



# CBER Economic Indexes for Nevada and Southern Nevada

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# Summary of CBER's Nevada Indexes

## Coincident Index (September)

## Leading Index (September)

Mo. to Mo.

0.0 % 

1.2 % 

Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
-0.2% ↓	-0.4% ↓	0.0% —

Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	Airline Passengers	S&P 500
3.8% ↑	0.3% ↑	-27.5% ↓	17.1% ↑	0.6% ↑	1.7% ↑

Yr. to Yr.

2.8 % 

7.6 % 

Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
4.0% ↑	3.5% ↑	2.8% ↑

Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	Airline Passengers	S&P 500
2.8% ↑	0.2% ↑	-1.8% ↓	155.4% ↑	0.9% ↑	15.5% ↑

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



# CBER's Indexes of Nevada Economic Activity

## Coincident Index Components

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

## Leading Index Components

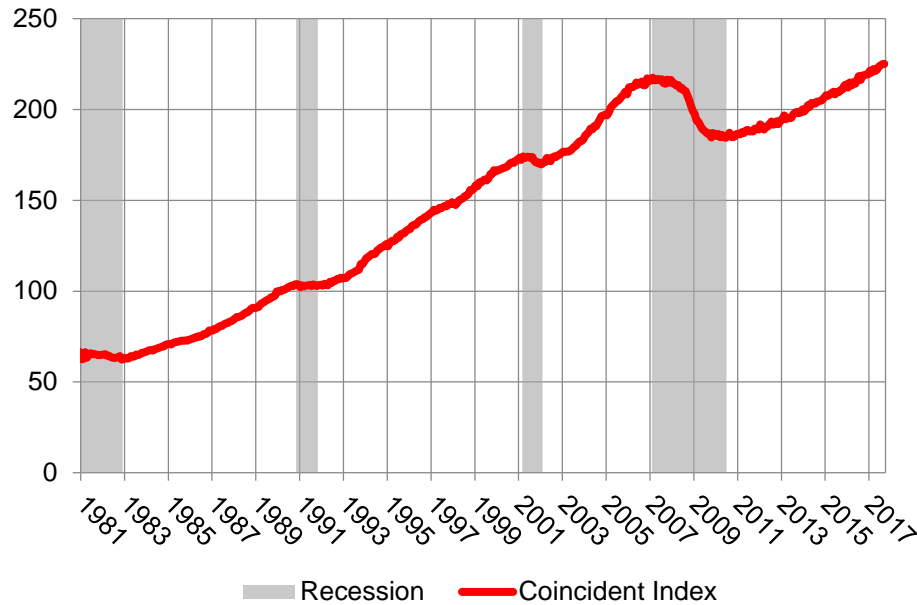
- Nevada Initial Claims for Unemployment (inverted)
- Real 10-Year Treasury Rate (inverted)
- Nevada Housing Permits
- Nevada Commercial Permits
- Nevada Airline Passengers
- Standard & Poor's Stock Market Index

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 was stable month-over-month in September and increased from last year.



The CBER Nevada coincident index did not change from August to September. Seasonally adjusted taxable sales and gaming revenue decreased 0.2 and 0.4 percent month-over-month in September, due to declines in both indicators in the Las Vegas metropolitan area. Nonfarm employment remained fairly stable for the month with almost 1.35 million workers, close to 600 new employees in Nevada (seasonally adjusted).

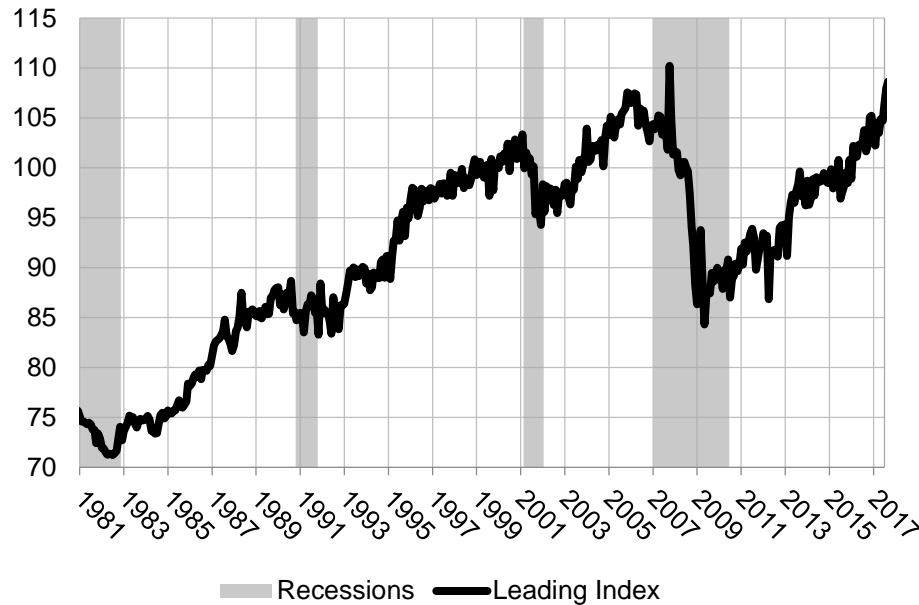
The index gained 2.8 percent year-over-year in September. All its components continued their yearly growth trend. Taxable sales and gaming revenue gained 4.0 and 3.5 percent compared to September 2016. Finally, nonfarm employment expanded 2.8 percent for the latest year, as the Nevada labor market continues to improve.

