



# **CBER Economic Indexes for Nevada and Southern Nevada**

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## CBER's Indexes of Nevada Economic Activity





### Coincident Index Components

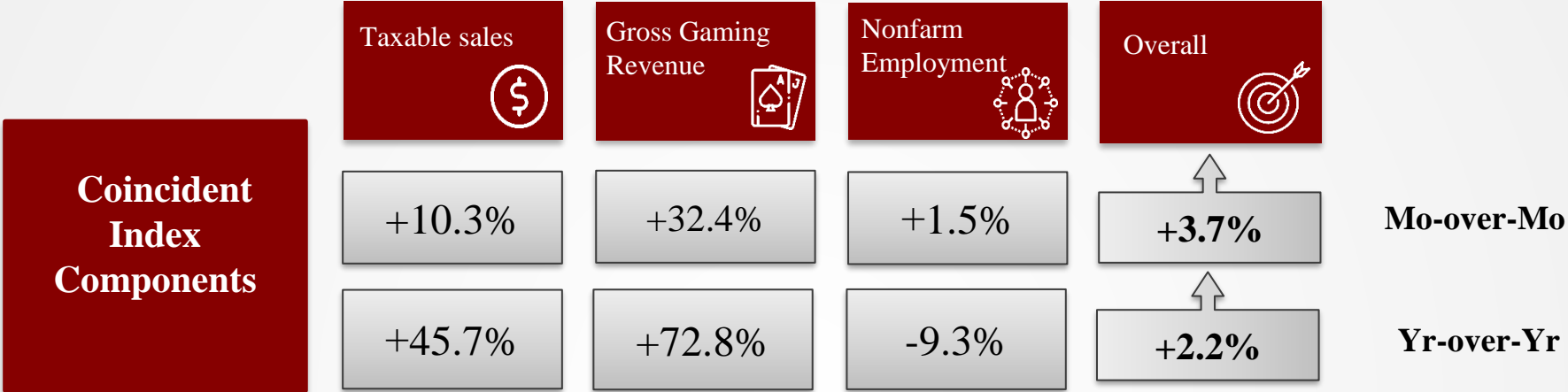
- Nevada Taxable Sales
- Nevada Gross Gaming Revenue
- Nevada Nonfarm Employment

### 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. The COVID-19 recession differs from typical economic recessions. It provides almost no signal that it is coming. The coincident index peaked in December 2019 while the leading index peaked in January 2020. The big dips in both indexes came with the March data and the April data should provide even more dramatic decreases in the two indexes. The Nevada COVID-19 recession began in December 2019. 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 March 2021



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

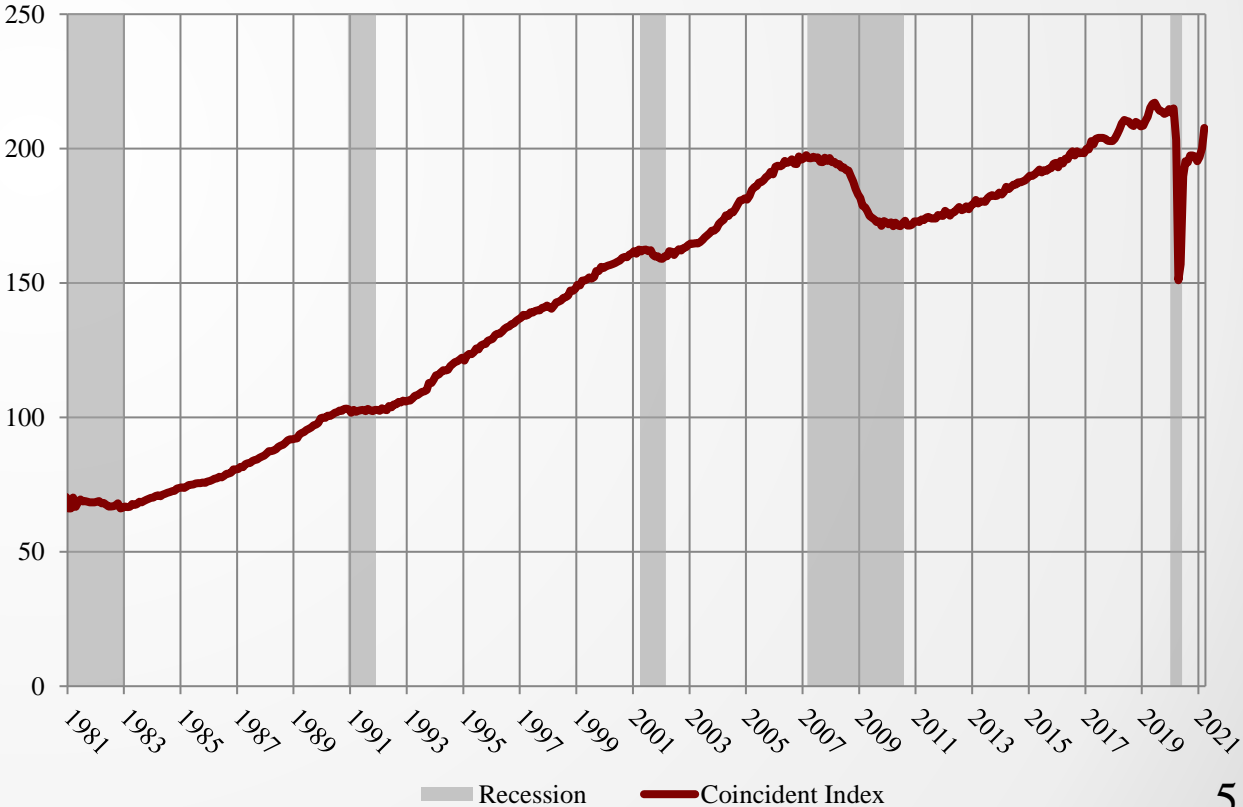
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*The CBER Nevada coincident index increased both month-over-month and year-over-year.*

