



CBER Economic Indexes for Nevada and Southern Nevada

Published September 12, 2018

Stephen M. Miller, PhD, Director
Hasara Rathnasekara, Graduate Research Assistant

UNLV | LEE BUSINESS SCHOOL
CENTER FOR BUSINESS
AND ECONOMIC RESEARCH



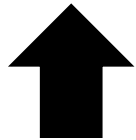
Summary of CBER's Nevada Indexes

Coincident Index (June)

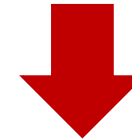
Leading Index (June)

Mo. to Mo.

0.2%



-3.3%



Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
0.0% -	0.1% ↑	0.2% ↑

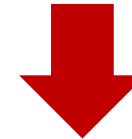
Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	Airline Passengers	S&P 500
3.5% ↑	0.2% ↑	8.4% ↑	-43.9% ↓	-0.2% ↓	1.5% ↑

Yr. to Yr.

3.0%



-1.1%



Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
3.8% ↑	4.4% ↑	2.9% ↑

Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	Airline Passengers	S&P 500
6.8% ↑	0.4% ↑	3.3% ↑	-32.9% ↓	2.9% ↑	13.2% ↑

* Inverted ** Data are partly forecasted as Clark County Service's permit reports have not been available since December 2017.



CBER's Indexes of Nevada Economic Activity

Coincident Index Components

- Nevada Taxable Sales
- Nevada Gross Gaming Revenue
- Nevada Nonfarm Employment

Leading Index Components

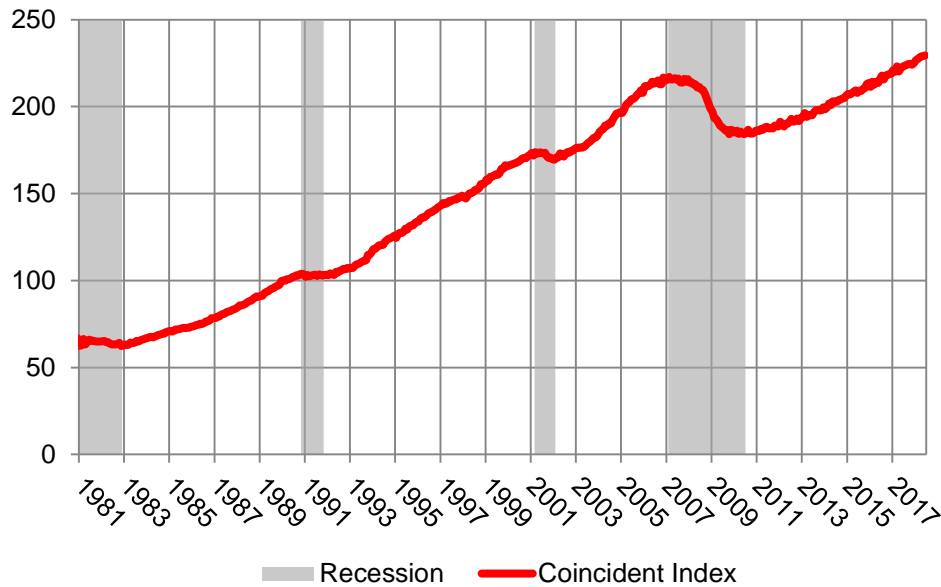
- Nevada Initial Claims for Unemployment (inverted)
- Real 10-Year Treasury Rate (inverted)
- Nevada Housing Permits
- Nevada Commercial Permits
- Nevada Airline Passengers
- Standard & Poor's Stock Market Index

The CBER Nevada coincident and leading indexes use the Department of Commerce index construction method. The CBER Nevada coincident index measures the ups and downs of the Nevada economy, while the CBER Nevada leading index provides an indication for the future direction of the coincident index. The coincident index provides the benchmark series that defines the business cycle or reference cycle in Nevada. The leading index then tracks the economy relative to that reference cycle. The coincident index peaked in February 2007 and then fell dramatically through June 2010. Prior to the Great Recession, identified by the benchmark Nevada coincident index, the Nevada leading index peaked in November 2005, 14 months before the Nevada coincident index peaked. Then, the Nevada leading index troughed in May 2009, 13 months before the Nevada coincident index troughed. All series are seasonally adjusted (SA). A full description of the methodology used to construct the indexes can be found at: <http://cber.unlv.edu/publications/nvindices.pdf>.