Series	Date	Latest Period	Month-Over-Month	Year-Over-Year
Taxable Sales (SA)	Sep-17	4,821,458,591	-0.2%	4.0%
Gaming Revenue (SA)	Sep-17	986,620,040	-0.4%	3.5%
Nonfarm Employment (SA)	Sep-17	1,349,702	0.0%	2.8%
<b>Overall Index Change</b>	Sep-17	225.0	0.0%	2.8%



# Nevada Leading Index

*The September CBER Nevada leading index jumped year-over-year.*



Date	Index	Month-Over-Month	Year-Over-Year
Sep-16	101.7	-2.0%	3.6%
Oct-16	102.4	0.7%	2.8%
Nov-16	105.1	2.7%	6.7%
Dec-16	105.2	0.1%	4.4%
Jan-17	103.2	-1.9%	4.3%
Feb-17	102.2	-0.9%	0.0%
Mar-17	104.5	2.2%	2.7%
Apr-17	103.5	-1.0%	2.4%
May-17	104.9	1.4%	2.5%
Jun-17	104.7	-0.2%	2.3%
Jul-17	106.3	1.5%	3.6%
Aug-17	108.0	1.6%	4.1%
Sep-17	108.6	1.2%	7.6%

The CBER Nevada leading index was higher in September compared to August, up by 1.2 percent. On the positive side, initial claims for unemployment insurance (inverted) and permits for commercial buildings increased 3.8 and 17.1 percent, respectively. Additionally, airport passenger volume increased slightly by 0.6 percent from August to September. On a national level, the S&P 500 index and the 10-year Treasury bond yield (inverted) were slightly higher by 1.7 percent and 0.3 percentage point, respectively. On the negative side, Nevada registered 27.5 percent fewer permits for residential construction in September compared to August. On a yearly basis, the overall index jumped 7.6 percent in September from September 2016, mainly due to a strong yearly increase in commercial building permits of 155.4 percent. The index also rose because of an increase in initial claims for unemployment insurance (inverted) of 2.8 percent, which reflects an improvement of the statewide labor market compared to last year. Nationally, the S&P 500 index and the 10-year Treasury bond yield advanced 15.5 percent and 0.2 percentage point. The annual decrease in housing permits did not have a significant negative impact on the overall index.



# Summary of CBER's Southern Nevada Indexes

- Coincident Index and Leading Index

## Coincident Index (September)

## Leading Index (September)

Mo. to Mo.

-0.1 %



0.5 %

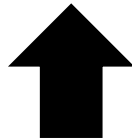


Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
-0.8% ↓	-0.8% ↓	0.1% ↑

Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	McCarran Passengers	S&P 500
3.8% ↑	0.3% ↑	-28.7% ↓	47.4% ↑	0.7% ↑	1.7% ↑

Yr. to Yr.

2.2 %



1.7 %



Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
2.3% ↑	3.2% ↑	2.6% ↑

Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	McCarran Passengers	S&P 500
2.8% ↑	0.2% ↑	-0.8% ↓	111.1% ↑	0.5% ↑	15.5% ↑

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



# Summary of CBER's Southern Nevada Indexes

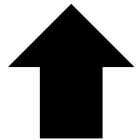
- Construction Index and Tourism Index

## Construction Index (September)

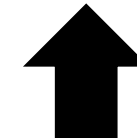
## Tourism Index (September)

Mo. to Mo.

0.3 %



0.2 %



Construction Employment	Housing Permits*	Commercial Permits*
0.6% ↑	-28.7% ↓	47.4% ↑

McCarran Passengers	Gross Gaming Revenue	LV Hotel/Motel Occupancy Rate
0.7% ↑	-0.7% ↓	0.6% ↑

Yr. to Yr.

