



# CBER Indexes for Nevada and Southern Nevada

*Published June 7, 2017*

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# Summary of CBER's Nevada Indexes

## Coincident Index (February)

## Leading Index (March)

Mo. to Mo.

-0.4 %



2.1 %

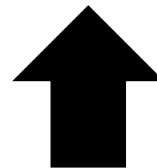


Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
-1.0% ↓	-7.6% ↓	0.4% ↑

Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	Airline Passengers	S&P 500
4.6% ↑	-0.2% ↓	28.6% ↑	30.8% ↑	1.0% ↑	1.5% ↑

Yr. to Yr.

2.5 %



2.8 %



Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
4.6% ↑	-4.4% ↓	3.2% ↑

Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	Airline Passengers	S&P 500
12.6% ↑	0.9% ↑	17.9% ↑	3.4% ↑	4.1% ↑	17.3% ↑

Note: The coincident index is a month behind relative to other indexes because of a two-month delay in the release of taxable sales.

\* Inverted \*\* Data are partly forecasted as Henderson's permit reports are not available for March 2017



# CBER's Indexes of Nevada Economic Activity

## Coincident Index Components

- Nevada Taxable Sales
- Nevada Gross Gaming Revenue
- Nevada Nonfarm Employment

## Leading Index Components

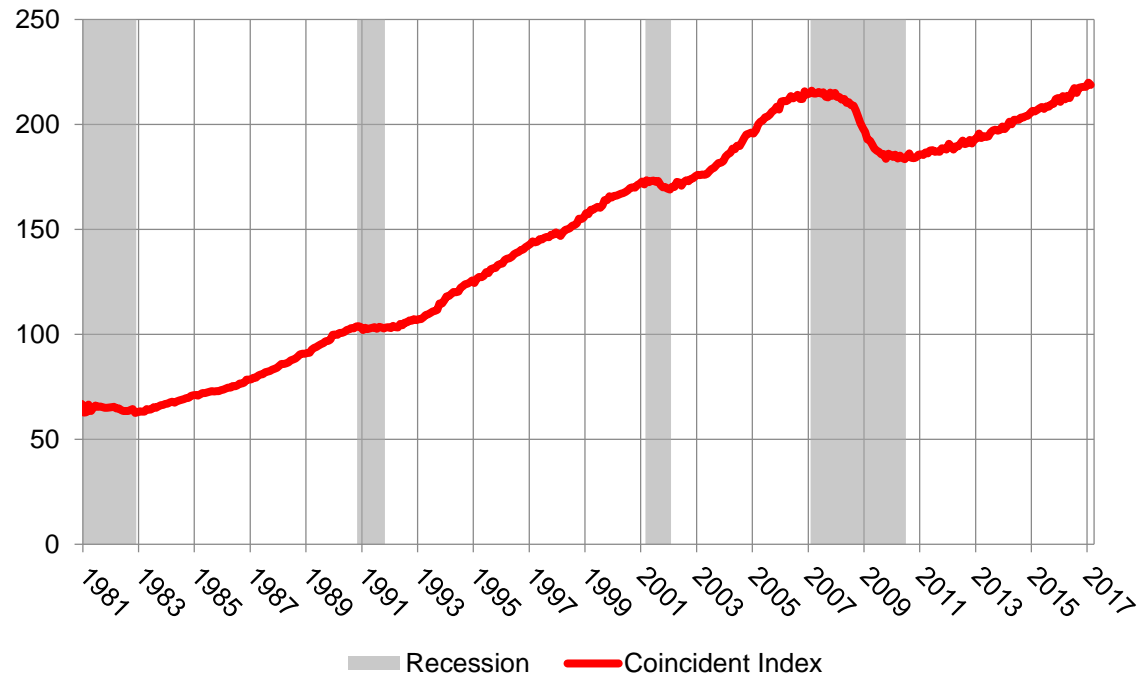
- Nevada Initial Claims for Unemployment (inverted)
- Real 10-Year Treasury Rate (inverted)
- Nevada Housing Permits
- Nevada Commercial Permits
- Nevada Airline Passengers
- Standard & Poor's Stock Market Index

