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## CBER's Leading Index Predicts Growth through Fourth Quarter 2014

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CBER's Southern Nevada Leading Index rose in May 2014. Furthermore, this is the forty-fifth straight month of overall increases. Since the leading index forecasts movement in the coincident index by about six months, we can expect economic growth through the end of 2014.

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

- CBER's Southern Nevada Coincident Index increased for the month, and it is faring better than in May 2013.
- CBER's Clark County Business Activity Index fell in May but 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 decreased for the month but remains up year-over-year.

More detailed information is found on the pages that follow.

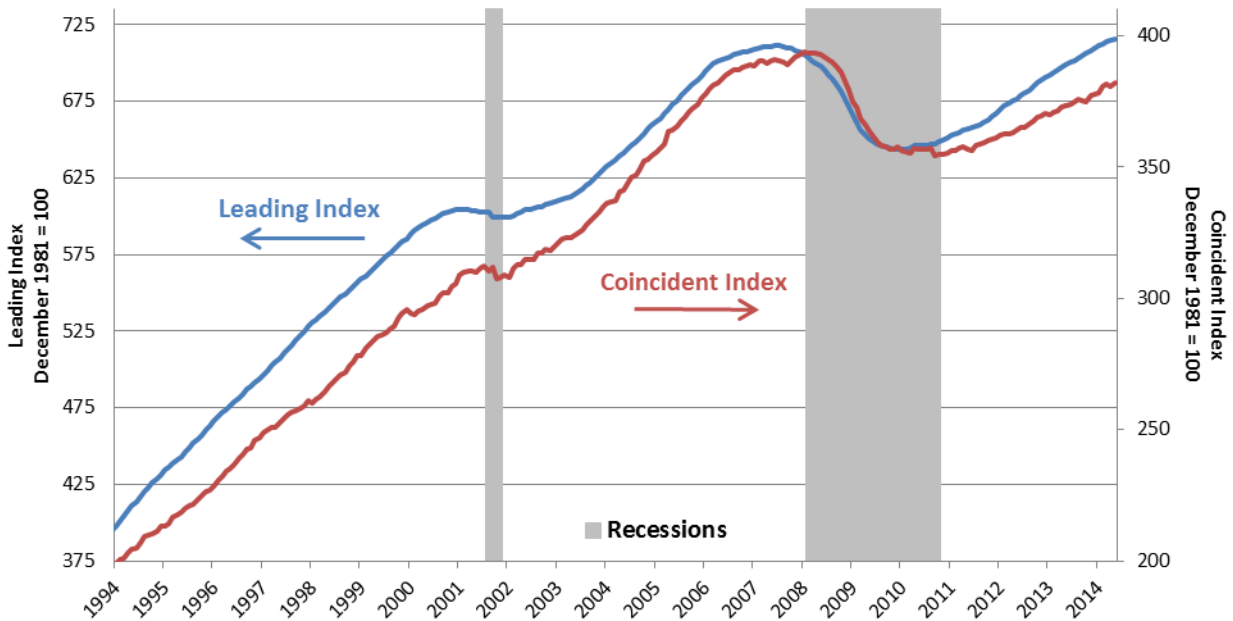
### *CBER's Coincident and Leading Indexes of Southern Nevada Economic Activity*

*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	May-14	764.86	0.09%	1.84%
California Index	May-14	610.49	0.33%	3.66%
S&P 500 Index	May-14	1,853.86	1.90%	15.28%
McCarran Total Passengers	May-14	3,526,185	-0.42%	-0.08%
Overall Index Change		716.10	0.17%	2.46%

