



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

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## CBER's Indexes of Nevada Economic Activity





### Coincident Index Components

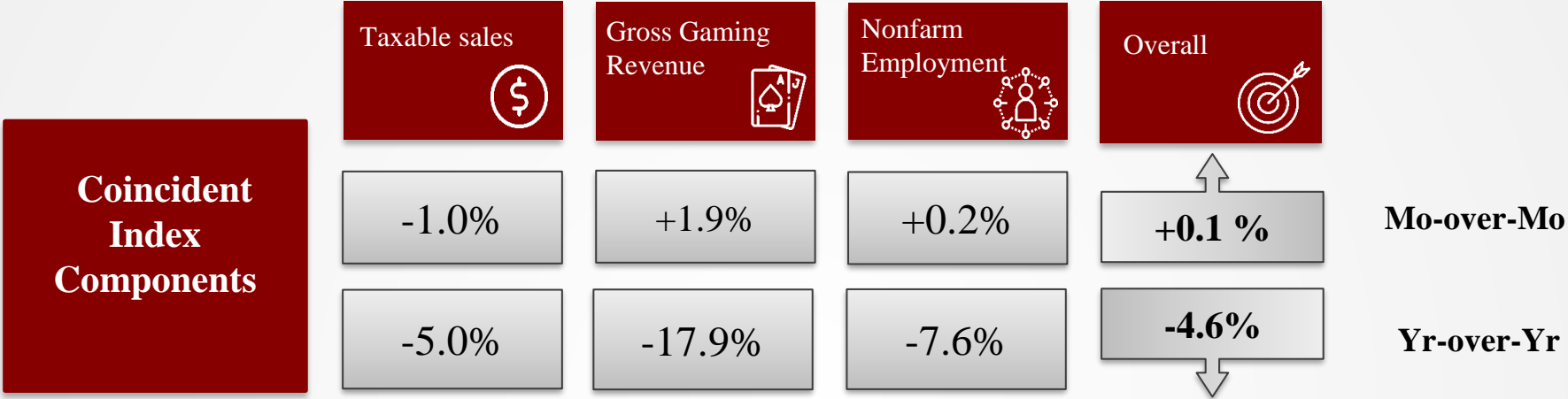
- Nevada Taxable Sales
- Nevada Gross Gaming Revenue
- Nevada Nonfarm Employment

### 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 November 2020



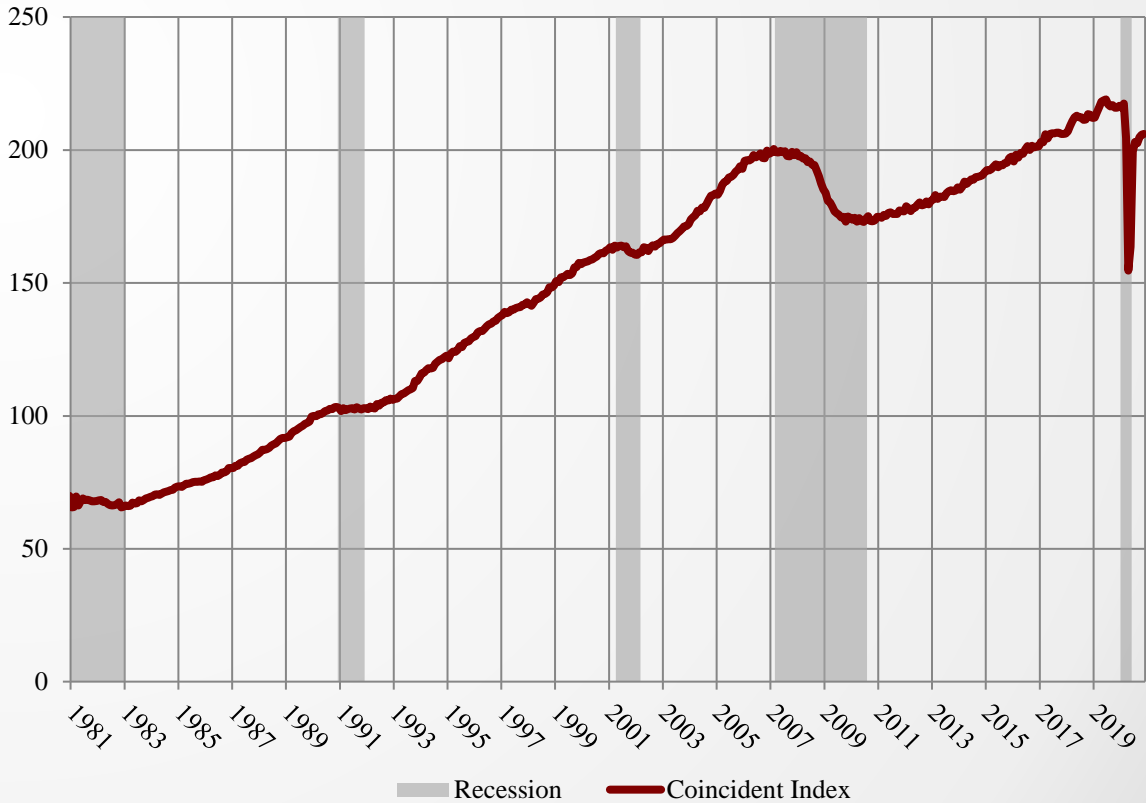
*\* Inverted \*\* Data are partly forecasted as Clark County Service's permit reports have not been available since December 2017.*  
*Icons are made by 1) [www.freepik.com](http://www.freepik.com) 2) phatplus, mynamepong, and Payungkeas from [www.flaticon.com](http://www.flaticon.com)*