The CBER Nevada coincident and leading indexes use the Department of Commerce index construction method. The CBER Nevada coincident index measures the ups and downs of the Nevada economy, while the CBER Nevada leading index provides an indication for the future direction of the coincident index. The coincident index provides the benchmark series that defines the business cycle or reference cycle in Nevada. The leading index then tracks the economy relative to that reference cycle. The coincident index peaked in February 2007 and then fell dramatically through June 2010. Prior to the Great Recession, identified by the benchmark Nevada coincident index, the Nevada leading index peaked in November 2005, 14 months before the Nevada coincident index peaked. Then the Nevada leading index troughed in May 2009, 13 months before the Nevada coincident index troughed. All series are seasonally adjusted (SA). A full description of the methodology used to construct the indexes can be found at: <http://cber.unlv.edu/publications/nvindices.pdf>.



# Nevada Coincident Index

The CBER Nevada coincident index continued to rise year-over-year in February.



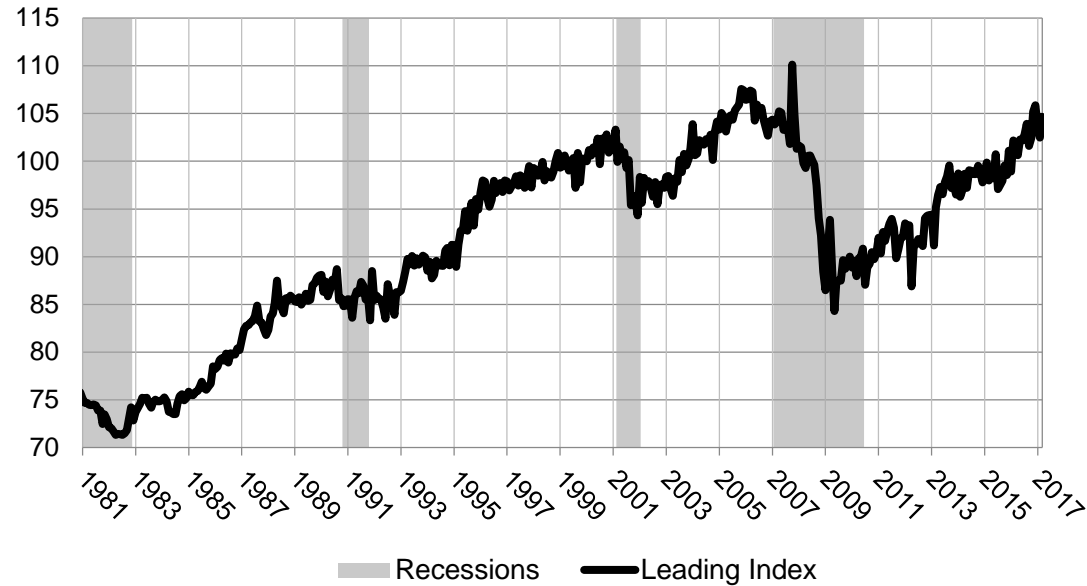
The CBER Nevada coincident index continued its yearly upward trend in February, up by 2.5 percent. The index, however, posted a slight monthly decline of 0.4 percent. Seasonally adjusted taxable sales and gaming revenue fell 1.0 and 7.6 percent, respectively, from the previous month. Nonfarm employment, however, increased 0.4 percent from January to February, and reached a new historical high at over 1.3 million workers. On a yearly basis, taxable sales and nonfarm employment showed continued growth, up by 4.6 and 3.2 percent, respectively, in February. Meanwhile, gross gaming revenue decreased 4.4 percent compared to February 2016. This drop was offset by gains in taxable sales and nonfarm employment which resulted in the yearly increase of the overall index.

