



CBER Economic Indexes for Nevada and Southern Nevada

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CBER's Indexes of Nevada Economic Activity



Coincident Index Components

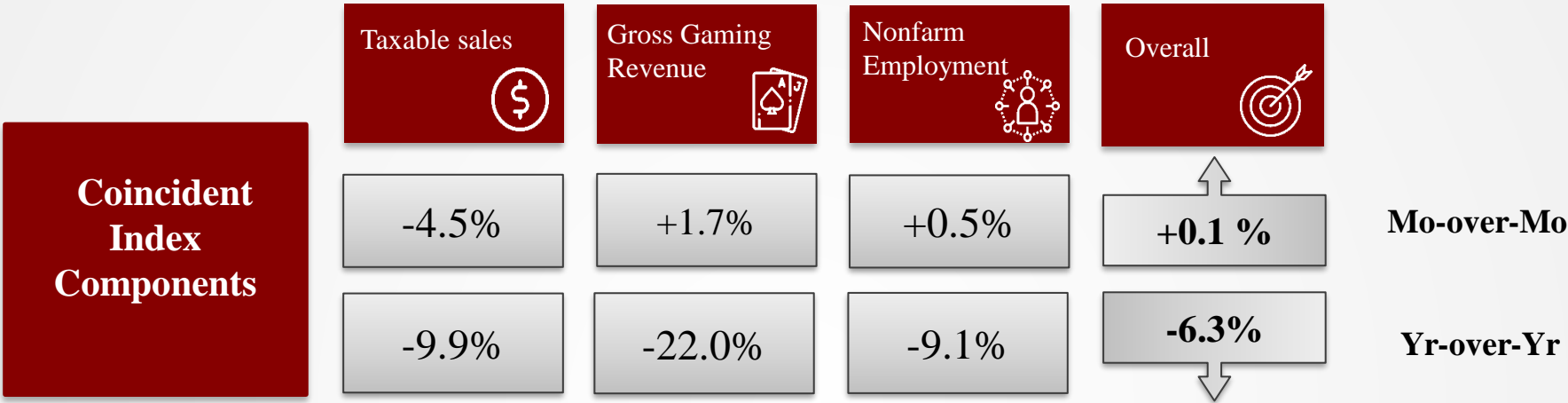
- Nevada Taxable Sales
- Nevada Gross Gaming Revenue
- Nevada Nonfarm Employment

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 August 2020



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

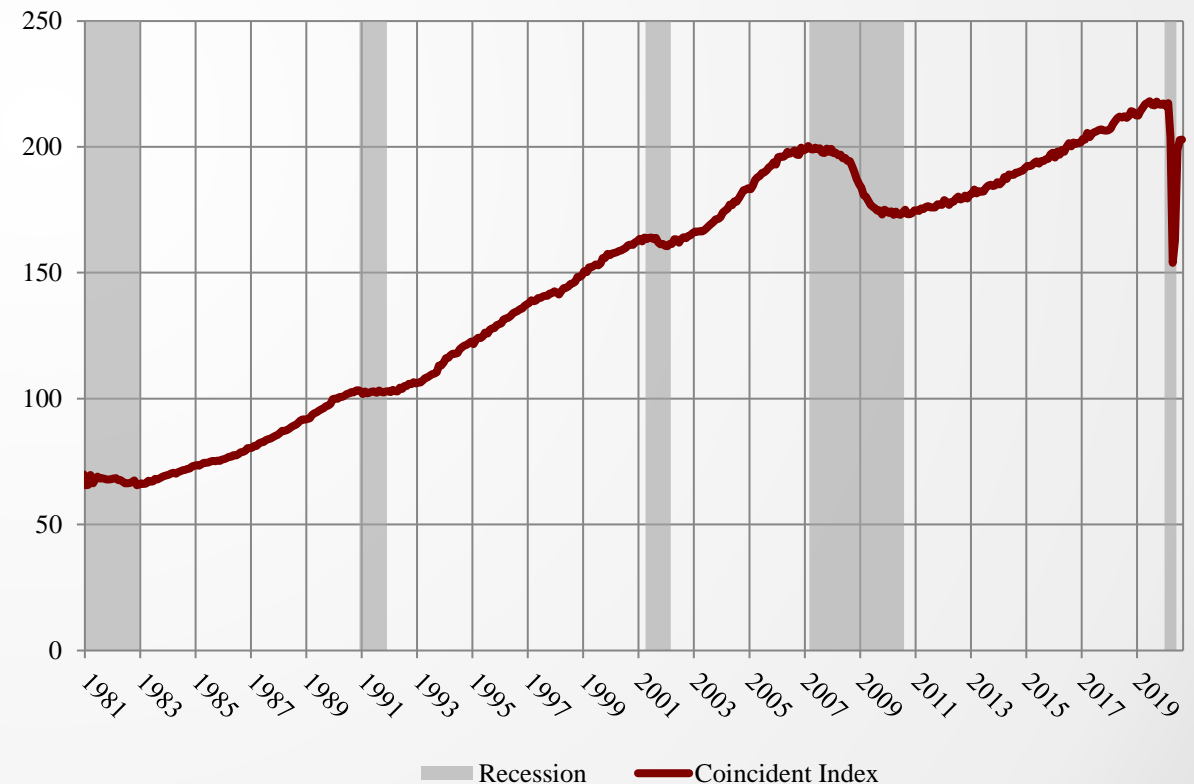
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The CBER Nevada coincident index increased month-over-month and decreased year-over-year.