Nevada Coincident Index

The CBER Nevada coincident index increased month-over-month and year-over-year.



The Nevada coincident index increased by 0.2 percent from May 2018. Both gross gaming revenue and nonfarm employment ticked up by 0.1 and 0.2 percent, respectively. Taxable sales, however, did not change from the previous month.

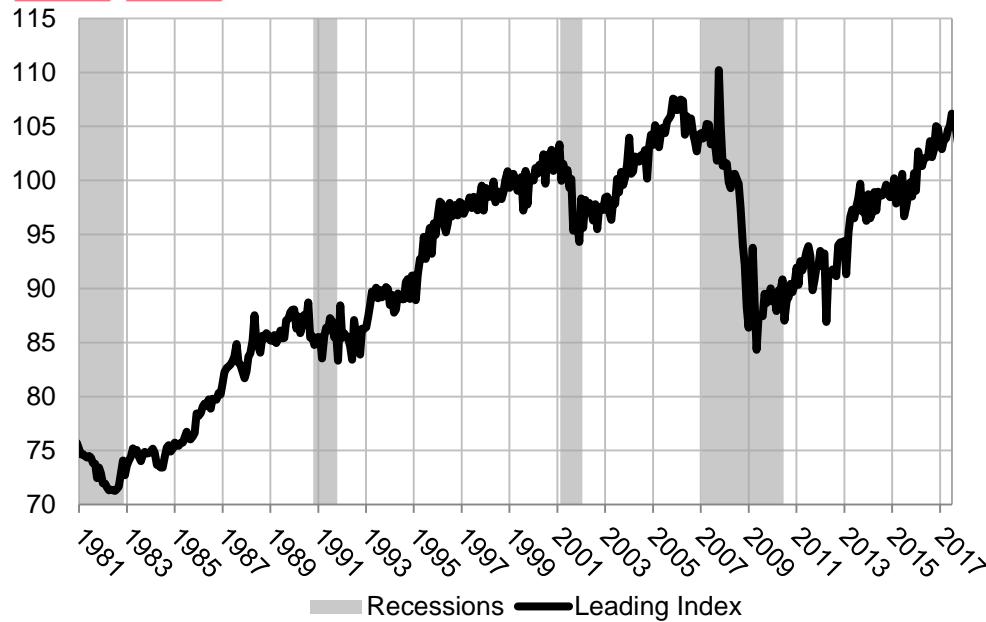
The Nevada coincident index jumped higher year-over-year, rising by 3.0 percent from June 2017. Growth of gross gaming revenue leads the increase, rising by 4.4 percent from the previous year. Taxable sales and nonfarm employment also rose by 3.8 and 2.9 percent, respectively, from June 2017.

Series	Date	Latest Period	Month-Over-Month	Year-Over-Year
Taxable Sales	Jun-18	5,023,331,971	0.0%	3.8%
Gross Gaming Revenue	Jun-18	1,007,107,219	0.1%	4.4%
Nonfarm Employment	Jun-18	1,378,926	0.2%	2.9%
Overall Index Change	Jun-18	229.5	0.2%	3.0%



Nevada Leading Index

The CBER Nevada leading index fell both month-over-month and year-over-year.



Date	Index	Month-over-Month	Year-over-Year
Jun-17	105.1	0.3%	2.9%
Jul-17	106.2	1.1%	3.9%
Aug-17	105.4	-0.7%	1.7%
Sep-17	104.7	-0.6%	2.5%
Oct-17	103.5	-1.2%	0.7%
Nov-17	105.9	2.3%	0.9%
Dec-17	106.1	0.1%	1.2%
Jan-18	106.8	0.7%	3.2%
Feb-18	105.7	-1.0%	2.7%
Mar-18	108.3	2.5%	4.4%
Apr-18	106.4	-1.7%	2.5%
May-18	107.5	1.0%	2.7%
Jun-18	103.9	-3.3%	-1.1%

The Nevada leading index decreased by 3.3 percent month-over-month. On the positive side, initial claims for unemployment (inverted), the ten-year real Treasury yield (inverted), housing permits, and the S&P 500 increased, rising by 3.5, 0.2, 8.4, and 1.5 percent, respectively, from May 2018. Commercial permits, however, fell by 43.9 percent month-over-month. Nevada airline passengers also dropped by 0.2 percent from the previous month.