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

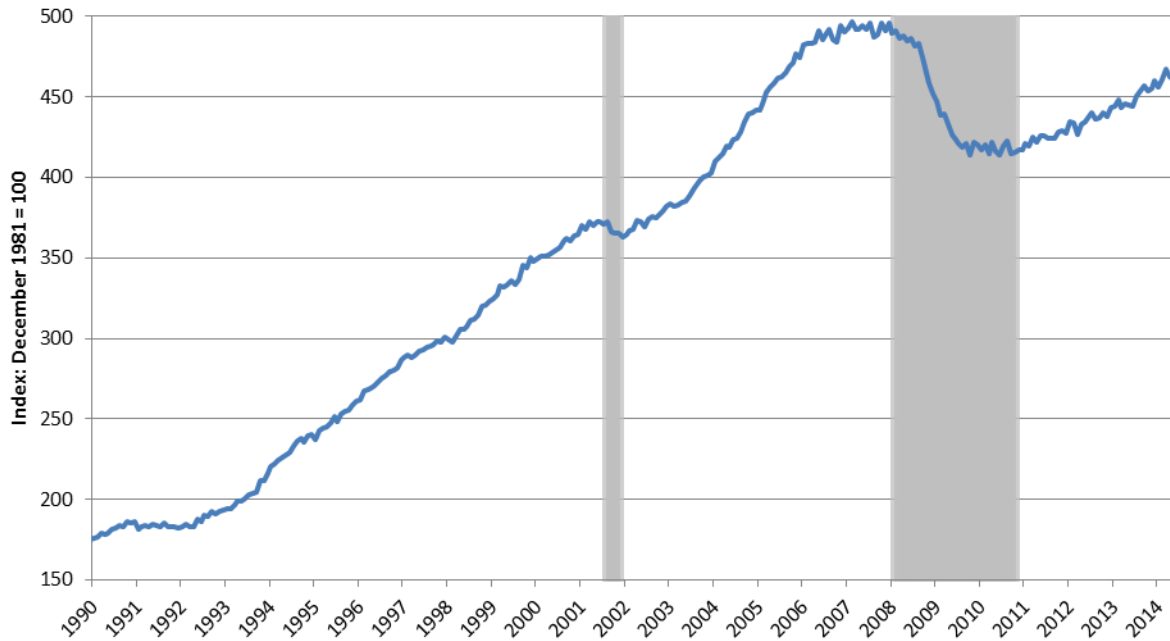
### Coincident Index

Series	Date	Latest Period	Change Previous Period	Change Year Ago
Las Vegas MSA Nonfarm Employment	May-14	871,536	0.19%	3.13%
Las Vegas MSA Household Employment	May-14	910,452	0.57%	1.54%
Overall Index Change		382.15	0.37%	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 May 2014. The number of total passengers passing through McCarran Airport fell slightly for the month. 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.

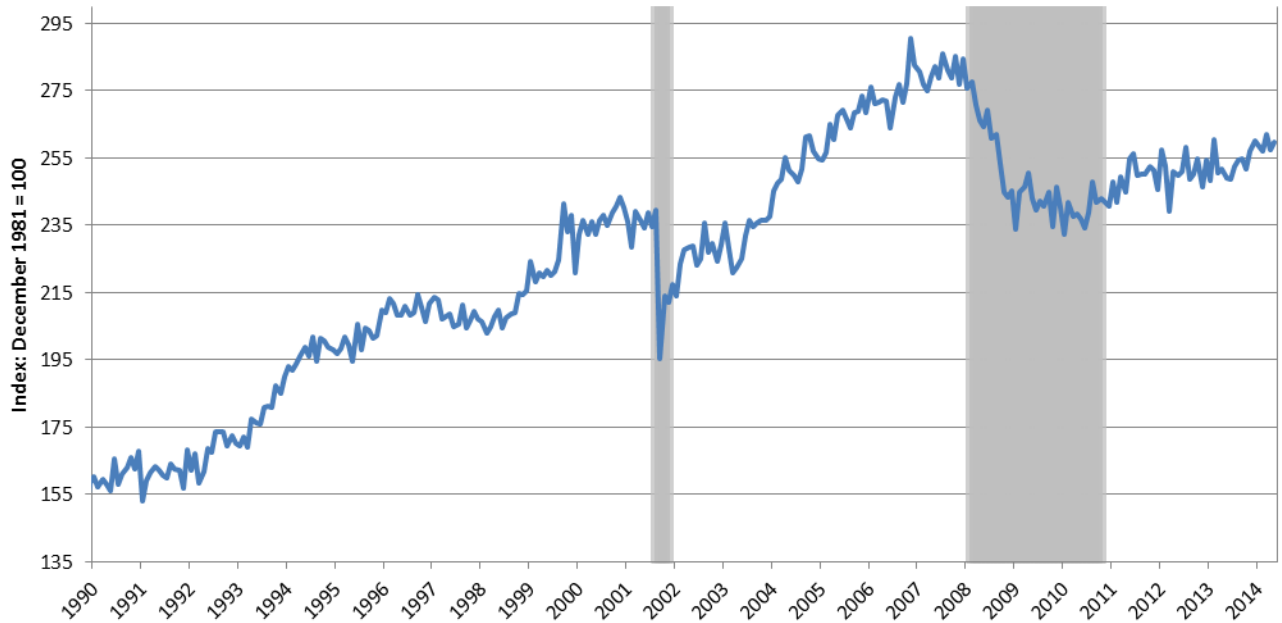
## CBER Clark County Business Activity Index



Date	Index	Change Previous Period	Change Year Ago
May-13	445.18	-0.06%	2.40%
Jun-13	443.90	-0.29%	1.58%
Jul-13	450.57	1.50%	2.34%
Aug-13	454.01	0.76%	4.07%
Sep-13	457.28	0.72%	4.66%
Oct-13	453.90	-0.74%	3.02%
Nov-13	455.51	0.36%	4.09%
Dec-13	459.84	0.95%	3.62%
Jan-14	456.02	-0.83%	2.63%
Feb-14	461.30	1.16%	3.01%
Mar-14	466.90	1.21%	5.36%
Apr-14	462.15	-1.02%	3.75%
May-14	461.15	-0.22%	3.59%

CBER's Clark County Business Activity Index decreased slightly in May 2014, despite only one component falling. Clark County taxable sales fell by 5.13 percent. Seasonally adjusted gaming revenues and Las Vegas nonfarm employment increased by 0.19 percent and 6.42 percent, respectively. Each component is weighted by the volatility of the series, which allowed for the decreases in taxable sales to outweigh the gains in the other components.

