



CBER Economic Indexes for Nevada and Southern Nevada

Published May 14, 2019

Stephen M. Miller, PhD, Director
Sara Shafieian, Graduate Research Assistant

UNLV | LEE BUSINESS SCHOOL
CENTER FOR BUSINESS
AND ECONOMIC RESEARCH



Summary of CBER's Nevada Indexes

Coincident Index (February)

Leading Index (February)

Mo. to Mo.

-0.1%



-2.1%



Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
-2.5% ↓	1.5% ↑	-0.1% ↓

Initial Claims*	10-Year Treasury*	Housing Permits	Commercial Permits**	Airline Passengers	S&P 500
-1.9% ↓	0.0% -	-37.5% ↓	-26.4% ↓	-0.9% ↓	4.3% ↑

Yr. to Yr.

3.2%



-1.2%



Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
5.0% ↑	-0.7% ↓	3.5% ↑

Initial Claims*	10-Year Treasury*	Housing Permits	Commercial Permits**	Airline Passengers	S&P 500
5.3% ↑	-0.5% ↓	-4.1% ↓	-18.9% ↓	2.0% ↑	1.8% ↑

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



CBER's Indexes of Nevada Economic Activity

Coincident Index Components

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

Leading Index Components

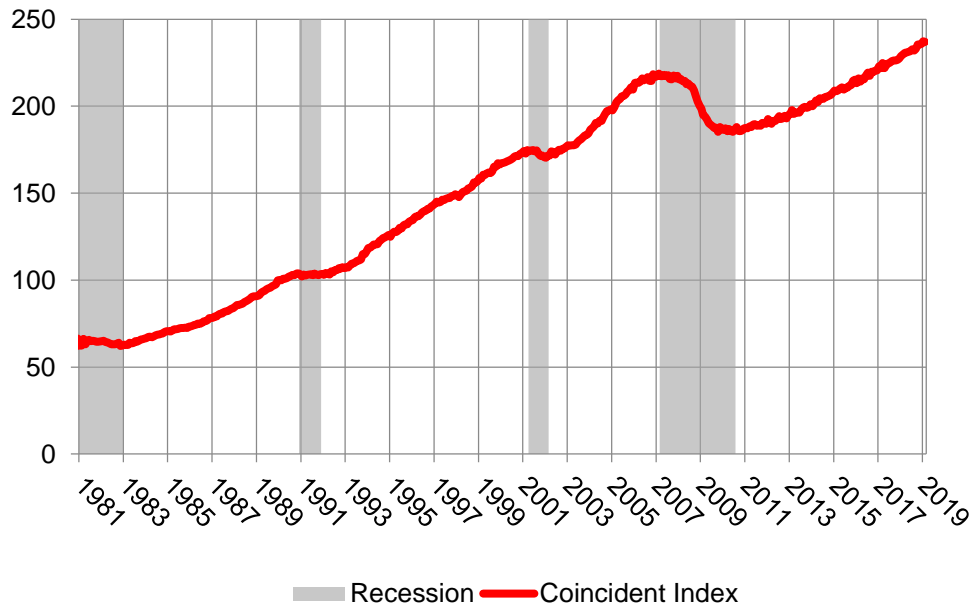
- Nevada Initial Claims for Unemployment (inverted)
- Real 10-Year Treasury Rate (inverted)
- Nevada Housing Permits
- Nevada Commercial Permits
- Nevada Airline Passengers
- Standard & Poor's Stock Market Index

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 decreased month-over-month but moved higher from last year.



The Nevada coincident index decreased slightly by 0.1 percent from January 2019. On the positive side, gaming revenue rose by 1.5 percent from the previous month. Taxable sales and nonfarm employment dropped 2.5 and 0.1 percent, respectively, month-over-month.

