



January 10, 2013

CBER's Economic Indicators Show Growth in Southern Nevada

Ryan T. Kennelly

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.

With the most recent data, CBER's Southern Nevada Coincident Index had its largest increase since May 2012. Year-over-year the index is up by 1.19 percent. CBER's Southern Nevada Leading Index also increased for October 2012, benefiting from gains in our neighboring states. Year-over-year, the leading index is up by 3.11 percent. This implies that we should see overall growth in the Coincident Index for first quarter of 2013.

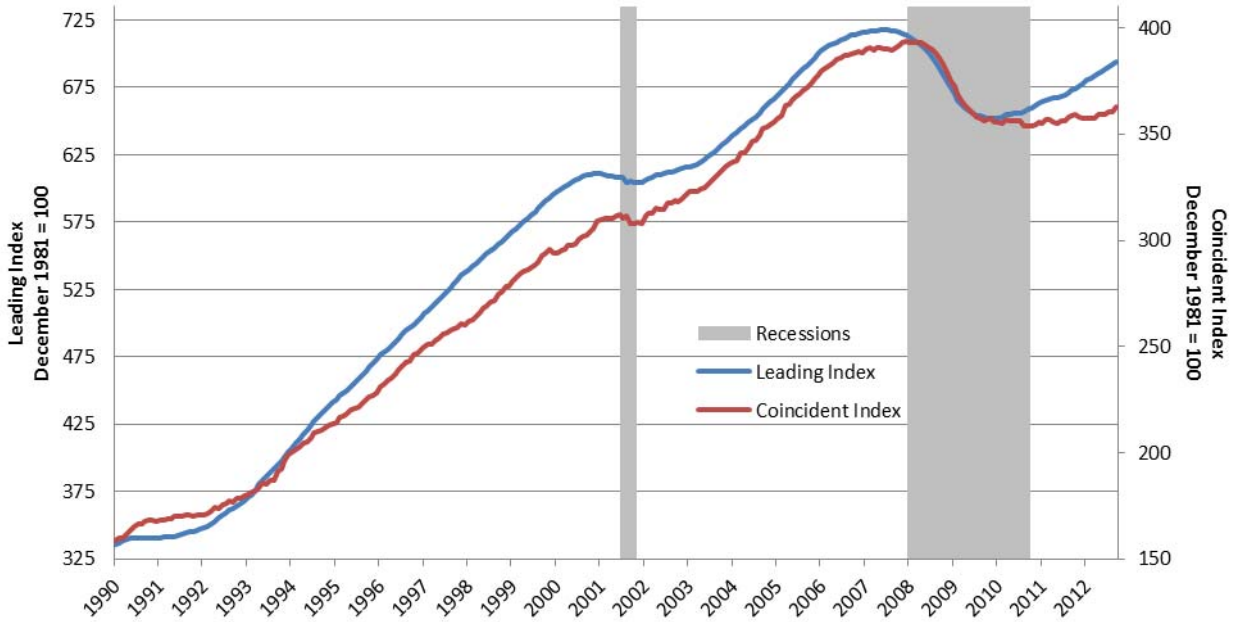
Changes in CBER's three other indexes for Southern Nevada were as follows:

- CBER's Clark County Business Activity Index increased after two months of decline and is faring better than in October 2011.
- CBER's Clark County Tourism Index increased and is up year-over-year.
- CBER's Clark County Construction Index experienced its largest increase in over a year, but the gains weren't enough to push it above the level from October last year.

More detailed information is found on the pages that follow.