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

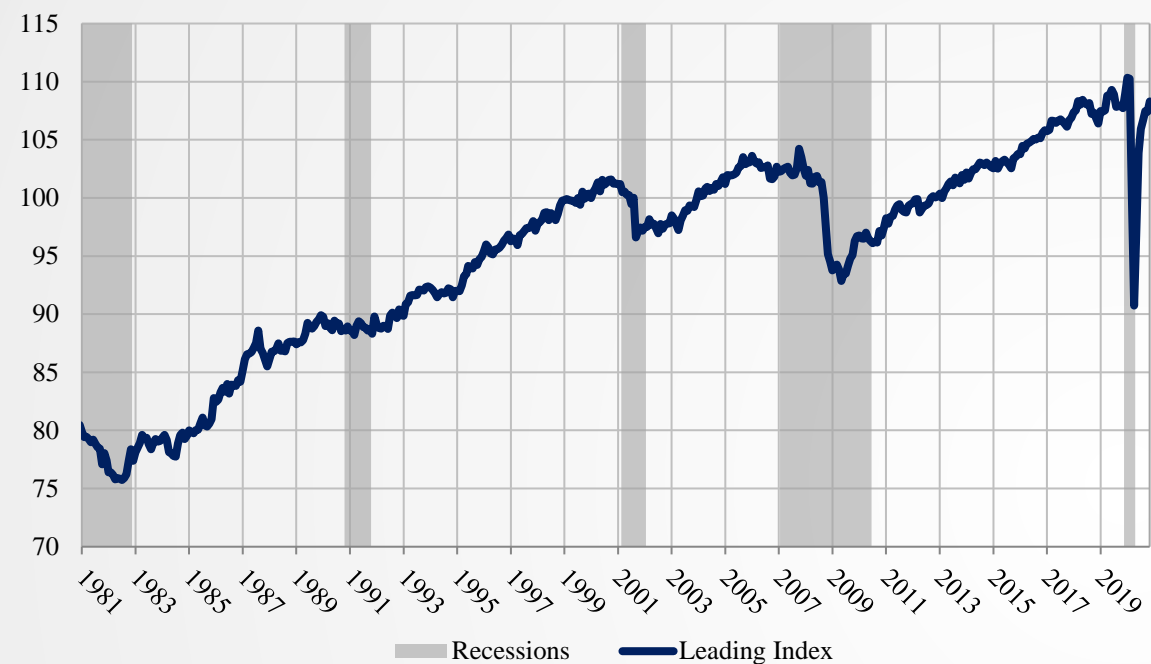
The CBER Nevada coincident index experienced a small 0.1 percent month-over-month increase in November. This increase reflects a decrease in taxable sales of 1.0% and increases in gross gaming revenue and nonfarm employment as these items moved higher by 1.9, and 0.2 percent, respectively, from October 2020.