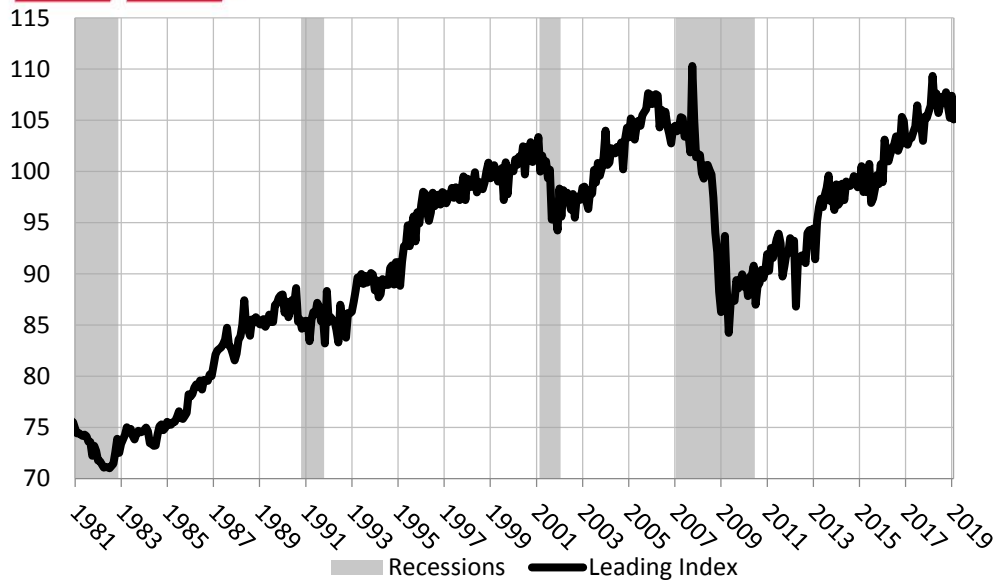
On a year-over-year basis, the Nevada coincidence index climbed higher, rising by 3.2 percent. Taxable sales and nonfarm employment jumped up by 5.0 and 3.5, respectively, from February 2018. Gaming revenue dropped by 0.7 percent.

Series	Date	Latest Period	Month-Over-Month	Year-Over-Year
Taxable Sales	Feb-19	5,164,925,539	-2.5%	5.0%
Gaming Revenue	Feb-19	988,138,439	1.5%	-0.7%
Nonfarm Employment	Feb-19	1,418,765	-0.1%	3.5%
Overall Index Change	Feb-19	236.9	-0.1%	3.2%



Nevada Leading Index

The CBER Nevada leading index dropped both month-over-month and year-over-year.



Date	Index	Month-over-Month	Year-over-Year
Feb-18	106.4	0.5%	3.7%
Mar-18	109.3	2.8%	6.0%
Apr-18	106.6	-2.5%	3.2%
May-18	107.6	1.0%	3.6%
Jun-18	105.7	-1.7%	1.3%
Jul-18	106.5	0.8%	0.1%
Aug-18	107.3	0.7%	2.8%
Sep-18	106.7	-0.6%	2.0%
Oct-18	107.7	1.0%	4.6%
Nov-18	106.4	-1.3%	1.0%
Dec-18	105.2	-1.1%	0.0%
Jan-19	107.4	2.1%	1.5%
Feb-19	105.1	-2.1%	-1.2%

On a month-over-month basis, the CBER Nevada leading index dropped 2.1 percent. Nevada Airline passengers, initial claims for unemployment (inverted), housing permits, and commercial permits fell by 0.9, 1.9, 37.5, and 26.4 percent, respectively, from January 2019. The S&P 500 jumped up by 4.3 percent from the previous month, while the ten-year real Treasury yield did not change month-over-month.

On a year-over-year basis, the index dropped 1.2 percent. The ten-year real Treasury yield, housing permits, and commercial permits fell by 0.5, 4.1, and 18.9 percent, respectively, from February 2018. Initial claims for unemployment (inverted), Nevada Airline passengers, and the S&P 500, however, jumped higher, rising by 5.3, 2.0, and 1.8 percent, respectively, year-over-year.



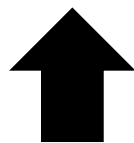
Summary of CBER's Southern Nevada Indexes

- Coincident Index and Leading Index

Coincident Index (February)

Leading Index (February)

Mo. to Mo.

0.2% 

-0.1% 

Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
0.5% ↑	2.6% ↑	-0.2% ↓

Initial Claims*	10-Year Treasury*	Housing Permits	Commercial Permits**	McCarran Passengers	S&P 500
-1.9% ↓	0.0 -	-18.0% ↓	-24.7% ↓	-0.5% ↓	4.3% ↑

Yr. to Yr.

2.9% 

0.1% 

Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
7.4% ↑	0.3% ↑	2.7% ↑

Initial Claims*	10-Year Treasury*	Housing Permits	Commercial Permits**	McCarran Passengers	S&P 500
5.3% ↑	-0.5% ↓	2.1% ↑	-1.0% ↓	1.9% ↑	1.8% ↑

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



Summary of CBER's Southern Nevada Indexes

- Construction Index and Tourism Index

Construction Index (February)

Tourism Index (February)

Mo. to Mo.