On a year-over-year basis, the index fell by 1.1 percent. Commercial permits dropped by 32.9 percent year-over-year. Initial claims for unemployment (inverted), the ten-year real Treasury yield (inverted), housing permits, Nevada airline passengers, and the S&P 500, however, increased by, 6.8, 0.4, 3.3, 2.9, and 13.2 percent, respectively, from June 2017.



Summary of CBER's Southern Nevada Indexes

- Coincident Index and Leading Index

Coincident Index (June)

Leading Index (June)

Mo. to Mo.

0.3%



0.0%



Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
1.3% ↑	-0.5% ↓	0.3% ↑

Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	McCarran Passengers	S&P 500
3.5% ↑	0.2% ↑	8.3% ↑	-34.5% ↓	-0.1% ↓	1.5% ↑

Yr. to Yr.

3.1%



1.1%



Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
6.0% ↑	3.7% ↑	3.0% ↑

Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	McCarran Passengers	S&P 500
6.8% ↑	0.4% ↑	19.7% ↑	-42.8% ↓	2.6% ↑	13.2% ↑

* Inverted ** Data are partly forecasted as Clark County Service's permit reports have not been available since December 2017.



Summary of CBER's Southern Nevada Indexes

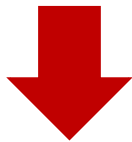
- Construction Index and Tourism Index

Construction Index (June)

Tourism Index (June)

Mo. to Mo.

-0.4%



-0.4%

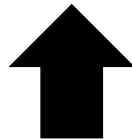


Construction Employment	Housing Permits**	Commercial Permits**
0.4% ↑	8.3% ↑	-34.5% ↓

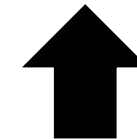
McCarran Passengers	Gross Gaming Revenue	LV Hotel/Motel Occupancy Rate
-0.1% ↓	-0.5% ↓	-1.7% ↓

Yr. to Yr.

1.3%



0.3%



Construction Employment	Housing Permits**	Commercial Permits**
9.1% ↑	19.7% ↑	-42.8% ↓

McCarran Passengers	Gross Gaming Revenue	LV Hotel/Motel Occupancy Rate
2.6% ↑	3.7% ↑	-2.0% ↓

* Inverted ** Data are partly forecasted as Clark County Service's permit reports have not been available since December 2017.



CBER's Indexes of Southern Nevada Economic Activity

Coincident Index

- CC Taxable Sales
- CC Gross Gaming Revenue
- CC Nonfarm Employment

Leading Index

- NV Initial Claims for Unemployment (inverted)
- Real 10-Year Treasury Rate (inverted)
- CC Housing Permits
- CC Commercial Permits
- McCarran Passengers
- S&P 500