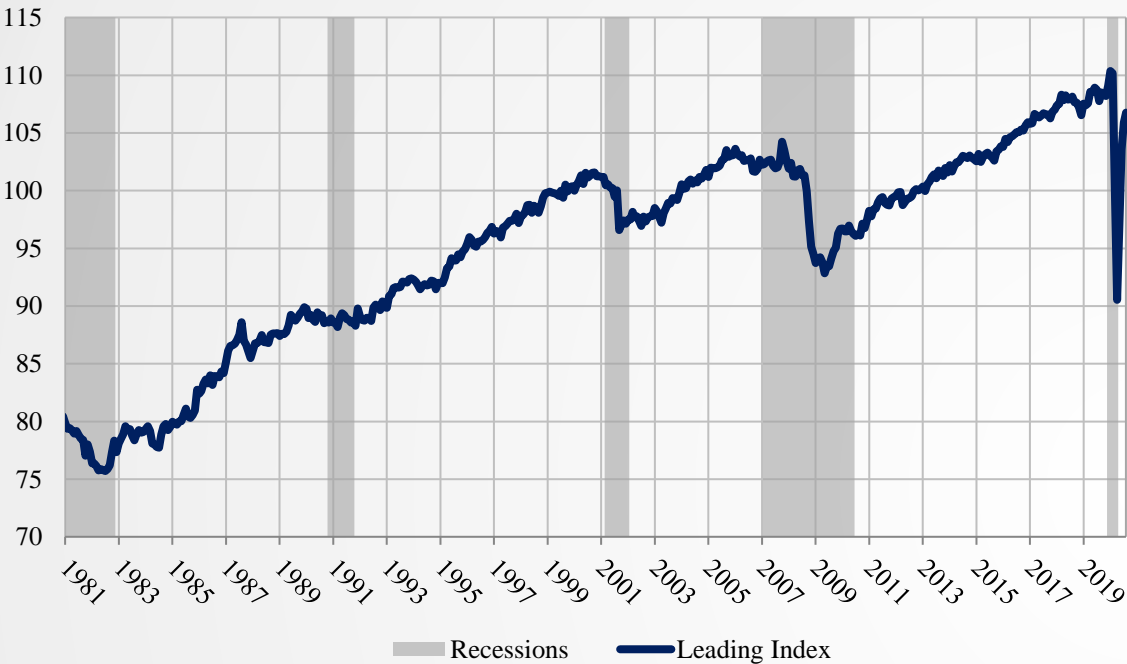
The CBER Nevada coincident index experienced a 0.1 percent month-over-month increase in August. This increase reflects increases in gross gaming revenue and nonfarm employment, as these two items moved higher by 1.7 and 0.5 percent, respectively, from July 2020. Taxable sales, however, decreased by 4.5 percent from July 2020.

On a year-over-year basis, the index dropped by 6.3 percent. This decrease reflected the downward surges in taxable sales, gross gaming revenue, and nonfarm employment, down by 9.9, 22.0, and 9.1 percent, respectively. We observe that the coincident index's recovery from its April collapse continues but has slowed significantly in recent months.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	4,872,746,083	-4.5%	-9.9%
Gaming Revenue (SA)	757,136,116	1.7%	-22.0%
Nonfarm Employment (SA)	1,293,434	0.5%	-9.1%
Index and % Change	202.9	0.1%	-6.3%



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



Date	Index	Mo-over-Mo	Yr-over-Yr
Aug-19	107.8	-0.9%	-0.4%
Sep-19	108.5	0.7%	0.8%
Oct-19	108.4	-0.1%	0.7%
Nov-19	108.2	-0.2%	1.0%
Dec-19	109.1	0.8%	2.4%
Jan-20	110.4	1.2%	2.6%
Feb-20	110.2	-0.2%	2.6%
Mar-20	100.0	-9.3%	-7.1%
Apr-20	90.5	-9.4%	-16.6%
May-20	97.0	7.1%	-10.7%
Jun-20	103.6	6.8%	-4.9%
Jul-20	105.9	2.2%	-2.6%
Aug-20	106.8	0.8%	-0.9%

The CBER Nevada leading index increased by 0.8 on a month-over-month basis. On the positive side, initial claims for unemployment insurance (inverted), the ten-year real Treasury yield (inverted), Nevada passengers, and the S&P 500 increased by 8.8, 0.2, 5.4, and 7.1 percent, respectively, from July. Housing permits and commercial permits decreased by 15.4 and 13.8 percent, respectively. Thus, the leading index continued to recovered some of the month-over-month loss it experienced in April, but at a slower pace.