4.7 %



-0.1 %



Construction Employment	Housing Permits*	Commercial Permits*
18.4% ↑	-0.8% ↓	111.1% ↑

McCarran Passengers	Gross Gaming Revenue	LV Hotel/Motel Occupancy Rate
0.5% ↑	3.2% ↑	-1.9% ↓

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



# CBER's Indexes of Southern Nevada Economic Activity

## Coincident Index

- CC Taxable Sales
- CC Gross 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 Gross Gaming Revenue
- LV Hotel/Motel Occupancy Rate

Note: CC = Clark County

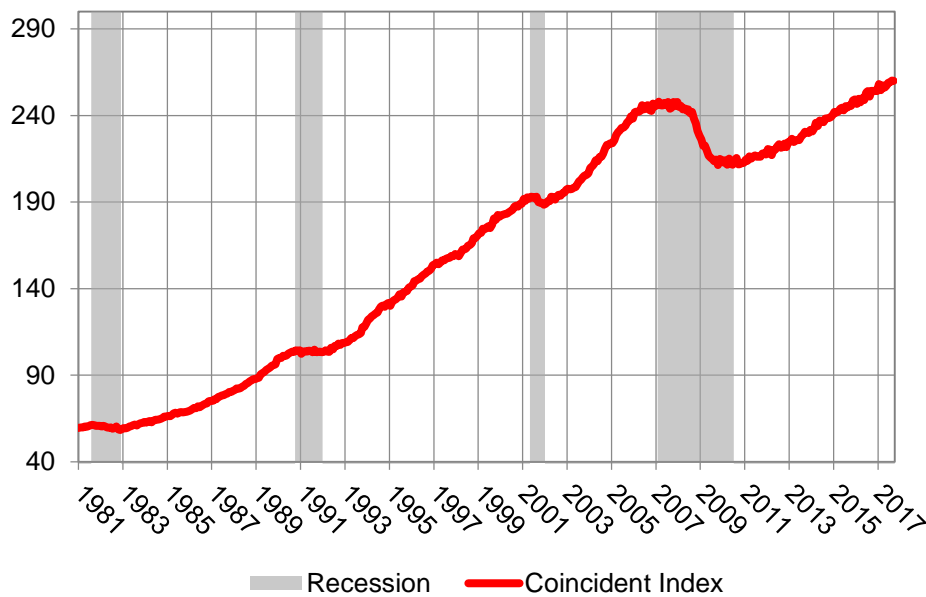
The CBER Southern Nevada coincident and leading indexes use the Department of Commerce index construction method. The coincident index measures the ups and downs of the Southern Nevada economy. The leading index provides a signal about the future direction of the coincident index. The coincident index 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 indexed 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 slightly in September compared to August, but continued to advance from last year.*



The CBER Southern Nevada coincident index fell somewhat in September from August, down by 0.1 percent. This decrease resulted from lower taxable sales and gaming revenue, both down by 0.8 percent in September. Nonfarm employment, on the contrary, increased slightly by 0.1 percent.

On a yearly basis, the overall index advanced 2.2 percent, assisted by increases in all its components. Specifically, taxable sales and gaming revenue increased 2.3 and 3.2 percent, respectively. Nonfarm employment continued to expand on a yearly basis, up by 2.6 percent in September. With these latest numbers, Clark County now employs a historical record of over 984 thousand workers (seasonally adjusted).

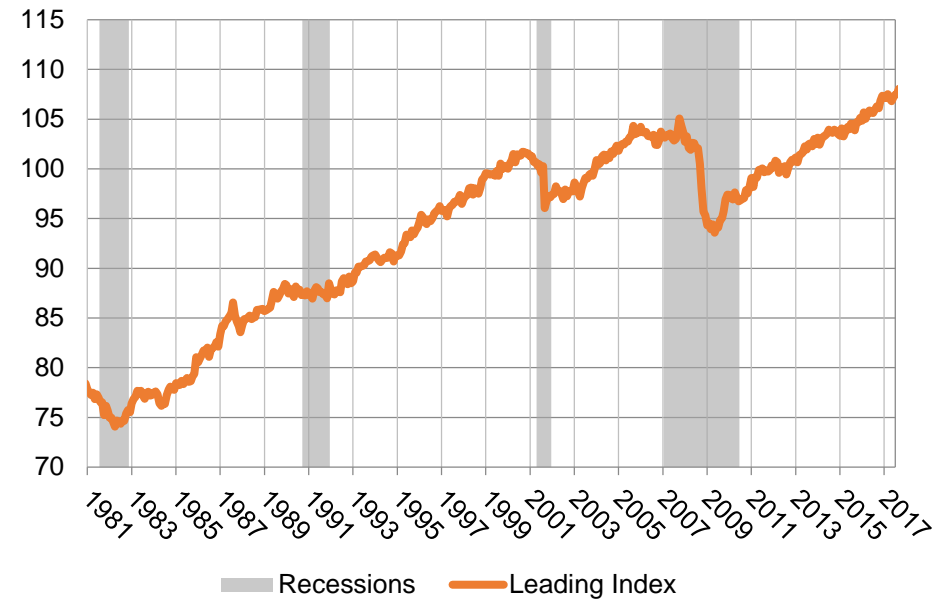
Series	Date	Latest Period	Month-Over-Month	Year-Over-Year
Taxable Sales (SA)	Sep-17	3,454,637,409	-0.8%	2.3%
Gaming Revenue (SA)	Sep-17	849,284,795	-0.8%	3.2%
Nonfarm Employment (SA)	Sep-17	984,822	0.1%	2.6%
<b>Overall Index Change</b>	Sep-17	260.0	-0.1%	2.2%



