CBER Economic Indexes for Nevada and Southern Nevada

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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. 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.
Summary of CBER’s Nevada Coincident and Leading Indexes in June 2019

### Coincident Index Components

**Taxable sales**
-1.1%

**Gross Gaming Revenue**
+16.3%

**Nonfarm Employment**
-0.1%

**Overall**
+1.1%

**Components**

- **Taxable sales**
  -1.1%
- **Gross Gaming Revenue**
  +16.3%
- **Nonfarm Employment**
  -0.1%
- **Overall**
  +1.1%

### Leading Index Components

**Initial Claims**
+3.2%

**10-Year Treasury**
+0.1%

**Housing Permits**
+72.1%

**Commercial Permits**
+18.5%

**Airline Passengers**
-1.7%

**S&P 500**
+0.6%

**Overall**
+0.4%

**Components**

- **Initial Claims**
  +3.2%
- **10-Year Treasury**
  +0.1%
- **Housing Permits**
  +72.1%
- **Commercial Permits**
  +18.5%
- **Airline Passengers**
  -1.7%
- **S&P 500**
  +0.6%
- **Overall**
  +0.4%

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*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 increased both month-over-month and year-over-year.

The CBER Nevada coincident index increased both monthly and yearly in June. On a month-over-month basis, seasonally adjusted nonfarm employment and taxable sales fell by 0.1 and 1.1 percent, respectively, from the previous month. Gaming revenue, however, exhibited a strong gain, up by 16.3 percent month-over-month, which led to 1.1 percent positive change in Nevada coincident index for June 2019.

On a year-over-year basis, the Nevada coincident index climbed higher, increasing by 4.0 percent assisted by increases in all its components. Taxable sales, gaming revenue, and nonfarm employment jumped higher by 5.9, 11.3, and 3.2 percent, respectively. Gaming revenue for June experienced the largest amount since October 2018.

<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>5,327,828,715</td>
<td>-1.1%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Gaming Revenue (SA)</td>
<td>1,105,097,815</td>
<td>16.3%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Nonfarm Employment (SA)</td>
<td>1,427,584</td>
<td>-0.1%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Index and % Change</td>
<td>241.3</td>
<td>1.1%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>
The CBER Nevada leading index rose both month-over-month and year-over-year.

<table>
<thead>
<tr>
<th>Date</th>
<th>Index</th>
<th>Mo-over-Mo</th>
<th>Yr-over-Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul-18</td>
<td>108.9</td>
<td>0.2%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Aug-18</td>
<td>109.3</td>
<td>0.4%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Sep-18</td>
<td>109.1</td>
<td>-0.2%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Oct-18</td>
<td>109.1</td>
<td>0.0%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Nov-18</td>
<td>108.8</td>
<td>-0.3%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Dec-18</td>
<td>108.1</td>
<td>-0.6%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Jan-19</td>
<td>108.9</td>
<td>0.7%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Feb-19</td>
<td>108.4</td>
<td>-0.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Mar-19</td>
<td>108.1</td>
<td>-0.2%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Apr-19</td>
<td>109.0</td>
<td>0.8%</td>
<td>0.6%</td>
</tr>
<tr>
<td>May-19</td>
<td>109.1</td>
<td>0.1%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Jun-19</td>
<td>109.6</td>
<td>0.4%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

The CBER Nevada leading index eased slightly higher in June, up by 0.4 percent from May. Nevada passengers experienced a loss for the month, decreasing by 1.7 percent, from May 2019. The ten-year real Treasury yield, initial claims for unemployment (inverted), housing permits, the S&P 500, and commercial permits, however, increased by 0.1, 3.2, 72.1, 0.6, and 18.5 percent, respectively, from the previous month.

On a year-over-year basis, the index registered a 0.8 percent gain in June compared to last year. The ten-year real Treasury yield decreased, falling by 0.3 percent. Housing permits, initial claims for unemployment (inverted), commercial permits, Nevada passengers, and the S&P 500 experienced growth of 62.8, 5.0, 17.0, 3.1, and 5.0 percent, respectively, from June 2018.
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.
Summary of CBER’s Southern Nevada Coincident and Leading Indexes in June 2019

**Coincident Index Components**

-Taxable sale: -1.1%
-Nonfarm Employment: -0.1%
-Overall: +1.1%

**Leading Index Component**

-Initial Claims*: +3.2%
-10-Year Treasury*: +0.1%
-Housing Permits**: +38.7%
-Overall: +0.3%

* 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
Summary of CBER’s Southern Nevada Tourism and Construction Indexes in June 2019