On a year-over-year basis, the index dropped by 4.6 percent. This decrease reflected the downward surge in taxable sales, gross gaming revenue, and nonfarm employment, down by 5.0, 17.9, and 7.6 percent, respectively. We continue to note that the index recovered quickly until flattening in the summer months.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	5,192,69,773	-1.0%	-5.0%
Gross Gaming Revenue (SA)	784,528,650	+1.9%	-17.9%
Nonfarm Employment (SA)	1,308,987	+0.2%	-7.6%
Index and % Change	206.1	+0.1%	-4.6%



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

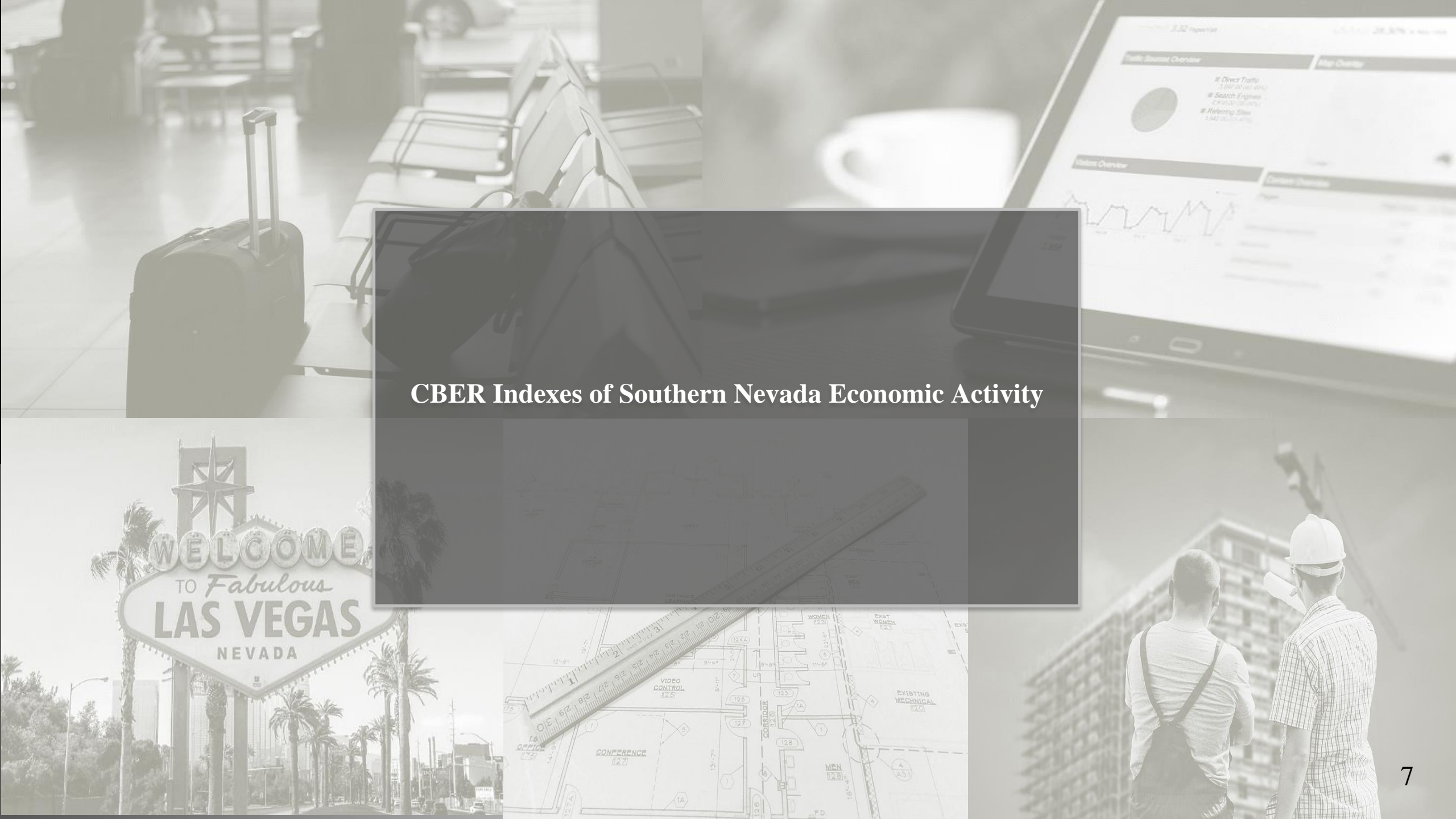


Date	Index	Mo-over-Mo	Yr-over-Yr
Nov-19	107.7	-0.2%	0.8%
Dec-19	109.0	1.2%	2.4%
Jan-20	110.3	1.3%	2.7%
Feb-20	110.3	-0.1%	2.6%
Mar-20	100.1	-9.2%	-7.0%
Apr-20	90.7	-9.3%	-16.6%
May-20	97.2	7.1%	-10.7%
Jun-20	103.9	6.9%	-5.0%
Jul-20	105.9	2.0%	-2.7%
Aug-20	106.7	0.7%	-1.1%
Sep-20	107.5	0.7%	-0.4%
Oct-20	107.4	-0.1%	-0.5%
Nov-20	108.3	0.8%	0.5%

The CBER Nevada leading index increased by 0.8 percent on a month-over-month basis. On the positive side, the initial claims for unemployment insurance (inverted), S&P 500, Nevada passengers, and housing permits increased by 21.5, 2.9, 0.4 and 20.3 percent, respectively, from October. The ten-year real Treasury yield (inverted) did not change, and commercial permits decreased by 5.4 percent.

