October 8, 2015

CBER’s Business Activity Index Nears Its Previous Peak

Jinju Lee

CBER’s Business Activity Index showed strong month-over-month and year-over-year growth, as all three components—seasonally adjusted gaming revenues, taxable sales, and nonfarm employment—experienced gains. Despite the recent Chinese economic slowdown, seasonally adjusted gaming revenue increased by 1.88 percent from June to July. Clark County taxable sales increased year-over-year and rose strongly by 5.31 percent month-over-month. Nonfarm employment also continued to gain, rising by 0.32 percent compared to last month. Overall, CBER’s Business Activity Index has recovered 99 percent of its loss from its previous peak (February 2007) before the Great Recession.

Changes in the remaining CBER’s Southern Nevada indexes were as follows:

- CBER’s Southern Nevada Coincident Index rose in July 2015 relative to last month and last year.
- CBER’s Clark County Leading Index increased in July 2015 relative to last month and last year.
- CBER’s Southern Nevada Tourism Index gained in July 2015 relative to last month and last year.
- CBER’s Clark County Construction Index climbed in July 2015 relative to last month and last year.

Please find more detailed information on the pages that follow.
CBER Southern Nevada Economic Indicators

Leading Index

<table>
<thead>
<tr>
<th>Series</th>
<th>Date</th>
<th>Latest Period</th>
<th>Change Previous Period</th>
<th>Change Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona Index</td>
<td>Jul-15</td>
<td>902.61</td>
<td>0.09%</td>
<td>2.93%</td>
</tr>
<tr>
<td>California Index</td>
<td>Jul-15</td>
<td>716.92</td>
<td>0.36%</td>
<td>4.34%</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
<td>Jul-15</td>
<td>2,092.16</td>
<td>-0.63%</td>
<td>5.91%</td>
</tr>
<tr>
<td>McCarran Total Passengers</td>
<td>Jul-15</td>
<td>3,849,485</td>
<td>2.37%</td>
<td>8.90%</td>
</tr>
<tr>
<td>Overall Index Change</td>
<td></td>
<td>842.81</td>
<td>0.17%</td>
<td>3.39%</td>
</tr>
</tbody>
</table>

Sources: Philadelphia Federal Reserve, McCarran International Airport, St. Louis Federal Reserve (FRED)

Coincident Index

<table>
<thead>
<tr>
<th>Series</th>
<th>Date</th>
<th>Latest Period</th>
<th>Change Previous Period</th>
<th>Change Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Las Vegas MSA Nonfarm Employment</td>
<td>Jul-15</td>
<td>911,181</td>
<td>0.32%</td>
<td>3.30%</td>
</tr>
<tr>
<td>Las Vegas MSA Household Employment</td>
<td>Jul-15</td>
<td>981,176</td>
<td>0.51%</td>
<td>4.32%</td>
</tr>
<tr>
<td>Overall Index Change</td>
<td></td>
<td>405.37</td>
<td>0.41%</td>
<td>3.79%</td>
</tr>
</tbody>
</table>

Sources: Current Employment Statistics, Local Area Unemployment Statistics

Three components of CBER’s Southern Nevada Leading Index—Arizona Index, California Index, and McCarran total passengers—increased in July 2015 relative to last month and last year, while the S&P 500 Index fell by 0.63 percent for the month but is up 5.91 percent year-over-year. For CBER’s Southern Nevada Coincident Index, both Las Vegas MSA nonfarm employment and Las Vegas MSA household employment rose in July 2015 relative to last month and last year.
CBER’s Clark County Business Activity Index increased by 1.23 percent in July 2015 on a month-over-month basis and rose by 4.01 percent on a year-over-year basis. As seen in the coincident index, Las Vegas nonfarm employment rose by 0.32 percent from the previous month. Seasonally adjusted Clark County taxable sales rose strongly by 5.31 percent, and seasonally adjusted gaming revenue also gained, up by 1.88 percent.
As measured by CBER’s Clark County Tourism Index, the activity in the tourism sector increased by 1.98 percent in July 2015 on a month-over-month basis and rose by 3.99 percent on a year-over-year basis. All three components of the tourism index experienced gains. Seasonally adjusted gaming revenue and the Las Vegas hotel/motel occupancy rates were up by 1.73 percent and 1.88 percent, respectively, from the prior month. The number of total passengers going through McCarran Airport increased by 2.37 percent for the month.
CBER’s Clark County Construction Index rose by 1.62 percent in July 2015 on a month-over-month basis and by 15.26 percent on a year-over-year basis. Residential building permits increased substantially by 37.48 percent in July 2015. Commercial permits decreased by 17.90 percent for the month but still remain low and experience significant volatility. Las Vegas construction employment rose by 0.70 percent.

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