CBER Economic Indexes for Nevada and Southern Nevada

Published July 07, 2020

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CBER’s Indexes of Nevada Economic Activity
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. The COVID-19 recession differs from typical economic recessions. It provides almost no signal that it is coming. The coincident index peaked in December 2019 while the leading index peaked in January 2020. The big dips in both indexes came with the March data and the April data should provide even more dramatic decreases in the two indexes. The Nevada COVID-19 recession began in December 2019. All series are seasonally adjusted (SA). A full description of the methodology used to construct the indexes can be found at:
## Summary of CBER’s Nevada Coincident and Leading Indexes in April 2020

### Coincident Index Components

<table>
<thead>
<tr>
<th>Component</th>
<th>April 2020</th>
<th>April 2019</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable sales</td>
<td>-10.1%</td>
<td>-99.3%</td>
<td>-18.3%</td>
</tr>
<tr>
<td>Gross Gaming Revenue</td>
<td>-29.1%</td>
<td>-99.6%</td>
<td>-19.4%</td>
</tr>
<tr>
<td>Nonfarm Employment</td>
<td>-18.3%</td>
<td>-29.1%</td>
<td>-30.9%</td>
</tr>
<tr>
<td>Overall</td>
<td>-26.1%</td>
<td>-30.9%</td>
<td></td>
</tr>
</tbody>
</table>

- Mo-over-Mo: -19.129%
- Yr-over-Yr: -18.7%

### Leading Index Components

<table>
<thead>
<tr>
<th>Component</th>
<th>April 2020</th>
<th>April 2019</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Claims*</td>
<td>+16.2%</td>
<td>-1.0%</td>
<td>+15.2%</td>
</tr>
<tr>
<td>10-Year Treasury**</td>
<td>-1912.9%</td>
<td>+0.3%</td>
<td>-1912.9%</td>
</tr>
<tr>
<td>Housing Permits**</td>
<td>-37.3%</td>
<td>-24.6%</td>
<td>-12.7%</td>
</tr>
<tr>
<td>Commercial Permits**</td>
<td>-19.5%</td>
<td>-31.9%</td>
<td>-12.4%</td>
</tr>
<tr>
<td>Airline Passengers</td>
<td>-92.0%</td>
<td>-96.3%</td>
<td>+4.3%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>+5.7%</td>
<td>-4.7%</td>
<td>-10.4%</td>
</tr>
<tr>
<td>Overall</td>
<td>-10.8%</td>
<td>-18.7%</td>
<td></td>
</tr>
</tbody>
</table>

- Mo-over-Mo: +16.2%
- Yr-over-Yr: +5.7%

* Inverted ** Data are partly forecasted as Clark County Service’s permit reports have not been available since December 2017.

Icons are made by 1) www.freepik.com 2) phatplus, mynamepong, and Payungkeas from www.flaticon.com
The CBER Nevada coincident index significantly decreased month-over-month and year-over-year

The CBER Nevada coincident index significantly decreased by 26.1 percent in April compared to March. This decrease resulted from substantial monthly losses in taxable sales, gaming revenue, and nonfarm employment, down by 10.1, 99.3, and 18.3 percent, respectively, from March.

The Nevada coincident index also drastically decreased year-over-year. The index dropped by 30.9 percent from last year. This decrease reflected extensive losses in taxable sales, gaming revenue, and nonfarm employment, down by 29.1, 99.6 and 19.4 percent, respectively, from last year.

We anticipate further decreases with the release of May data. Assuming no retrenchment in opening protocols, we may see some recovery in June.

<table>
<thead>
<tr>
<th>Series</th>
<th>Latest Period</th>
<th>Mo-over-Mo</th>
<th>Yr-over-Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable Sales (SA)</td>
<td>3,804,710,789</td>
<td>-10.1%</td>
<td>-29.1%</td>
</tr>
<tr>
<td>Gaming Revenue (SA)</td>
<td>4,066,371</td>
<td>-99.3%</td>
<td>-99.6%</td>
</tr>
<tr>
<td>Nonfarm Employment (SA)</td>
<td>1,144,746</td>
<td>-18.3%</td>
<td>-19.4%</td>
</tr>
<tr>
<td>Index and % Change</td>
<td><strong>155.4</strong></td>
<td><strong>-26.1%</strong></td>
<td><strong>-30.9%</strong></td>
</tr>
</tbody>
</table>
The CBER Nevada leading index also drastically decreased month-over-month and year-over-year.