On a year-over-year basis, the leading index increased by 0.5 percent. The initial claims for unemployment insurance (inverted), Nevada passengers, and commercial permits decreased by 225.2, 56.8, 0.1 percent, respectively, from November 2019. On the positive side, housing permits, the ten-year real Treasury yield (inverted), and S&P 500 increased by 74.5, 0.1, and 14.1% percent, respectively, from last 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 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

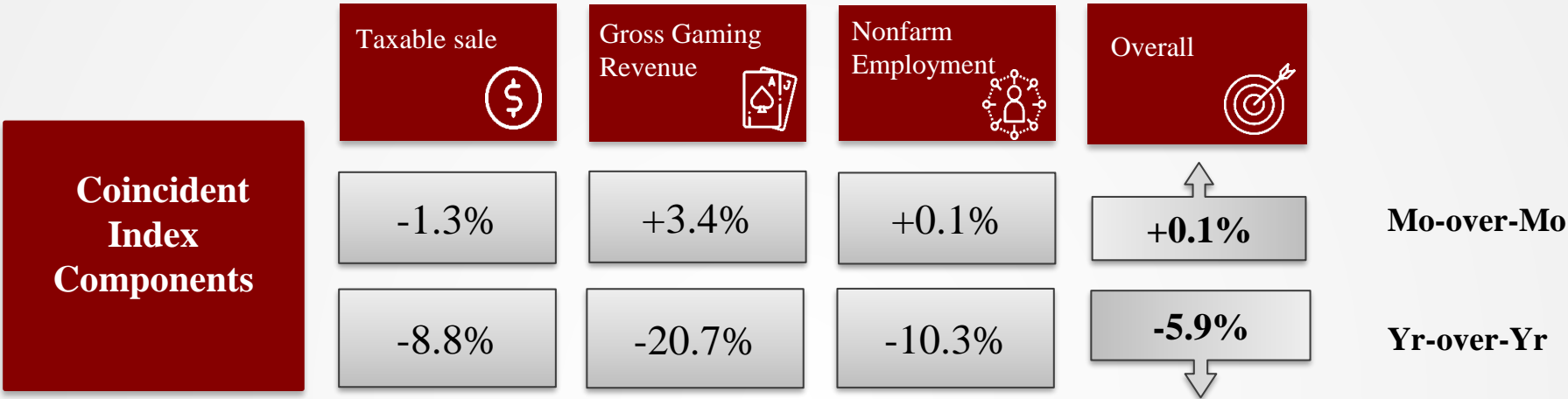
- McCarran Passengers
- CC Gross Gaming Revenue
- LV Hotel/Motel Occupancy Rate

