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CBER's Southern Nevada Leading Index Shows Slow Growth

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CBER's Southern Nevada Index of Leading Economic Indicators showed slow growth this month. The S&P 500 Index showed the strongest gains, and the Arizona and California indexes had small gains. In contrast, activity at McCarran airport slowed from the previous month, but not by enough to offset the gains in the other indicators. Because our leading index forecasts the local economy for four to six months, we can predict continued growth until fall 2012.

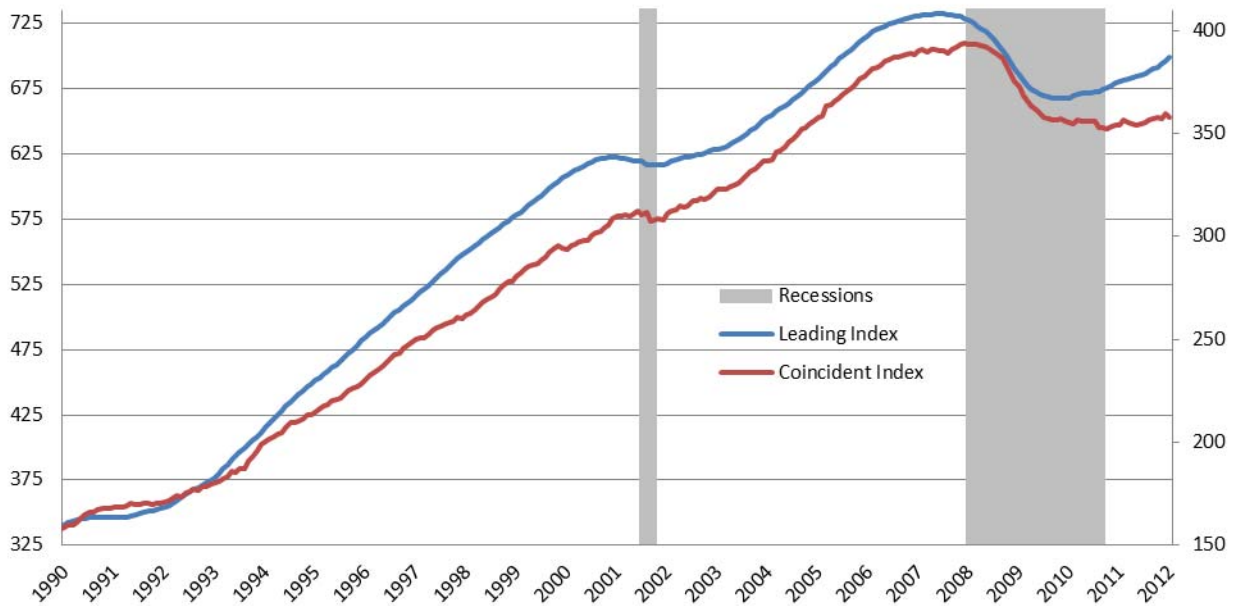
CBER's Southern Nevada Coincident Index also showed slow growth, at a rate of 0.86 percent. The gains represent mixed signals, with Las Vegas nonfarm employment decreasing by 1.18 percent on a seasonally adjusted basis, and Las Vegas household employment increasing by 0.18 percent. Given the changes in the individual components, it may seem strange that the overall index grew, but each component is weighted in a way that gives each an equal opportunity to contribute to the Coincident Index.

CBER's other three indexes for Southern Nevada also showed February declines:

- CBER's Clark County Business Activity Index declined slightly in February, despite increases in taxable sales.
- CBER's Clark County Tourism Index also fell in February. All three components (gaming revenue, McCarran total passengers, and hotel/motel occupancy) of the index dropped from the previous month.
- Although residential building permits had a strong month, CBER's Clark County Construction Index declined in February.

More detailed information is found on the pages that follow.

