



CBER Economic Indexes for Nevada and Southern Nevada

Published April 07, 2020

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CBER's Indexes of Nevada Economic Activity



Coincident Index Components

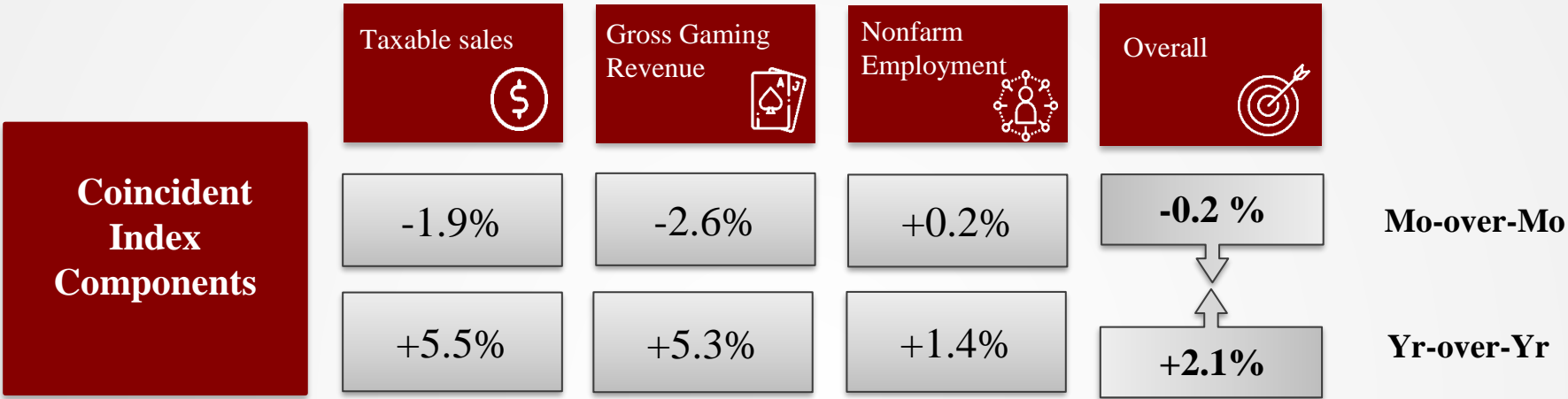
- Nevada Taxable Sales
- Nevada Gross Gaming Revenue
- Nevada Nonfarm Employment

Leading Index Component

- 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>.

Summary of CBER's Nevada Coincident and Leading Indexes in January 2020



* 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

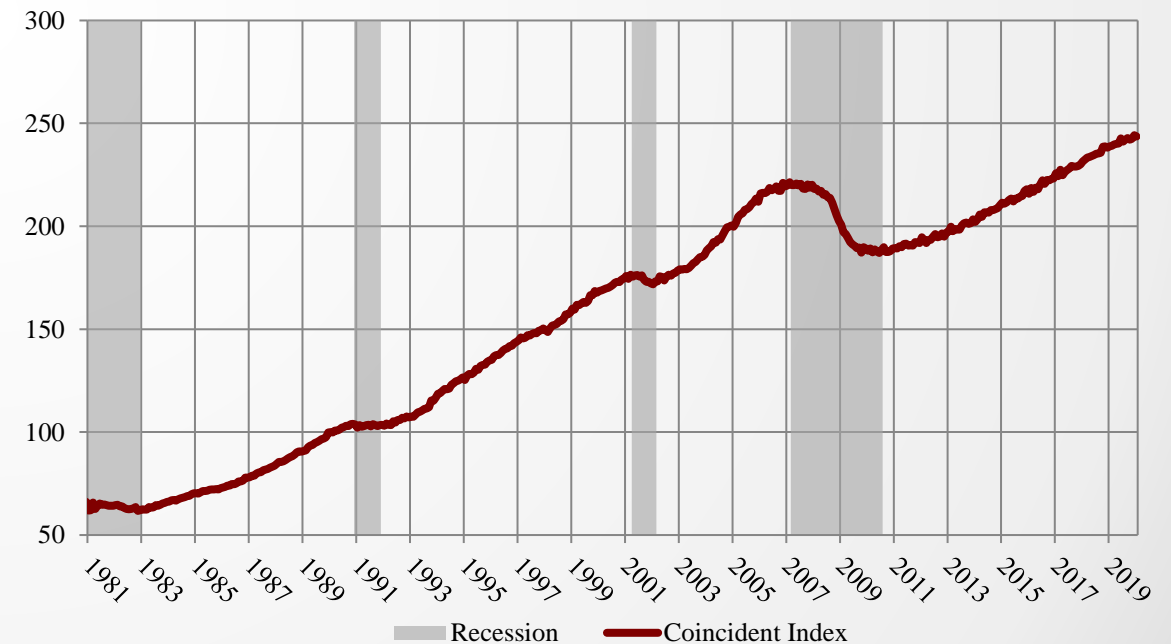
The CBER Nevada coincident index decreased month-over-month but increased year-over-year