### Construction Index

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



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



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

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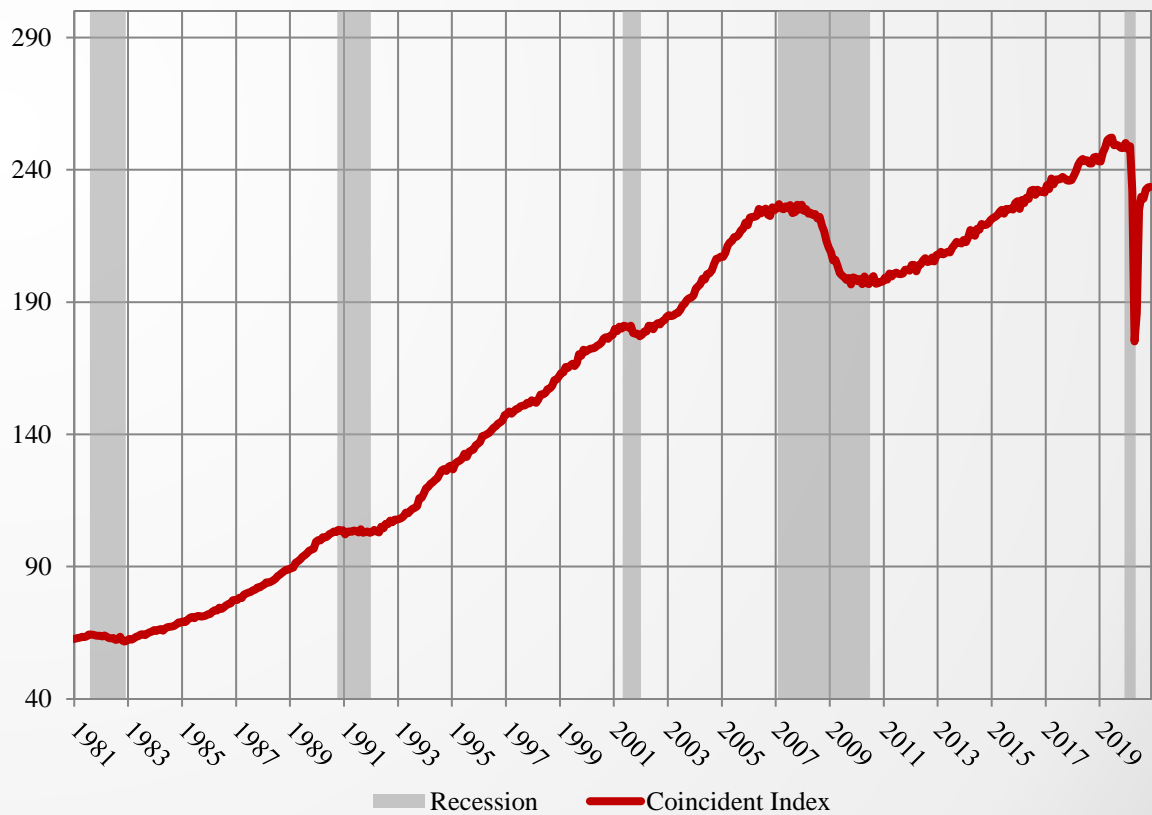
# Southern Nevada Coincident Index in November 2020

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

The CBER Southern Nevada coincident index increased by a small 0.1 percent in November compared to the previous month. This increase resulted from the monthly increase in gross gaming revenue and nonfarm employment by 3.4 and 0.1 percent, respectively, from October. Taxable sales, however, decreased by 1.3 percent from October.

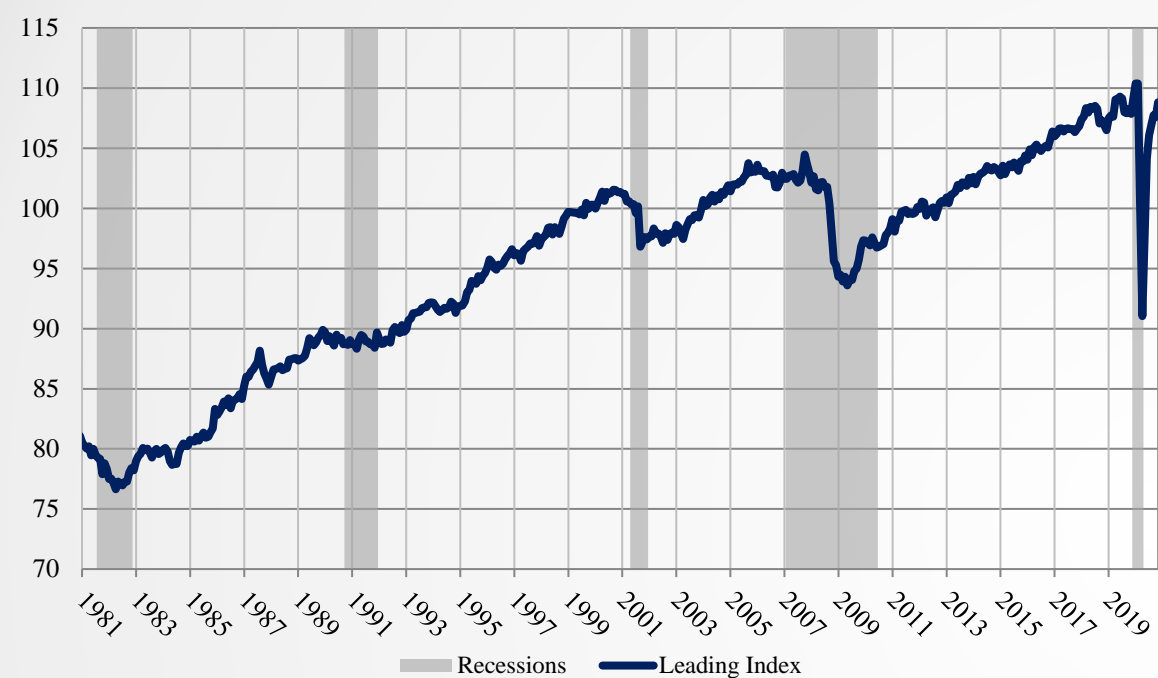
The Southern Nevada coincident index decreased year-over-year, dropping by 5.9 percent. The decrease reflected losses in taxable sales, gross gaming revenue, and nonfarm employment, down by 8.8, 20.7, and 10.3 percent, respectively.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	3,625,989,972	-1.3%	-8.8%
Gross Gaming Revenue (SA)	647,817,497	+3.4%	-20.7%
Nonfarm Employment (SA)	926,009	+0.1%	-10.3%
Index and % Change	233.5	+0.1%	-5.9%