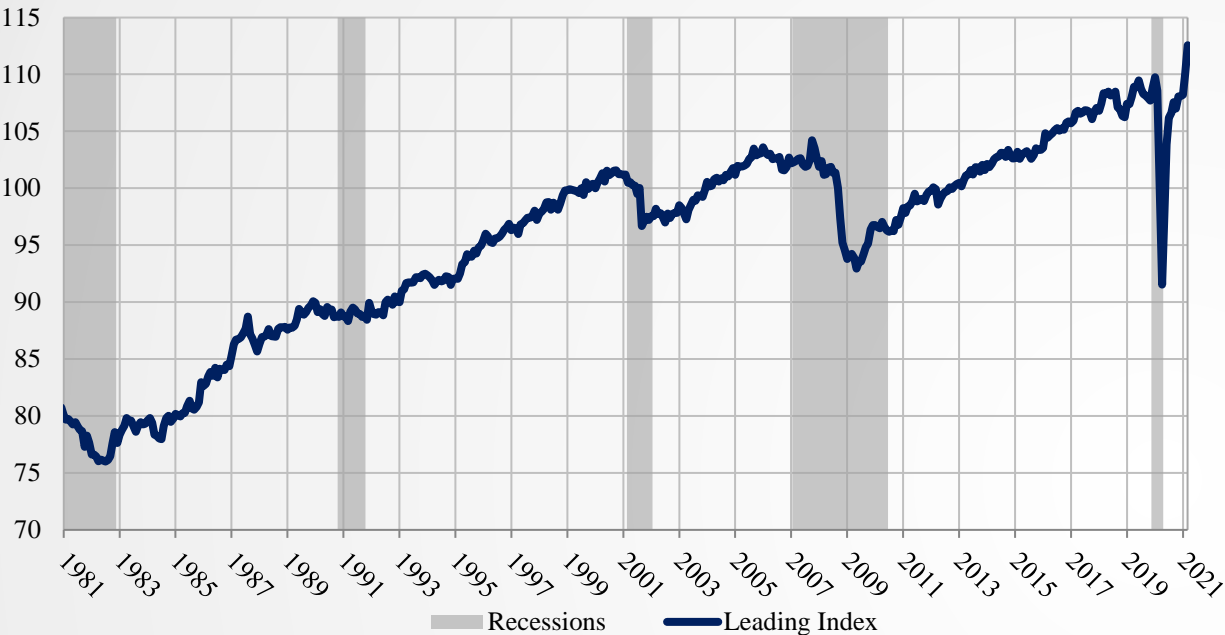
The CBER Nevada coincident index experienced a 3.7 percent month-over-month increase in March. This increase reflects an increase in taxable sales, gross gaming revenue, and nonfarm employment of 10.3, 32.4, and 1.5 percent, respectively, from February.

