



# CBER Economic Indexes for Nevada and Southern Nevada

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Stephen M. Miller, PhD, Director  
Hasara Rathnasekara, Graduate Research Assistant

**UNLV** | LEE BUSINESS SCHOOL  
CENTER FOR BUSINESS  
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# Summary of CBER's Nevada Indexes

## Coincident Index (August)

**-0.2%**



Mo. to Mo.

Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
-1.2% ↓	-3.8% ↓	0.3% ↑

**2.7%**

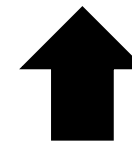


Yr. to Yr.

Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
5.2% ↑	-7.7% ↓	3.8% ↑

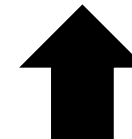
## Leading Index (August)

**1.6%**



Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	Airline Passengers	S&P 500
5.4% ↑	-0.2% ↓	18.4% ↑	21.5% ↑	-0.1% ↓	2.9% ↑

**0.3%**



Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	Airline Passengers	S&P 500
11.2% ↑	0.1% ↑	-16.8% ↓	-15.0% ↓	1.6% ↑	16.2% ↑

\* 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

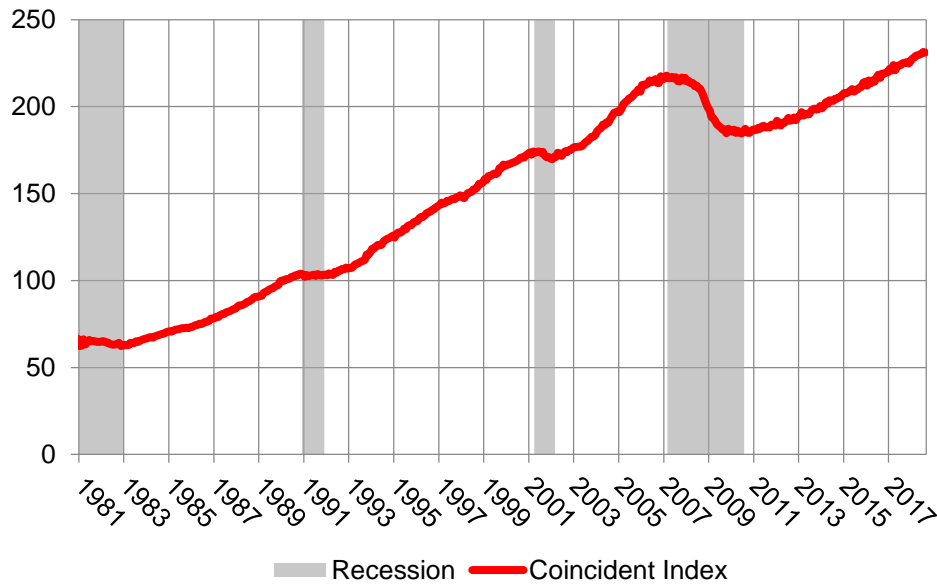
- Nevada Initial Claims for Unemployment (inverted)
- Real 10-Year Treasury Rate (inverted)
- Nevada Housing Permits
- Nevada Commercial Permits
- Nevada Airline Passengers
- Standard & Poor's Stock Market Index

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 fell month-over-month, but rose year-over-year.



The Nevada coincident index slightly decreased, falling by 0.2 percent from July 2018. Both taxable sales and gaming revenue drop by 1.2 and 3.8 percent, respectively, month-over-month. Nonfarm employment, however, rose by 0.3 percent from the previous month.