**Tourism Index**

- **McCarran Passengers**
  - Mo-over-Mo: -2.0%
  - Yr-over-Yr: +3.2%

- **Gross Gaming Revenue**
  - Mo-over-Mo: +6.0%
  - Yr-over-Yr: -6.0%

- **LV Hotel/Motel Occupancy Rate**
  - Mo-over-Mo: -1.4%
  - Yr-over-Yr: +1.1%

- **Overall**
  - Mo-over-Mo: +0.8%
  - Yr-over-Yr: +1.7%

**Construction Index**

- **Construction Employment Sales**
  - Mo-over-Mo: -3.6%
  - Yr-over-Yr: +4.5%

- **Housing Permits**
  - Mo-over-Mo: +38.7%
  - Yr-over-Yr: +35.0%

- **Commercial Permits**
  - Mo-over-Mo: +6.3%
  - Yr-over-Yr: +38.7%

- **Overall**
  - Mo-over-Mo: -0.3%
  - Yr-over-Yr: +1.7%

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*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 Retinaiicons from www.flaticon.com
The Southern Nevada coincident index rose from May 2019, continuing its upward trend. Seasonally adjusted taxable sales and nonfarm employment decreased by 1.1 and 0.1 percent, respectively, from the previous month. Gaming revenue, however, exhibited a strong gain, up by 21.5 percent month-over-month, which led to 1.1 percent positive change in Southern Nevada coincident index for June 2019.

On a year-over-year basis, the index increased by 3.5 percent. Taxable sales and gaming revenue climbed higher, rising by 7.2 and 14.2 percent, respectively, year-over-year. In addition, nonfarm employment increased by 2.2 percent. Taxable sales, gaming revenue, and nonfarm employment all contributed to the index’s monthly upward movement.
The Southern Nevada leading index rose by 0.3 percent from May 2019. This gain resulted from increases in initial claims for unemployment (inverted), the ten-year real Treasury yield, housing permits, commercial permits, and the S&P 500. These five components increased by 3.2, 0.1, 38.7, 6.3, and 0.6 percent, respectively, month-over-month. On the negative side, McCarran Airport passengers fell by 2.0 percent from the previous month.

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<td>109.4</td>
<td>0.5%</td>
<td>1.7%</td>
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<td>Aug-18</td>
<td>109.5</td>
<td>0.1%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Sep-18</td>
<td>108.9</td>
<td>-0.5%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Oct-18</td>
<td>109.2</td>
<td>0.2%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Nov-18</td>
<td>109.1</td>
<td>-0.1%</td>
<td>0.8%</td>
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<tr>
<td>Dec-18</td>
<td>108.2</td>
<td>-0.8%</td>
<td>-0.1%</td>
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<td>0.6%</td>
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<td>109.8</td>
<td>0.3%</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

On a year-over-year basis, the index rose by 0.9 percent from June 2018. Initial claims for unemployment (inverted), housing permits, commercial permits, McCarran passengers, and the S&P increased 5.0, 35.0, 38.7, 3.2, and 5.0, respectively, year-over-year. The ten-year real Treasury yield, however, decreased by 0.3 percent.
Southern Nevada Tourism Index in June 2019

The CBER Southern Nevada tourism index for June was slightly higher from a month and year ago.

The Southern Nevada tourism index increased 0.8 percent from the previous month. As shown in the table below, McCarran passengers and Las Vegas hotel/motel occupancy rate decreased by 2.0 and 1.4 percent, respectively, from the previous month. The positive increase for this month’s index is largely due to gaming revenue. Gaming revenue increased significantly by 21.5 percent month-over-month.

On a year-over-year basis, the Southern Nevada tourism index ticked up by 1.7 percent from June 2018. McCarran Airport passengers and the Las Vegas hotel/motel occupancy rate increased by 3.2 and 1.1 percent, respectively, from last year. On the negative side, gaming revenue decreased by 6.0 percent.

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</tr>
</thead>
<tbody>
<tr>
<td>McCarran Passengers (SA)</td>
<td>4,269,205</td>
<td>-2.0%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Gaming Revenue (SA)</td>
<td>973,281,471</td>
<td>21.5%</td>
<td>-6.0%</td>
</tr>
<tr>
<td>LV Hotel/Motel Occupancy Rate (SA)</td>
<td>0.885</td>
<td>-1.4%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Index and % Change</td>
<td>129.0</td>
<td>0.8%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>
Southern Nevada Construction Index in June 2019

The CBER Southern Nevada construction index fell on a monthly basis but increased year-over-year

The Southern Nevada construction index decreased by 0.3 percent from May 2019. Housing permits and commercial permits rose by 38.7 and 6.3 percent, respectively, from the previous month. Construction employment decreased by 3.6 percent month-over-month. The drop in construction employment lowered the index’s monthly movement.

On a year-over-year basis, the construction index ticked up, rising by 1.7 percent. As shown in the table below, construction employment, housing permits, and commercial permits rose by 4.5, 35.0, and 38.7 percent, respectively. All three elements contributed to the index’s monthly upward movement.

<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>Construction Employment (SA)</td>
<td>66,429</td>
<td>-3.6%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Housing Permits (SA)</td>
<td>1,346</td>
<td>38.7%</td>
<td>35.0%</td>
</tr>
<tr>
<td>Commercial Permits (SA)</td>
<td>48</td>
<td>6.3%</td>
<td>38.7%</td>
</tr>
<tr>
<td>Index and % Change</td>
<td>114.4</td>
<td>-0.3%</td>
<td>1.7%</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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• CBER, UNLV

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