On a year-over-year basis, the CBER Nevada coincident index increased by 2.2 percent. This increase reflects an increase in taxable sales and gross gaming revenue by 45.7 and 72.8 percent, respectively, from March 2020. On the negative side, the nonfarm employment decreased by 9.3 percent from last year. March 2020 was the first month of the pandemic recession, which affects our year-over-year outcomes in this report.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	6,189,855,570	10.3%	45.7%
Gross Gaming Revenue (SA)	1,034,754,310	32.4%	72.8%
Nonfarm Employment (SA)	1,293,904	1.5%	-9.3%
Index and % Change	207.7	3.7%	2.2%



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

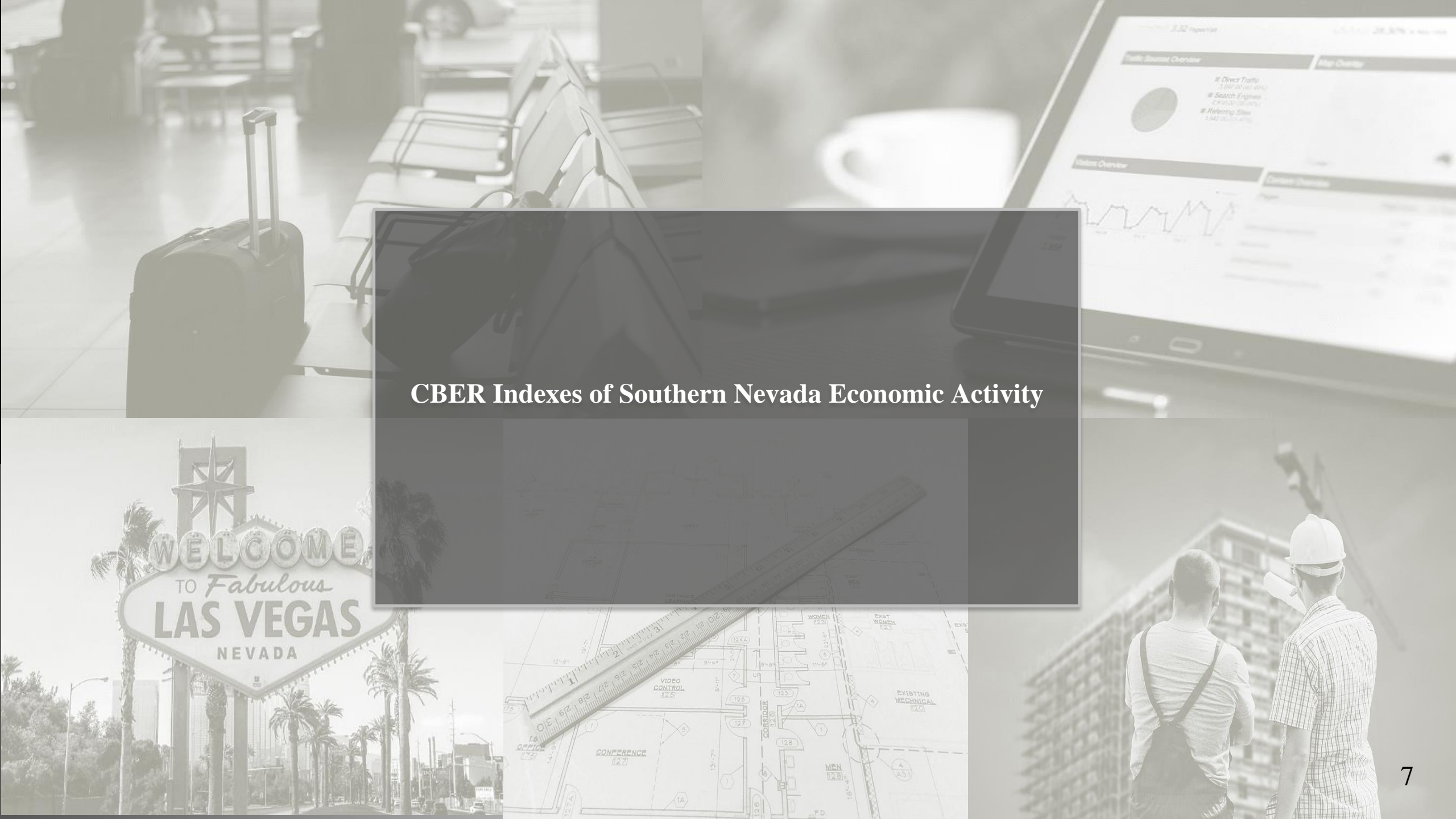


Date	Index	Mo-over-Mo	Yr-over-Yr
Mar-20	100.5	-7.4%	-6.9%
Apr-20	91.5	-8.9%	-15.9%
May-20	97.6	6.6%	-10.4%
Jun-20	103.9	6.4%	-5.1%
Jul-20	106.2	2.2%	-2.4%
Aug-20	106.6	0.4%	-1.5%
Sep-20	107.6	0.9%	-0.5%
Oct-20	107.0	-0.5%	-0.8%
Nov-20	108.1	1.0%	0.3%
Dec-20	108.1	0.0%	-0.6%
Jan-21	108.2	0.1%	-1.4%
Feb-21	110.0	1.7%	1.4%
Mar-21	112.6	2.3%	12.0%

The CBER Nevada leading index increased by 2.3 percent on a month-over-month basis. On the positive side, the initial claims for unemployment insurance (inverted), the ten-year real Treasury yield (inverted), housing permits, Nevada passengers, and the S&P 500 increased by 1.9, 0.3, 2.2, 43.3, and 4.9 percent, respectively, from February. On the negative side, the commercial permits decreased by 12.6 percent from last month.