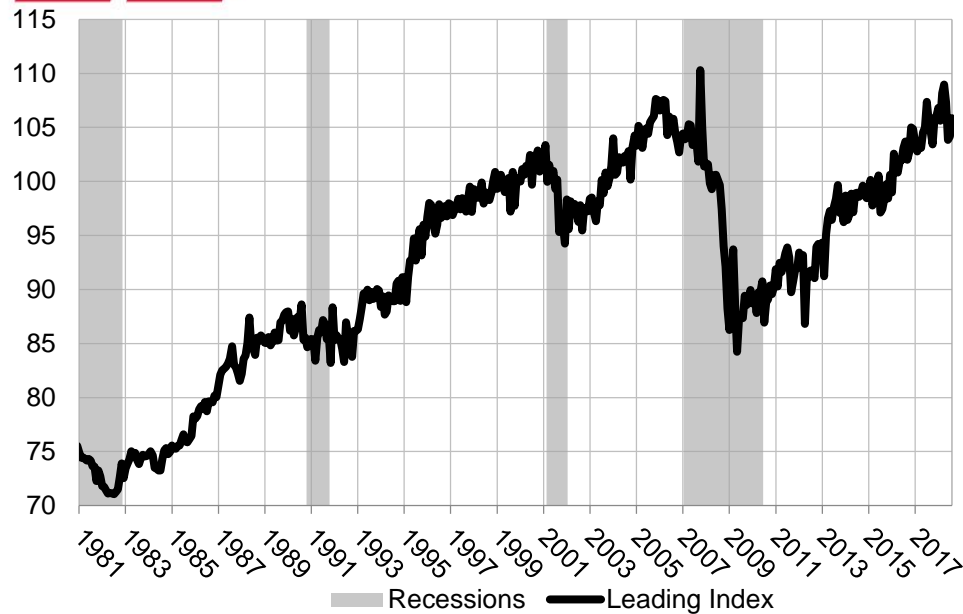
The Nevada coincident index jumped higher year-over-year, rising by 2.7 percent from August 2017. Growth of taxable sales and nonfarm employment leads the increase, rising by 5.2 and 3.8 percent, respectively, from the previous year. Gaming revenue, however, ticked down, falling by 7.7 percent from August 2017.

Series	Date	Latest Period	Month-Over-Month	Year-Over-Year
Taxable Sales	Aug-18	5,062,496,064	-1.2%	5.2%
Gaming Revenues	Aug-18	927,128,083	-3.8%	-7.7%
Nonfarm Employment	Aug-18	1,395,664	0.3%	3.8%
<b>Overall Index Change</b>	Aug-18	231.1	-0.2%	2.7%



# Nevada Leading Index

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



Date	Index	Month-over-Month	Year-over-Year
Aug-17	105.5	-1.7%	1.7%
Sep-17	104.6	-0.9%	2.5%
Oct-17	103.4	-1.1%	0.7%
Nov-17	105.9	2.3%	0.8%
Dec-17	106.1	0.2%	1.2%
Jan-18	106.8	0.7%	3.2%
Feb-18	105.6	-1.1%	2.8%
Mar-18	108.2	2.4%	4.4%
Apr-18	109.0	0.7%	5.7%
May-18	107.3	-1.5%	2.7%
Jun-18	103.8	-3.2%	-1.1%
Jul-18	104.2	0.3%	-3.0%
Aug-18	105.9	1.6%	0.3%

The Nevada leading index increased, rising by 1.6 percent month-over-month. On the positive side, initial claims for unemployment(inverted), housing permits, commercial permits, and the S&P 500, increased, rising by 5.4, 18.4, 21.5, and 2.9 percent, respectively, from July 2018. On the negative side, both the ten-year real Treasury yield (inverted) and Nevada airline passengers slightly dropped, falling by 0.2 and 0.1 percent, respectively, from July 2018.

On a year-over-year basis, the index rose by 0.3 percent. Initial claims for unemployment(inverted), the ten-year real Treasury yield, Nevada airline passengers, and the S&P 500, ticked up, rising by 11.2, 0.1, 1.6, and 16.2 percent, respectively, from August, 2017. Both, housing permits and commercial permits, however, dropped by 16.8 and 15.0 percent, respectively, year-over-year.



# Summary of CBER's Southern Nevada Indexes

- Coincident Index and Leading Index

## Coincident Index (August)

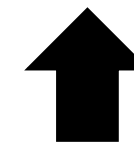
## Leading Index (August)

Mo. to Mo.

-0.3%



0.2%



Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
-0.6% ↓	-4.9% ↓	0.2% ↑

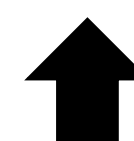
Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	McCarran Passengers	S&P 500
5.4% ↑	-0.2% ↓	4.6% ↑	2.2% ↑	-0.5% ↓	2.9% ↑

Yr. to Yr.

2.8%



1.7%



Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
6.5% ↑	-10.1% ↓	4.0% ↑

Initial Claims*	10-Year Treasury*	Housing Permits**	Commercial Permits**	McCarran Passengers	S&P 500
11.2% ↑	0.1% ↑	-16.2% ↓	56.1% ↑	1.5% ↑	16.2% ↑

\* 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 (August)

## Tourism Index (August)

Mo. to Mo.

0.0% 

-0.3% 

Construction Employment	Housing Permits**	Commercial Permits**
-0.2% ↓	4.6% ↑	2.2% ↑

McCarran Passengers	Gross Gaming Revenue	LV Hotel/Motel Occupancy Rate
-0.5% ↓	-4.9% ↓	0.4% ↑

Yr. to Yr.

