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CBER's Tourism Index Decrease May Link to Chinese Economic Slowdown

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CBER's Tourism Index experienced a loss through June 2015. Although the tourism index increased 0.08 percent year-over-year, it fell by 2.29 percent month-over-month due to substantial losses in Las Vegas gaming revenues (especially baccarat). Since the Chinese economy has slowed down, decreases in the seasonally adjusted gaming revenues may continue as Las Vegas baccarat revenues hinge on Chinese tourists.

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

- CBER's Southern Nevada Coincident Index rose in June 2015 relative to last month and last year.
- CBER's Clark County Leading Index increased in June 2015 relative to last month and last year.
- CBER's Southern Nevada Business Index experienced losses in June 2015 relative to last month, but it was up from last year.
- CBER's Clark County Construction Index increased in June 2015 relative to last month and last year.

Please find more detailed information 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 (MSA) 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.

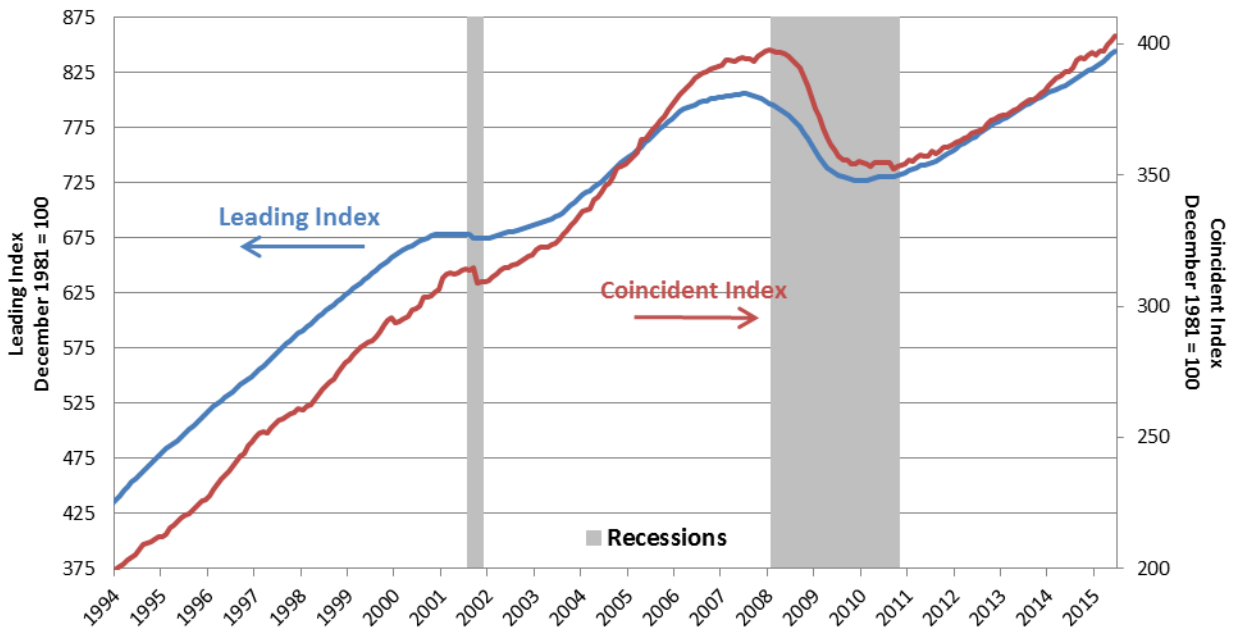
For the Great Recession, the coincident index peaked in January 2008 and reached its lowest point in September 2010. The leading index peaked in July 2007—six months before the coincident index and reached its bottom in February 2010—seven months before the coincident index started recovery.

A full description of the methodology used to construct the indexes can be found at:

<http://cber.unlv.edu/reports/SoNVEconomicIndexes.pdf>

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.