On a year-over-year basis, the leading index decreased by 0.9 percent. The ten-year real Treasury yield (inverted), housing permits, and the S&P 500 increased by 0.5, 6.7, and 17.1 percent respectively, from August 2019. On the negative side, initial claims for unemployment insurance (inverted), commercial permits, and Nevada passengers declined by 418.1, 14.2, and 60.7 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

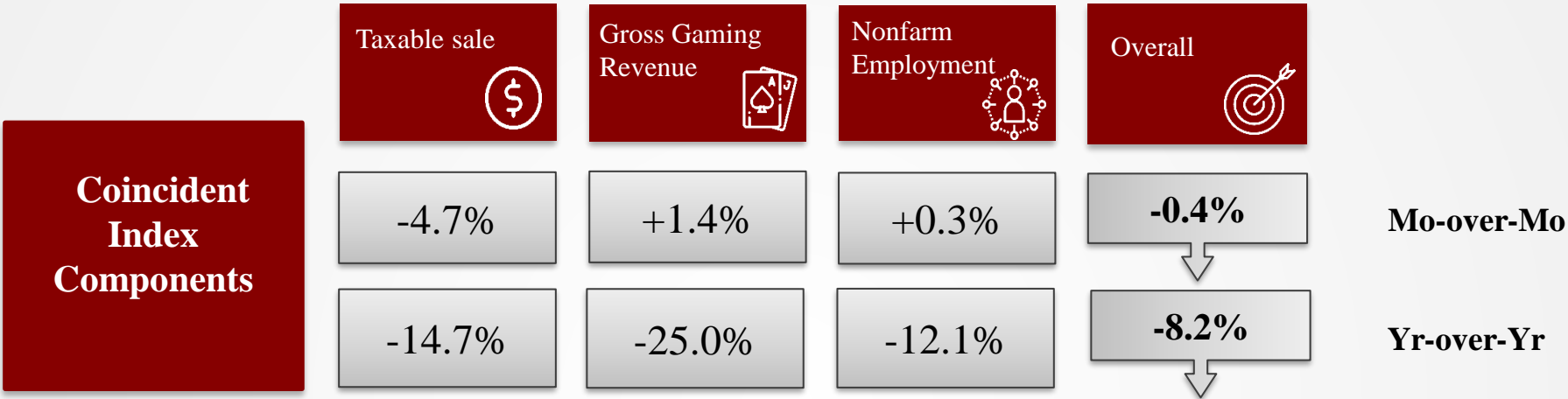
Tourism Index

- 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 August 2020



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

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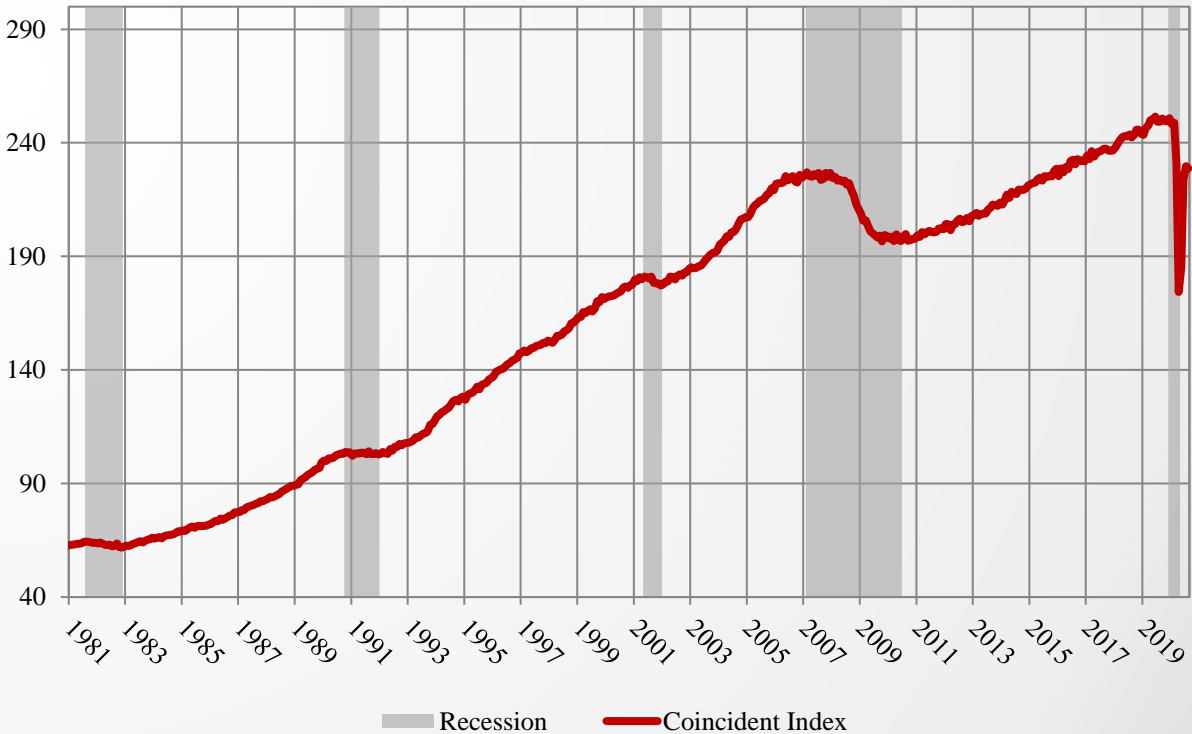
Southern Nevada Coincident Index in August 2020