3.6% 

-0.7% 

Construction Employment	Housing Permits**	Commercial Permits**
15.5% ↑	-16.2% ↓	56.1% ↑

McCarran Passengers	Gross Gaming Revenue	LV Hotel/Motel Occupancy Rate
1.5% ↑	-10.1% ↓	-0.9% ↓

\* 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

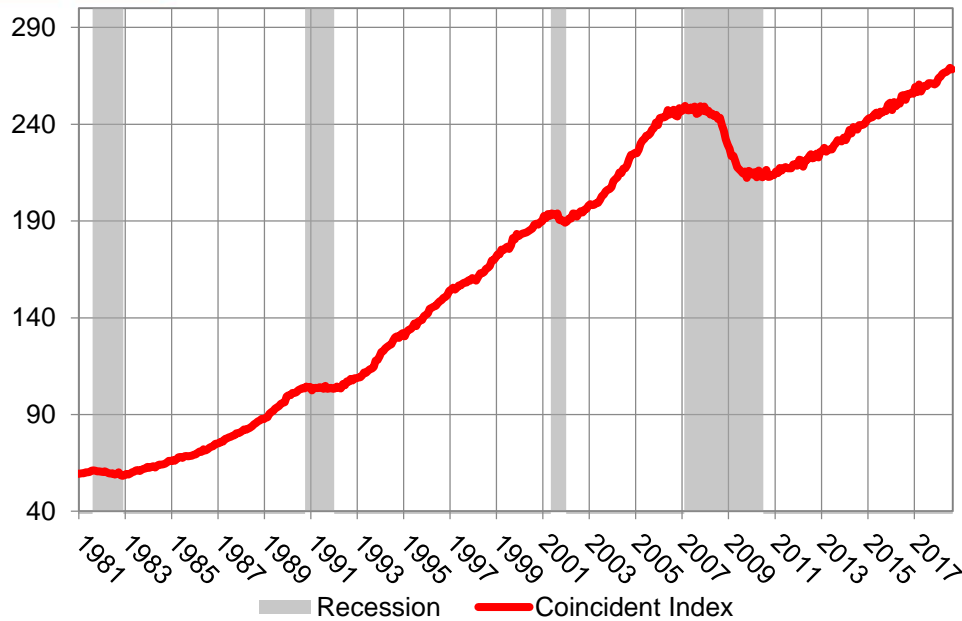
The CBER Southern Nevada coincident and leading indexes use the Department of Commerce index construction method. The coincident index measures the ups and downs of the Southern Nevada economy. The leading index provides a signal about the future direction of the coincident index. The coincident index 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 fell month-over-month, but rose year-over-year.*



The Southern Nevada coincident index slightly dropped, falling by 0.3 percent from July 2018. Both taxable sales and gaming revenues decreased, falling by 0.6 and 4.9 percent, respectively, from the previous month. Nonfarm employment, however, increased, rising by 0.2 percent month-over-month.

On a year-over-year basis, the index increased by 2.8 percent. Both taxable sales, and nonfarm employment grew year-over-year, rising by 6.5 and 4.0 percent, respectively, from the previous year. Gaming revenues, however, dropped by 10.1 percent from August 2017. The gaming revenues collected in August 2017, however, are extraordinary due to a strong lineup of events including the fight between Conor McGregor and Floyd Mayweather.