A full description of the methodology used to construct the coincident and leading 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	Oct-12	746.19	0.20%	2.68%
California Index	Oct-12	585.27	0.29%	3.91%
S&P 500 Index	Oct-12	1,470.58	-0.10%	19.28%
McCarran Total Passengers	Oct-12	3,456,081	-0.49%	-1.84%
Overall Index Change		693.67	0.21%	3.11%

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

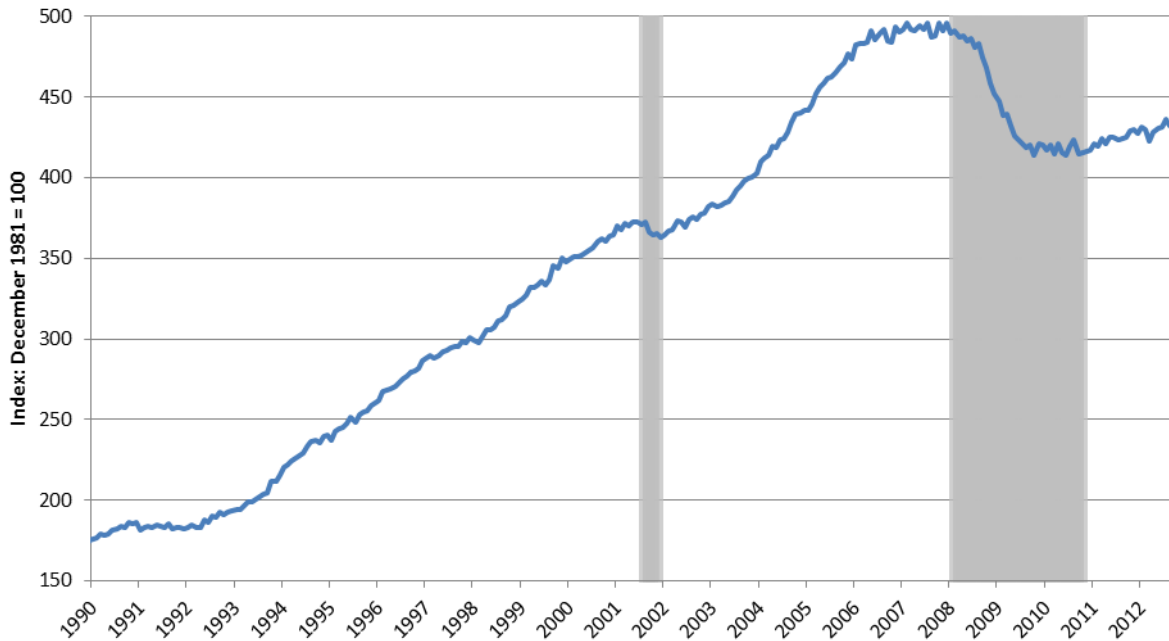
Coincident Index

Series	Date	Latest Period	Change Previous Period	Change Year Ago
Las Vegas MSA Nonfarm Employment	Oct-12	817,727	0.24%	0.66%
Las Vegas MSA Household Employment	Oct-12	874,276	0.91%	1.75%
Overall Index Change		362.60	0.56%	1.19%

Sources: Current Employment Statistics, Local Area Unemployment Statistics

Two components of CBER's Southern Nevada Leading Index—the Philadelphia Fed's Leading Indexes for Arizona and California—increased for October 2012. In addition, these components are up year-over-year. The number of total passengers passing through McCarran Airport declined for the month and is below its value for October 2011. The S&P 500 Index also fell slightly but has strong year-over-year gains. Both employment series increased in October, and the coincident index remains up over a year earlier.