CBER Southern Nevada Economic Indicators



Leading Index

Series	Date	Latest Period	Change Previous Period	Change Year Ago
Arizona Index	Jun-15	905.19	0.24%	3.11%
California Index	Jun-15	716.55	0.37%	4.32%
S&P 500 Index	Jun-15	2,107.39	0.66%	7.64%
McCarran Total Passengers	Jun-15	3,750,647	0.46%	5.73%
Overall Index Change		844.29	0.28%	3.51%

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

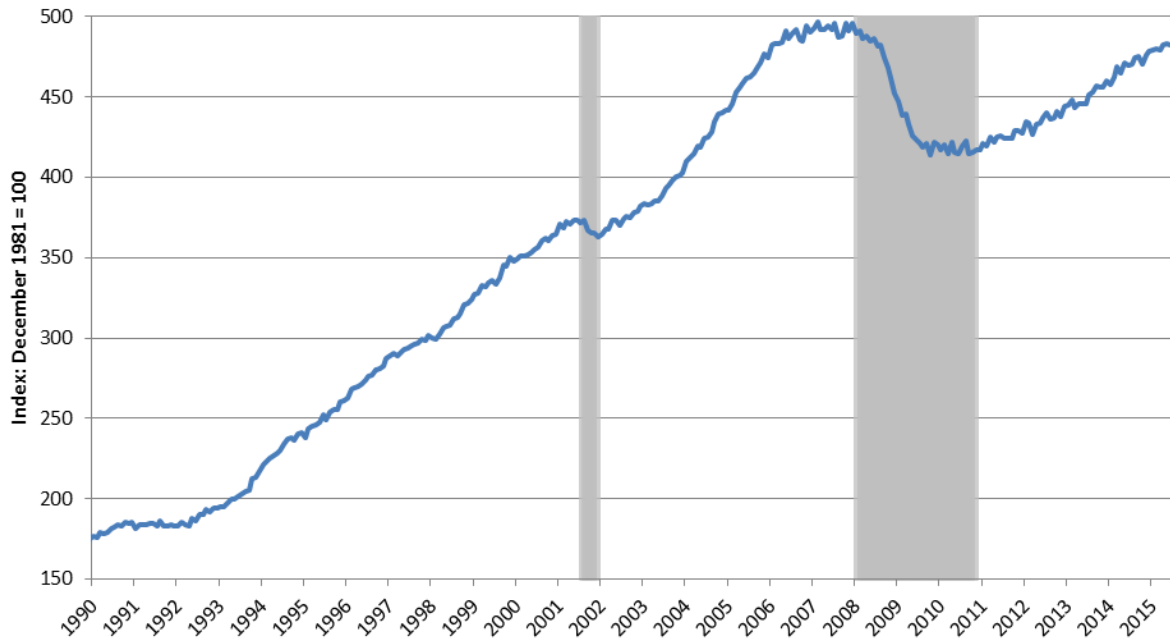
Coincident Index

Series	Date	Latest Period	Change Previous Period	Change Year Ago
Las Vegas MSA Nonfarm Employment	Jun-15	907,955	0.53%	3.21%
Las Vegas MSA Household Employment	Jun-15	973,746	0.56%	3.82%
Overall Index Change		403.14	0.55%	3.51%

Sources: Current Employment Statistics, Local Area Unemployment Statistics

All four components of CBER's Southern Nevada Leading Index increased in June 2015 relative to last month and last year. For CBER's Southern Nevada Coincident Index, both Las Vegas MSA nonfarm employment and Las Vegas MSA household employment rose in June 2015 relative to last month and last year. The coincident index has fully recovered from the Great Recession, and the leading index continues to show growth for 59 straight months.