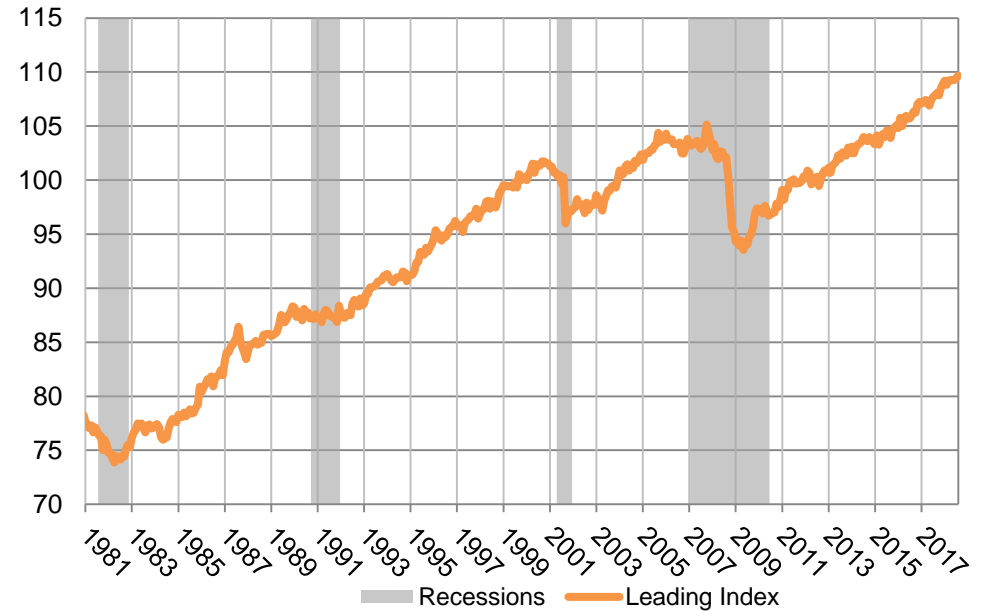
Series	Date	Latest Period	Month-over-Month	Year-over-Year
Taxable Sales	Aug-18	3,705,909,599	-0.6%	6.5%
Gaming Revenues	Aug-18	781,227,633	-4.9%	-10.1%
Nonfarm Employment	Aug-18	1,017,146	0.2%	4.0%
<b>Overall Index Change</b>	Aug-18	268.4	-0.3%	2.8%



# Southern Nevada Leading Index

The CBER Southern Nevada leading index climbed up both month-over-month and year-over-year.

Date	Index	Month-over-Month	Year-over-Year
Aug-17	107.9	0.1%	1.8%
Sep-17	108.1	0.2%	1.6%
Oct-17	107.8	-0.2%	1.5%
Nov-17	108.5	0.6%	1.4%
Dec-17	108.9	0.3%	1.5%
Jan-18	109.2	0.3%	2.0%
Feb-18	108.8	-0.4%	1.5%
Mar-18	109.2	0.4%	1.7%
Apr-18	109.2	0.0%	2.0%
May-18	109.3	0.1%	2.3%
Jun-18	109.3	0.0%	1.7%
Jul-18	109.4	0.2%	1.6%
Aug-18	109.7	0.2%	1.7%



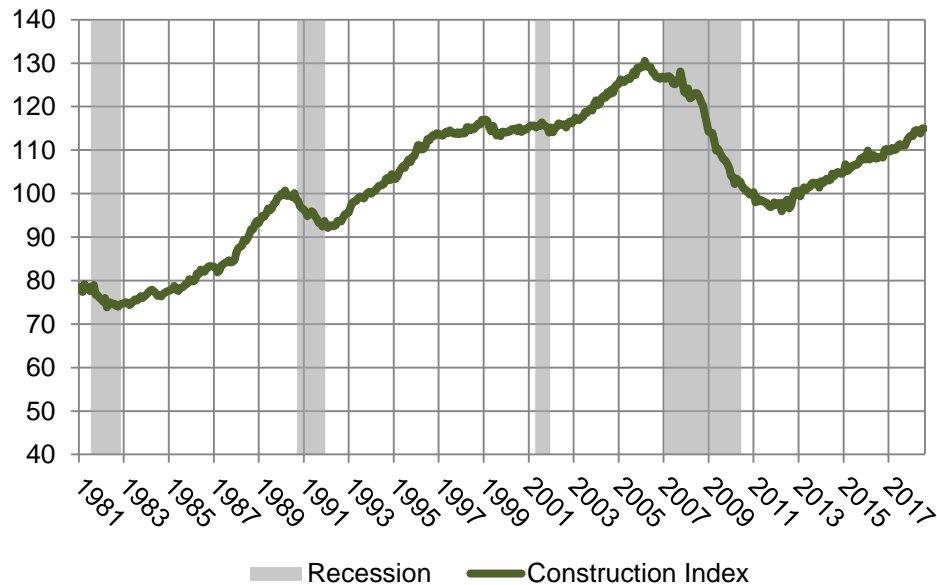
The Southern Nevada leading index increased slightly, rising by 0.2 percent from July 2018. On the positive side, initial claims for unemployment insurance (inverted), housing permits, commercial permits, and the S&P 500, increased, rising by 5.4, 4.6, 2.2, and 2.9 percent, respectively, from the previous month. The ten-year Treasury yield (inverted), however, fell by 0.2 percent, month-over-month. Also, McCarran Airport passengers dropped by 0.5 percent from July 2018.