CBER Southern Nevada Economic Indicators



Leading Index

Series	Date	Latest Period	Change Previous Period	Change Year Ago
Arizona Index	Feb-12	753.13	0.32%	2.38%
California Index	Feb-12	587.96	0.30%	3.55%
S&P 500 Index	Feb-12	1,363.92	5.20%	2.01%
McCarran Total Passengers	Feb-12	3,464,394	-1.18%	6.77%
Overall Index Change		698.58	0.35%	2.73%

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

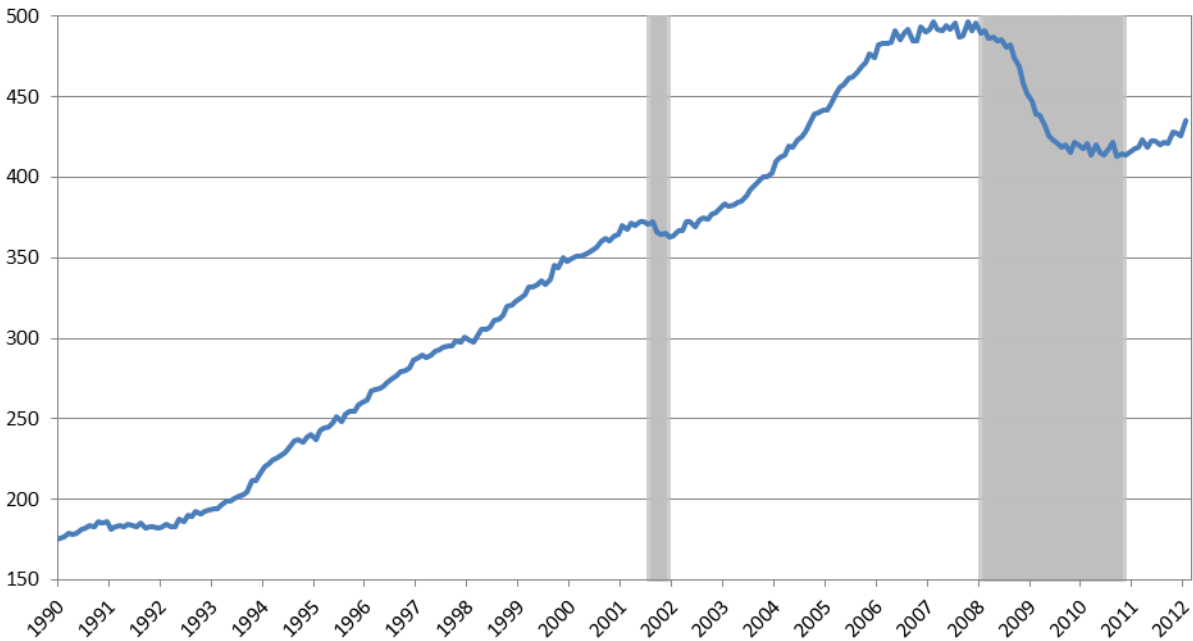
Coincident Index

Series	Date	Latest Period	Change Previous Period	Change Year Ago
Las Vegas MSA Nonfarm Employment	Feb-12	810,978	-1.18%	1.42%
Las Vegas MSA Household Employment	Feb-12	859,355	0.18%	0.71%
Overall Index Change		358.06	0.86%	1.08%

Sources: Current Employment Statistics, Local Area Unemployment Statistics

Both of CBER's Southern Nevada economic indicators showed slight gains this month. A strong performance in the S&P 500 drove most of the growth in the leading index, which also benefited from gains in the Arizona and California indexes. Activity at McCarran airport fell, but was significantly higher than this time last year. The Coincident Index continued on its upward trend, albeit at a slow pace due to conflicting indications on job growth from the two different measures of employment.