# Southern Nevada Leading Index in November 2020

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



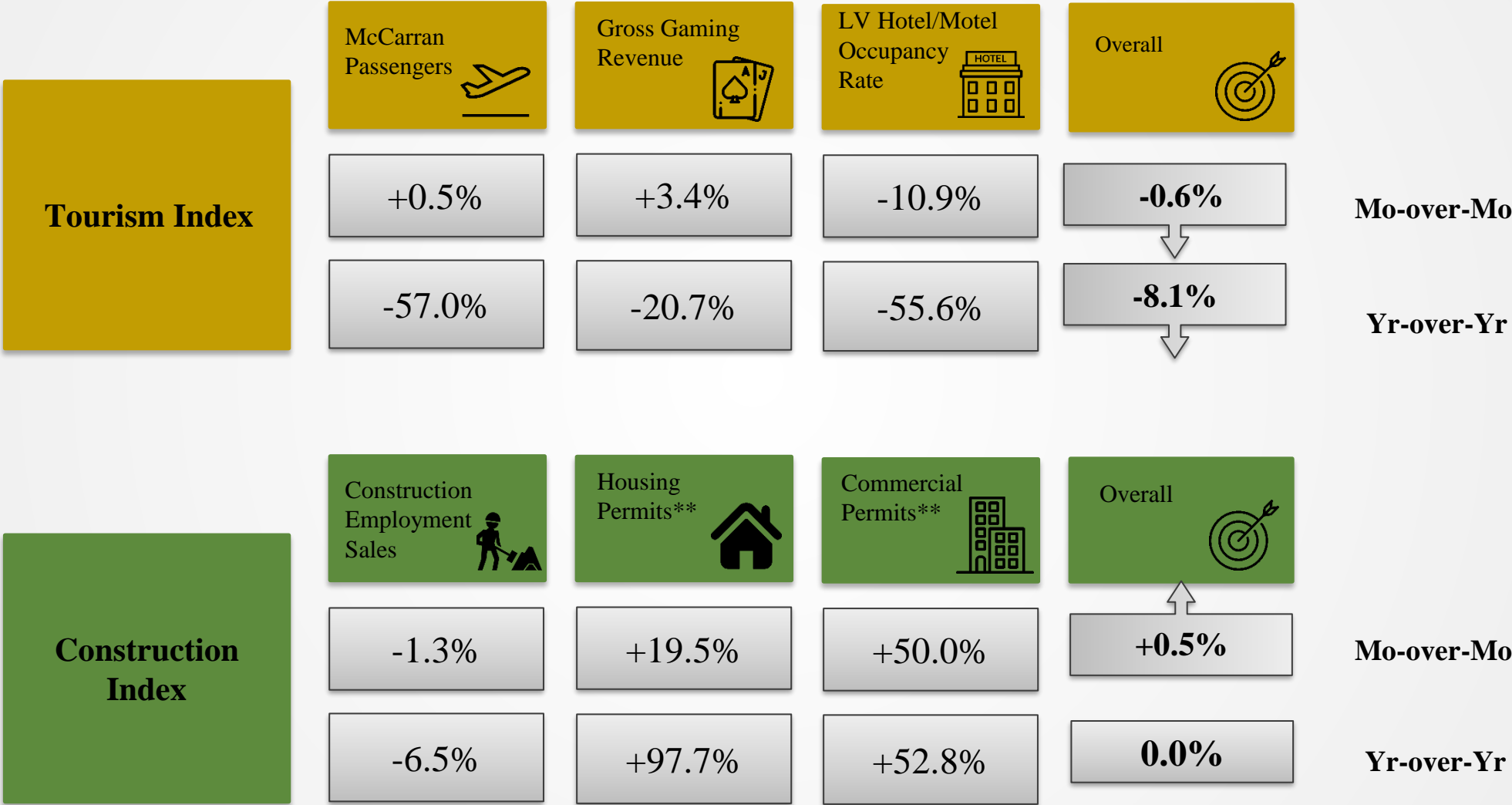
Date	Index	Mo-over-Mo	Yr-over-Yr
Nov-19	107.9	-0.4%	0.8%
Dec-19	109.2	1.2%	2.5%
Jan-20	110.4	1.1%	2.7%
Feb-20	110.4	0.0%	2.5%
Mar-20	100.1	-9.3%	-7.0%
Apr-20	91.0	-9.1%	-16.5%
May-20	97.5	7.1%	-10.6%
Jun-20	104.1	6.8%	-4.7%
Jul-20	106.1	1.9%	-2.8%
Aug-20	106.9	0.8%	-1.0%
Sep-20	107.8	0.8%	-0.1%
Oct-20	107.6	-0.1%	-0.6%
Nov-20	108.8	1.1%	0.9%