On a year-over-year basis, the Southern Nevada leading index increased, rising by 1.7 percent from August 2017. Initial claims for unemployment (inverted), the ten-year real Treasury yield (inverted), commercial permits, McCarran Airport passengers, and the S&P 500 rose by 11.2, 0.1, 56.1, 1.5, and 16.2 percent, respectively, year-over-year. Housing permits, however, dropped by 16.2 percent from August, 2017.



# Southern Nevada Construction Index

*The Southern Nevada construction index did not change month-over-month, but rose year-over-year.*



The Southern Nevada construction index did not change month-over-month. On the positive side, both housing permits and commercial permits increased, rising by 4.6 and 2.2 percent, respectively, from July 2018. Construction employment, however, slightly dropped, falling by 0.2 percent.

On a year-over-year basis, the construction index rose by 3.6 percent. The strong growth of construction employment and commercial permits leads the increase, rising by 15.5 and 56.1 percent, respectively, from August 2017. Housing permits, however, dropped by 16.2 percent, year-over-year.

Series	Date	Latest Period	Month-over-Month	Year-over-Year
Construction Employment (SA)	Aug-18	67,507	-0.2%	15.5%
Housing Permits (SA)	Aug-18	1,220	4.6%	-16.2%
Commercial Permits (SA)	Aug-18	60	2.2%	56.1%
<b>Overall Index Change</b>	Aug-18	115.0	0.0%	3.6%

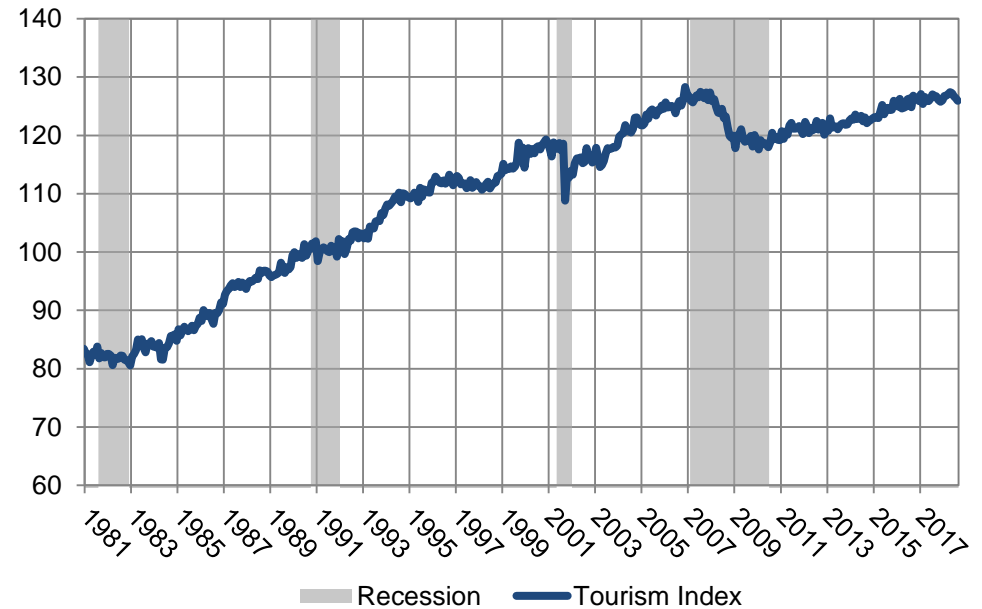


# Southern Nevada Tourism Index

*The CBER Southern Nevada tourism index ticked down both month-over-month and year-over-year.*

The Southern Nevada tourism index decreased, falling by 0.3 percent, from July 2018. Both McCarran passengers and gaming revenues dropped, falling by 0.5 and 4.9 percent, respectively, from the previous month. Las Vegas hotel and motel occupancy rate, however, rose 0.4 percent month-over-month.

On a year-over-year basis, the Southern Nevada tourism index fell by 0.7 percent. Both gross gaming revenues and the Las Vegas hotel and motel occupancy rate decreased by 10.1 and 0.9 percent, respectively, year-over-year. McCarran Airport passengers, however, increased, rising by 1.5 percent from August 2017.



Series	Date	Latest Period	Month-over-Month	Year-over-Year
McCarran Passengers (SA)	Aug-18	4,135,997	-0.5%	1.5%
Gaming Revenue (SA)	Aug-18	781,227,633	-4.9%	-10.1%
LV Hotel/Motel Occupancy Rate (SA)	Aug-18	0.875	0.4%	-0.9%
<b>Overall Index Change</b>	Aug-18	125.9	-0.3%	-0.7%



# 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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*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.*