# Southern Nevada Leading Index

*The CBER Southern Nevada leading index continued its yearly upward trend in September.*

Date	Index	Month-Over-Month	Year-Over-Year
Sep-16	106.3	0.3%	2.3%
Oct-16	106.1	-0.2%	1.4%
Nov-16	106.8	0.7%	2.1%
Dec-16	107.4	0.5%	2.1%
Jan-17	107.1	-0.2%	2.2%
Feb-17	107.1	0.0%	1.4%
Mar-17	107.5	0.3%	2.4%
Apr-17	107.0	-0.4%	1.3%
May-17	106.8	-0.2%	0.9%
Jun-17	107.2	0.4%	1.5%
Jul-17	107.4	0.2%	1.7%
Aug-17	107.6	0.1%	1.5%
Sep-16	108.1	0.5%	1.7%

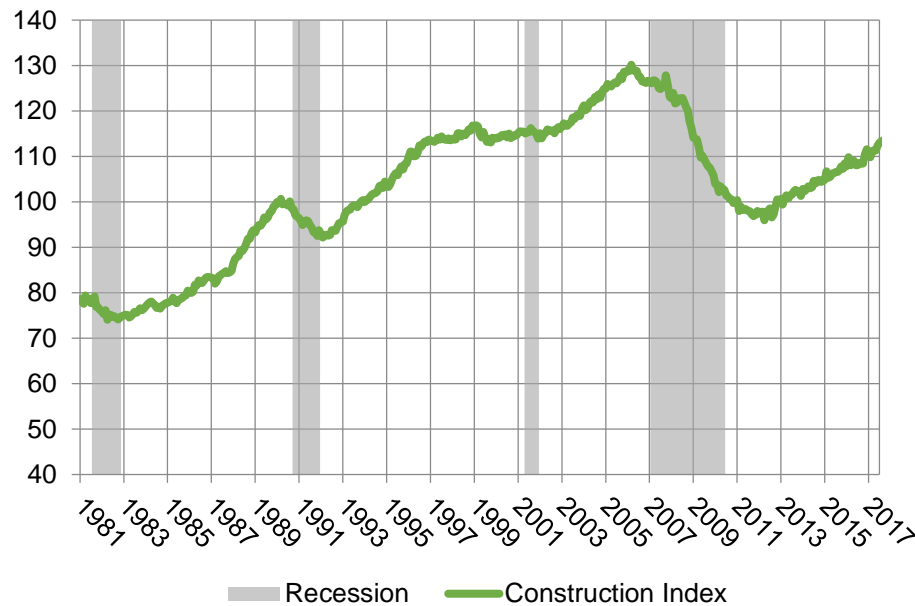


The CBER Southern Nevada leading index was slightly higher in September compared to August, up by 0.5 percent. Most components increased on a monthly basis. In detail, Initial claims for unemployment insurance (inverted) and permits for commercial building construction increased 3.8 and 47.4 percent, respectively. Passenger activity at the McCarran airport also increased on a monthly basis, up by 0.6 percent in September. On a national level, the S&P 500 index and the 10-year Treasury bond yield (inverted) were slightly higher by 1.7 percent and 0.3 percentage point, respectively. Clark County registered 27.5 fewer permits for residential buildings in September compared to August. The overall index grew year-over-year at 1.7 percent in September. All components were higher in September from last year, with the exception of residential building permits, which fell slightly by 0.8 percent. Commercial permits, however, grew strongly by 111.1 percent year-over-year in September. Initial claims for unemployment insurance (inverted) were also higher, up by 2.8 percent in September from September 2016. Nationally, the S&P 500 index and the 10-year Treasury bond yield advanced 15.5 percent and 0.2 percentage point.