Series	Date	Latest Period	Month-Over-Month	Year-Over-Year
Taxable Sales (SA)	Feb-17	4,683,032,612	-1.0%	4.6%
Gaming Revenue (SA)	Feb-17	935,674,724	-7.6%	-4.4%
Nonfarm Employment (SA)	Feb-17	1,324,711	0.4%	3.2%
<b>Overall Index Change</b>	Feb-17	218.9	-0.4%	2.5%



# Nevada Leading Index

*The CBER Nevada leading index rebounded in March from the previous month.*



Date	Index	Month-over-Month	Year-over-Year
Mar-16	101.8	-0.4%	3.9%
Apr-16	100.6	-1.1%	2.1%
May-16	102.3	1.6%	4.1%
Jun-16	102.2	-0.1%	1.5%
Jul-16	102.8	0.6%	5.9%
Aug-16	103.9	1.1%	6.6%
Sep-16	101.6	-2.2%	3.7%
Oct-16	102.4	0.8%	2.8%
Nov-16	105.2	2.7%	6.7%
Dec-16	105.9	0.6%	4.7%
Jan-17	103.6	-2.2%	4.7%
Feb-17	102.5	-1.0%	0.3%
Mar-17	104.7	2.1%	2.8%

The CBER Nevada leading index increased 2.1 percent in March compared to February, after two months of losses. In relation to a month ago, only the seasonally adjusted 10-year Treasury bond yield (inverted) registered a slight decline of 0.2 percentage points. Among the other five components, initial claims for unemployment insurance (inverted), Nevada airport passengers, and the S&P 500 index increased 4.6, 1.0, and 1.5 percent, respectively. Housing and commercial building permits grew substantially by 28.6 and 30.8 percent, respectively, contributing positively to the monthly rise of the index. On an annual basis, all components of the index increased in March. Commercial building permits registered a particularly slow annual increase of 3.4 percent. The overall index, however, advanced 2.8 percent compared to March 2016, after strong growth in airport passengers (4.1 percent), initial claims for unemployment insurance (inverted) (12.6 percent), and the S&P 500 (17.3 percent).



# Summary of CBER's Southern Nevada Indexes

- Coincident Index and Leading Index

## Coincident Index (February)

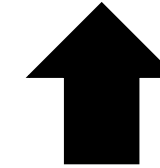
## Leading Index (March)

Mo. to Mo.

-1.1 %



0.3 %

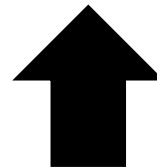


Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
-5.1% ↓	-8.5% ↓	0.4% ↑

Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	McCarran Passengers	S&P 500
4.6% ↑	-0.2% ↓	-3.6% ↓	22.6% ↑	0.6% ↑	1.5% ↑

Yr. to Yr.

2.0 %



2.1 %



Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
0.7% ↑	-4.3% ↓	3.5% ↑

Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	McCarran Passengers	S&P 500
12.6% ↑	0.9% ↑	5.9% ↑	5.1% ↑	3.4% ↑	17.3% ↑

Note: The coincident index is a month behind relative to other indexes because of a two-month delay in the release of taxable sales.

\* Inverted \*\* Data are partly forecasted as Henderson's permit reports are not available for March 2017



# Summary of CBER's Southern Nevada Indexes

- Construction Index and Tourism Index

## Construction Index (March)

0.8 %

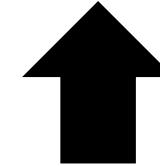


Mo. to Mo.

Construction Employment	Housing Permits*	Commercial Permits*
2.9% ↑	-3.6% ↓	22.6% ↑

## Tourism Index (March)

0.9 %



McCarran Passengers	Gross Gaming Revenue	LV Hotel/Motel Occupancy Rate
0.5% ↑	3.3% ↑	3.1% ↑

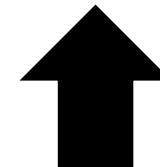
2.4 %



Yr. to Yr.

Construction Employment	Housing Permits*	Commercial Permits*
10.8% ↑	5.9% ↑	5.1% ↑

1.5 %



McCarran Passengers	Gross Gaming Revenue	LV Hotel/Motel Occupancy Rate
3.4% ↑	7.7% ↑	2.2% ↑

\* Data are partly forecasted as Henderson's permit reports are not available for March 2017.