On a year-over-year basis, the CBER Nevada leading index increased by 12 percent. This increase reflects an increase in the initial claims for unemployment insurance (inverted), the ten-year real Treasury yield (inverted), housing permits, Nevada passengers, S&P 500, and commercial permits by 80.5, 0.4, 20.0, 26.7, 49.8, and 12.3 percent, from March 2020. This index now exceeds its prior February 2020 peak.





## 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 index troughed. As noted above, the COVID-19 recession differs from typical economic recessions. It provides almost no signal that it is coming. The coincident index peaked in December 2019 while the leading index peaked in January 2020. The big dips in both indexes came with the March data and the April data should provide even more dramatic decreases in the two indexes. The Southern Nevada COVID-19 recession began in December 2019. 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 March 2021



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

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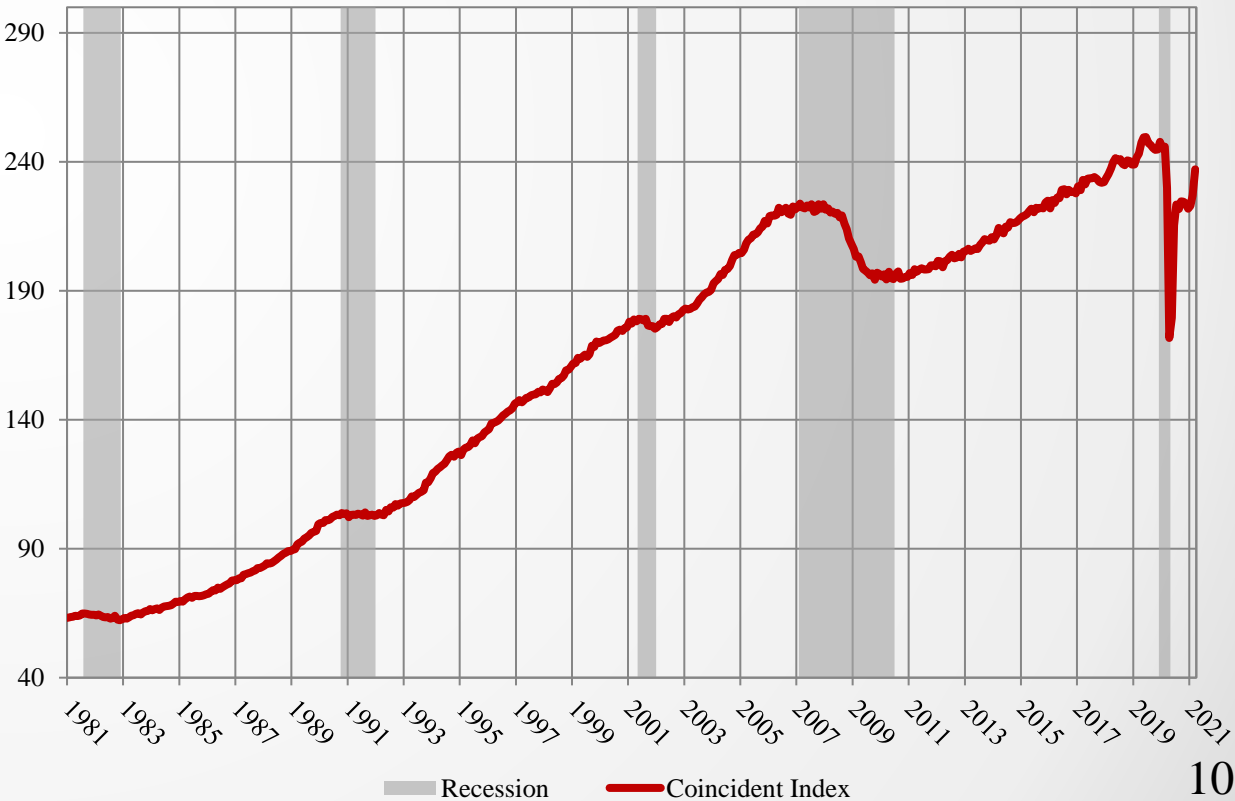
# Southern Nevada Coincident Index in March 2021