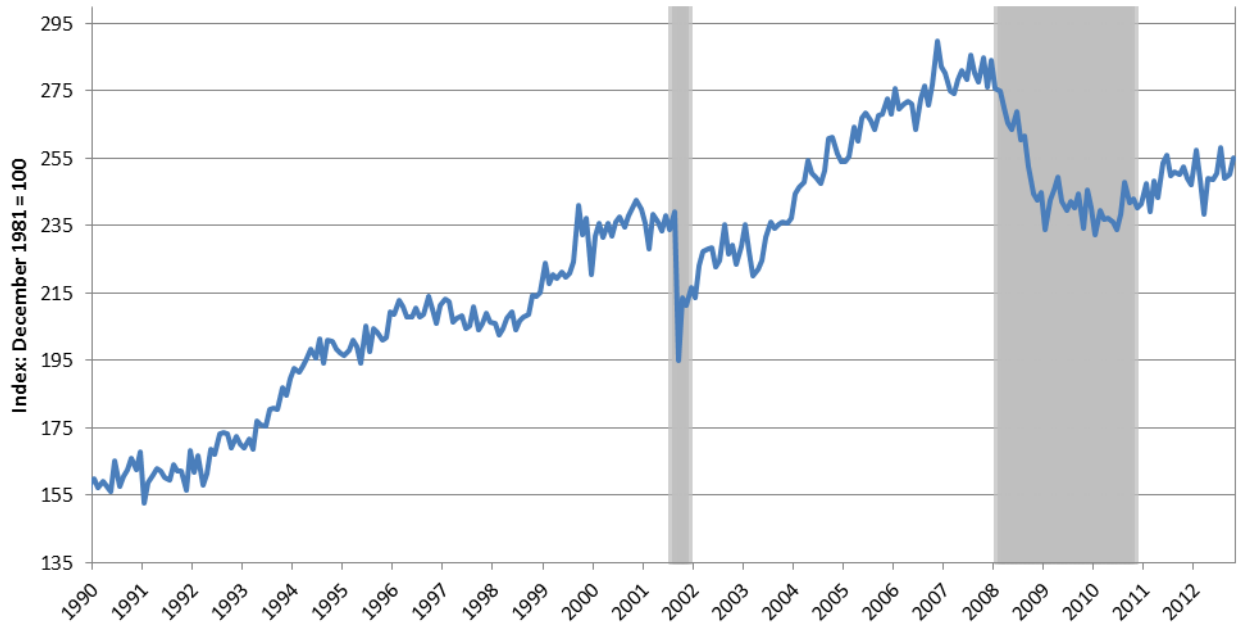
CBER Clark County Business Activity Index



Date	Index	Change Previous Period	Change Year Ago
Oct-11	429.13	0.94%	3.33%
Nov-11	429.89	0.18%	3.18%
Dec-11	427.81	-0.48%	2.54%
Jan-12	431.83	0.94%	2.64%
Feb-12	429.56	-0.53%	2.38%
Mar-12	423.07	-1.51%	-0.33%
Apr-12	428.04	1.17%	1.63%
May-12	430.85	0.66%	1.37%
Jun-12	431.56	0.16%	1.47%
Jul-12	436.39	1.12%	3.09%
Aug-12	432.05	-0.99%	1.73%
Sep-12	431.93	-0.03%	1.60%
Oct-12	435.57	0.84%	1.50%

CBER's Clark County Business Activity Index increased in October 2012 after two consecutive months of decline. For the month, Clark County taxable sales increased by 0.65 percent. As seen in CBER's Southern Nevada Coincident Index, Las Vegas nonfarm employment grew by 0.24 percent in October. Seasonally adjusted gaming revenue experienced large gains, increasing by 7.29 percent.