Construction Index

- CC Construction Employment
- CC Housing Permits
- CC Commercial Permits

Tourism Index

- McCarran Passengers
- CC Gross Gaming Revenue
- LV Hotel/Motel Occupancy Rate

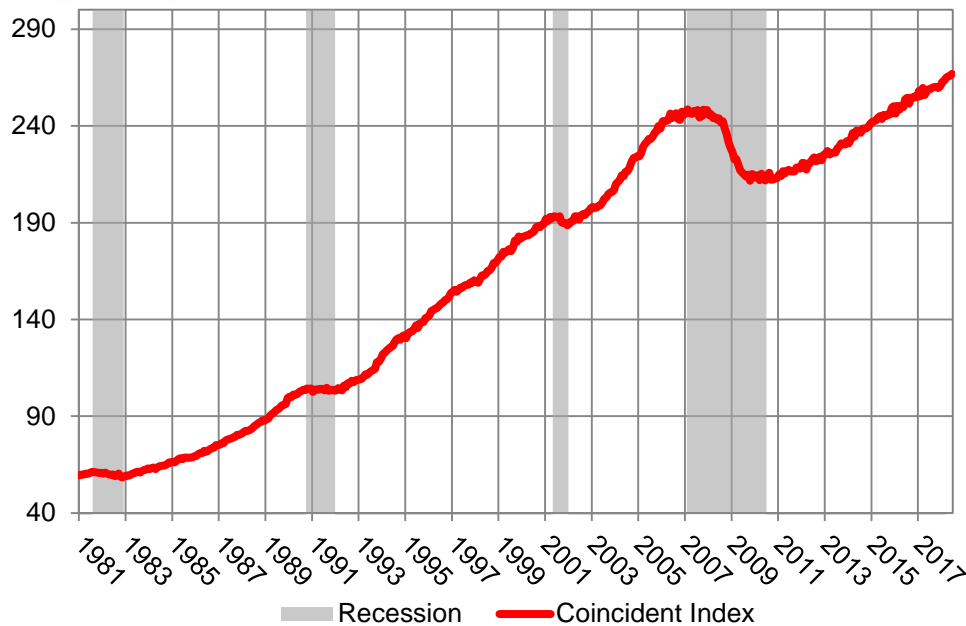
Note: CC = Clark County

The CBER Southern Nevada coincident and leading indexes use the Department of Commerce index construction method. The coincident index measures the ups and downs of the Southern Nevada economy. The leading index provides a signal about the future direction of the coincident index. The coincident index peaked in February 2007 and then fell dramatically through June 2010. Prior to the Great Recession, identified by the benchmark Southern Nevada coincident index, the Southern Nevada leading index peaked in September 2005, 16 months before the Southern Nevada coincident index peaked. Then, the Southern Nevada leading index troughed in May 2009, 13 months before the Southern Nevada coincident indexed troughed. Finally, both the CBER Southern Nevada construction and tourism indexes also use the Department of Commerce index construction method. All series are SA.



Southern Nevada Coincident Index

The CBER Southern Nevada coincident index rose both month-over-month and year-over-year.



The Southern Nevada coincident index ticked up by 0.3 percent from May 2018. Both taxable sales and nonfarm employment increased by 1.3 and 0.3 percent, respectively, from the previous month. Gross gaming revenue, however, dropped by 0.5 percent month-over-month.

On a year-over-year basis, the index increased by 3.1 percent. The strong upturn in taxable sales leads the increase, up by 6.0 percent. Both gross gaming revenue and nonfarm employment also rose 3.7 and 3.0 percent, respectively, from June 2017.

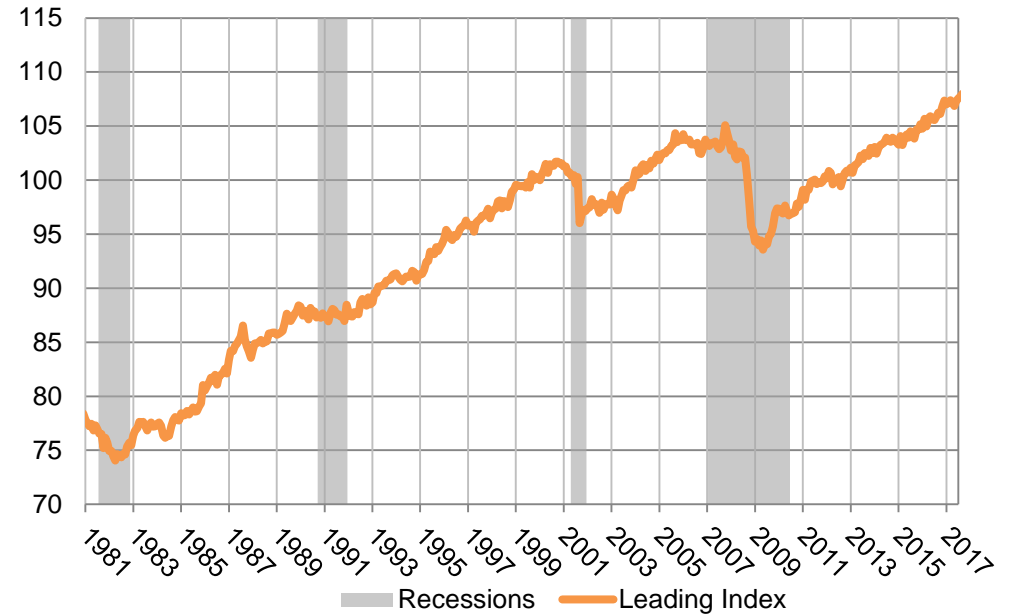
Series	Date	Latest Period	Month-over-Month	Year-over-Year
Taxable Sales	Jun-18	3,686,677,311	1.3%	6.0%
Gross Gaming Revenue	Jun-18	864,677,041	-0.5%	3.7%
Nonfarm Employment	Jun-18	1,004,723	0.3%	3.0%
Overall Index Change	Jun-18	266.9	0.3%	3.1%



Southern Nevada Leading Index

The CBER Southern Nevada leading index flat month-over-month, but rose year-over-year.