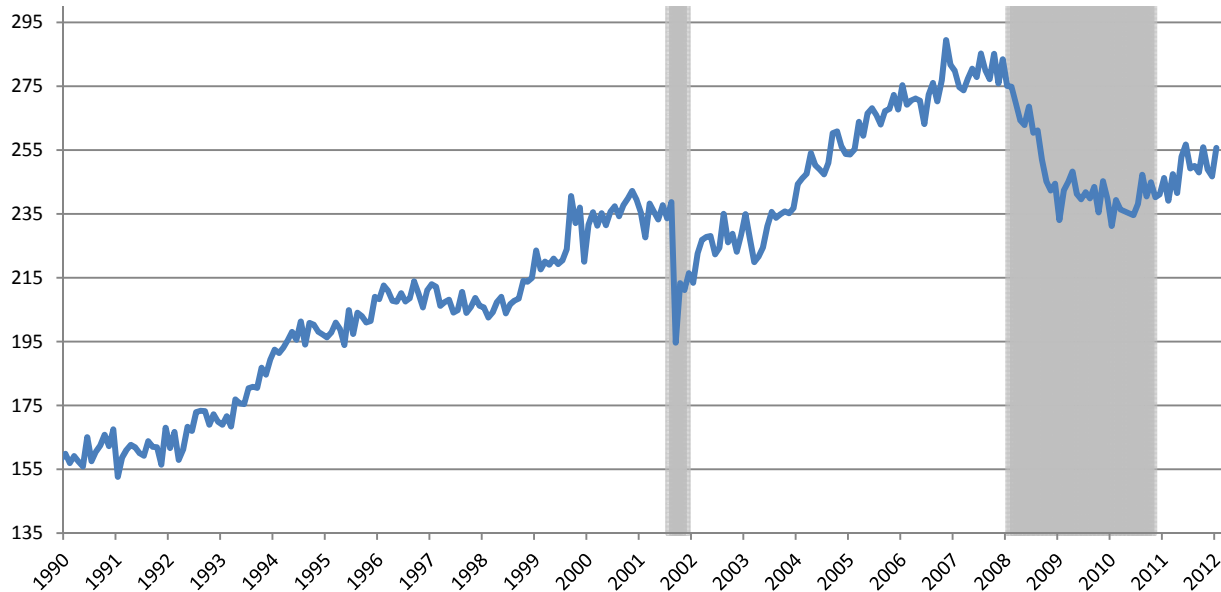
CBER Clark County Business Activity Index



Date	Index	Change Previous Period	Change Year Ago
Feb-11	418.46	0.10%	-0.55%
Mar-11	423.83	1.28%	2.35%
Apr-11	418.84	-1.18%	-0.41%
May-11	423.01	1.00%	1.87%
Jun-11	423.10	0.02%	2.26%
Jul-11	420.20	-0.68%	0.45%
Aug-11	421.70	0.36%	-0.04%
Sep-11	421.39	-0.07%	1.95%
Oct-11	428.46	1.68%	3.30%
Nov-11	427.74	-0.17%	3.24%
Dec-11	426.00	-0.41%	2.44%
Jan-12	435.73	2.29%	4.23%
Feb-12	432.02	-0.85%	3.24%

We saw decreases in CBER's Business Activity Index for February. Declines in gaming revenue (by 8.32 percent) and nonfarm employment (by 1.18 percent) were responsible for the drop in the overall index. Taxable sales showed a more favorable outlook, increasing by 4.57 percent. Despite falling slightly in February, CBER's Business Activity Index was 3.24 percent higher than a year earlier.