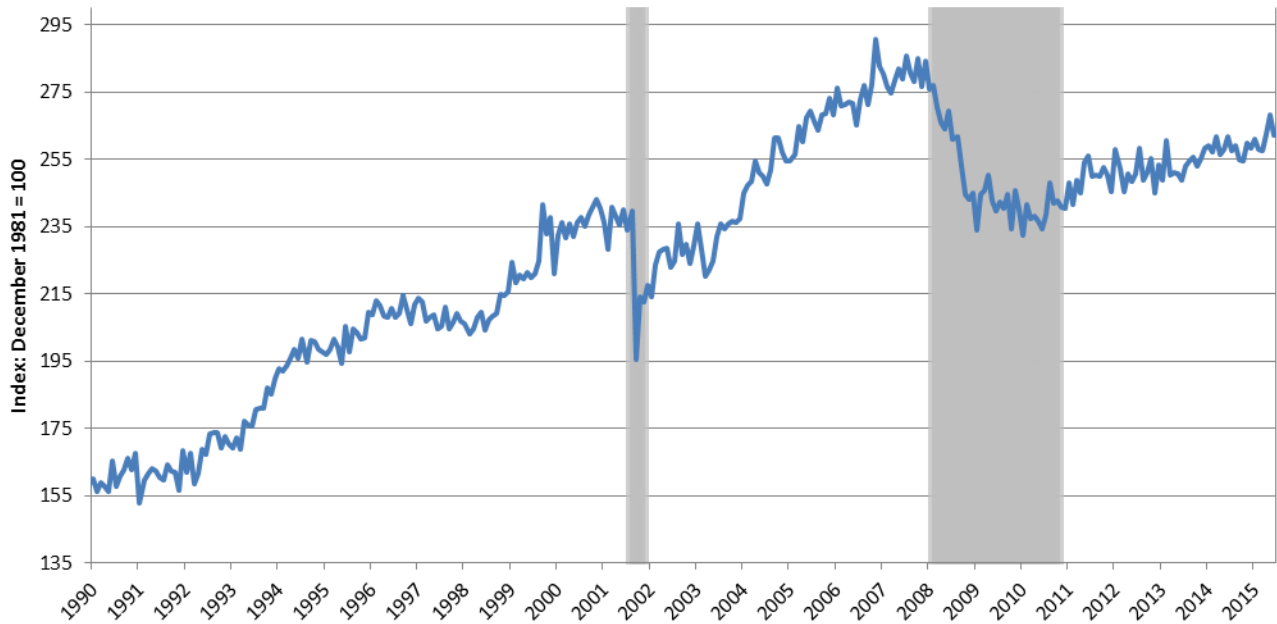
CBER Clark County Business Activity Index



Date	Index	Change Previous Period	Change Year Ago
Jun-14	469.89	-0.27%	5.50%
Jul-14	470.55	0.14%	4.34%
Aug-14	474.68	0.88%	4.77%
Sep-14	475.29	0.13%	3.98%
Oct-14	470.41	-1.03%	3.21%
Nov-14	475.66	1.11%	4.27%
Dec-14	478.16	0.53%	3.88%
Jan-15	478.78	0.13%	4.56%
Feb-15	480.01	0.26%	3.78%
Mar-15	478.77	-0.26%	2.17%
Apr-15	482.43	0.76%	3.79%
May-15	482.72	0.06%	2.45%
Jun-15	482.48	-0.05%	2.68%

CBER's Clark County Business Activity Index decreased by 0.05 percent in June 2015 on a month-over-month basis, but it was up 2.68 percent on a year-over-year basis. As seen in the coincident index, Las Vegas nonfarm employment rose by 0.53 percent. Clark County taxable sales also rose by 0.68 percent. Nonetheless, the CBER business index experienced a loss for the month because seasonally adjusted gaming revenues plummeted (dropped by 6.88 percent). The losses in gaming revenues mainly reflected a significant loss in baccarat revenues.