The CBER Nevada coincident index decreased by 0.2 percent in January in comparison to the previous month. This decrease resulted from declines in taxable sales and gaming revenue, down by 1.9 and 2.6 percent, respectively, month-over-month. On the positive side, nonfarm employment increased by 0.2 percent from last month.

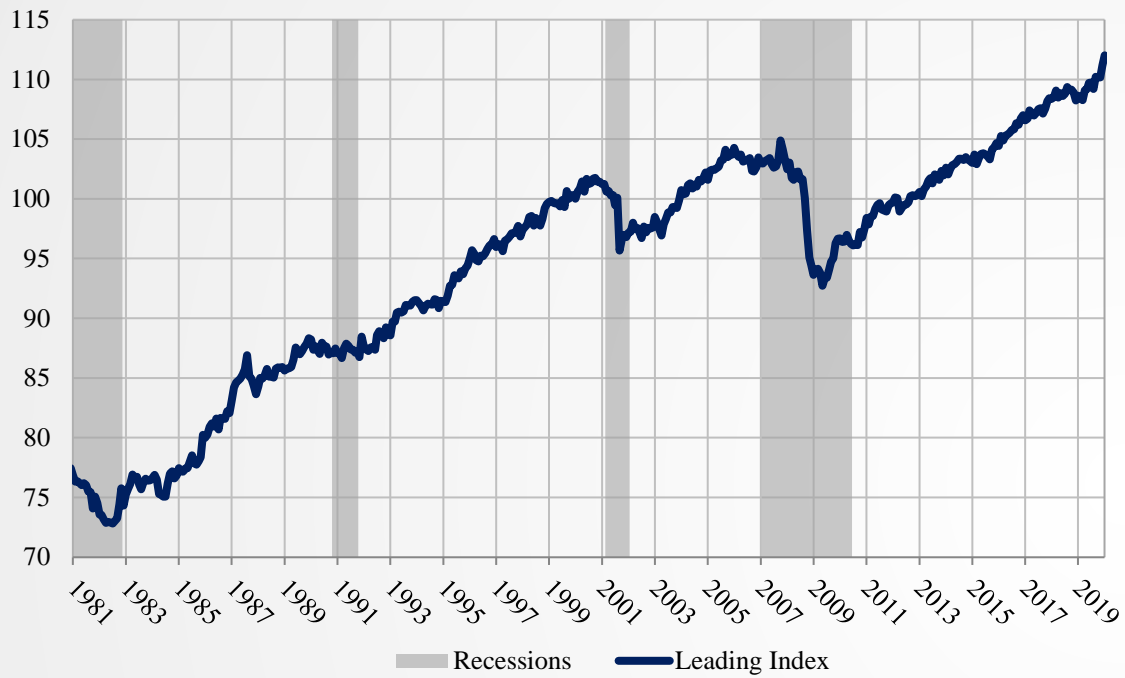
The Nevada coincident index continued its year-over-year upward trend. The index rose by 2.1 percent from last year. This reflected gains in taxable sales, gaming revenue, and nonfarm employment of 5.5, 5.3, and 1.4 percent, respectively.