-0.8%



0.2%

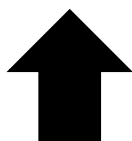


Construction Employment	Housing Permits	Commercial Permits**
-0.9% ↓	-0.18.0% ↓	-24.7% ↓

McCarran Passengers	Gross Gaming Revenue	LV Hotel/Motel Occupancy Rate
-0.5% ↓	2.6% ↑	0.4% ↑

Yr. to Yr.

1.6%



0.8%



Construction Employment	Housing Permits	Commercial Permits**
7.4% ↑	2.1% ↑	-1.0% ↓

McCarran Passengers	Gross Gaming Revenue	LV Hotel/Motel Occupancy Rate
1.9% ↑	0.3% ↑	1.9% ↑

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



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

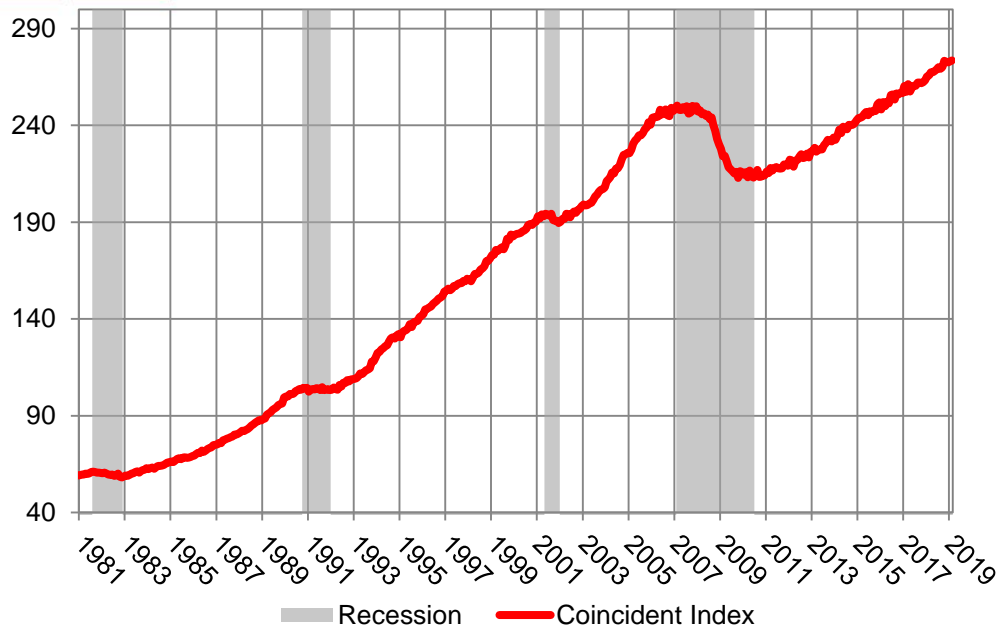
Note: CC = Clark County

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 rose month-over-month and year-over-year.



The Southern Nevada coincident index rose 0.2 percent from January 2019. Both taxable sales and gaming revenue ticked up by 0.5 and 2.6 percent, respectively, from the previous month. Nonfarm employment, however, dropped by 0.2 percent month-over-month.

On a year-over-year basis, the coincident index increased, rising by 2.9 percent. Taxable sales, gaming revenue, and nonfarm employment climbed higher, increasing by 7.4, 0.3, and 2.7 percent, respectively, from February 2018.

