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## **Leading Index Signals Strengthening Southern Nevada Economy**

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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.

CBER's Southern Nevada Coincident Index remained flat for December 2013. Year-over-year, the index is up by 1.93 percent. CBER's Southern Nevada Leading Index increased for the month, benefiting from gains in all four of its components. Year-over-year, the leading index is up by 2.84 percent.

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

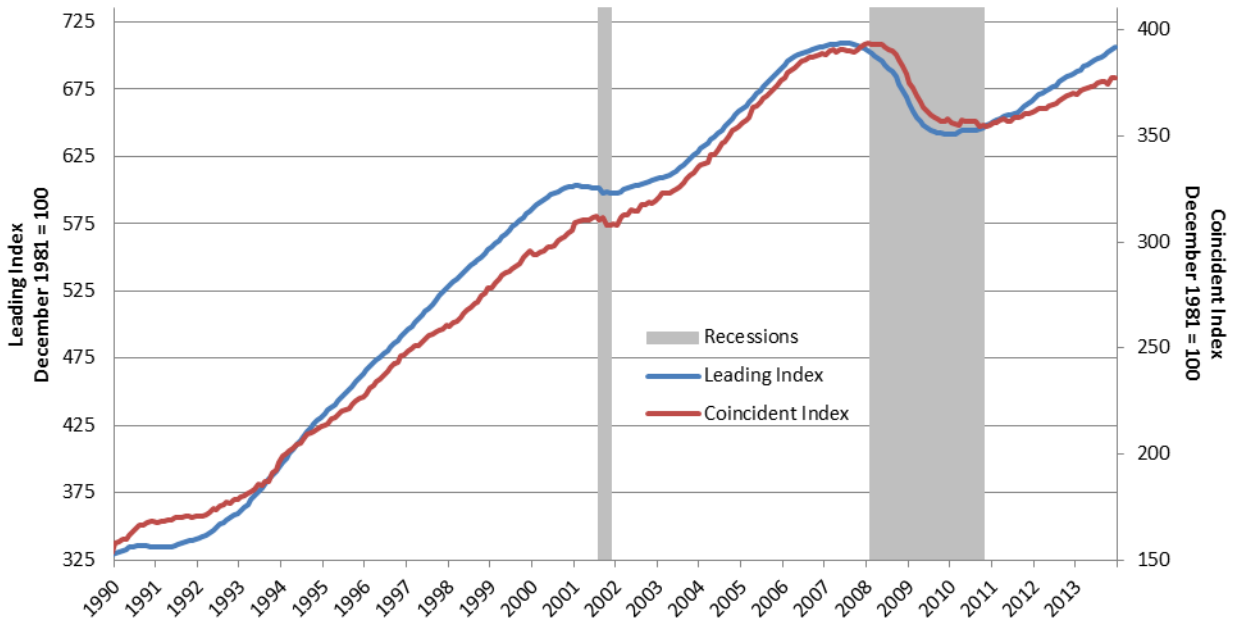
- CBER's Clark County Business Activity Index increased for the month, and it is faring better than in December 2012.
- CBER's Clark County Tourism Index rose in December and is above its level from last year.
- CBER's Clark County Construction Index decreased for the month but remains up year-over-year.

More detailed information is found on the pages that follow.

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             | Dec-13 | 757.30        | 0.25%                  | 2.31%           |
| California Index          | Dec-13 | 594.84        | 0.24%                  | 3.22%           |
| S&P 500 Index             | Dec-13 | 1,841.18      | 0.98%                  | 27.24%          |
| McCarran Total Passengers | Dec-13 | 3,594,498     | 3.25%                  | 4.09%           |
| Overall Index Change      |        | 706.29        | 0.29%                  | 2.84%           |

