

February 10, 2014

## **CBER's Coincident Index Rebounds**

Ryan T. Kennelly

CBER's Southern Nevada Coincident Index rose in November 2014, rebounding from the negative 0.10 percent growth experienced last month. The index benefitted from gains in both of its components. Las Vegas nonfarm employment increased by 0.26 percent for the month and is up year-over-year by 2.50 percent. Las Vegas household employment experienced slightly smaller monthly gains, rising by 0.16 percent, and it is up 2.21 percent from its level last year.

Changes in the rest of CBER's indexes for Southern Nevada were as follows:

- CBER's Southern Nevada Leading Index increased for the month, and it is faring better than in November 2013.
- CBER's Clark County Business Activity Index rose in November and is above its level from last year.
- CBER's Clark County Tourism Index experienced gains for the month, and it is up from last year.
- CBER's Clark County Construction Index increased for the month and is up year-over-year.

More detailed information is found on the pages that follow.

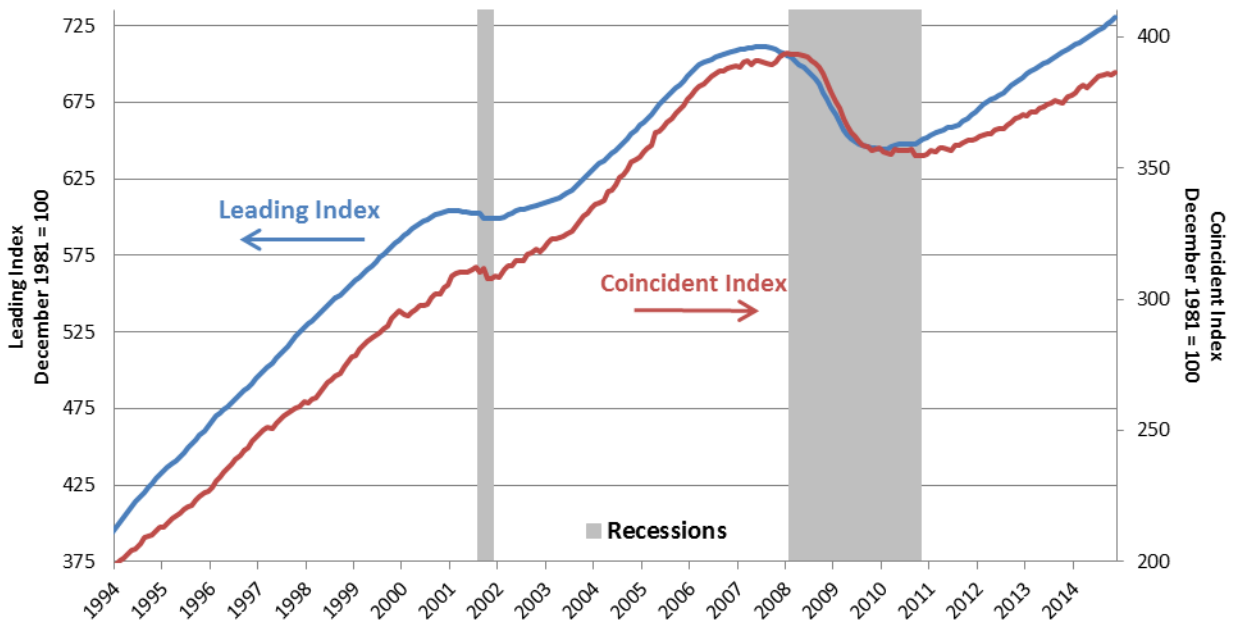
### *CBER's Coincident and Leading Indexes of Southern Nevada Economic Activity*

*CBER's Southern Nevada Coincident Index represents the current state of the Southern Nevada economy using two series that measure Las Vegas Metropolitan Statistical Area employment. CBER's Southern Nevada Leading Index uses local, regional, and national variables to predict movement in the coincident index four to six months in advance.*

*For the Great Recession, the coincident index peaked in January 2008 and reached its lowest point in September 2010. The leading index peaked in July 2007—six months before the coincident index and reached its bottom in February 2010—seven months before the coincident index started recovery.*