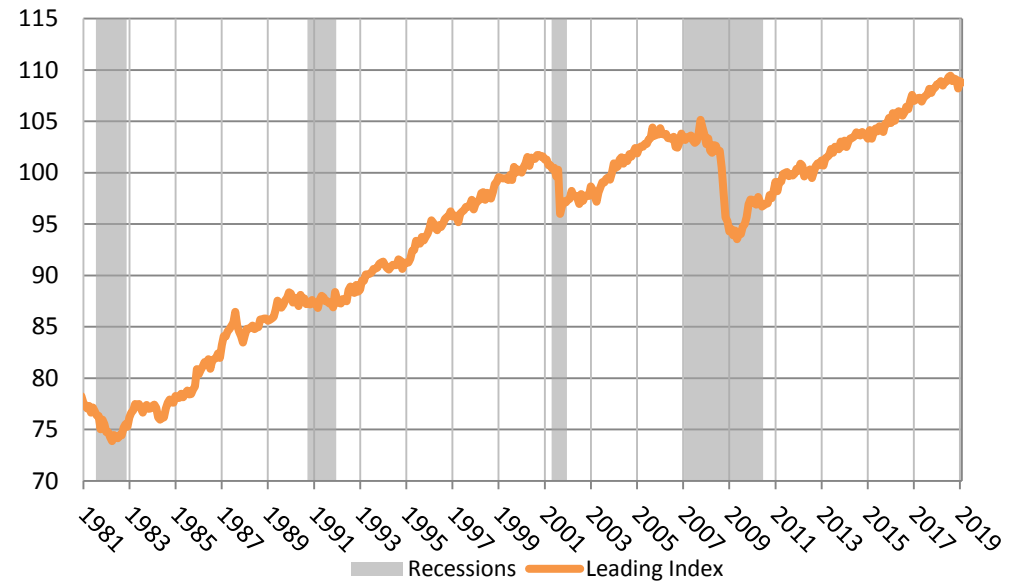
Series	Date	Latest Period	Month-over-Month	Year-over-Year
Taxable Sales	Feb-19	3,821,585,386	0.5%	7.4%
Gaming Revenue	Feb-19	860,577,622	2.6%	0.3%
Nonfarm Employment	Feb-19	1,023,544	-0.2%	2.7%
Overall Index Change	Feb-19	273.5	0.2%	2.9%



Southern Nevada Leading Index

The CBER Southern Nevada leading index fell slightly month-over-month but ticked up year-over-year.

Date	Index	Month-over-Month	Year-over-Year
Feb-18	108.6	0.0%	1.4%
Mar-18	108.9	0.3%	1.5%
Apr-18	108.5	-0.4%	1.1%
May-18	108.8	0.3%	1.8%
Jun-18	108.9	0.0%	1.5%
Jul-18	109.3	0.4%	1.7%
Aug-18	109.5	0.1%	1.7%
Sep-18	108.9	-0.5%	0.7%
Oct-18	109.2	0.2%	1.3%
Nov-18	109.1	-0.1%	0.9%
Dec-18	108.2	-0.8%	-0.1%
Jan-19	108.9	0.6%	0.3%
Feb-19	108.8	-0.1%	0.1%



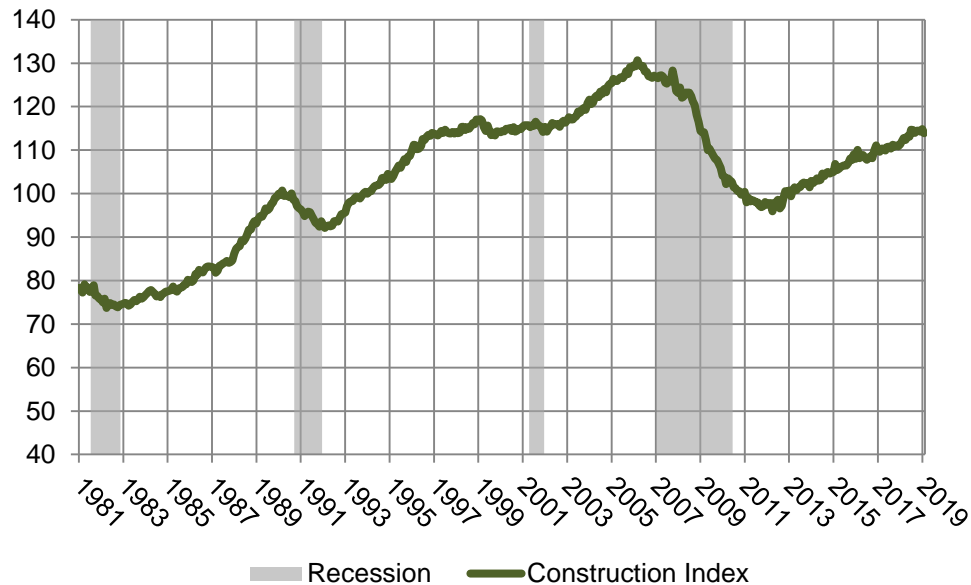
The Southern Nevada leading index dropped by 0.1 percent from January 2019. Housing permits, commercial permits, McCarran Airport passengers, and initial claims for unemployment (inverted) fell by 18.0, 24.7, 0.5, and 1.9 percent, respectively, from the previous month. The S&P 500, however, increased, rising by 4.3 percent month-over-month. The ten-year real Treasury yield did not change from January 2019.