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

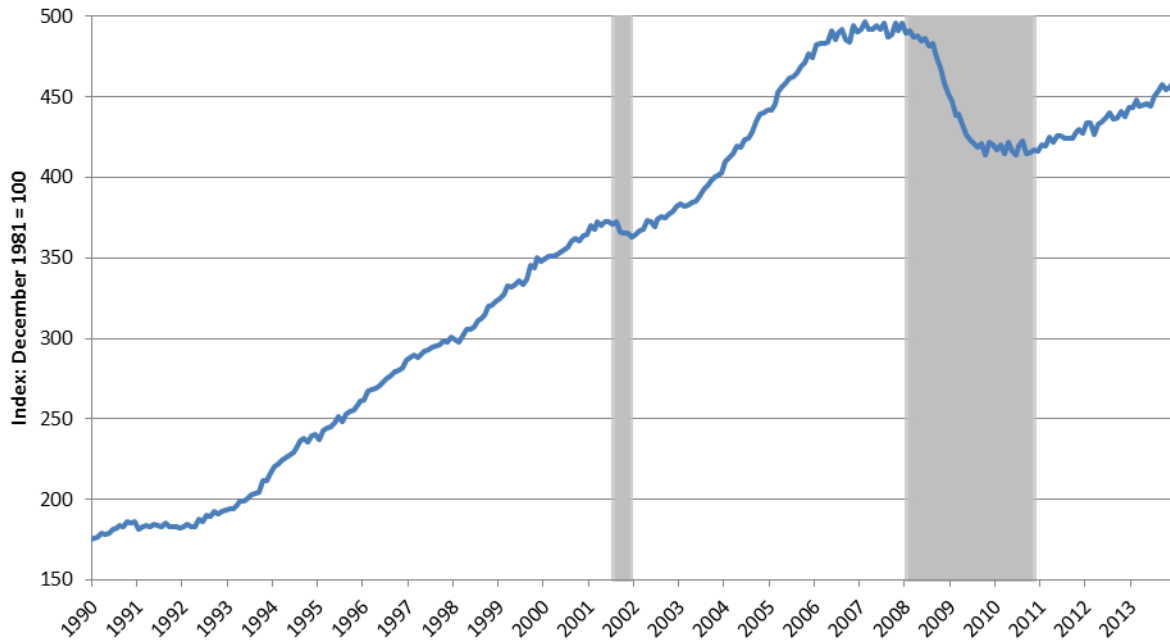
### Coincident Index

| Series                             | Date   | Latest Period | Change Previous Period | Change Year Ago |
|------------------------------------|--------|---------------|------------------------|-----------------|
| Las Vegas MSA Nonfarm Employment   | Dec-13 | 861,446       | 0.27%                  | 3.11%           |
| Las Vegas MSA Household Employment | Dec-13 | 898,268       | -0.29%                 | 0.68%           |
| Overall Index Change               |        | 377.39        | 0.00%                  | 1.93%           |

Sources: Current Employment Statistics, Local Area Unemployment Statistics

All four components of CBER's Southern Nevada Leading Index increased from November to December 2013 and are up year-over-year. The coincident index was unchanged from November to December 2013, with gains in the nonfarm series offsetting losses in the household series. December marked the fifth time in 2013 that there were conflicting jobs reports. Nonetheless, the coincident index was 1.93 percent higher than a year earlier.