The CBER Nevada leading index experienced a significant decrease of 10.8 percent on a month-over-month basis. On the positive side, the initial claims for unemployment (inverted) and S&P 500 increased by 16.2 and 5.7 percent, respectively, from March. The ten-year real Treasury yield, housing permits, commercial permits, and Nevada passengers decreased by 1.0, 37.3, 19.5 and 92.0 percent, respectively.

On a year-over-year basis, the leading index also substantially declined by 18.7 percent. The ten-year real Treasury yield slightly ticked upward by 0.3 percent from April 2019. On the negative side, the initial claims for unemployment (inverted), housing permits, commercial permits, Nevada passengers, and S&P 500 declined by 1912.9, 24.6, 31.9, 96.3, and 4.7 percent, respectively, from the prior year.
CBER Indexes of Southern Nevada Economic Activity
CBER’s Indexes of Southern Nevada Economic Activity

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. As noted above, the COVID-19 recession differs from typical economic recessions. It provides almost no signal that it is coming. The coincident index peaked in December 2019 while the leading index peaked in January 2020. The big dips in both indexes came with the March data and the April data should provide even more dramatic decreases in the two indexes. The Southern Nevada COVID-19 recession began in December 2019. All series are SA.

Note: CC = Clark County
Summary of CBER’s Southern Nevada Coincident and Leading Indexes in April 2020

Coincident Index Components

- Taxable sale: -14.6% Mo-over-Mo, -36.0% Yr-over-Yr
- Gross Gaming Revenue: -99.2% Mo-over-Mo, -99.5% Yr-over-Yr
- Nonfarm Employment: -21.9% Mo-over-Mo, -23.1% Yr-over-Yr
- Overall: -26.0% Mo-over-Mo, -31.8% Yr-over-Yr

Leading Index Component

- Initial Claims*: +16.2% Mo-over-Mo, -1912.9% Yr-over-Yr
- 10-Year Treasury*: +0.3% Mo-over-Mo, +0.3% Yr-over-Yr
- Housing Permits**: -43.0% Mo-over-Mo, -35.6% Yr-over-Yr
- Commercial Permits**: +5.8% Mo-over-Mo, -48.2% Yr-over-Yr
- Airline Passengers: -92.2% Mo-over-Mo, -96.4% Yr-over-Yr
- S&P 500: +5.7% Mo-over-Mo, -4.7% Yr-over-Yr
- Overall: -10.4% Mo-over-Mo, -18.6% Yr-over-Yr

* Inverted ** Data are partly forecasted as Clark County Service’s permit reports have not been available since December 2017.

Icons are made by 1) www.freepik.com 2) phatplus, mynamepong, and Payungkeas from www.flaticon.com
The CBER Southern Nevada coincident index substantially declined month-over-month and year-over-year.

The CBER Southern Nevada coincident index experienced a 26.0 percent month-over-month decrease in April. This striking decrease reflects decreases in taxable sales, gaming revenue, and nonfarm employment by 14.6, 99.2, and 21.9 percent, respectively, from March 2020.

On a year-over-year basis, the index dropped substantially by 31.8 percent. This significant decrease largely reflected the downward surge in taxable sales, gaming revenue, and nonfarm employment, down by 36.0, 99.5, and 23.1 percent, respectively.

We anticipate further decreases with the release of May data. Assuming no retrenchment in opening protocols, we may see some recovery in June.
The CBER Southern Nevada leading index significantly declined both on a monthly and on a yearly basis.

The CBER Southern Nevada leading index experienced a substantial loss of 10.4 percent month-over-month. On the positive side, the initial claims for unemployment (inverted) and S&P 500 increased by 16.2 and 5.7 percent, respectively, from March. The ten-year real Treasury yield, housing permits, commercial permits, and Nevada passengers decreased by 1.0, 43.0, 5.8 and 92.2 percent, respectively.