On a year-over-year basis, the index rose by 0.1 percent from February 2018. The ten-year real Treasury yield and commercial permits dropped by 0.5 and 1.0 percent, respectively, year-over-year. On the positive side, the S&P 500, initial claims for unemployment (inverted), housing permits, and McCarran Airport passengers increased, rising by 1.8, 5.3, 2.1, and 1.9 percent, respectively, from February 2018.



Southern Nevada Construction Index

The Southern Nevada construction index dropped month-over-month but rose year-over-year.



The Southern Nevada construction index dropped by 0.8 percent from January 2019. Housing permits, construction employment, and commercial permits dropped by 18.0, 0.9, and 24.7 percent, respectively from the previous month.

On a year-over-year basis, the construction index increased, rising by 1.6 percent. Construction employment climbed higher, rising by 7.4 percent from February 2018. Housing permits also increased slightly, rising by 2.1 percent. Commercial permits, however, dropped by 1.0 percent from the previous year.

Series	Date	Latest Period	Month-over-Month	Year-over-Year
Construction Employment (SA)	Feb-19	65,853	-0.9%	7.4%
Housing Permits (SA)	Feb-19	1,484	-18.0%	2.1%
Commercial Permits (SA)	Feb-19	34	-24.7%	-1.0%
Overall Index Change	Feb-19	113.9	-0.8%	1.6%

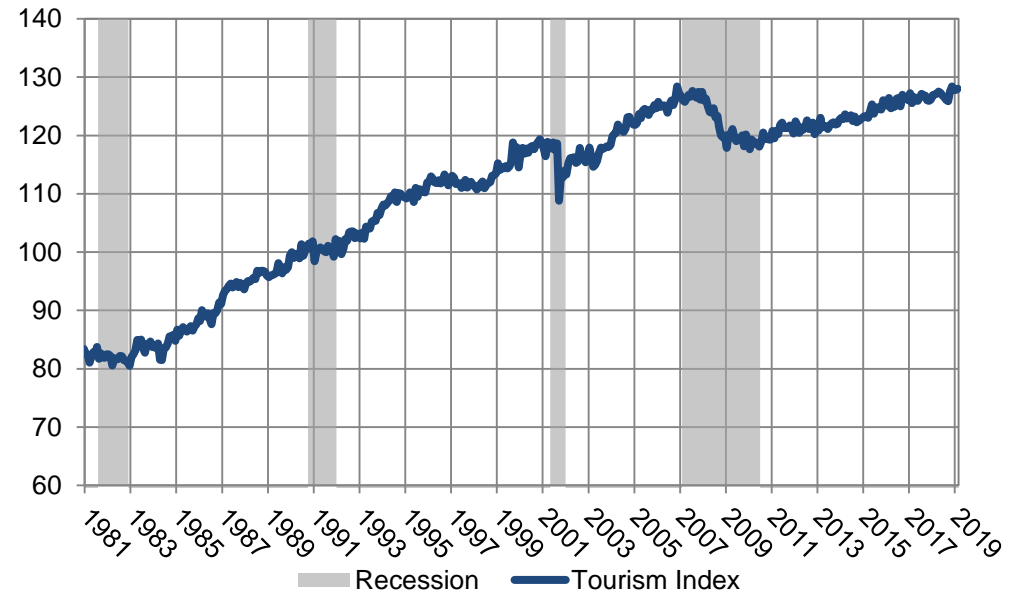


Southern Nevada Tourism Index

The CBER Southern Nevada tourism index rose month-over-month and year-over-year.

The Southern Nevada tourism index ticked up, rising by 0.2 percent from January 2019. Gaming revenue and the Las Vegas hotel/motel occupancy rate rose 2.6 and 0.4 percent, respectively, from the previous month. McCarran passengers dropped 0.5 percent from last month.

On a year-over-year basis, the Southern Nevada tourism index rose by 0.8 percent from February 2018. McCarran Airport passengers, gaming revenue, and the Las Vegas hotel/motel occupancy rate increased by 1.9, 0.3, and 1.9 percent, respectively.



Series	Date	Latest Period	Month-over-Month	Year-over-Year
McCarran Passengers (SA)	Feb-19	4,216,940	-0.5%	1.9%
Gaming Revenue (SA)	Feb-19	860,577,622	2.6%	0.3%
LV Hotel/Motel Occupancy Rate (SA)	Feb-19	0.900	0.4%	1.9%
Overall Index Change	Feb-19	128.0	0.2%	0.8%



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

Southern 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
- McCarran International Airport
- Las Vegas Convention and Visitors Authority
- Federal Reserve Bank of St. Louis
- 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.