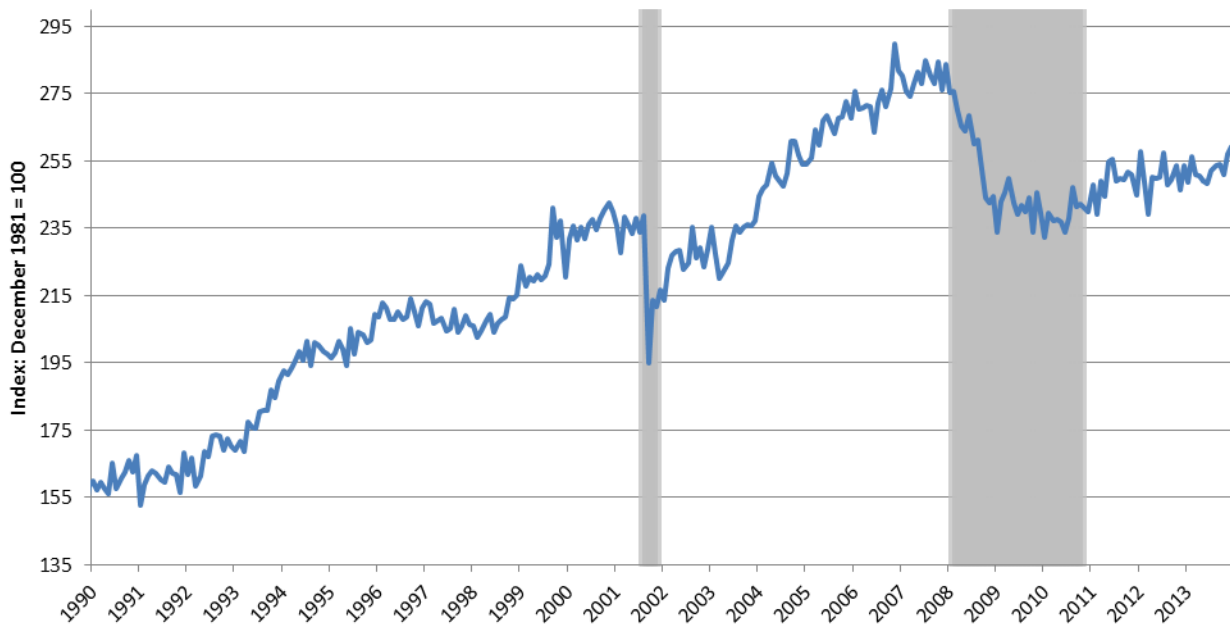
### CBER Clark County Business Activity Index



| Date   | Index  | Change Previous Period | Change Year Ago |
|--------|--------|------------------------|-----------------|
| Dec-12 | 443.44 | 1.25%                  | 3.77%           |
| Jan-13 | 443.25 | -0.04%                 | 2.22%           |
| Feb-13 | 448.12 | 1.10%                  | 3.31%           |
| Mar-13 | 443.83 | -0.96%                 | 3.93%           |
| Apr-13 | 444.78 | 0.21%                  | 2.78%           |
| May-13 | 445.50 | 0.16%                  | 2.43%           |
| Jun-13 | 443.89 | -0.36%                 | 1.59%           |
| Jul-13 | 450.51 | 1.49%                  | 2.34%           |
| Aug-13 | 454.16 | 0.81%                  | 4.07%           |
| Sep-13 | 457.47 | 0.73%                  | 4.66%           |
| Oct-13 | 454.20 | -0.72%                 | 3.03%           |
| Nov-13 | 455.91 | 0.38%                  | 4.10%           |
| Dec-13 | 459.44 | 0.77%                  | 3.61%           |

CBER's Clark County Business Activity Index increased slightly in December 2013 despite a decline in Clark County taxable sales, which fell by 1.38 percent. Seasonally adjusted gaming revenues were mostly responsible for the gains, increasing by 10.57 percent for the month. Las Vegas nonfarm employment, as seen in the coincident index, increased by 0.69 percent.