The CBER Southern Nevada leading index experienced a gain of 1.1 percent month-over-month. On the positive side, the initial claims for unemployment insurance (inverted), McCarran passengers, housing permits, commercial permits, and S&P 500 increased by 21.5, 0.5, 19.5, 50.0, and 2.9 percent, respectively, from October. The ten-year real Treasury yield (inverted) did not change.

On a yearly basis, the CBER Southern Nevada leading index increased by 0.9 percent. The ten-year real Treasury yield (inverted), S&P 500, housing permits, and commercial permits increased by 0.1, 14.1, 97.7 and 52.8 percent, respectively, from November 2019. On the negative side, the initial claims for unemployment insurance (inverted) and McCarran passengers declined by 225.2 and 57.0 percent, respectively, from the prior year.



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



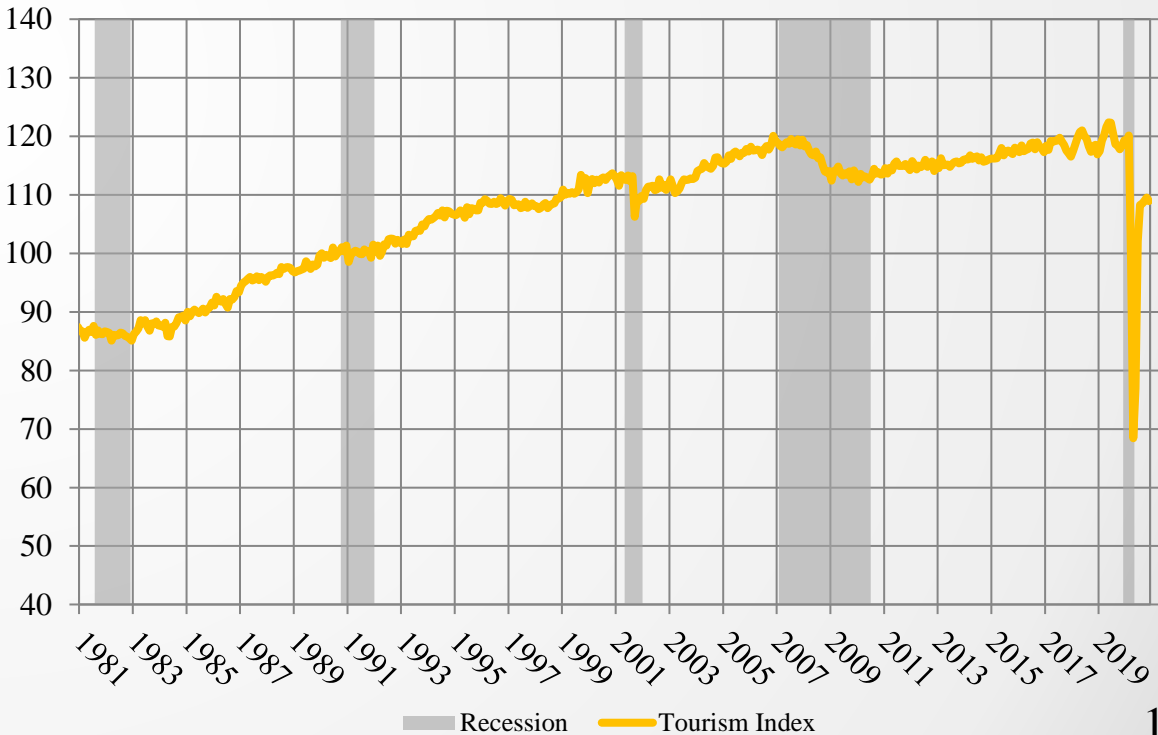
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*The CBER Southern Nevada tourism index decreased month-over-month and year-over-year.*

The CBER Southern Nevada tourism index decreased by 0.6 percent month-over-month in November. On the positive side, McCarran passengers and gross gaming revenue increased by 0.5 and 3.4 percent, respectively, from October. On the negative side, the Las Vegas hotel/motel occupancy rate decreased by 10.9 percent. The month-over-month increase continued to decrease the big decline in April, albeit at a much-slowed pace since the summer months.