*The CBER Southern Nevada coincident index increased both month-over-month and year-over-year.*

The CBER Southern Nevada coincident index increased by 4.4 percent month-over-month. The increase reflected gains in taxable sales, gross gaming revenue, and nonfarm employment by 12.1, 35.9, and 1.8 percent, respectively, from February.

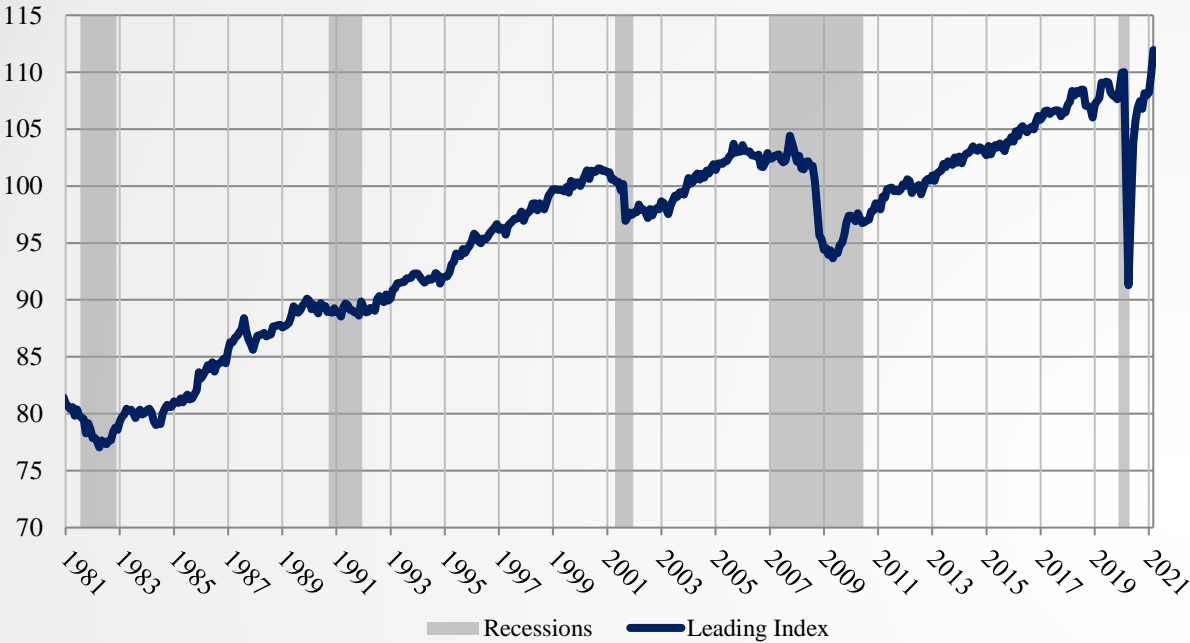
The CBER Southern Nevada coincident index increased year-over-year by 3.1 percent. The increase reflected gains in taxable sales and gross gaming revenue by 45.7 and 63.3 percent, respectively, from last year. On the negative side, nonfarm employment decreased by 12.2 percent, from March 2020. Once again, March 2020 was the first month of the pandemic recession, which affects our year-over-year outcomes in this report.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	4,335,556,827	12.1%	45.7%
Gross Gaming Revenue (SA)	851,876,006	35.9%	63.3%
Nonfarm Employment (SA)	912,990	1.8%	-12.2%
Index and % Change	237.1	4.4%	3.1%