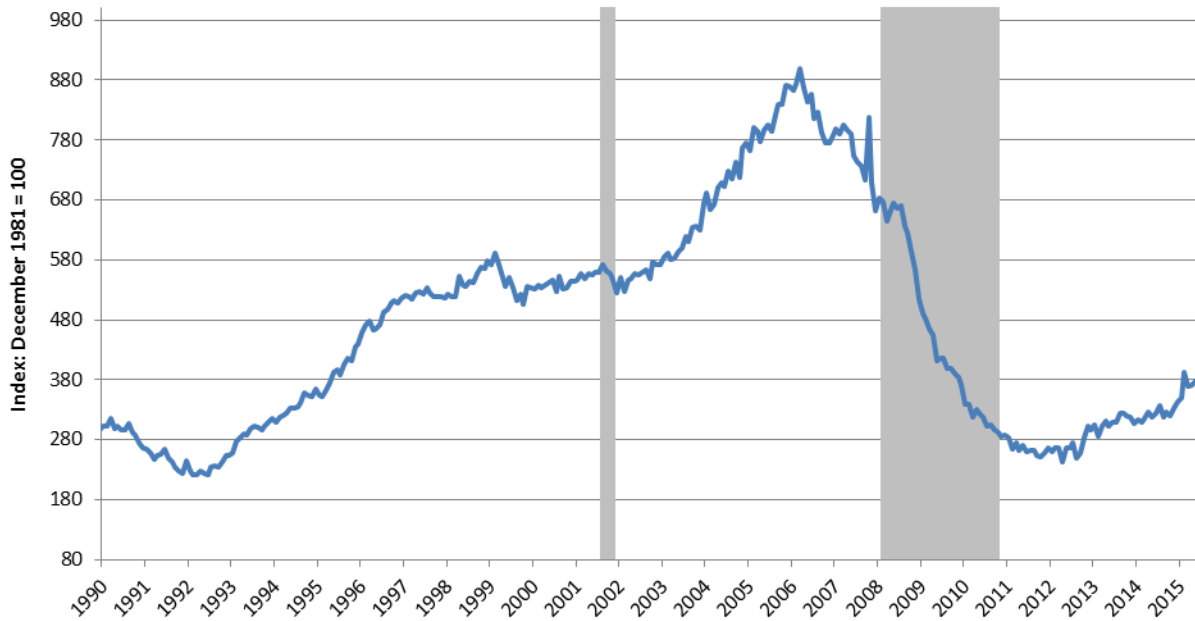
CBER Clark County Tourism Index



Date	Index	Change Previous Period	Change Year Ago
Jun-14	261.77	1.46%	5.29%
Jul-14	257.67	-1.57%	1.84%
Aug-14	259.10	0.56%	1.85%
Sep-14	254.97	-1.59%	-0.28%
Oct-14	254.49	-0.19%	0.54%
Nov-14	259.77	2.07%	1.70%
Dec-14	258.49	-0.49%	0.09%
Jan-15	261.13	1.02%	0.84%
Feb-15	257.98	-1.21%	0.33%
Mar-15	257.59	-0.15%	-1.63%
Apr-15	262.37	1.86%	2.26%
May-15	268.11	2.18%	3.92%
Jun-15	261.98	-2.29%	0.08%

As measured by CBER's Clark County Tourism Index, the activity in the tourism sector decreased by 2.29 percent in July 2015 on a month-over-month basis but rose by 0.08 percent on a year-over-year basis. The loss was mainly due to decreases in seasonally adjusted gaming revenue, which dropped by 6.88 percent in June 2015. Moreover, the Las Vegas hotel/motel occupancy rate also fell by 2.21 percent during the same period. The number of total passengers passing through McCarran Airport was the only component that rose, increasing by 0.46 percent for the month.

CBER Clark County Construction Index



Date	Index	Change Previous Period	Change Year Ago
Jun-14	323.43	1.59%	4.59%
Jul-14	337.16	4.25%	8.97%
Aug-14	316.95	-6.00%	-2.12%
Sep-14	325.29	2.63%	0.23%
Oct-14	320.16	-1.58%	-0.15%
Nov-14	332.89	3.97%	4.81%
Dec-14	342.28	2.82%	11.66%
Jan-15	350.26	2.33%	11.51%
Feb-15	392.72	12.12%	26.77%
Mar-15	368.24	-6.24%	16.83%
Apr-15	371.59	0.91%	14.31%
May-15	376.56	1.34%	18.28%
Jun-15	376.86	0.08%	16.52%

CBER's Clark County Construction Index rose by 0.08 percent in June 2015 on a month-over-month basis and 16.52 percent on a year-over-year basis. Despite residential building permits falling by 29.13 percent in June 2015, Las Vegas construction employment and commercial permits experienced gains for the month, increasing by 2.14 and 12.08 percent, respectively. Commercial permits, however, still remain low and experience significant volatility. Even though CBER's Construction Index has shown strong year-over-year growth since December 2014, we do not expect the construction index to return to its inflated bubble levels before the crash in construction activity. The CBER construction index has only recovered 42 percent from its peak before the subprime mortgage crisis.