



# CBER Economic Indexes for Nevada and Southern Nevada

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# Summary of CBER's Nevada Indexes

## Coincident Index (November)

## Leading Index (November)

Mo. to Mo.

0.0% 

-1.1% 

Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
0.8% ↑	-2.7% ↓	0.2% ↑

Initial Claims*	10-Year Treasury*	Housing Permits	Commercial Permits**	Airline Passengers	S&P 500
0.5% ↑	-0.2% ↓	-10.3% ↓	-13.6% ↓	1.9% ↑	-1.9% ↓

Yr. to Yr.

4.3% 

-0.3% 

Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
8.4% ↑	6.7% ↑	3.9% ↑

Initial Claims*	10-Year Treasury*	Housing Permits	Commercial Permits**	Airline Passengers	S&P 500
12.0% ↑	-0.8% ↓	-25.8% ↓	-10.5% ↓	4.6% ↑	5.2% ↑

\* 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

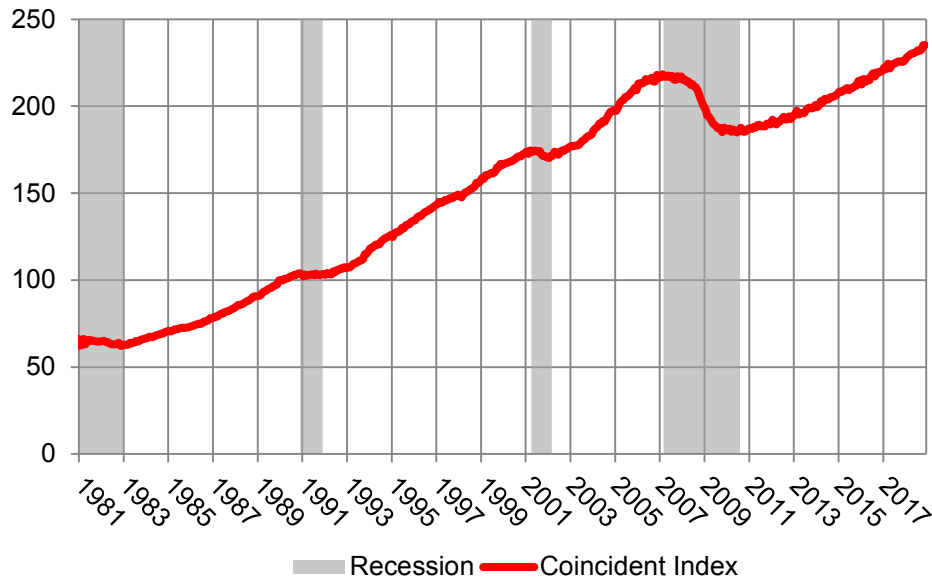
- Nevada Initial Claims for Unemployment (inverted)
- Real 10-Year Treasury Rate (inverted)
- Nevada Housing Permits
- Nevada Commercial Permits
- Nevada Airline Passengers
- Standard & Poor's Stock Market Index

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 did not change month-over-month but increased year-over-year.*



The Nevada coincident index did not change from October 2018. On the positive side, taxable sales and nonfarm employment increased, rising by 0.8 and 0.2 percent, respectively, from the previous month. Gaming revenue, however, dropped 2.7 percent month-over-month.