*A full description of the methodology used to construct the indexes can be found at:  
<http://cber.unlv.edu/reports/SoNVEconomicIndexes.pdf>.*

## CBER Southern Nevada Economic Indicators



### Leading Index

Series	Date	Latest Period	Change Previous Period	Change Year Ago
Arizona Index	Nov-14	779.65	0.24%	2.51%
California Index	Nov-14	620.92	0.35%	3.55%
S&P 500 Index	Nov-14	2,065.18	4.55%	14.59%
McCarran Total Passengers	Nov-14	3,575,001	-0.93%	2.37%
Overall Index Change		730.40	0.32%	2.94%

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

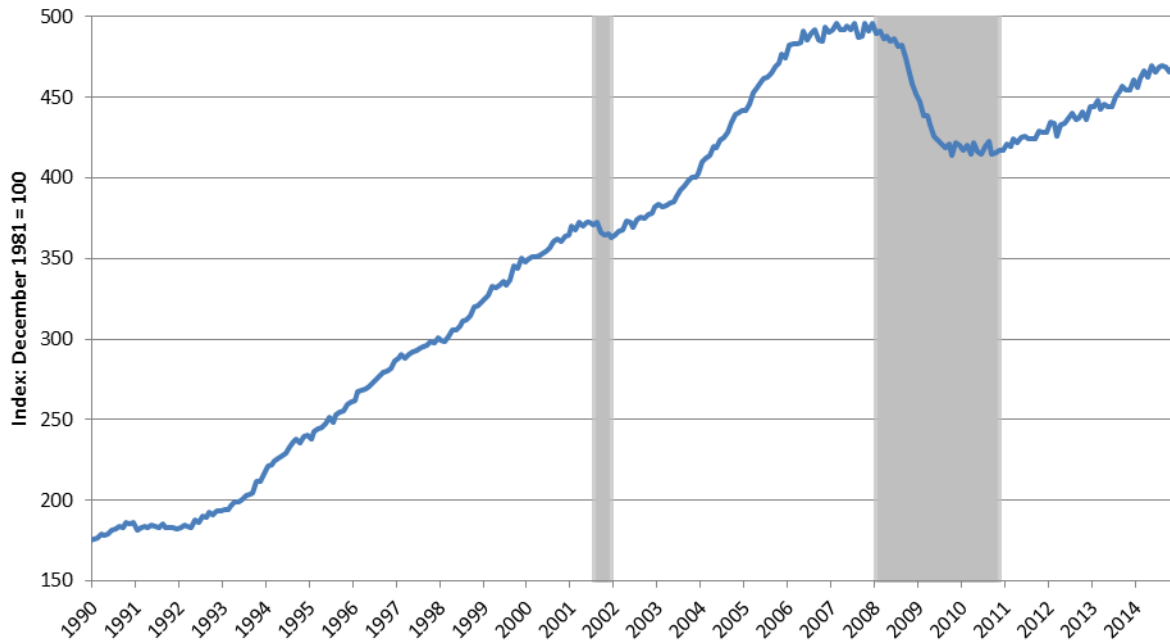
### Coincident Index

Series	Date	Latest Period	Change Previous Period	Change Year Ago
Las Vegas MSA Nonfarm Employment	Nov-14	880,027	0.26%	2.50%
Las Vegas MSA Household Employment	Nov-14	921,383	0.16%	2.21%
Overall Index Change		386.29	0.21%	2.36%

Sources: Current Employment Statistics, Local Area Unemployment Statistics

Three components of CBER's Southern Nevada Leading Index—the Philadelphia Fed's Leading Indexes for Arizona and California and the S&P 500 Index—increased for November 2014. The number of total passengers passing through McCarran Airport fell slightly for the month. All four are up year-over-year. For CBER's Southern Nevada Coincident Index, both Las Vegas MSA nonfarm employment and Las Vegas MSA household employment increased for the month and are up from their level last year.

