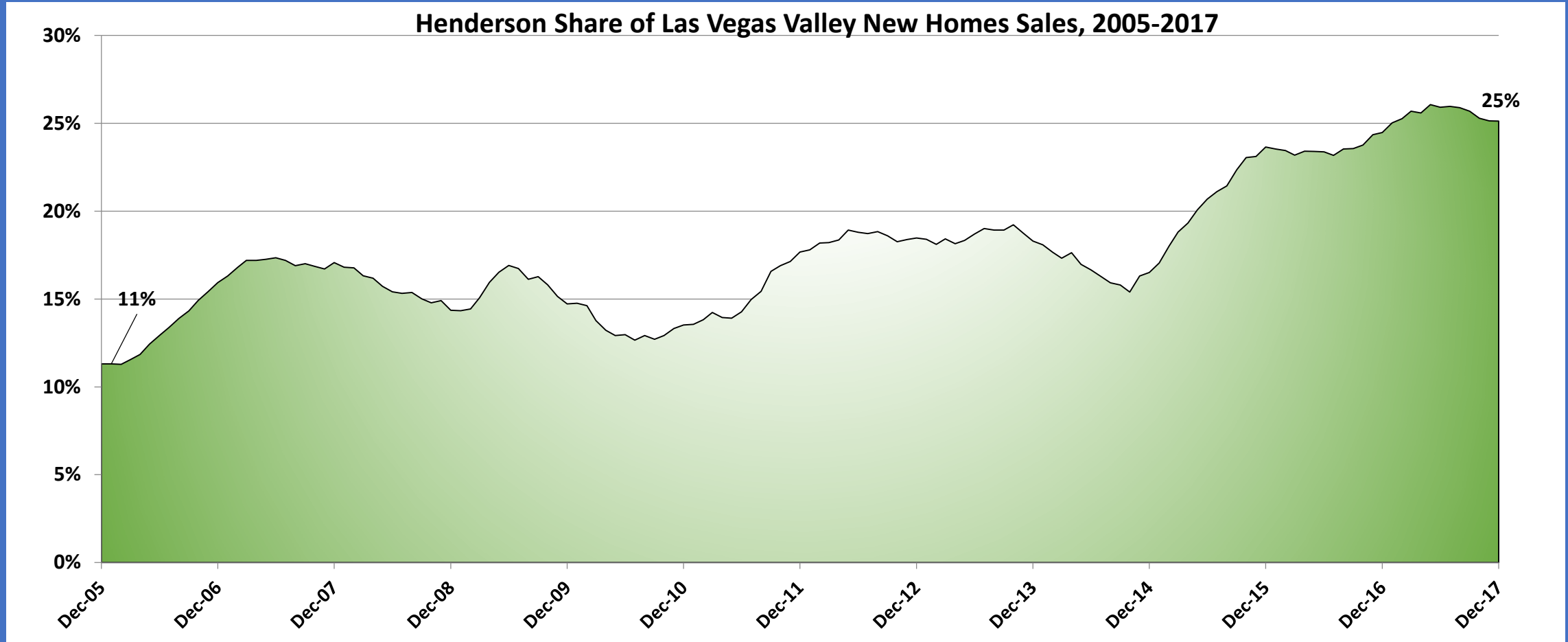
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Source: Pinterest

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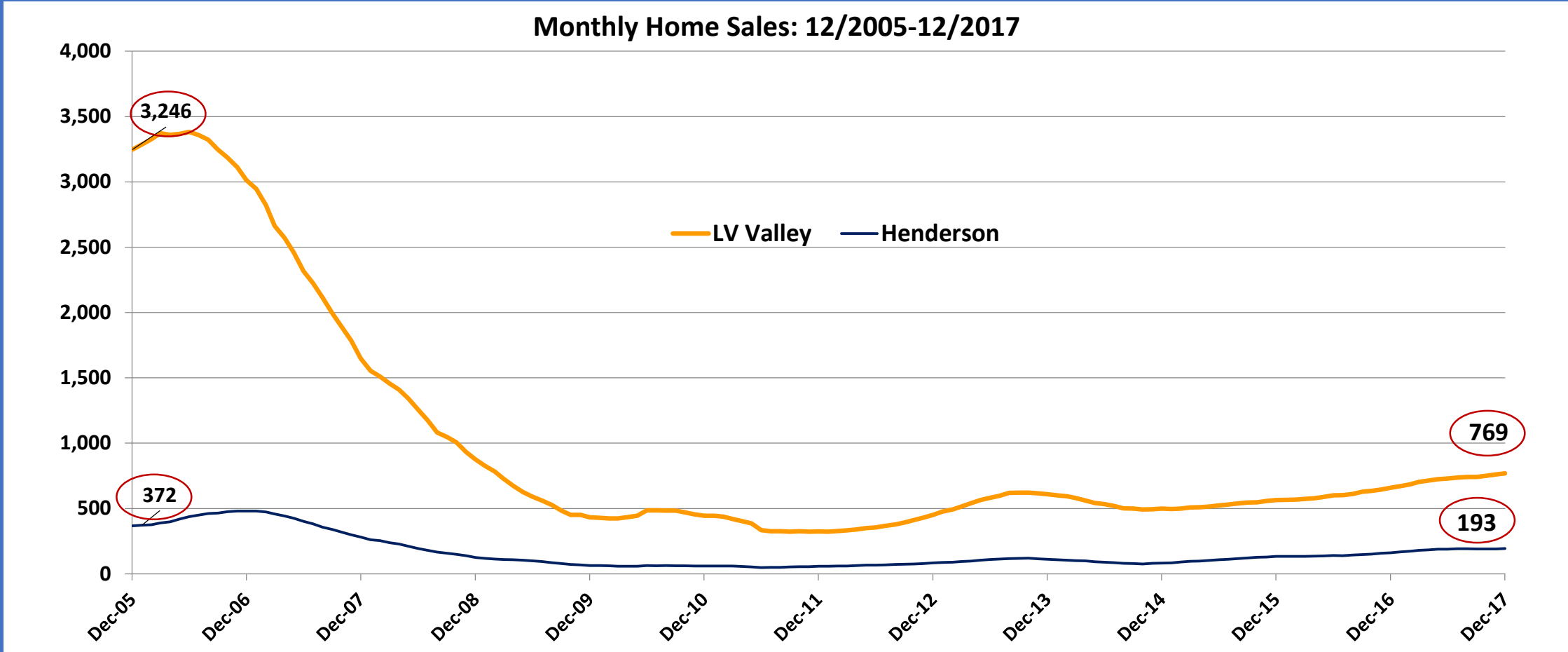
COH monthly new home sales reflect the popularity of the community



