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CBER's Coincident Index Fully Recovered from the Great Recession

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CBER's Coincident Index in May 2015 exceeded the level from its prior peak in 2008. Although the coincident index fully recovered from the 2008 recession, three other indicators—CBER's Southern Nevada Business Activity, Tourism, and Construction Indices—show that the Southern Nevada economy still has not yet fully recovered. The coincident index rose by 0.36 percent from last month and 3.02 percent over last year.

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

- CBER's Southern Nevada Leading Index rose in May 2015 relative to last month and last year.
- CBER's Clark County Business Activity Index increased in May 2015 relative to last month and last year.
- CBER's Southern Nevada Tourism Index experienced gains in May 2015 relative to last month and last year.
- CBER's Clark County Construction Index increased in May 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.

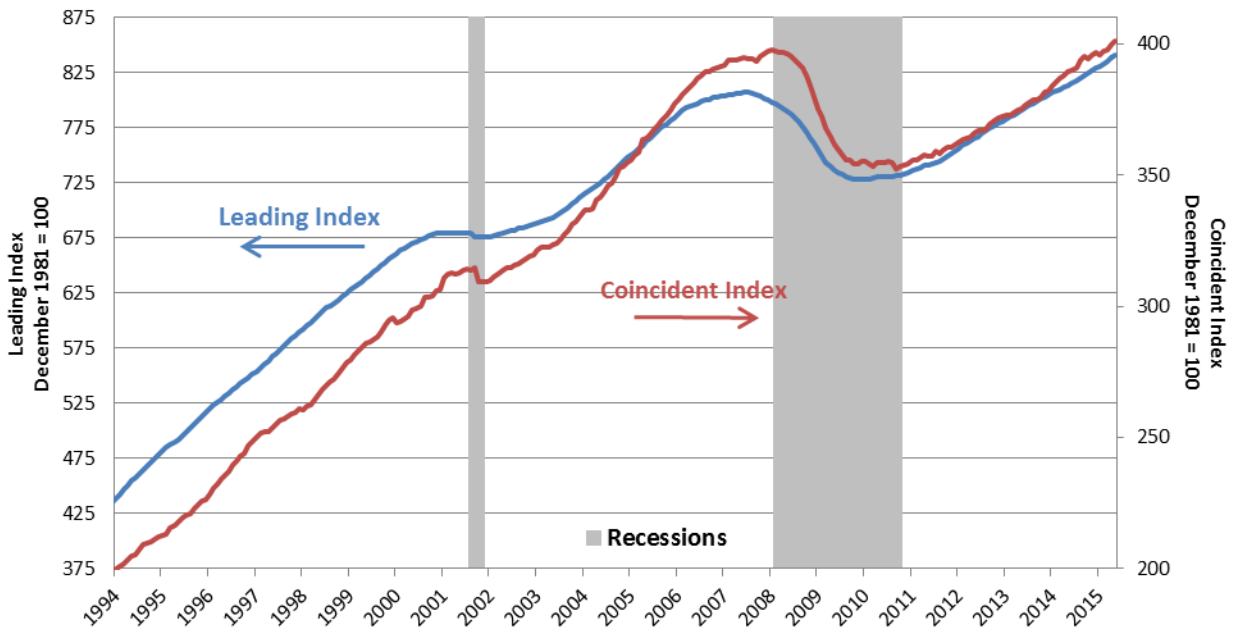
For the Great Recession, the coincident index peaked in January 2008 and reached its lowest point in September 2010. The leading index peaked in July 2007—six months before the coincident index and reached its bottom in February 2010—seven months before the coincident index started recovery.