Note that the effects of the COVID-19 and the state-government mandated shutdown of the Nevada economy will not appear until the release of March and April data.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	5,598,007,432	-1.9%	5.5%
Gaming Revenue (SA)	1,018,189,646	-2.6%	5.3%
Nonfarm Employment (SA)	1,427,405	0.2%	1.4%
Index and % Change	243.6	-0.2%	2.1%



The CBER Nevada leading index increased month-over-month and year-over-year.



Date	Index	Mo-over-Mo	Yr-over-Yr
Jan-19	108.6	0.4%	0.3%
Feb-19	108.4	-0.2%	-0.1%
Mar-19	108.3	-0.2%	-0.7%
Apr-19	109.1	0.8%	0.6%
May-19	109.2	0.1%	0.3%
Jun-19	109.7	0.5%	1.0%
Jul-19	109.7	0.0%	0.9%
Aug-19	109.2	-0.5%	-0.1%
Sep-19	110.2	0.9%	1.0%
Oct-19	110.2	0.0%	0.9%
Nov-19	110.2	0.0%	1.2%
Dec-19	111.2	0.9%	2.7%
Jan-20	112.0	0.7%	3.1%

The CBER Nevada leading index increased by 0.7 percent on a month-over-month basis. The initial claims for unemployment (inverted), ten-year real Treasury yield, housing permits, commercial permits, and the S&P 500 increased by 8.6, 0.2, 21.2, 25.6 and 3.2 percent, respectively, month-over-month. On the negative side, Nevada passengers decreased by 1.8 percent from the previous month.

On a year-over-year basis, the leading index jumped higher by 3.1 percent. The initial claims for unemployment (inverted), ten-year real Treasury yield, commercial permits, Nevada passengers, and the S&P 500 increased by 7.4, 1.9, 4.6, 6.0, and 25.7 percent, respectively, from January 2019. On the negative side, housing permits fell by 16.7 percent, respectively, from the previous 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 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.