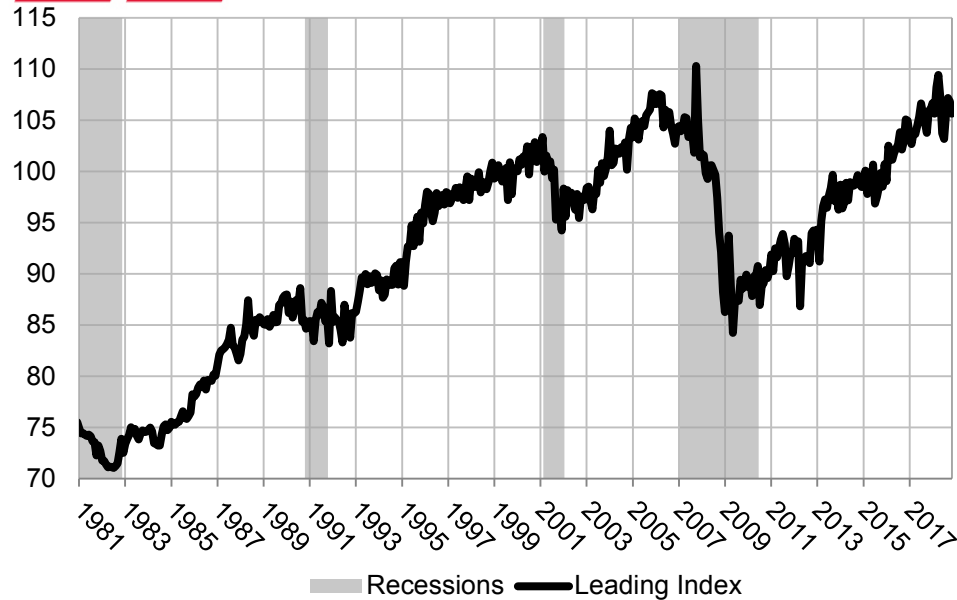
On a year-over-year basis, the Nevada coincidence index rose by 4.3 percent. Taxable sales, gaming revenue, and nonfarm employment climbed higher, rising by 8.4, 6.7, and 3.9 percent, respectively, from November 2017.

Series	Date	Latest Period	Month-Over-Month	Year-Over-Year
Taxable Sales	Nov-18	5,301,652,811	0.8%	8.4%
Gaming Revenue	Nov-18	1,005,757,709	-2.7%	6.7%
Nonfarm Employment	Nov-18	1,402,356	0.2%	3.9%
<b>Overall Index Change</b>	Nov-18	235.1	0.0%	4.3%



# 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
Nov-17	105.9	2.1%	0.8%
Dec-17	106.1	0.2%	1.1%
Jan-18	106.7	0.5%	3.0%
Feb-18	105.6	-1.0%	2.9%
Mar-18	108.2	2.4%	4.4%
Apr-18	109.4	1.1%	5.6%
May-18	107.3	-2.0%	2.7%
Jun-18	103.7	-3.3%	-1.5%
Jul-18	103.2	-0.5%	-3.2%
Aug-18	105.7	2.4%	0.0%
Sep-18	107.2	1.4%	2.3%
Oct-18	106.8	-0.3%	3.0%
Nov-18	105.6	-1.1%	-0.3%

On a month-over-month basis, the CBER Nevada leading index dropped 1.1 percent. The ten-year real Treasury yield, housing permits, commercial permits, and the S&P 500 fell by 0.2, 10.3, 13.6, and 1.9 percent, respectively, from October 2018. On the positive side, initial claims for unemployment (inverted) and Nevada Airline passengers increased, rising by 0.5 and 1.9 percent, respectively, from the previous month.

On a year-over-year basis, the index dropped 0.3 percent. The ten-year real Treasury yield, housing permits, and commercial permits fell by 0.8, 25.8, and 10.5 percent, respectively, from November 2017. Initial claims for unemployment (inverted), Nevada Airline passengers, and the S&P 500, however, jumped higher, rising by 12.0, 4.6, and 5.2 percent, respectively, year-over-year.



# Summary of CBER's Southern Nevada Indexes

- Coincident Index and Leading Index

## Coincident Index (November)

## Leading Index (November)

Mo. to Mo.

0.0%

0.1%

Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
2.5% ↑	-3.5% ↓	-0.2% ↓

Initial Claims*	10-Year Treasury*	Housing Permits	Commercial Permits**	McCarran Passengers	S&P 500
0.5% ↑	-0.2% ↓	-7.1% ↓	31.2% ↑	2.3% ↑	-1.9% ↓

Yr. to Yr.

4.5%

0.4%

Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
12.0% ↑	6.4% ↑	3.5% ↑

Initial Claims*	10-Year Treasury*	Housing Permits	Commercial Permits**	McCarran Passengers	S&P 500
12.0% ↑	-0.8% ↓	-35.6% ↓	4.5% ↑	4.4% ↑	5.2% ↑

\* 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 (November)

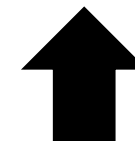
## Tourism Index (November)

Mo. to Mo.