Date	Index	Month-over-Month	Year-over-Year
Jun-17	107.3	0.5%	1.6%
Jul-17	107.5	0.2%	1.9%
Aug-17	107.8	0.2%	1.8%
Sep-17	108.0	0.2%	1.6%
Oct-17	107.7	-0.2%	1.5%
Nov-17	108.3	0.5%	1.4%
Dec-17	108.3	0.0%	0.9%
Jan-18	108.8	0.4%	1.7%
Feb-18	108.4	-0.4%	1.2%
Mar-18	108.6	0.2%	1.1%
Apr-18	108.2	-0.3%	1.0%
May-18	108.5	0.3%	1.6%
Jun-18	108.6	0.0%	1.1%



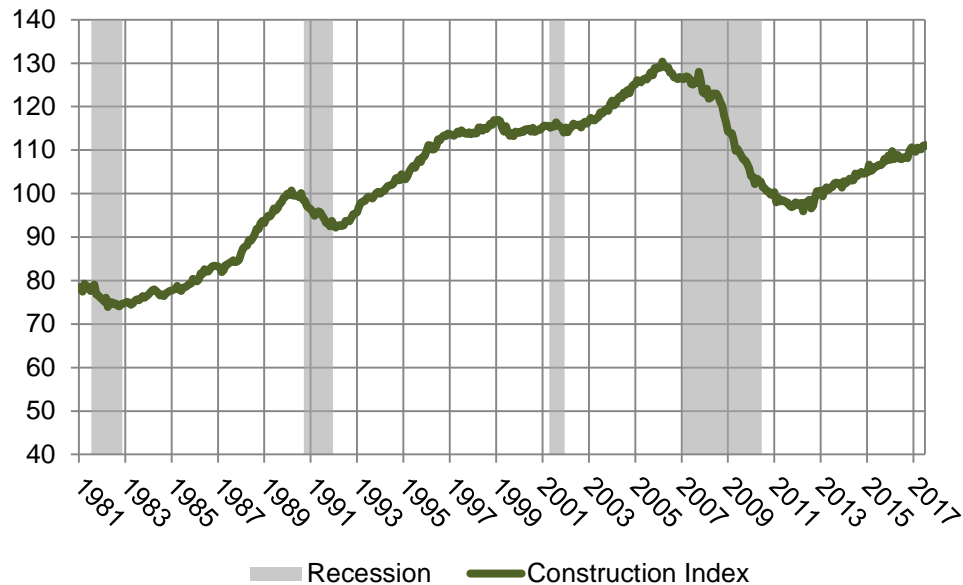
The Southern Nevada leading index did not change from May 2018. On the positive side, Initial claims for unemployment (inverted), the ten-year real Treasury yield (inverted), housing permits, and the S&P 500 increased, rising by 3.5, 0.2, 8.3, and 1.5 percent, respectively, from the previous month. Both commercial permits and McCarran Airport passengers, however, fell by 34.5 and 0.1 percent, respectively, month-over-month.

On a year-over-year basis, the Southern Nevada leading index climbed by 1.1 percent from June 2017. Initial claims for unemployment (inverted), the ten-year real Treasury yield (inverted), housing permits, McCarran Airport passengers, and the S&P 500 rose by 6.8, 0.4, 19.7, 2.6, and 13.2 percent, respectively, year-over-year. Commercial permits, however, dropped 42.8 percent from June 2017.



Southern Nevada Construction Index

The Southern Nevada construction index ticked down month-over-month, but rose year-over-year.



The Southern Nevada construction index dropped by 0.4 percent month-over-month. On the positive side, both construction employment and housing permits increased, rising by 0.4 and 8.3 percent, respectively, from the previous month. Commercial permits, however, decreased, falling by 34.5 percent from the previous month.

On a year-over-year basis, the construction index rose by 1.3 percent. The strong growth of construction employment and housing permits lead the increase, rising by 9.1 and 19.7 percent, respectively, from June 2017. Commercial permits, however, dropped by 42.8 percent, year-over-year.