# CBER's Indexes of Southern Nevada Economic Activity

## Coincident Index

- CC Taxable Sales
- CC Gaming Revenue
- CC Nonfarm Employment

## Leading Index

- NV Initial Claims for Unemployment (inverted)
- Real 10-Year Treasury Rate (inverted)
- CC Housing Permits
- CC Commercial Permits
- McCarran Passengers
- S&P 500

## Construction Index

- CC Construction Employment
- CC Housing Permits
- CC Commercial Permits

## Tourism Index

- McCarran Passengers
- CC Gaming Revenue
- LV Hotel/Motel Occupancy Rate

Note: CC = Clark County

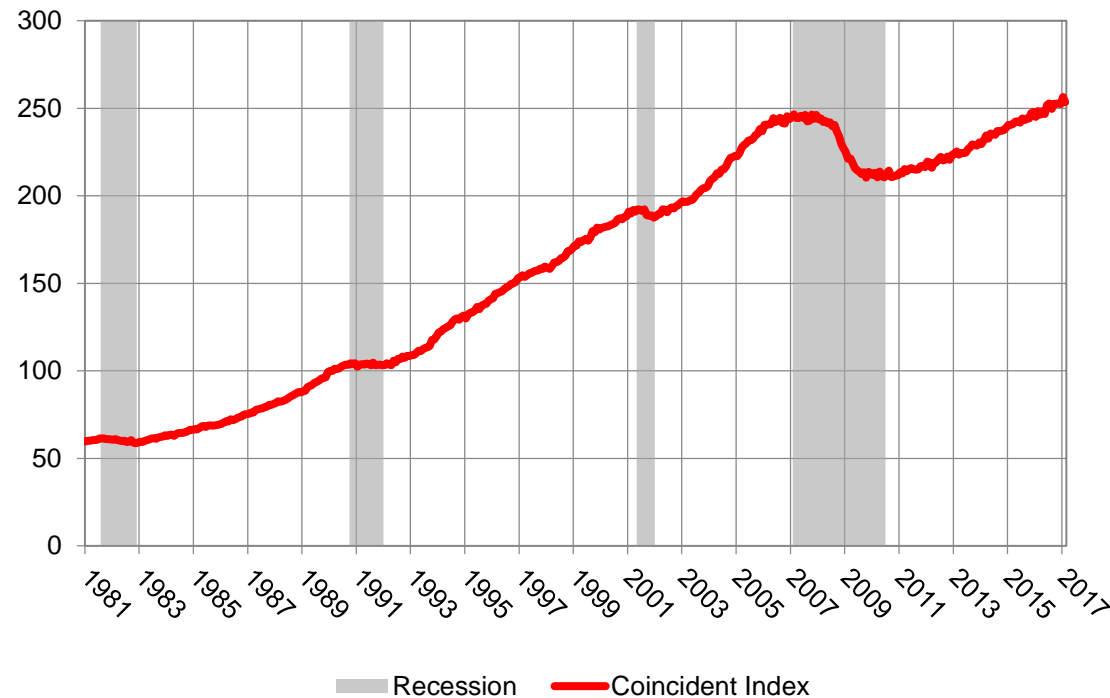
The CBER Southern Nevada coincident and leading indexes use the Department of Commerce index construction method. The coincident index measures the ups and downs of the Southern Nevada economy. The leading index provides a signal about the future direction of the coincident index. The coincident index peaked in February 2007 and then fell dramatically through June 2010. Prior to the Great Recession, identified by the benchmark Southern Nevada coincident index, the Southern Nevada leading index peaked in September 2005, 16 months before the Southern Nevada coincident index peaked. Then the Southern Nevada leading index troughed in May 2009, 13 months before the Southern Nevada coincident index troughed. Finally, both the CBER Southern Nevada construction and tourism indexes also use the Department of Commerce index construction method. All series are SA.