0.3%



0.7%



Construction Employment	Housing Permits	Commercial Permits**
0.2% ↑	-7.1% ↓	31.2% ↑

McCarran Passengers	Gross Gaming Revenue	LV Hotel/Motel Occupancy Rate
2.3% ↑	-3.5% ↓	2.8% ↑

Yr. to Yr.

1.7%



2.0%



Construction Employment	Housing Permits	Commercial Permits**
10.2% ↑	-35.6% ↓	4.5% ↑

McCarran Passengers	Gross Gaming Revenue	LV Hotel/Motel Occupancy Rate
4.4% ↑	6.4% ↑	3.8% ↑

\* 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

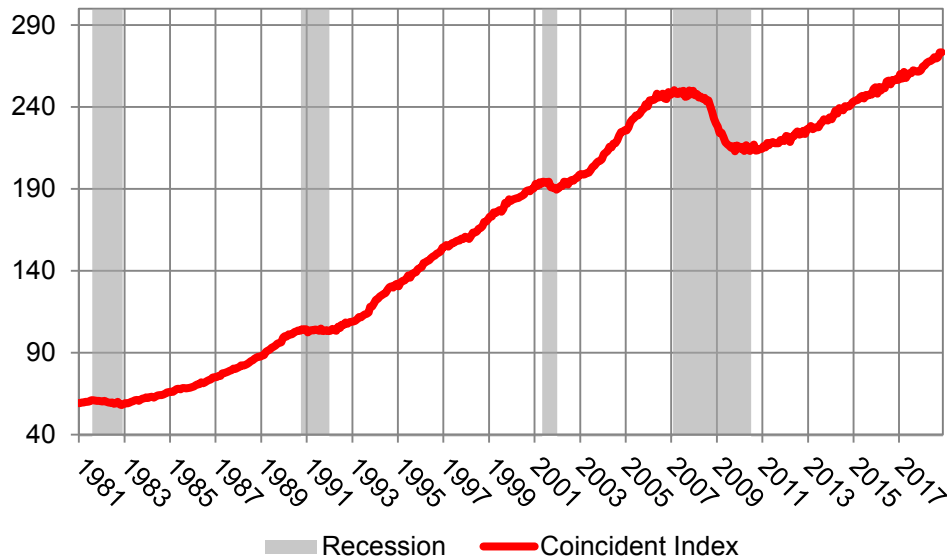
The CBER Southern Nevada coincident and leading indexes use the Department of Commerce index construction method. The coincident index measures the ups and downs of the Southern Nevada economy. The leading index provides a signal about the future direction of the coincident index. The coincident index 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 did not change month-over-month but rose year-over-year.*



The Southern Nevada coincident index did not change from October 2018. Both gaming revenue and nonfarm employment dropped by 3.5 and 0.2 percent, respectively. Taxable sales, however, ticked up, rising by 2.5 percent.

On a year-over-year basis, the index increased by 4.5 percent. Strong growth of taxable sales led the increase, rising by 12.0 percent from November 2017. Also, gaming revenue and nonfarm employment also jumped higher, rising by 6.4 and 3.5 percent, respectively, year-over-year.

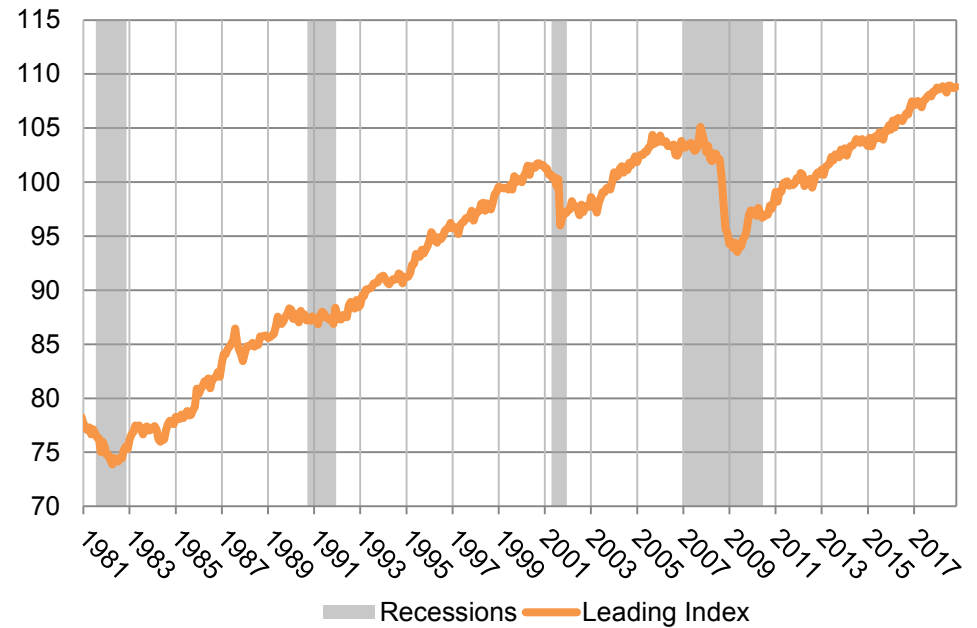
Series	Date	Latest Period	Month-over-Month	Year-over-Year
Taxable Sales	Nov-18	3,902,480,994	2.5%	12.0%
Gaming Revenue	Nov-18	858,207,370	-3.5%	6.4%
Nonfarm Employment	Nov-18	1,017,500	-0.2%	3.5%
<b>Overall Index Change</b>	Nov-18	273.4	0.0%	4.5%