Series	Date	Latest Period	Month-over-Month	Year-over-Year
Construction Employment (SA)	Jun-18	64,803	0.4%	9.1%
Housing Permits (SA)	Jun-18	1,243	8.3%	19.7%
Commercial Permits (SA)	Jun-18	23	-34.5%	-42.8%
Overall Index Change	Jun-18	112.5	-0.4%	1.3%

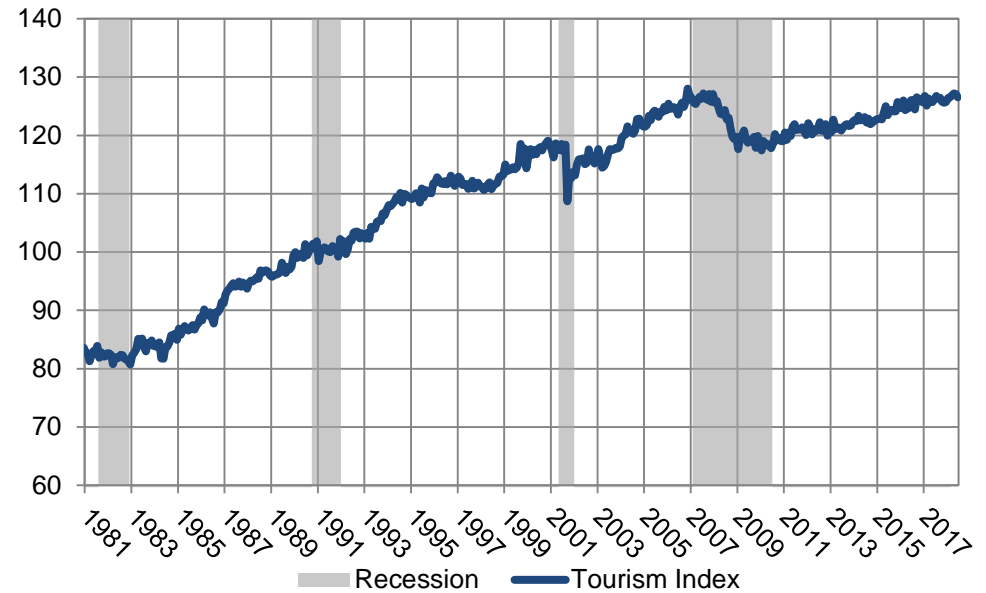


Southern Nevada Tourism Index

The CBER Southern Nevada tourism index ticked down month-over-month but ticked up year-over-year.

The Southern Nevada tourism index decreased, falling by 0.4 percent from May 2018. McCarran Airport passengers, gross gaming revenue, and Las Vegas hotel and motel occupancy rate dropped 0.1, 0.5, and 1.7 percent, respectively, from the previous month.

On a year-over-year basis, the Southern Nevada tourism index increased slightly by 0.3 percent. Both McCarran Airport passengers and gross gaming revenue increased by 2.6 and 3.7 percent, respectively, year-over-year. Las Vegas hotel and motel occupancy rate, however, decreased, falling by 2.0 percent from June 2017.



Series	Date	Latest Period	Month-over-Month	Year-over-Year
McCarran Passengers (SA)	Jun-18	4,135,421	-0.1%	2.6%
Gross Gaming Revenue (SA)	Jun-18	864,677,041	-0.5%	3.7%
LV Hotel/Motel Occupancy Rate (SA)	Jun-18	0.873	-1.7%	-2.0%
Overall Index Change	Jun-18	126.5	-0.4%	0.3%



Sources

Nevada Indexes:

- Nevada Department of Taxation
- Nevada Gaming Control Board
- Nevada Department of Employment, Training and Rehabilitation
- U.S. Bureau of Labor Statistics
- Various Permitting Agencies
- Yahoo Finance
- Board of Governors of the Federal Reserve System
- Reno-Tahoe International Airport
- McCarran International Airport
- CBER, UNLV

Southern Nevada Indexes:

- Nevada Department of Taxation
- Nevada Gaming Control Board
- Nevada Department of Employment, Training and Rehabilitation
- U.S. Bureau of Labor Statistics
- Various Permitting Agencies
- Yahoo Finance
- Board of Governors of the Federal Reserve System
- McCarran International Airport
- Las Vegas Convention and Visitors Authority
- CBER, UNLV

The views expressed are those of the authors and do not necessarily express those of the University of Nevada, Las Vegas or the Nevada System of Higher Education.