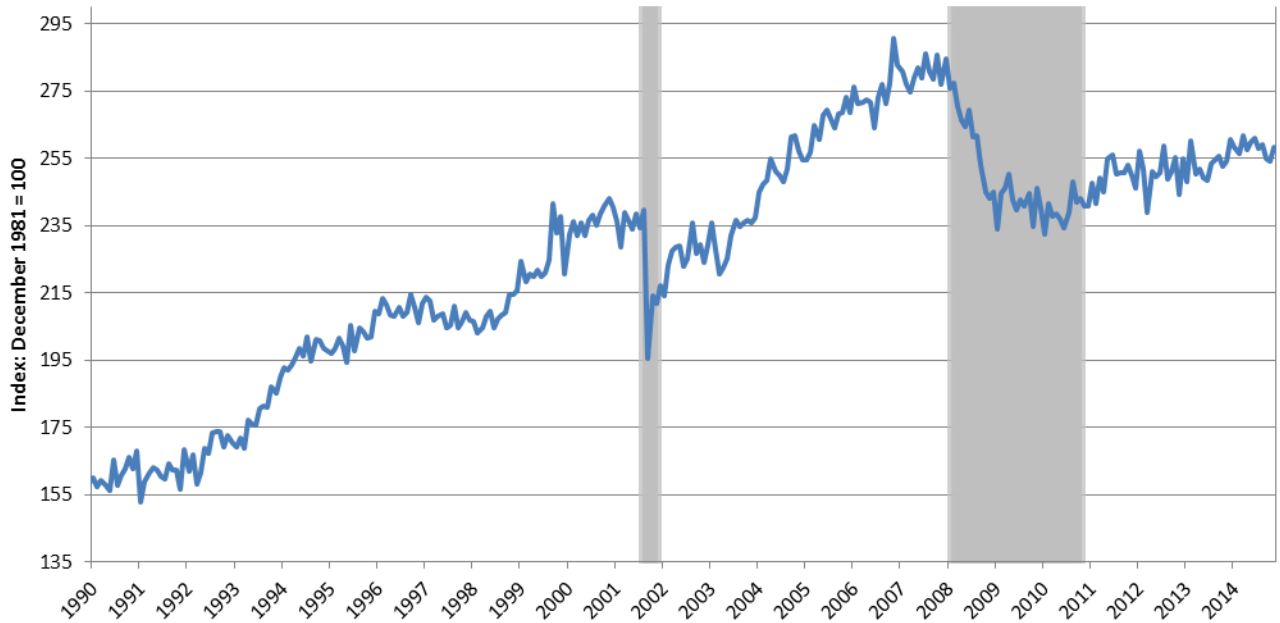
### CBER Clark County Business Activity Index



Date	Index	Change Previous Period	Change Year Ago
Nov-13	454.10	-0.15%	4.03%
Dec-13	460.52	1.41%	3.64%
Jan-14	456.05	-0.97%	2.63%
Feb-14	461.46	1.19%	3.02%
Mar-14	466.20	1.03%	5.34%
Apr-14	462.37	-0.82%	3.76%
May-14	469.26	1.49%	5.60%
Jun-14	465.96	-0.70%	4.91%
Jul-14	468.94	0.64%	4.08%
Aug-14	469.82	0.19%	3.54%
Sep-14	469.06	-0.16%	2.70%
Oct-14	465.33	-0.80%	2.31%
Nov-14	468.83	0.75%	3.24%

CBER's Clark County Business Activity Index increased slightly in November 2014. As seen in the coincident index, Las Vegas nonfarm employment rose by 0.26 percent. Seasonally adjusted gaming revenues and Clark County taxable sales also increased for the month, up by 4.83 percent and 1.13 percent, respectively.