# Southern Nevada Leading Index

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

Date	Index	Month-over-Month	Year-over-Year
Nov-17	108.4	0.4%	1.4%
Dec-17	108.4	0.0%	0.8%
Jan-18	108.8	0.3%	1.5%
Feb-18	108.6	-0.2%	1.3%
Mar-18	108.7	0.1%	1.1%
Apr-18	108.9	0.2%	1.5%
May-18	108.6	-0.2%	1.6%
Jun-18	108.3	-0.3%	0.7%
Jul-18	108.9	0.6%	1.2%
Aug-18	108.9	0.0%	0.9%
Sep-18	108.7	-0.2%	0.6%
Oct-18	108.7	0.0%	0.7%
Nov-18	108.8	0.1%	0.4%



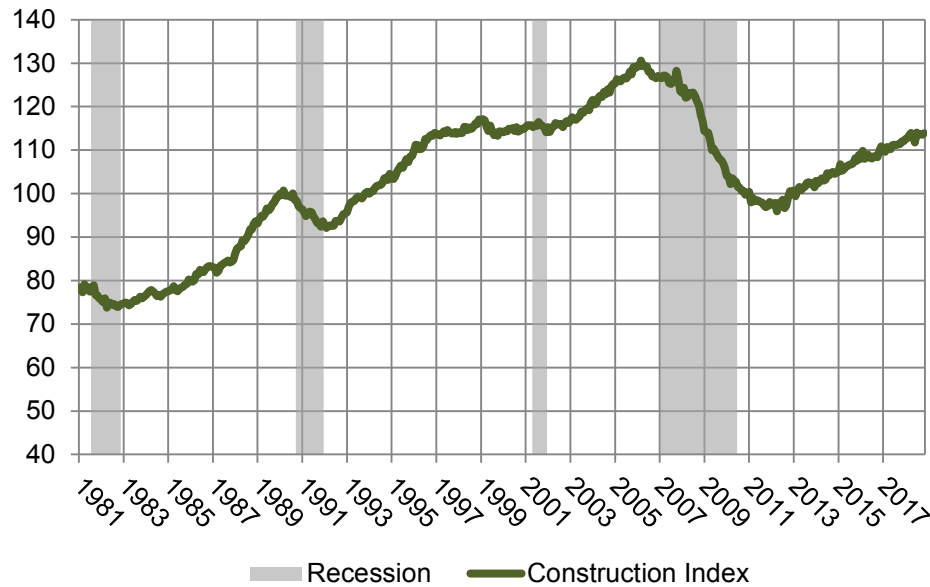
The Southern Nevada leading index increased slightly, rising by 0.1 percent from October 2018. Initial claims for unemployment (inverted), commercial permits, and McCarran Airport passengers climbed higher by 0.5, 31.2, and 2.3 percent, respectively, from the previous month. The ten-year real Treasury yield, housing permits, and the S&P 500, however, dropped by 0.2, 7.1, and 1.9 percent, respectively, from October 2018.