# Southern Nevada Leading Index in March 2021

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



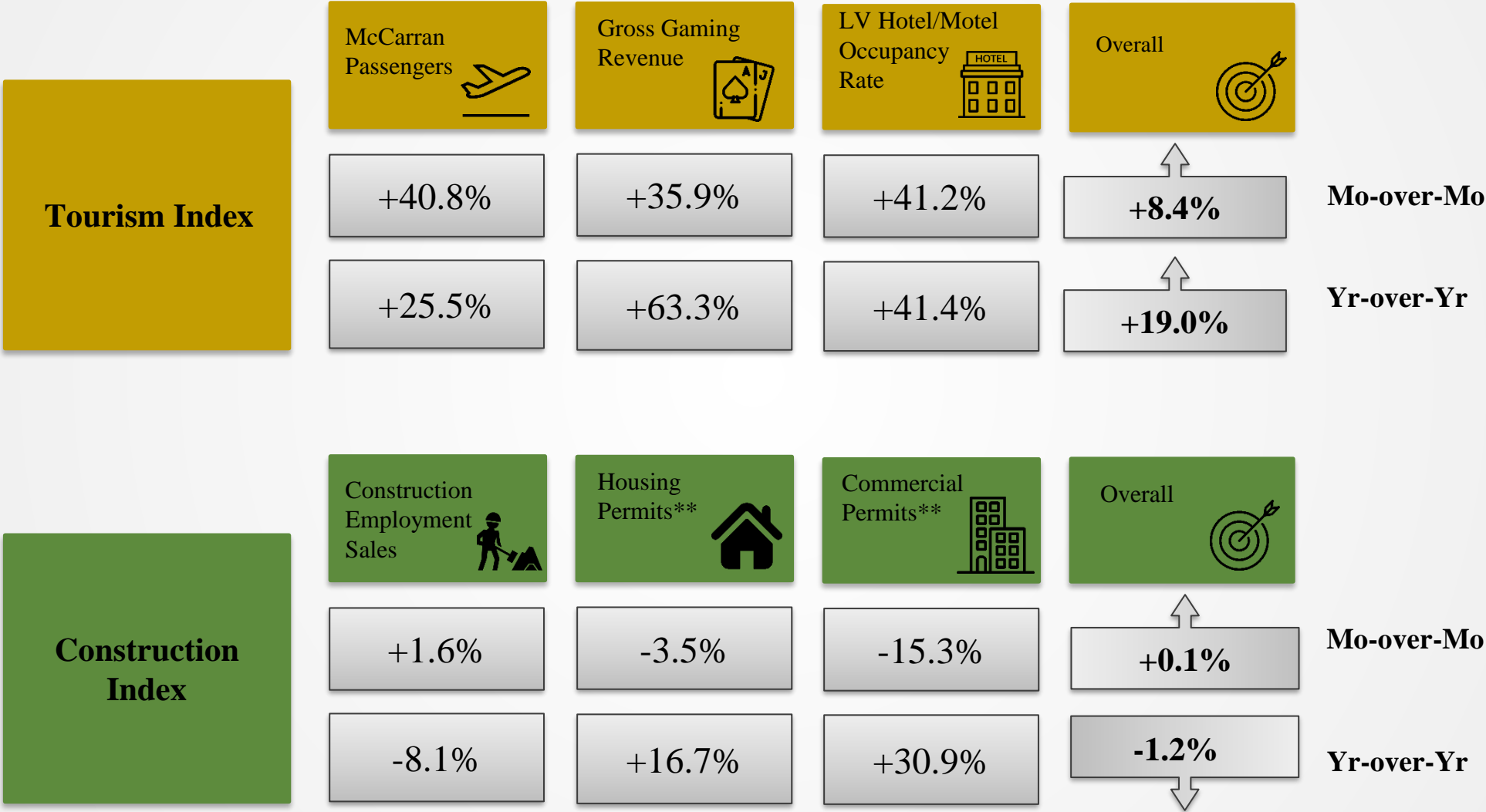
Date	Index	Mo-over-Mo	Yr-over-Yr
Mar-20	100.2	-8.9%	-7.0%
Apr-20	91.3	-8.9%	-16.3%
May-20	97.5	6.8%	-10.6%
Jun-20	103.8	6.5%	-4.9%
Jul-20	105.8	1.9%	-3.1%
Aug-20	106.9	1.1%	-1.3%
Sep-20	107.5	0.5%	-0.5%
Oct-20	106.8	-0.6%	-1.0%
Nov-20	108.2	1.3%	0.5%
Dec-20	108.0	-0.2%	-0.5%
Jan-21	108.2	0.2%	-1.6%
Feb-21	109.8	1.5%	-0.2%
Mar-21	112.0	1.9%	11.7%

The CBER Southern Nevada leading index increased by 1.9 percent month-over-month. On the positive side, the initial claims for unemployment insurance (inverted), the ten-year Treasury yield (inverted), McCarran passengers, and S&P 500 increased by 1.9, 0.3, 40.8, and 1.9 percent, respectively, from February. The housing permits and commercial permits decreased by 3.5 and 15.3 percent, respectively, from last month.