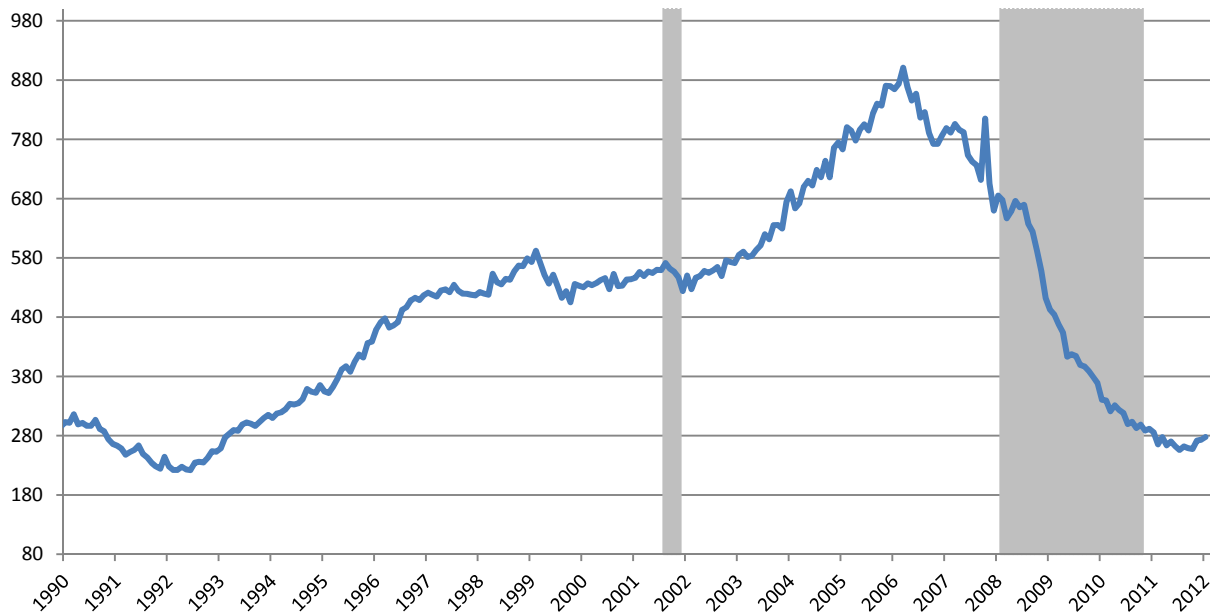
CBER Clark County Tourism Index



Date	Index	Change Previous Period	Change Year Ago
Feb-11	239.13	-2.89%	-0.09%
Mar-11	247.42	3.47%	4.68%
Apr-11	241.54	-2.38%	2.46%
May-11	252.93	4.71%	7.54%
Jun-11	256.72	1.50%	9.44%
Jul-11	249.22	-2.92%	4.67%
Aug-11	250.01	0.32%	1.11%
Sep-11	248.01	-0.80%	3.14%
Oct-11	255.84	3.16%	4.46%
Nov-11	248.82	-2.74%	3.59%
Dec-11	246.73	-0.84%	2.33%
Jan-12	255.68	3.62%	3.83%
Feb-12	248.84	-2.67%	4.06%

In February, the Southern Nevada tourism sector slowed. CBER's Clark County Tourism Index dropped by 2.67 percent. All three components of the index—gaming revenue, McCarran total passengers, and hotel/motel occupancy—fell by 8.32 percent, 1.18 percent, and 1.11 percent, respectively. Although the February data are disappointing compared to January's, they show a 4.06 percent improvement over February 2011.

CBER Clark County Construction Index



Date	Index	Change Previous Period	Change Year Ago
Feb-11	265.38	-7.07%	-21.80%
Mar-11	277.45	4.55%	-13.65%
Apr-11	263.64	-4.98%	-20.41%
May-11	270.24	2.51%	-16.46%
Jun-11	262.26	-2.96%	-17.59%
Jul-11	256.02	-2.38%	-14.57%
Aug-11	261.85	2.28%	-13.74%
Sep-11	258.90	-1.13%	-11.58%
Oct-11	257.65	-0.48%	-13.72%
Nov-11	271.57	5.40%	-5.93%
Dec-11	273.17	0.59%	-6.30%
Jan-12	277.86	1.72%	-2.70%
Feb-12	268.69	-3.30%	1.25%

CBER's Clark County Construction Index also saw declines in February, but remained 1.25 percent higher than a year earlier. Construction employment fell by 4.33 percent, and commercial building permits fell by 14.98 percent. February was a good month for residential building permits, however. They rose by 23.09 percent.

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