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	May-15	902.75	0.32%	2.89%
California Index	May-15	711.50	0.27%	4.27%
S&P 500 Index	May-15	2,091.64	0.88%	11.80%
McCarran Total Passengers	May-15	3,727,051	0.93%	5.56%
Overall Index Change		840.96	0.32%	3.38%

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

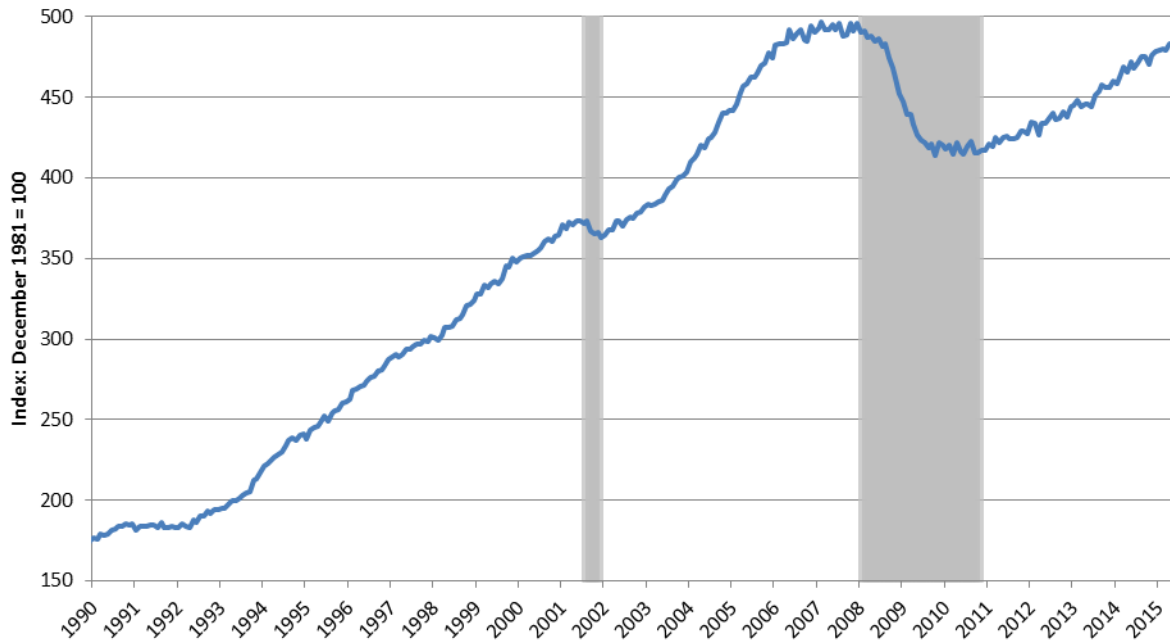
Coincident Index

Series	Date	Latest Period	Change Previous Period	Change Year Ago
Las Vegas MSA Nonfarm Employment	May-15	902,754	0.03%	2.54%
Las Vegas MSA Household Employment	May-15	968,109	0.70%	3.54%
Overall Index Change		400.90	0.36%	3.02%

Sources: Current Employment Statistics, Local Area Unemployment Statistics

All four components of CBER's Southern Nevada Leading Index increased for May 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 May 2015 relative to last month and last year. The coincident index hit a new peak in May 2015, which indicates that the employment in Southern Nevada has recovered fully from the Great Recession.