On a yearly basis, the CBER Southern Nevada leading index increased by 11.7 percent. This increase reflected gains in the initial claims for unemployment insurance (inverted), the ten-year Treasury yield (inverted), housing permits, commercial permits, McCarran passengers, and S&P 500 by 80.5, 0.4, 16.7, 30.9, 25.5, and 47.7 percent, respectively, from March 2020. This index now exceeds its prior February 2020 peak.



# Summary of CBER's Southern Nevada Tourism and Construction Indexes in March 2021



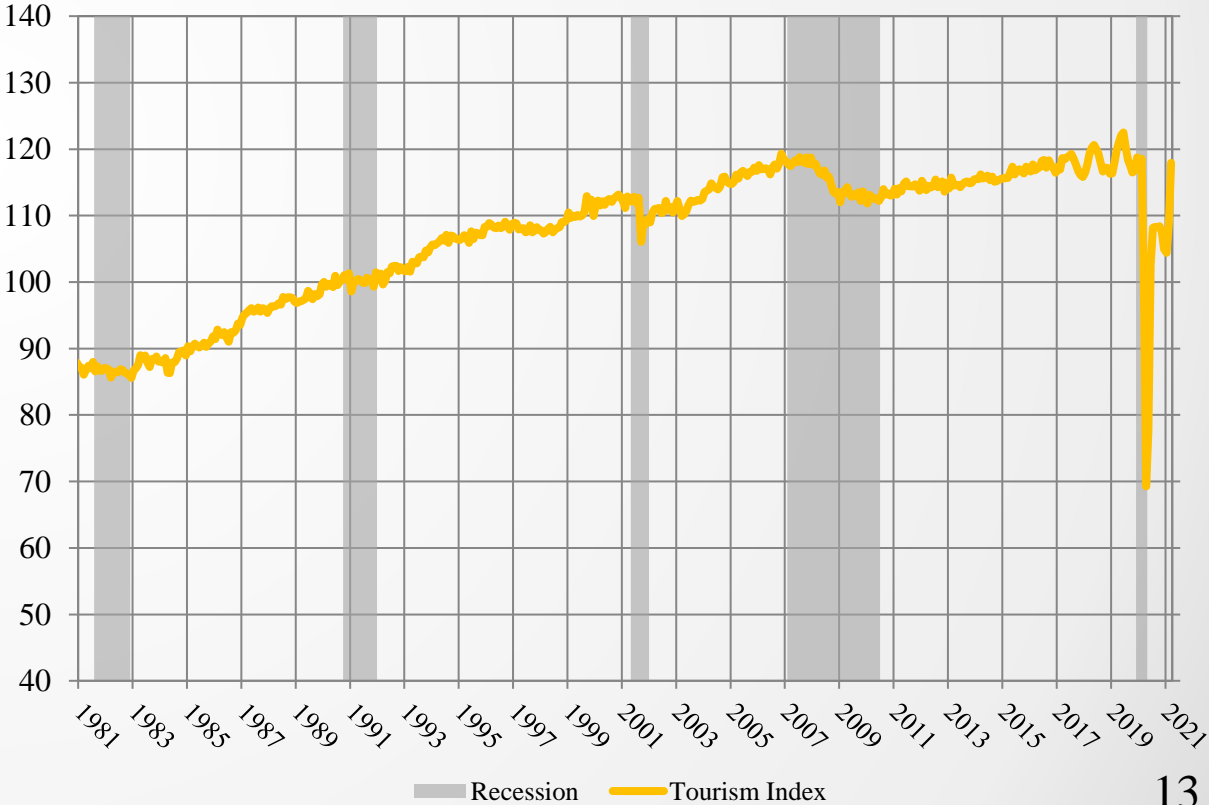
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*The CBER Southern Nevada tourism index increased both month-over-month and year-over-year.*

The CBER Southern Nevada tourism index increased by 8.4 percent month-over-month in March. This increase reflected gains in McCarran passengers, gross gaming revenue, and Las Vegas hotel/motel occupancy rate by 40.8, 35.9, and 41.2 percent, respectively, from February.