# Southern Nevada Coincident Index

*The CBER Southern Nevada coincident index fell from a month ago but continued to grow on a yearly basis.*



The CBER Southern Nevada coincident index decreased 1.1 percent month-over-month in February. Taxable sales posted a sharp drop of 5.1 percent compared to January. Also, in the same period, seasonally adjusted gaming revenue decreased 8.5 percent. On the contrary, nonfarm employment gained 0.4 percent. On a yearly basis, Clark County gaming revenue also decreased 4.3 percent. Nonfarm employment, however, continued to expand, up strongly by 3.5 percent from February 2016. Moreover, nonfarm employment reached a historical peak of over 969 thousand workers. Taxable sales grew 0.7 percent from the previous year, though at the slowest yearly growth rate in the last eight months. These gains offset the decline in gaming revenue and resulted in a yearly increase of 2.0 percent of the coincident index.

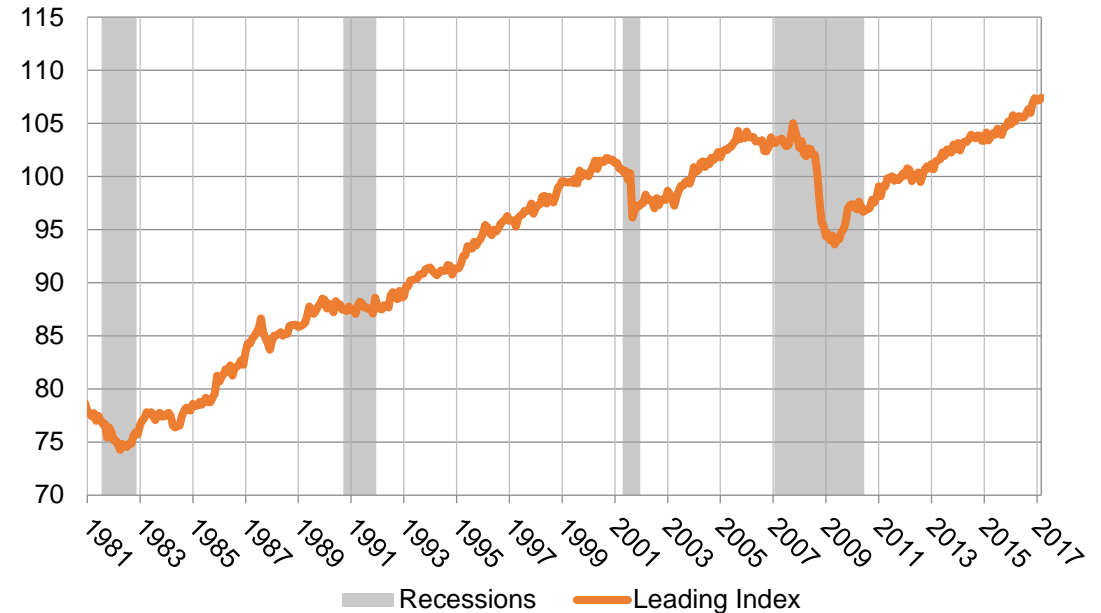
Series	Date	Latest Period	Month-over-Month	Year-over-Year
Taxable Sales (SA)	Feb-17	3,327,205,551	-5.1%	0.7%
Gaming Revenue (SA)	Feb-17	812,700,401	-8.5%	-4.3%
Nonfarm Employment (SA)	Feb-17	969,061	0.4%	3.5%
<b>Overall Index Change</b>	Feb-17	253.5	-1.1%	2.0%



# Southern Nevada Leading Index

*The CBER Southern Nevada leading index increased to its all-time high in March.*

Date	Index	Month-over-Month	Year-over-Year
Mar-16	105.2	-0.6%	1.7%
Apr-16	105.6	0.4%	1.8%
May-16	105.7	0.1%	1.6%
Jun-16	105.6	-0.1%	1.6%
Jul-16	105.5	0.0%	1.0%
Aug-16	105.9	0.3%	1.6%
Sep-16	106.4	0.4%	2.4%
Oct-16	106.0	-0.3%	1.3%
Nov-16	106.8	0.8%	2.1%
Dec-16	107.4	0.5%	2.1%
Jan-17	107.2	-0.2%	2.2%
Feb-17	107.1	0.0%	1.3%
Mar-17	107.4	0.3%	2.1%