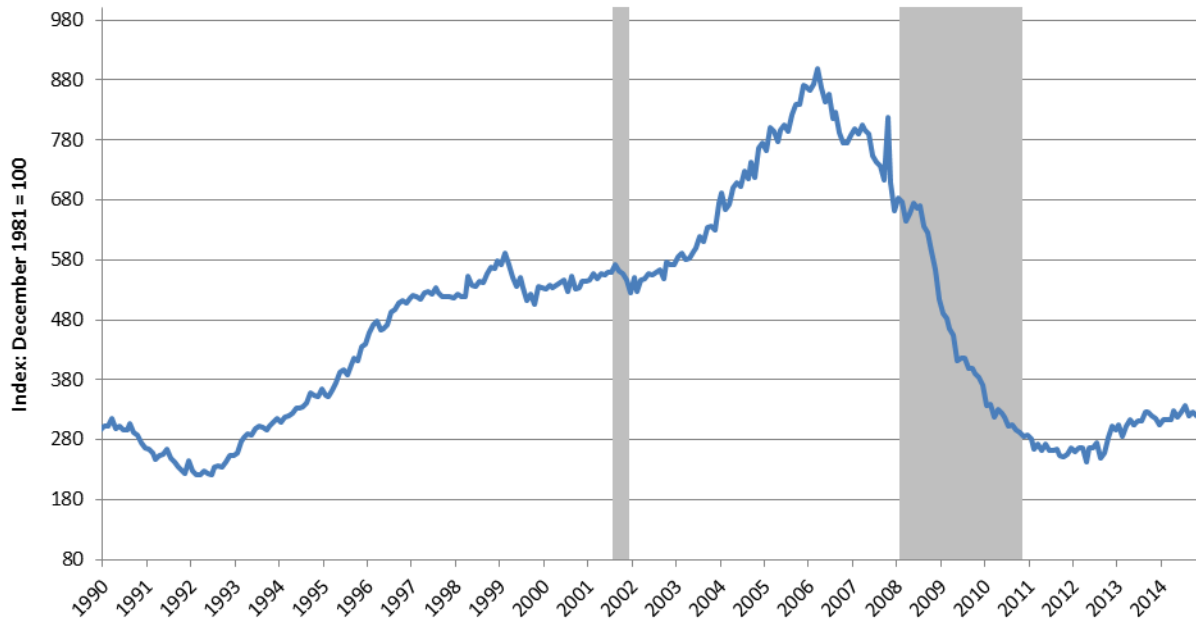
### CBER Clark County Tourism Index



Date	Index	Change Previous Period	Change Year Ago
Nov-13	254.30	0.61%	4.12%
Dec-13	260.58	2.47%	2.27%
Jan-14	258.16	-0.93%	4.14%
Feb-14	256.48	-0.65%	-1.41%
Mar-14	261.68	2.03%	4.56%
Apr-14	257.40	-1.63%	2.23%
May-14	259.88	0.96%	4.37%
Jun-14	261.01	0.44%	5.12%
Jul-14	257.82	-1.22%	1.83%
Aug-14	259.01	0.46%	1.83%
Sep-14	254.99	-1.55%	-0.32%
Oct-14	254.00	-0.39%	0.49%
Nov-14	258.23	1.67%	1.55%

As measured by CBER's Clark County Tourism Index, activity in the tourism sector increased for November 2014, despite total passengers enplaned/deplaned at McCarran Airport falling by 0.93 percent. Seasonally adjusted gaming revenues rose by 4.83 percent. The Las Vegas hotel/motel occupancy rate increased by 0.93 percent for the month.

## CBER Clark County Construction Index



Date	Index	Change Previous Period	Change Year Ago
Nov-13	315.46	-1.20%	4.45%
Dec-13	304.23	-3.56%	3.01%
Jan-14	313.50	3.05%	3.08%
Feb-14	312.90	-0.19%	9.91%
Mar-14	313.32	0.13%	3.56%
Apr-14	327.47	4.52%	4.66%
May-14	318.19	-2.84%	4.60%
Jun-14	325.24	2.22%	4.66%
Jul-14	337.69	3.83%	8.87%
Aug-14	318.96	-5.55%	-1.90%
Sep-14	325.72	2.12%	0.19%
Oct-14	318.90	-2.09%	-0.12%
Nov-14	330.19	3.54%	4.67%

CBER's Clark County Construction Index rose in November 2014, the result of an increase in issued building permits. Residential permits increased by 3.31 percent. Commercial permits experienced robust growth for the month but remain at a low and volatile level. Las Vegas construction employment fell by 3.46 percent.

Ryan T. Kennelly

*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.*