Coincident Index

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

Note: CC = Clark County

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

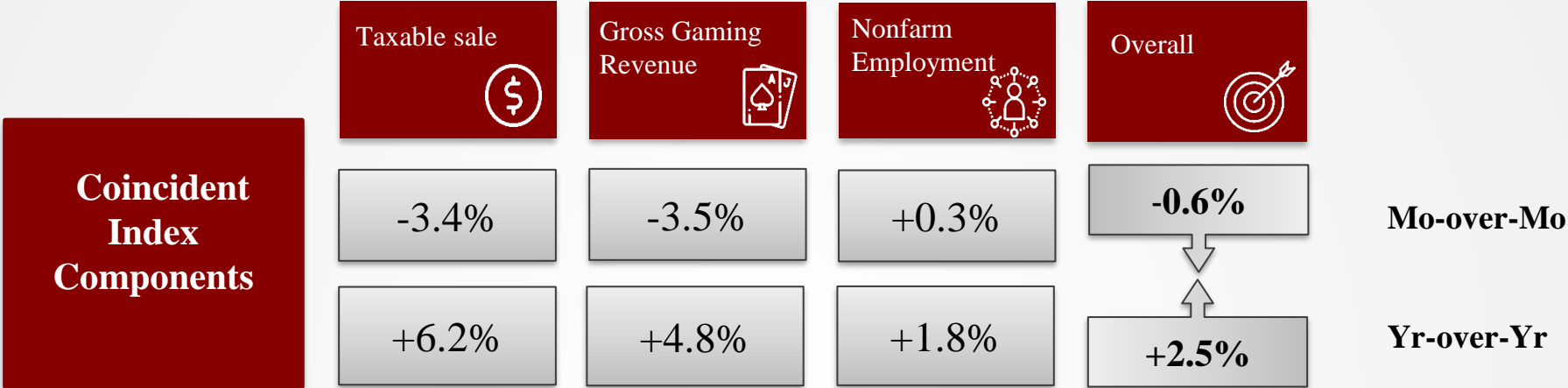
Tourism Index

- McCarran Passengers
- CC Gross Gaming Revenue
- LV Hotel/Motel Occupancy Rate

Construction Index

- CC Construction Employment
- CC Housing Permits
- CC Commercial Permits

Summary of CBER's Southern Nevada Coincident and Leading Indexes in January 2020



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

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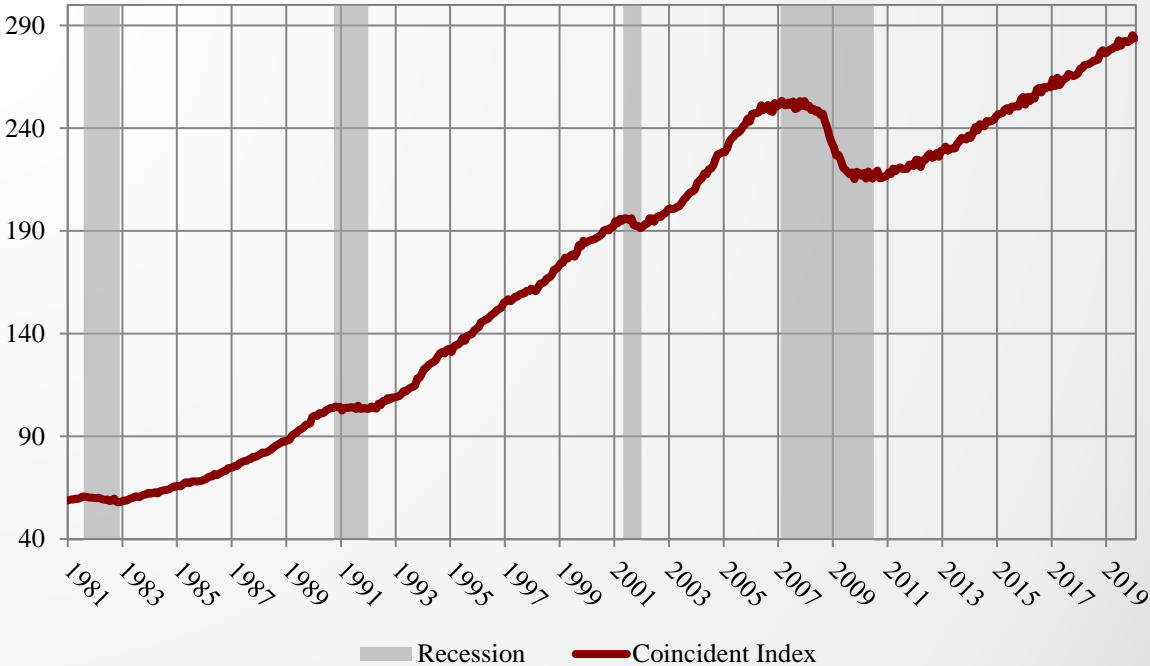
The CBER Southern Nevada coincident index fell month-over-month but rose year-over-year.

The CBER Southern Nevada coincident index experienced a 0.6 percent month-over-month loss in January. On the negative side, taxable sales and gross gaming revenue dropped by 3.4 and 3.5 percent. On the positive side, nonfarm employment, increased 0.3 percent month-over-month.

On a year-over-year basis, the index grew by 2.5 percent. All three components exhibited gains. Taxable sales, gross gaming revenue, and nonfarm employment contributed to the year-over-year increase, rising by 6.2, 4.8, and 1.8 percent, respectively. According to the January Nevada Department of Taxation report, Food Services and Drinking Places contributed to the taxable sales around \$900 million and it was the largest item in its list.