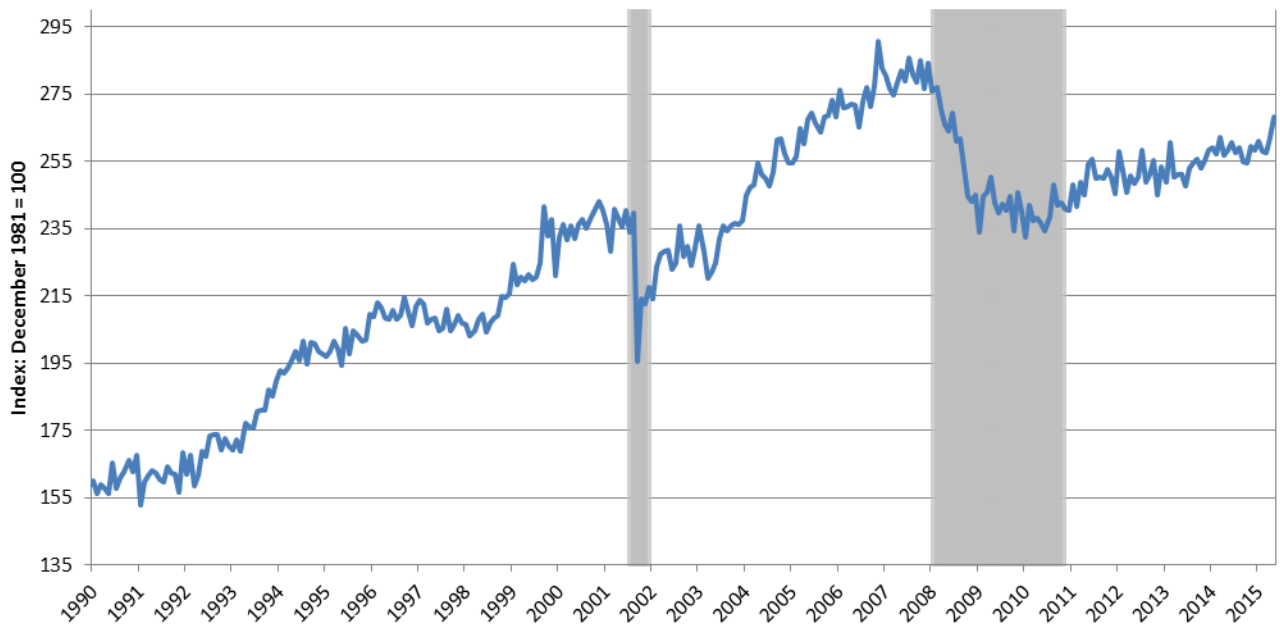
CBER Clark County Business Activity Index



Date	Index	Change Previous Period	Change Year Ago
May-14	471.59	1.37%	5.81%
Jun-14	468.20	-0.72%	5.38%
Jul-14	470.88	0.57%	4.34%
Aug-14	475.01	0.88%	4.77%
Sep-14	475.47	0.10%	3.98%
Oct-14	470.58	-1.03%	3.21%
Nov-14	475.81	1.11%	4.28%
Dec-14	478.33	0.53%	3.89%
Jan-15	479.06	0.15%	4.56%
Feb-15	480.33	0.26%	3.79%
Mar-15	479.16	-0.24%	2.17%
Apr-15	482.85	0.77%	3.79%
May-15	483.17	0.07%	2.46%

CBER's Clark County Business Activity Index increased by 0.07 percent in May 2015 on a month-over-month basis and 2.46 percent on a year-over-year basis. As seen in the coincident index, Las Vegas nonfarm employment rose by 0.03 percent. Even though Clark County taxable sales experienced a decrease of 1.00 percent, seasonally adjusted gaming revenue offset the decline in taxable sales, increasing by 2.62 percent for the month.