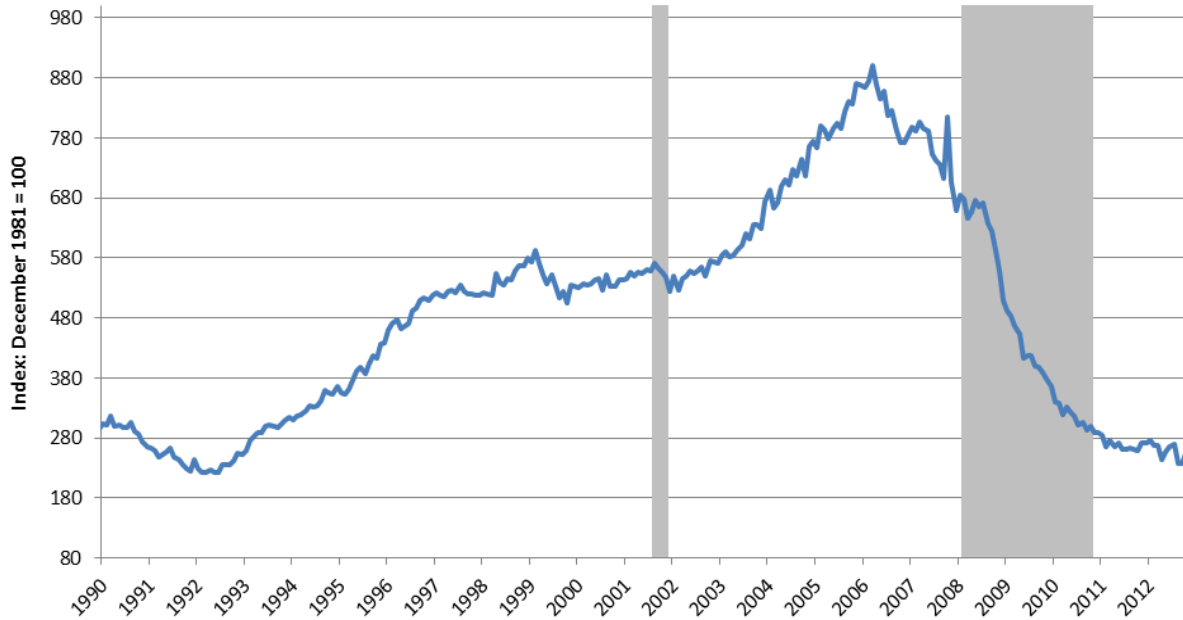
CBER Clark County Tourism Index



Date	Index	Change Previous Period	Change Year Ago
Oct-11	252.50	0.93%	4.00%
Nov-11	248.97	-1.40%	3.62%
Dec-11	246.99	-0.79%	2.35%
Jan-12	257.31	4.18%	3.96%
Feb-12	248.62	-3.38%	4.05%
Mar-12	238.30	-4.15%	-4.04%
Apr-12	248.82	4.41%	2.22%
May-12	248.47	-0.14%	-2.06%
Jun-12	250.62	0.87%	-1.99%
Jul-12	258.31	3.07%	3.36%
Aug-12	249.06	-3.58%	-0.66%
Sep-12	250.34	0.51%	0.06%
Oct-12	254.94	1.84%	0.96%

As measured by CBER's Clark County Tourism Index, activity in the tourism sector increased for October 2012. Seasonally adjusted gaming revenues increased by 7.29 percent for the month. Passengers enplaned and deplaned at McCarran Airport decreased, down 0.49 percent from September. Hotel/motel room occupancy increased by 1.18 percent.

CBER Clark County Construction Index



Date	Index	Change Previous Period	Change Year Ago
Oct-11	258.41	-0.82%	-13.55%
Nov-11	271.28	4.98%	-5.88%
Dec-11	270.82	-0.17%	-6.30%
Jan-12	276.74	2.19%	-2.68%
Feb-12	267.90	-3.20%	1.36%
Mar-12	267.47	-0.16%	-3.01%
Apr-12	244.19	-8.71%	-7.77%
May-12	256.56	5.07%	-5.25%
Jun-12	265.75	3.59%	1.65%
Jul-12	268.56	1.05%	3.22%
Aug-12	236.84	-11.81%	-10.35%
Sep-12	236.66	-0.07%	-9.16%
Oct-12	254.49	7.53%	-1.52%

CBER's Clark County Construction Index had its largest increase in over a year during October, but it was not enough to offset decreases in August and September, as the index remains slightly down year-over-year. Clark County residential building permits experienced growth, increasing by 2.63 percent from September to October. Las Vegas construction employment declined by 2.82 percent over the same period. Commercial building permits made modest gains for the month but remain at a low and volatile level.

Ryan T. Kennelly