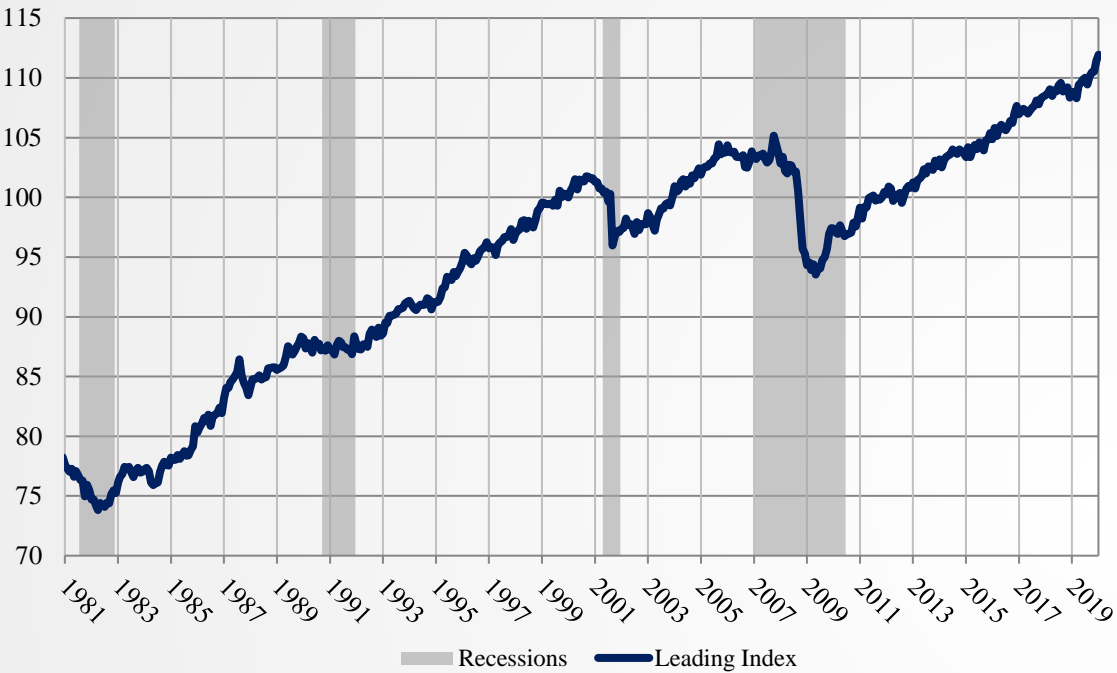
Note that the effects of the COVID-19 and the state-government mandated shutdown of the Nevada economy will not appear until the release of March and April data.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	4,058,879,442	-3.4%	6.2%
Gaming Revenue (SA)	873,362,078	-3.5%	4.8%
Nonfarm Employment (SA)	1,042,401	0.3%	1.8%
Index and % Change	283.7	-0.6%	2.5%



Southern Nevada Leading Index in January 2020

The CBER Southern Nevada leading index increased both on a monthly and on a yearly basis.