On an annual basis, the Southern Nevada tourism index exhibited a loss of 8.1 percent. McCarran airport passenger volume, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate fell considerably by 57.0, 20.7, and 55.6 percent, respectively.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
McCarran Passengers (SA)	1,764,186	+0.5%	-57.0%
Gaming Revenue (SA)	647,817,497	+3.4%	-20.7%
LV Hotel/Motel Occupancy Rate (SA)	0.388	-10.9%	-55.6%
Index and % Change	108.9	-0.6%	-8.1%

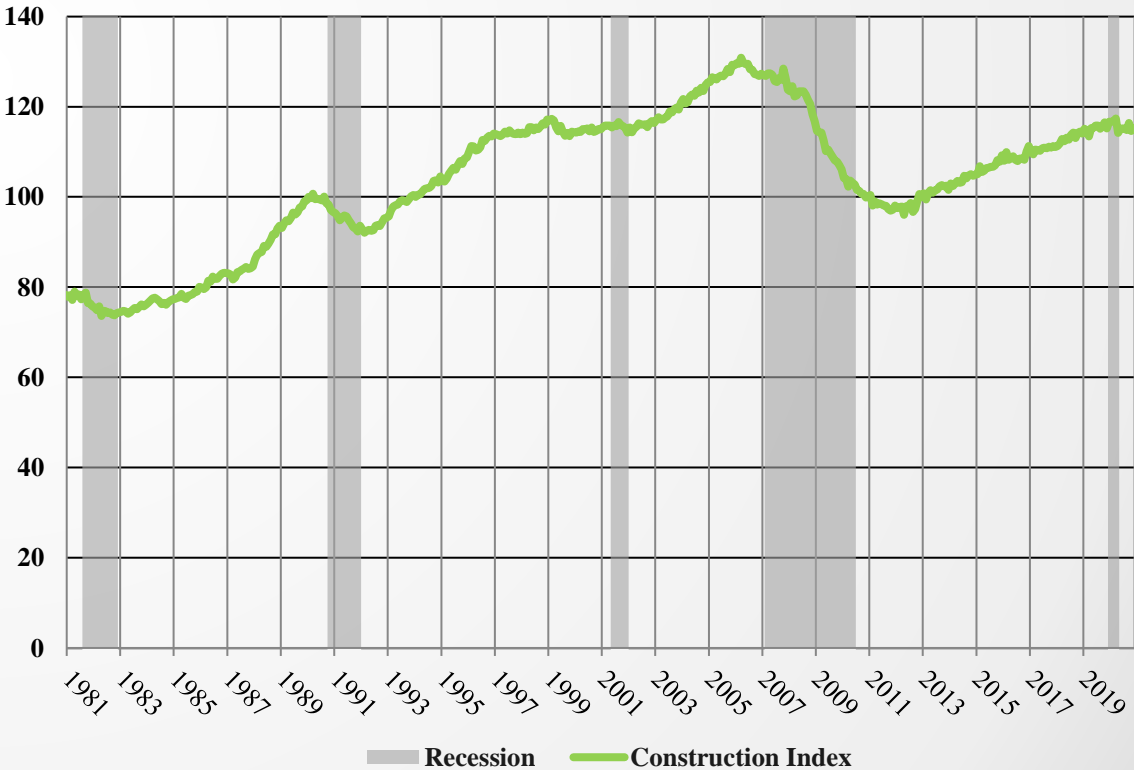


***The CBER Southern Nevada construction index increased month-over-month and did not change on a year-over-year basis.***

The Southern Nevada construction index increased by 0.5 percent from last month. Construction employment fell by 1.3 percent from October. Housing permits and commercial permits both increased by 19.5 and 50.0 percent, respectively, in November.

The Southern Nevada construction index saw no change from the previous year. Construction employment fell by 6.5 percent from November 2019. On the positive side, housing permits, and commercial permits both increased by 97.7 and 52.8 percent, respectively.

Series	Latest Period	Month-over-Month	Year-over-Year
Construction Employment (SA)	68,666	-1.3%	-6.5%
Housing Permits (SA)	1,328	+19.5%	+97.7%
Commercial Permits (SA)	38	50.0%	+52.8%
Index and % Change	115.2	+0.5%	0.0%





# 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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- 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.*