Source: Home Builder's Research.

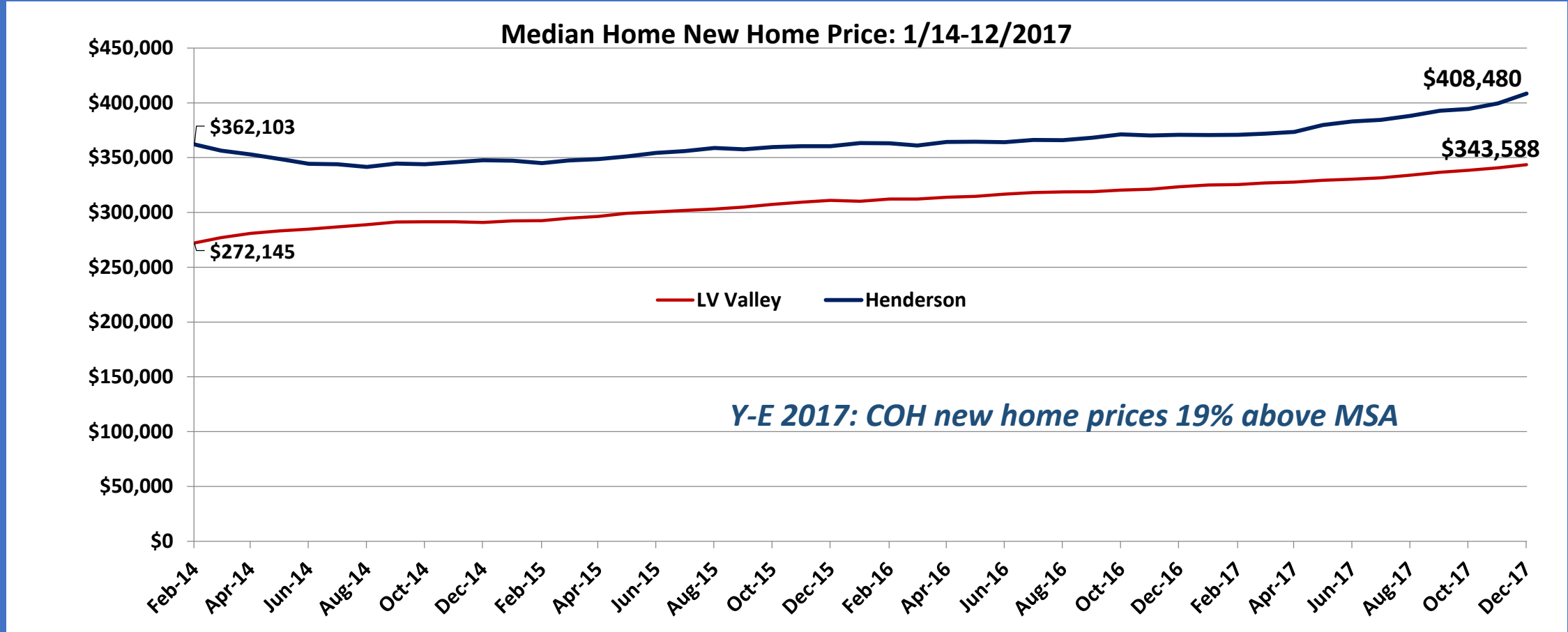
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Looking at actual sales, COH keeping pace with LV MSA



Source: Home Builder's Research.

Winner, winner... chicken dinner



Source: Home Builder's Research.

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Wrapping UP



Source: imgflip.com

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Back to Mr. PeQueen...



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Source: imgflip.com



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