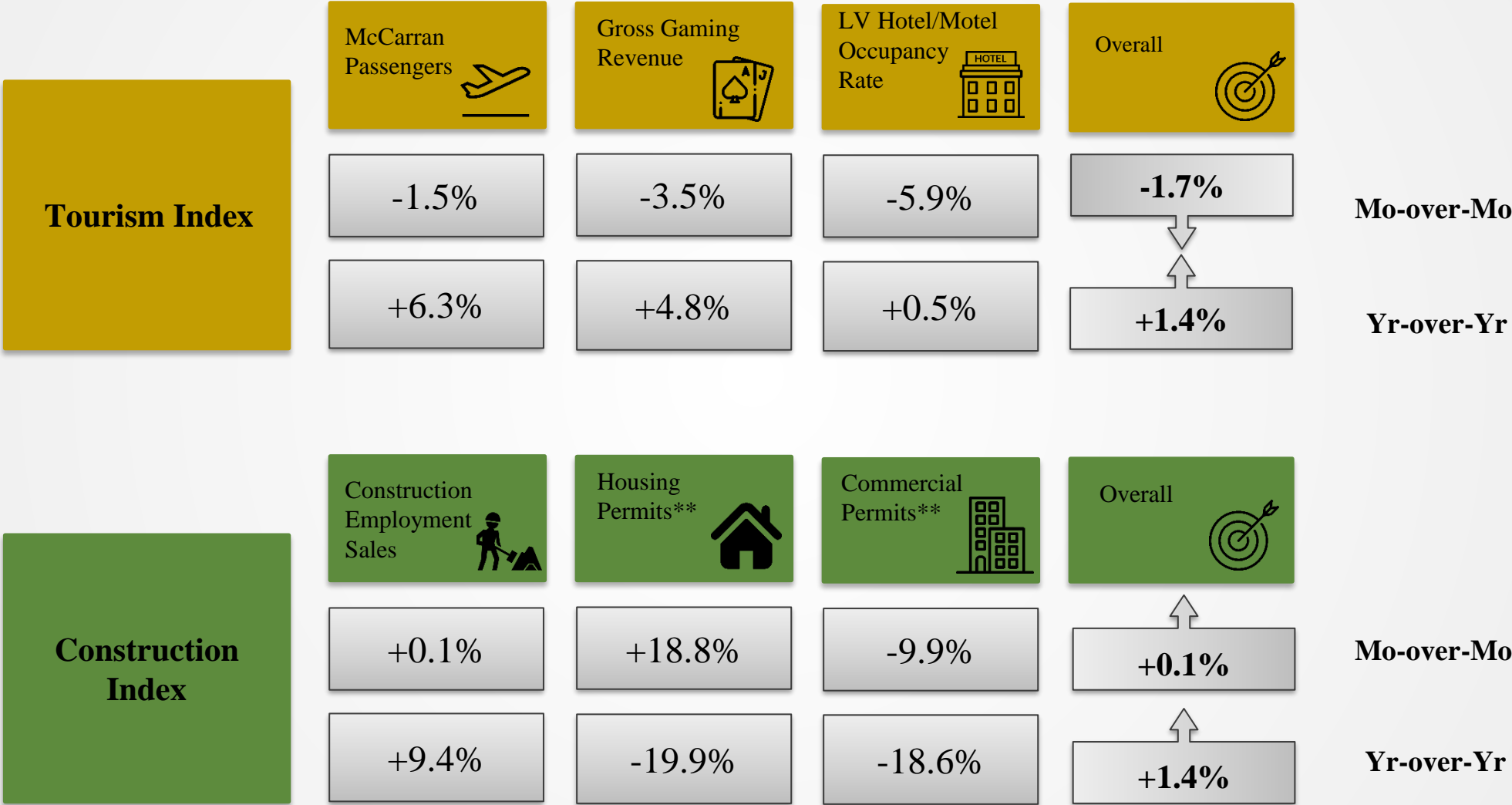


Date	Index	Mo-over-Mo	Yr-over-Yr
Jan-19	108.8	0.4%	0.2%
Feb-19	108.8	0.0%	0.1%
Mar-19	108.3	-0.5%	-0.7%
Apr-19	109.4	1.1%	0.9%
May-19	109.6	0.2%	0.6%
Jun-19	109.9	0.2%	0.9%
Jul-19	110.0	0.1%	0.6%
Aug-19	109.5	-0.5%	-0.1%
Sep-19	110.2	0.6%	1.2%
Oct-19	110.5	0.3%	1.2%
Nov-19	110.5	0.0%	1.2%
Dec-19	111.4	0.8%	2.8%
Jan-20	112.0	0.5%	2.9%

The CBER Southern Nevada leading index gained 0.5 percent month-over-month. The ten-year real Treasury yield, initial claims for unemployment (inverted), housing permits, and the S&P 500 rose by 0.2, 8.6, 18.8, and 3.2 percent, respectively, month-over-month. On the negative side, McCarran Airport passengers and commercial permits decreased, falling by 1.5 and 9.9 percent, respectively.