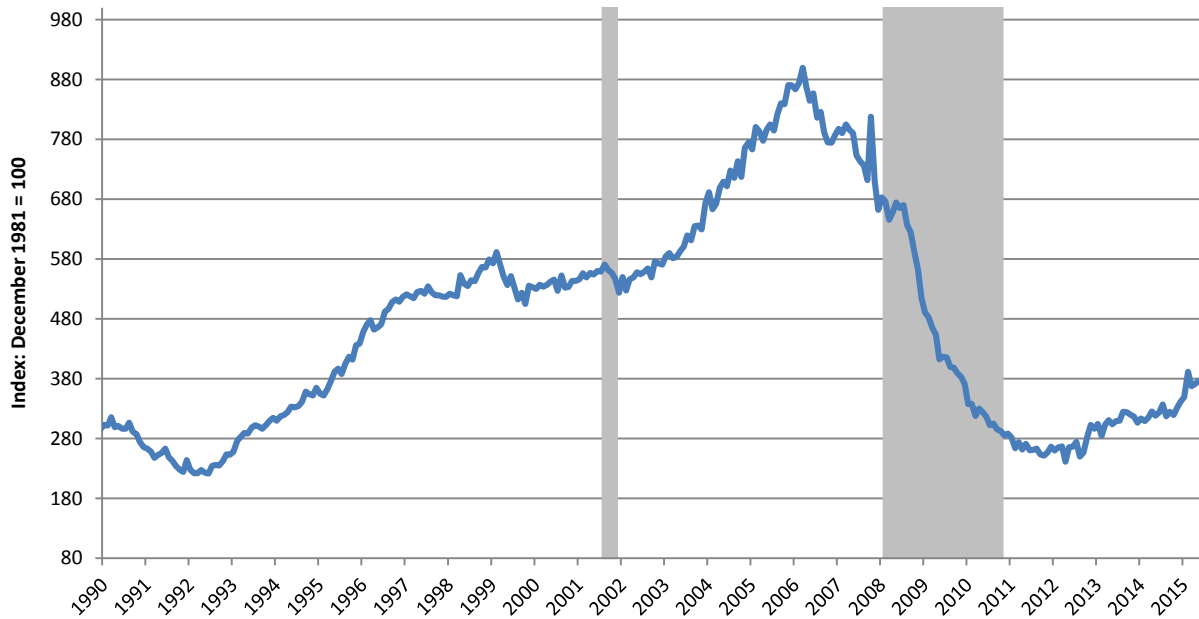
CBER Clark County Tourism Index



Date	Index	Change Previous Period	Change Year Ago
May-14	258.30	0.59%	2.94%
Jun-14	260.45	0.83%	5.12%
Jul-14	257.75	-1.04%	1.85%
Aug-14	259.12	0.53%	1.85%
Sep-14	254.90	-1.63%	-0.29%
Oct-14	254.43	-0.19%	0.53%
Nov-14	259.56	2.02%	1.62%
Dec-14	258.47	-0.42%	0.04%
Jan-15	261.12	1.03%	0.78%
Feb-15	257.90	-1.23%	0.25%
Mar-15	257.49	-0.16%	-1.74%
Apr-15	262.22	1.84%	2.11%
May-15	268.41	2.36%	3.91%

As measured by CBER's Clark County Tourism Index, the activity in the tourism sector increased by 2.36 percent in May 2015 on a month-over-month basis and 3.91 percent on a year-over-year basis. Moreover, gains occurred in all three components of the index. The Las Vegas hotel/motel occupancy rate and seasonally adjusted gaming revenues were up strongly by 3.39 percent and 2.62 percent, respectively, from April to May 2015. The number of total passengers passing through McCarran Airport rose by 2.62 percent, with a 0.93 percent increase for the month.

CBER Clark County Construction Index



Date	Index	Change Previous Period	Change Year Ago
May-14	318.69	-2.00%	4.92%
Jun-14	323.91	1.64%	4.69%
Jul-14	337.40	4.16%	8.86%
Aug-14	317.57	-5.88%	-2.20%
Sep-14	324.71	2.25%	0.09%
Oct-14	319.31	-1.66%	-0.29%
Nov-14	331.75	3.90%	4.65%
Dec-14	341.98	3.08%	11.54%
Jan-15	349.34	2.15%	11.36%
Feb-15	391.74	12.14%	26.61%
Mar-15	367.65	-6.15%	16.70%
Apr-15	371.35	1.01%	14.19%
May-15	376.58	1.41%	18.16%

CBER's Clark County Construction Index rose by 1.41 percent in May 2015 on a month-over-month basis and 18.16 percent on a year-over-year basis. This change included a significant increase in residential building permits of 37.74 percent. Commercial permits, however, experienced losses for the month and remained at a low and volatile level. Las Vegas construction employment decreased by 0.70 percent. CBER's Construction Index has only recovered 40 percent compared to its peak in March 2006, while other indices have recovered at least 90 percent of their losses. We do not expect the construction index to return to its inflated bubble levels before the crash in construction activity.