On a yearly basis, the CBER Southern Nevada leading index also significantly dropped by 18.6 percent. The ten-year real Treasury yield slightly increased by 0.3 percent from April 2019. On the negative side, the initial claims for unemployment (inverted), housing permits, commercial permits, Nevada passengers, and S&P 500 declined by 1912.9, 35.6, 48.2, 96.4, and 4.7 percent, respectively, from the prior year.
Summary of CBER’s Southern Nevada Tourism and Construction Indexes in April 2020

Tourism Index

- McCarran Passengers: -92.2% Mo-over-Mo, -96.4% Yr-over-Yr
- Gross Gaming Revenue: -99.2% Mo-over-Mo, -99.5% Yr-over-Yr
- LV Hotel/Motel Occupancy Rate: -95.6% Mo-over-Mo, -98.1% Yr-over-Yr

Construction Index

- Construction Employment Sales: -8.9% Mo-over-Mo, +1.8% Yr-over-Yr
- Housing Permits**: -43.0% Mo-over-Mo, -35.6% Yr-over-Yr
- Commercial Permits**: -5.8% Mo-over-Mo, -48.2% Yr-over-Yr

Overall

-34.2% Mo-over-Mo, -47.5% Yr-over-Yr

* Inverted ** Data are partly forecasted as Clark County Service’s permit reports have not been available since December 2017.

Icons are made by 1) www.freepik.com 2) Payungkead and Retinaicons from www.flaticon.com
The CBER Southern Nevada tourism index dropped substantially month-over-month and year-over-year.

The CBER Southern Nevada tourism index markedly declined by 34.2 percent month-over-month in April. McCarran airport passenger volume, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate experienced extreme losses of 92.2, 99.2, and 95.6 percent, respectively.

On an annual basis, the Southern Nevada tourism index also exhibited a monumental loss of 47.5 percent. McCarran airport passenger volume, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate fell considerably by 96.4, 99.5, and 98.1 percent, respectively.

We anticipate further decreases with the release of May data. Assuming no retrenchment in opening protocols, we may see some recovery in June.

<table>
<thead>
<tr>
<th>Series</th>
<th>Latest Period</th>
<th>Mo-over-Mo</th>
<th>Yr-over-Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>McCarran Passengers (SA)</td>
<td>157,740</td>
<td>-92.2%</td>
<td>-96.4%</td>
</tr>
<tr>
<td>Gaming Revenue (SA)</td>
<td>4,135,232</td>
<td>-99.2%</td>
<td>-99.5%</td>
</tr>
<tr>
<td>LV Hotel/Motel Occupancy Rate (SA)</td>
<td>0.017</td>
<td>-95.6%</td>
<td>-98.1%</td>
</tr>
<tr>
<td>Index and % Change</td>
<td>65.2</td>
<td>-34.2%</td>
<td>-47.5%</td>
</tr>
</tbody>
</table>
The CBER Southern Nevada construction index decreased month-over-month and year-over-year.

The Southern Nevada construction index ticked downward by 2.7 percent from the last month. All components of the Southern Nevada construction index experienced a decline in April. Construction employment, housing permits, and commercial permits decreased by 8.9, 43.0, and 5.8 from March.

The Southern Nevada construction index slightly decreased by 0.9 percent from the previous year. On the positive side, construction employment increase by 1.8 percent. On the negative side, housing permits and commercial permits decreased by 35.6 and 48.2 percent, respectively, from last year.

<table>
<thead>
<tr>
<th>Series</th>
<th>Latest Period</th>
<th>Month-over-Month</th>
<th>Year-over-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Employment (SA)</td>
<td>70,342</td>
<td>-8.9%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Housing Permits (SA)</td>
<td>652</td>
<td>-43.0%</td>
<td>-35.6%</td>
</tr>
<tr>
<td>Commercial Permits (SA)</td>
<td>29</td>
<td>-5.8%</td>
<td>-48.2%</td>
</tr>
<tr>
<td>Index and % Change</td>
<td>114.3</td>
<td>-2.7%</td>
<td>-0.9%</td>
</tr>
</tbody>
</table>
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
• Federal Reserve Bank of St. Louis
• CBER, UNLV

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• McCarran International Airport
• Las Vegas Convention and Visitors Authority
• Federal Reserve Bank of St. Louis
• CBER, UNLV

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