On a yearly basis, the CBER Southern Nevada leading index increased by 2.9 percent. Housing permits and commercial permits experienced losses, dropping by 19.9 and 18.6, respectively. The ten-year real Treasury yield, McCarran Airport passengers, initial claims for unemployment (inverted), and the S&P 500 registered increases of 1.9, 6.3, 7.4, and 25.7 percent, respectively.

Summary of CBER's Southern Nevada Tourism and Construction Indexes in January 2020



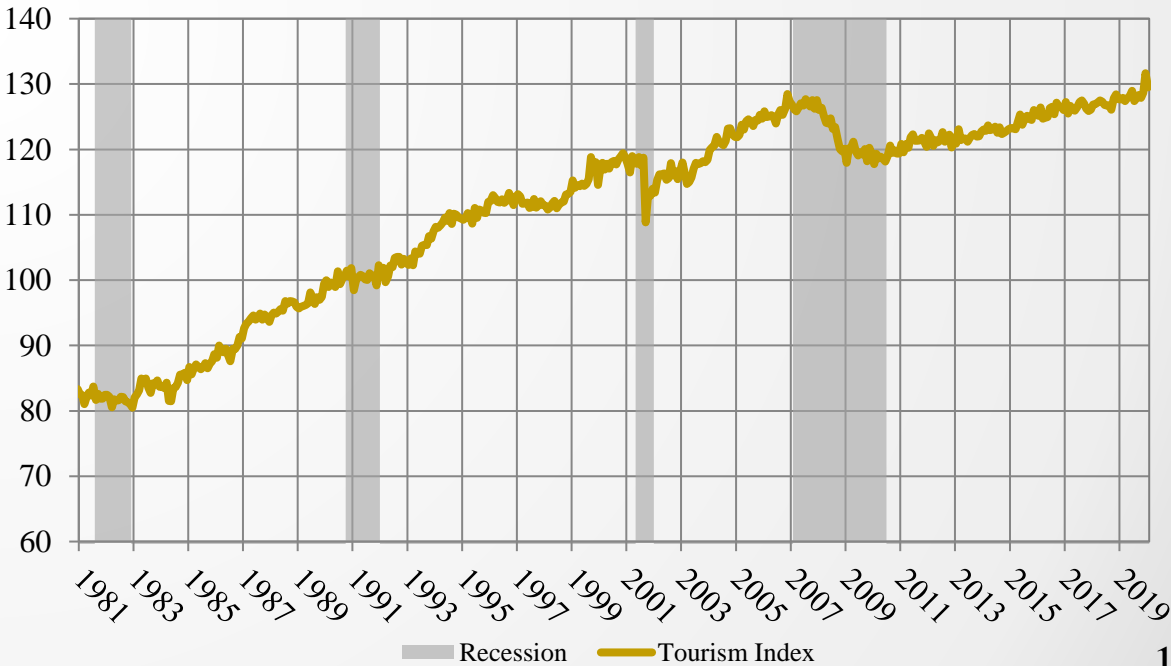
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The CBER Southern Nevada tourism index dropped month-over-month but rose year-over-year.

The CBER Southern Nevada tourism index fell on a monthly basis in January by 1.7 percent. All three components decreased. McCarran airport passenger volume, the Las Vegas hotel/motel occupancy rate, and gross gaming revenue fell by 1.5, 5.9, and 3.5 percent, respectively. According to the data, the CES convection in January did not increase McCarran airport passengers or the Las Vegas hotel/motel occupancy rate in comparison to December.