On an annual basis, the Southern Nevada tourism index exhibited a gain of 19.0 percent. McCarran airport passenger volume, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate increased by 25.5, 63.3, and 41.4 percent, respectively, from last year.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
McCarran Passengers (SA)	2,534,952	40.8%	25.5%
Gross Gaming Revenue (SA)	851,876,006	35.9%	63.3%
LV Hotel/Motel Occupancy Rate (SA)	0.583	41.2%	41.4%
Index and % Change	117.9	8.4%	19.0%



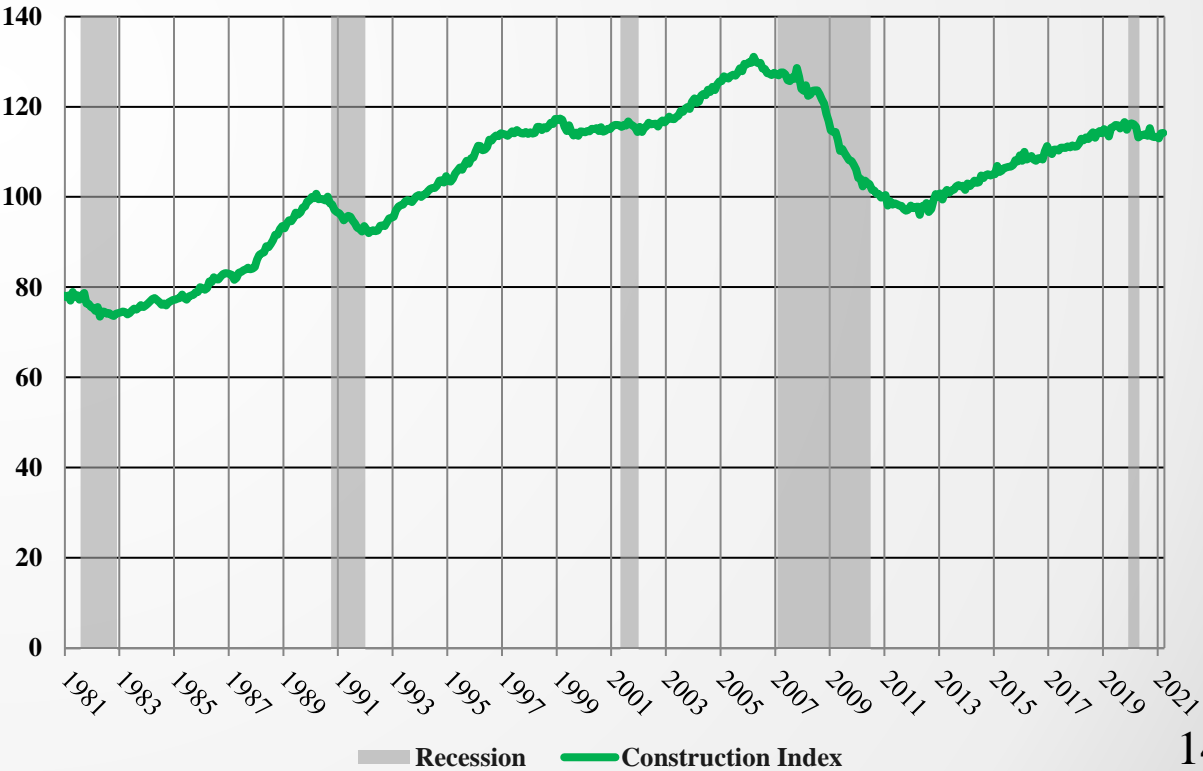
# Southern Nevada Construction Index in March 2021

*The CBER Southern Nevada construction index increased month-over-month and decreased year-over-year.*

The Southern Nevada construction index increased by 0.1 percent from last month. This slight increase reflected in an increase in construction employment by 1.6 percent in March. On the negative side, housing permits and commercial permits decreased by 3.5 and 15.3 percent, respectively, from February.

The Southern Nevada construction index decreased by 1.2 percent from the previous year. Construction employment fell by 8.1 percent from March 2020. On the positive side, housing permits and commercial permits increased by 16.7 and 30.9 percent, respectively, from the previous year.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Construction Employment (SA)	65,782	1.6%	-8.1%
Housing Permits (SA)	1,380	-3.5%	16.7%
Commercial Permits (SA)	36	-15.3%	30.9%
Index and % Change	114.2	0.1%	-1.2%





# 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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*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.*