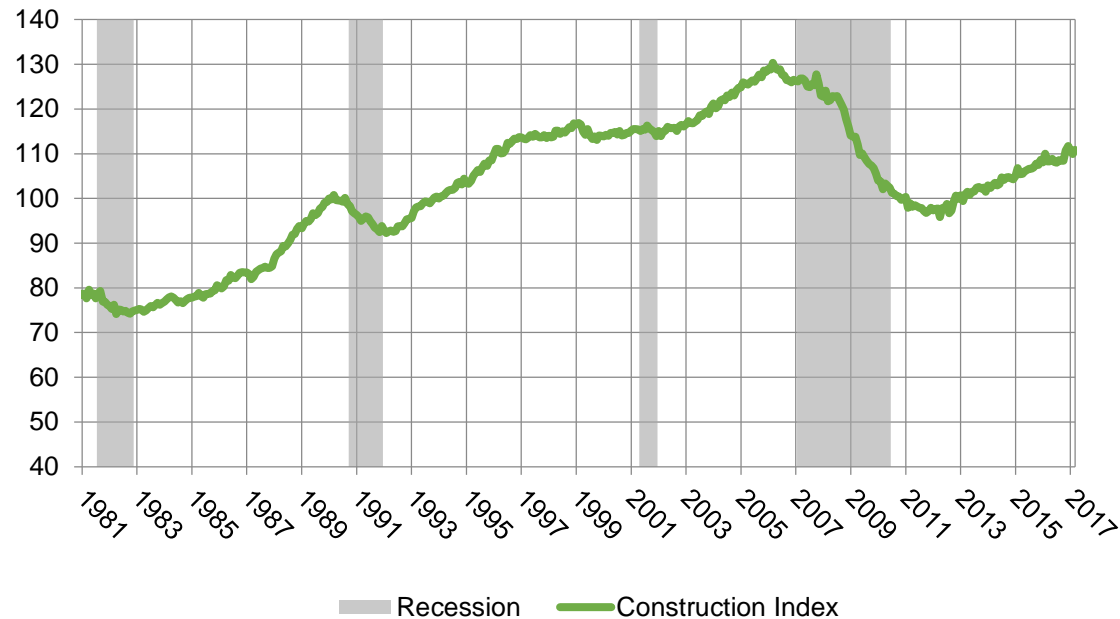


The CBER Southern Nevada leading index reached its historical high in March, after increasing 0.3 percent compared to the previous month, despite a slight decrease in housing permits, down by 3.6 percent. On the contrary, month-to-month data on commercial building permits, initial claims for unemployment insurance (inverted), McCarran passengers, and the S&P 500 index showed gains of 22.6, 4.6, 0.6, and 1.5 percent, respectively. All of the index components increased compared to March 2016. Residential and commercial permits rose 5.9 and 5.1 percent, respectively, although at significantly slower-than-usual rates. Seasonally adjusted airport passengers and the S&P 500 index increased at stable rates of 3.4 and 17.3 percent, respectively. The not-seasonally adjusted 10-year bond yield (inverted) increased 0.9 percentage points from a year ago, and returned to a positive rate in March. Lastly, initial claims for unemployment insurance (inverted) posted a 12.6 percent annual increase, which reflects local labor market strengthening. The increase of its components resulted in a 2.1 percent annual gain in the leading index.



# Southern Nevada Construction Index

*The CBER Southern Nevada construction index edged higher in March from a month and year ago.*



The CBER Southern Nevada construction index recovered in March after two consecutive months of losses, up by 0.8 percent compared to February. A robust increase of 22.6 percent in commercial permits contributed to the index's advance, despite a monthly drop in residential building permits of 3.6 percent. Construction employment expanded by 2.9 and 10.8 percent from a month and year ago, respectively. Specifically, construction activities currently employ close to 60,000 workers, its highest number since October 2009. As shown in the table below, housing and commercial permits also increased from a year ago, up by 5.9 and 5.1 percent, respectively. These numbers contributed positively to the overall index, which rose 2.4 percent in relation to March 2016.