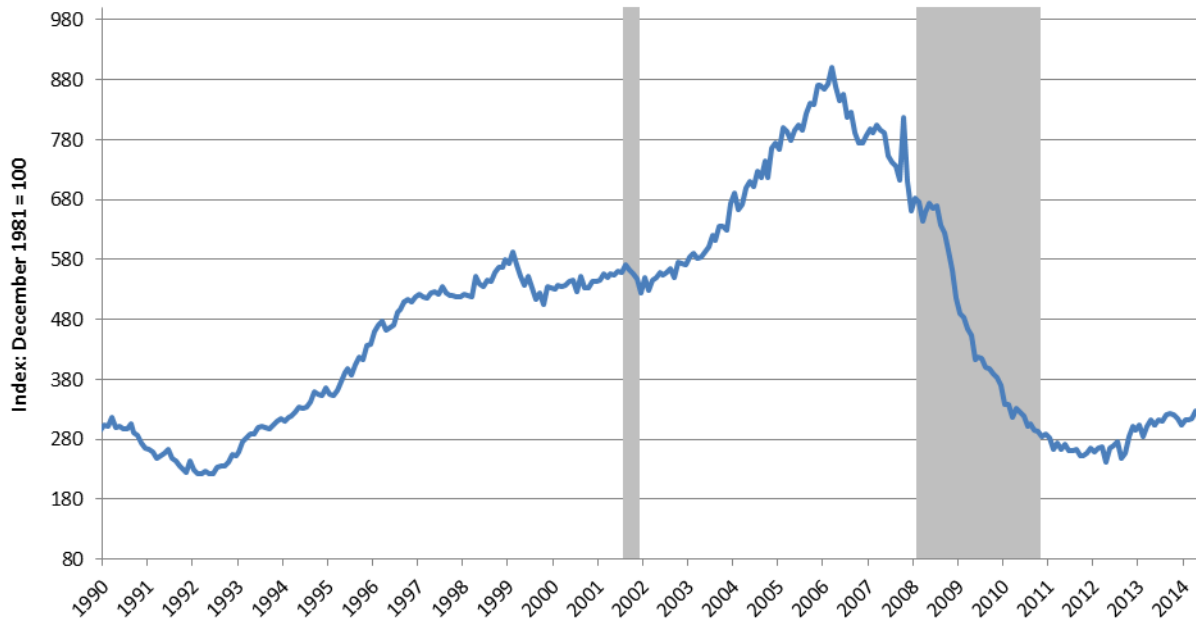
### CBER Clark County Tourism Index



Date	Index	Change Previous Period	Change Year Ago
May-13	248.84	-1.12%	-0.33%
Jun-13	248.51	-0.14%	-0.91%
Jul-13	252.57	1.64%	-2.10%
Aug-13	254.15	0.63%	2.30%
Sep-13	254.64	0.19%	1.78%
Oct-13	251.80	-1.11%	-1.12%
Nov-13	257.17	2.13%	4.35%
Dec-13	259.87	1.05%	2.25%
Jan-14	258.49	-0.53%	4.17%
Feb-14	256.99	-0.58%	-1.39%
Mar-14	262.09	1.98%	4.59%
Apr-14	257.24	-1.85%	2.22%
May-14	259.58	0.91%	4.32%

As measured by CBER's Clark County Tourism Index, activity in the tourism sector increased for May 2014. Seasonally adjusted gaming revenues were solely responsible for the increase, rising by 6.42 percent. Total passengers enplaned/deplaned at McCarran Airport and the Las Vegas hotel/motel occupancy rate decreased by 0.42 percent and 0.55 percent, respectively.

## CBER Clark County Construction Index



Date	Index	Change Previous Period	Change Year Ago
May-13	303.86	-2.65%	14.12%
Jun-13	312.56	2.86%	16.35%
Jul-13	311.05	-0.48%	13.01%
Aug-13	320.65	3.09%	28.88%
Sep-13	322.97	0.72%	26.15%
Oct-13	321.14	-0.57%	13.08%
Nov-13	315.14	-1.87%	4.54%
Dec-13	303.19	-3.79%	2.98%
Jan-14	312.58	3.10%	3.07%
Feb-14	312.28	-0.09%	9.92%
Mar-14	313.62	0.43%	3.61%
Apr-14	326.70	4.17%	4.66%
May-14	317.87	-2.70%	4.61%

CBER's Clark County Construction Index decreased for May 2014. Las Vegas construction employment increased by 0.32 percent, but couldn't offset declines in the other components. Residential permits fell by 4.15 percent. Commercial permits also decreased for the month and remain at a low and volatile level.

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