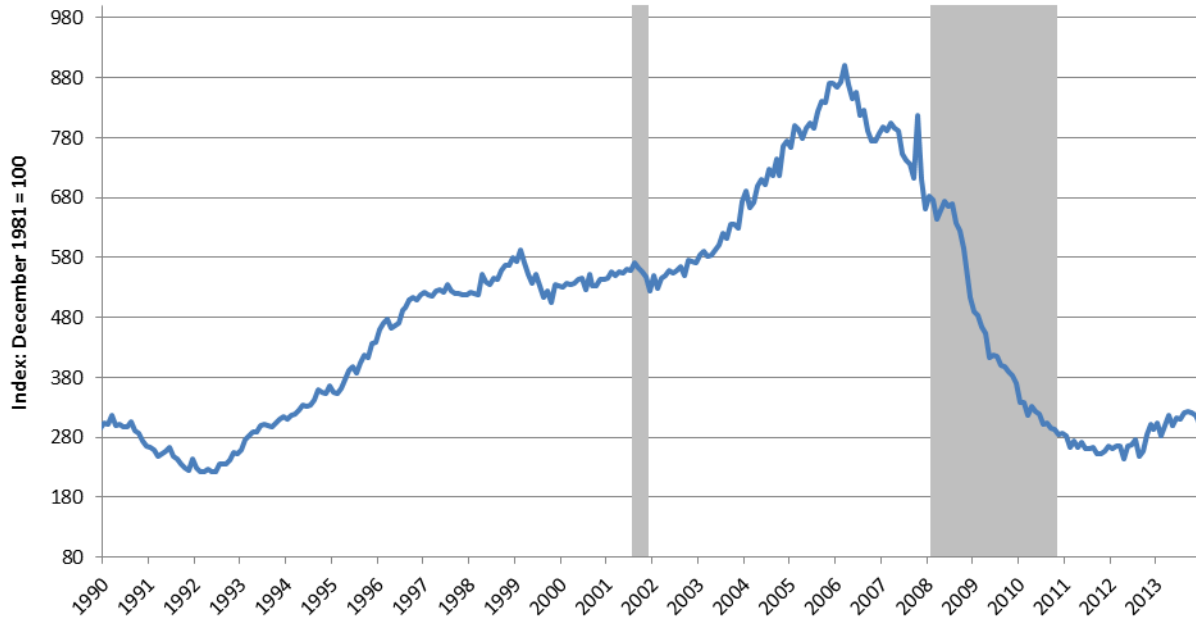
### CBER Clark County Tourism Index



| Date   | Index  | Change Previous Period | Change Year Ago |
|--------|--------|------------------------|-----------------|
| Dec-12 | 253.49 | 2.96%                  | 3.47%           |
| Jan-13 | 248.46 | -1.99%                 | -3.55%          |
| Feb-13 | 256.27 | 3.15%                  | 3.10%           |
| Mar-13 | 251.00 | -2.06%                 | 4.90%           |
| Apr-13 | 250.54 | -0.18%                 | 0.20%           |
| May-13 | 248.96 | -0.63%                 | -0.30%          |
| Jun-13 | 248.10 | -0.34%                 | -0.89%          |
| Jul-13 | 251.97 | 1.56%                  | -2.08%          |
| Aug-13 | 253.58 | 0.64%                  | 2.29%           |
| Sep-13 | 253.93 | 0.14%                  | 1.76%           |
| Oct-13 | 250.91 | -1.19%                 | -1.12%          |
| Nov-13 | 256.98 | 2.42%                  | 4.38%           |
| Dec-13 | 259.12 | 0.83%                  | 2.22%           |

As measured by CBER's Clark County Tourism Index, activity in the tourism sector increased for December 2013. The increase can be attributed to seasonally adjusted gaming revenues and total passengers enplaned/deplaned at McCarran Airport, which increased by 10.57 percent and 3.25 percent, respectively. The Las Vegas hotel/motel occupancy rate fell by 5.21 percent for the month.

## CBER Clark County Construction Index



| Date   | Index  | Change Previous Period | Change Year Ago |
|--------|--------|------------------------|-----------------|
| Dec-12 | 294.19 | -2.65%                 | 10.89%          |
| Jan-13 | 303.87 | 3.29%                  | 16.71%          |
| Feb-13 | 283.31 | -6.77%                 | 6.58%           |
| Mar-13 | 300.46 | 6.05%                  | 13.07%          |
| Apr-13 | 315.69 | 5.07%                  | 29.65%          |
| May-13 | 300.10 | -4.94%                 | 13.50%          |
| Jun-13 | 312.03 | 3.97%                  | 16.27%          |
| Jul-13 | 310.98 | -0.34%                 | 12.94%          |
| Aug-13 | 320.56 | 3.08%                  | 28.83%          |
| Sep-13 | 323.34 | 0.87%                  | 26.10%          |
| Oct-13 | 321.21 | -0.66%                 | 13.15%          |
| Nov-13 | 316.36 | -1.51%                 | 4.68%           |
| Dec-13 | 303.15 | -4.18%                 | 3.04%           |

CBER's Clark County Construction Index decreased for December 2013 but remains up year-over-year. All three components decreased for the month. Las Vegas construction employment decreased by 0.72 percent. Residential permits fell by 25.05 percent from November. Commercial permits remained at a low and volatile level.

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