On a year-over-year basis, the index rose by 0.4 percent from November 2017. The ten-year real Treasury yield and housing permits fell by 0.8 and 35.6 percent, respectively, year-over-year. On the positive side, initial claims for unemployment (inverted), commercial permits, McCarran Airport passengers, and the S&P 500 increased, rising by 12.0, 4.5, 4.4, and 5.2 percent, respectively, from November 2017.



# Southern Nevada Construction Index

*The Southern Nevada construction index ticked up both month-over-month and year-over-year.*



The Southern Nevada construction index rose by 0.3 percent from October 2018. Construction employment and commercial permits increased, rising by 0.2 and 31.2 percent, respectively, from the previous month. Housing permits, however, dropped by 7.1 percent from October 2018.

On a year-over-year basis, the construction index jumped higher by 1.7 percent. Construction employment and commercial permits increased, rising by 10.2 and 4.5 percent, respectively, from November 2017. Housing permits, however, dropped by 35.6 percent from the previous year.

Series	Date	Latest Period	Month-over-Month	Year-over-Year
Construction Employment (SA)	Nov-18	67,040	0.2%	10.2%
Housing Permits (SA)	Nov-18	1,082	-7.1%	-35.6%
Commercial Permits (SA)	Nov-18	33	31.2%	4.5%
<b>Overall Index Change</b>	Nov-18	113.9	0.3%	1.7%

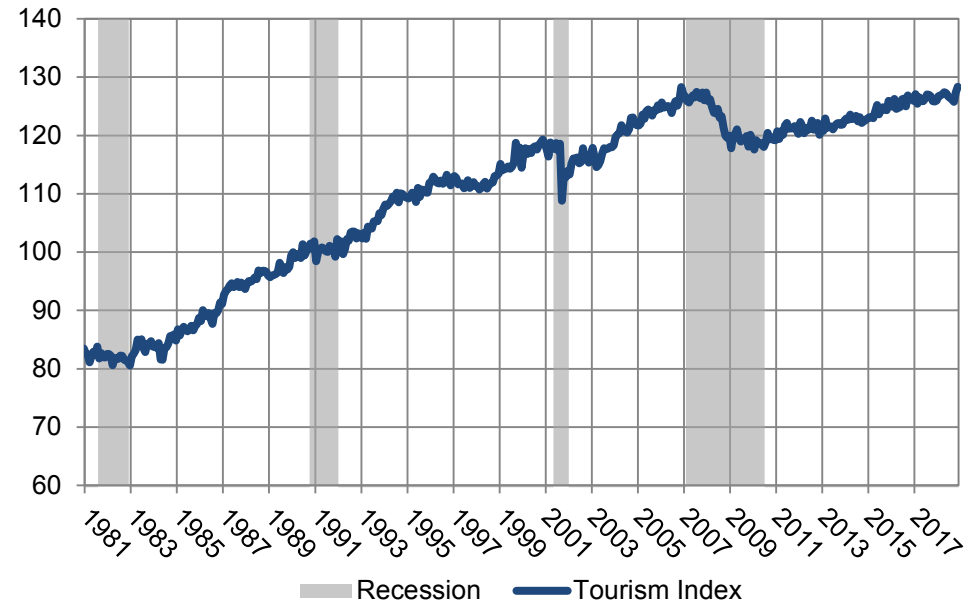


# Southern Nevada Tourism Index

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

The Southern Nevada tourism index increased, rising by 0.7 percent from October 2018. Both McCarran Airport passengers and the Las Vegas hotel/motel occupancy rate climbed higher, rising by 2.3 and 2.8 percent, respectively, from the previous month. Gaming revenue, however, fell by 3.5 percent from October 2018.

On a year-over-year basis, the Southern Nevada tourism index ticked up, rising by 2.0 percent from November 2017. McCarran Airport passengers, gaming revenue, and the Las Vegas hotel/motel occupancy rate increased by 4.4, 6.4, and 3.8 percent, respectively, year-over-year.



Series	Date	Latest Period	Month-over-Month	Year-over-Year
McCarran Passengers (SA)	Nov-18	4,241,972	2.3%	4.4%
Gaming Revenue (SA)	Nov-18	858,207,370	-3.5%	6.4%
LV Hotel/Motel Occupancy Rate (SA)	Nov-18	0.912	2.8%	3.8%
<b>Overall Index Change</b>	Nov-18	128.3	0.7%	2.0%



# 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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- 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.*