# Southern Nevada Construction Index

*The CBER Southern Nevada construction index rose strongly in September compared to last year.*



The CBER Southern Nevada construction index grew 0.3 percent in September from August. This increase resulted from an expansion of 0.6 percent in construction employment, as well as higher permits for commercial buildings in Clark County, up by 47.4 percent. Although housing permits fell 28.7 in September from its previous month, it was not enough to completely offset the gains in the other two components.

The overall construction index grew strongly by 4.7 percent in September compared to last year. Commercial permits increased the most for the period, up by 111.1 percent. Housing permits, however, fell 0.8 percent, but did not significantly affect the index's annual performance. Employment in the construction industry continued to expand rapidly, up by 18.4 percent in September from September 2016. The latest percent increase reflects an addition of over 10,000 new construction workers (seasonally adjusted) for Southern Nevada.

Series	Date	Latest Period	Month-Over-Month	Year-Over-Year
Construction Employment (SA)	Sep-17	66,008	0.6%	18.4%
Housing Permits (SA)	Sep-17	929	-28.7%	-0.8%
Commercial Permits (SA)	Sep-17	46	47.4%	111.1%
<b>Overall Index Change</b>	Sep-17	113.6	0.3%	4.7%

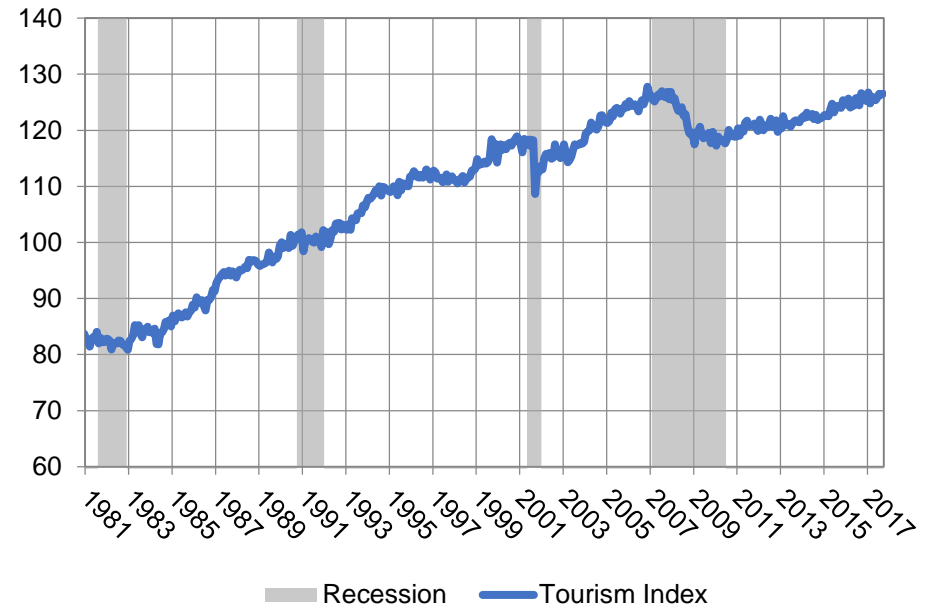


# Southern Nevada Tourism Index

*The CBER Southern Nevada tourism index increased slightly in September from the August.*

The CBER Southern Nevada tourism index grew at a sluggish rate of 0.2 percent in September from August. The hotel/motel occupancy rate for Las Vegas gained 0.6 percentage point in September. Also, the McCarran International Airport served 0.7 percent additional passengers in September compared to August. Gaming revenue, however, fell 0.8 percent, which partially offset gains in the other two components.

Compared to September 2016, the tourism index fell slightly by 0.1 percent. Air passenger volume and gaming revenue increased by 3.2 and 0.5 percent, respectively, from last year. The index was weighted down, however, by a lower hotel/motel occupancy rate, which dropped by 1.9 percentage point in September compared to September 2016.



Series	Date	Latest Period	Month-Over-Month	Year-Over-Year
McCarran Passengers (SA)	Sep-17	4,098,133	0.7%	0.5%
Gaming Revenue (SA)	Sep-17	849,284,795	-0.8%	3.2%
LV Hotel/Motel Occupancy Rate (SA)	Sep-17	0.895	0.6%	-1.9%
<b>Overall Index Change</b>	Sep-17	126.5	0.2%	-0.1%



# 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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- CBER, UNLV

*The views expressed are those of the authors and do not necessarily express those of the University of Nevada, Las Vegas or the Nevada System of Higher Education.*