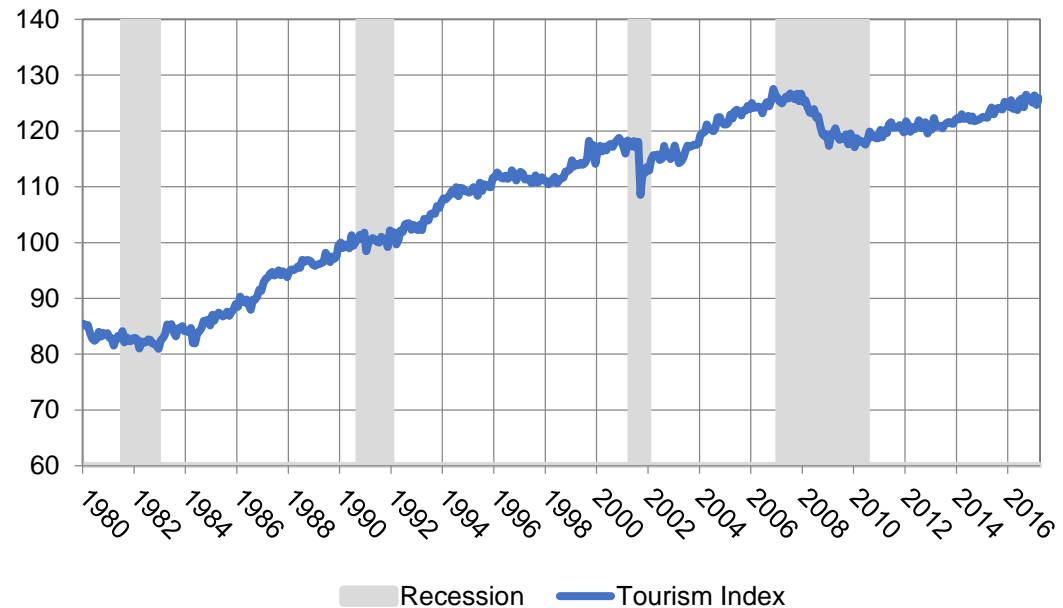
Series	Date	Latest Period	Month-over-Month	Year-over-Year
Construction Employment (SA)	Mar-17	59,954	2.9%	10.8%
Housing Permits (SA)	Mar-17	973	-3.6%	5.9%
Commercial Permits (SA)	Mar-17	34	22.6%	5.1%
<b>Overall Index Change</b>	Mar-17	110.8	0.8%	2.4%



# Southern Nevada Tourism Index

*The CBER Southern Nevada tourism index posted monthly and yearly gains.*

The CBER Southern Nevada tourism index increased 0.9 percent compared to a month ago. As shown in the table below, all three components of the index registered monthly and yearly gains in March. On a monthly basis, seasonally adjusted McCarran passengers and gaming revenue increased 0.5 and 3.3 percent, respectively. The hotel/motel occupancy rate rose significantly by 3.1 percentage points and is currently at 90.2 percent. The occupancy rate also increased from a year ago, up by 2.2 percentage points. McCarran passengers and gaming revenue expanded by 3.4 and 7.7 percent, respectively, compared to March 2016. These gains drove the overall index upward, which increased 1.5 percent from a year ago.



Series	Date	Latest Period	Month-over-Month	Year-over-Year
McCarran Passengers (SA)	Mar-17	4,001,965	0.5%	3.4%
Gaming Revenue (SA)	Mar-17	838,413,836	3.3%	7.7%
LV Hotel/Motel Occupancy Rate (SA)	Mar-17	90.2%	3.1%	2.2%
<b>Overall Index Change</b>	Mar-17	125.9	0.9%	1.5%



# Sources

## Nevada Indexes:

- Nevada Department of Taxation
- Nevada Gaming Control Board
- Nevada Department of Employment, Training and Rehabilitation
- U.S. Bureau of Labor Statistics
- Various Permitting Agencies
- Yahoo Finance
- Board of Governors of the Federal Reserve System
- Reno-Tahoe International Airport
- McCarran International Airport
- CBER, UNLV

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