The tourism index advanced on an annual basis despite the lower month-over-month movement and posted a 1.4 percent gain. McCarran airport passenger volume, the Las Vegas hotel/motel occupancy rate, and gross gaming revenue increased by 6.3, 0.5, and 4.8 percent, respectively.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
McCarran Passengers (SA)	4,486,601	-1.5%	6.3%
Gaming Revenue (SA)	873,362,078	-3.5%	4.8%
LV Hotel/Motel Occupancy Rate (SA)	0.897	-5.9%	0.5%
Index and % Change	129.5	-1.7%	1.4%

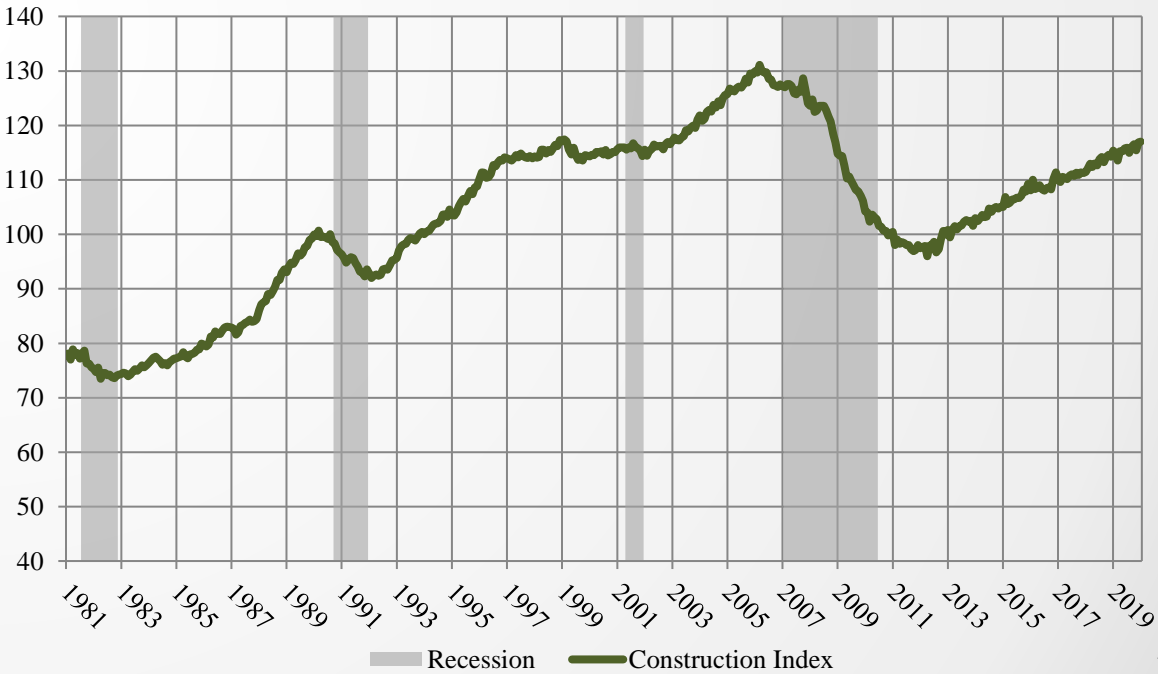


The CBER Southern Nevada construction index experienced month-over-month and year-over-year gains.

The Southern Nevada construction index increased by 0.1 percent from last month. Construction employment and housing permits contributed positively to the index, increasing by 0.1 and 18.8 percent, respectively. Although commercial permits decreased 9.9 percent from last month, two commercial permits were issued in Clark County with total valuation of \$167 million, which is a large valuation.

On a year-over-year basis, the Southern Nevada construction index increased by 1.4 percent. Housing permits and commercial permits posted negative numbers, dropped by 19.9 and 18.6 percent, respectively. Construction employment increased by 9.4 percent. As shown in the graph below, the index continued its year-over-year upward trend but it still falls below its peak in 2008.

Series	Latest Period	Month-over-Month	Year-over-Year
Construction Employment (SA)	73,840	0.1%	9.4%
Housing Permits (SA)	1,339	18.8%	-19.9%
Commercial Permits (SA)	36	-9.9%	-18.6%
Index and % Change	117.0	0.1%	1.4%



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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