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

The CBER Southern Nevada coincident index decreased by 0.4 percent in August compared to the previous month. This decrease resulted from the monthly decrease in taxable sales of 4.7 percent from July. Gross gaming revenue and nonfarm employment, however, increased by 1.4 and 0.3 percent, respectively, from July.

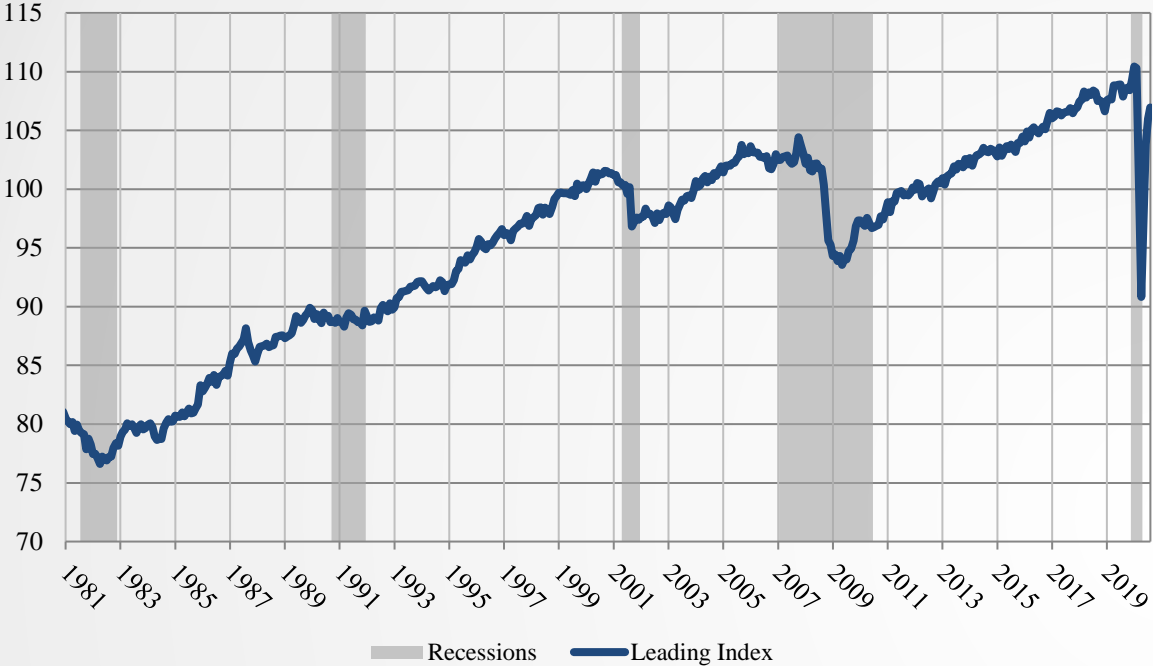
The Southern Nevada coincident index decreased year-over-year, dropping by 8.2 percent from last year. This decrease reflected losses in taxable sales, gross gaming revenue, and nonfarm employment, down by 14.7, 25.0, and 12.1 percent, respectively. Once again, we observe that the coincident index’s recovery from its April collapse continues but has slowed significantly in recent months.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	3,391,461,592	-4.7%	-14.7%
Gaming Revenue (SA)	623,861,576	1.4%	-25.0%
Nonfarm Employment (SA)	912,402	0.3%	-12.1%
Index and % Change	228.7	-0.4%	-8.2%



Southern Nevada Leading Index in August 2020

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

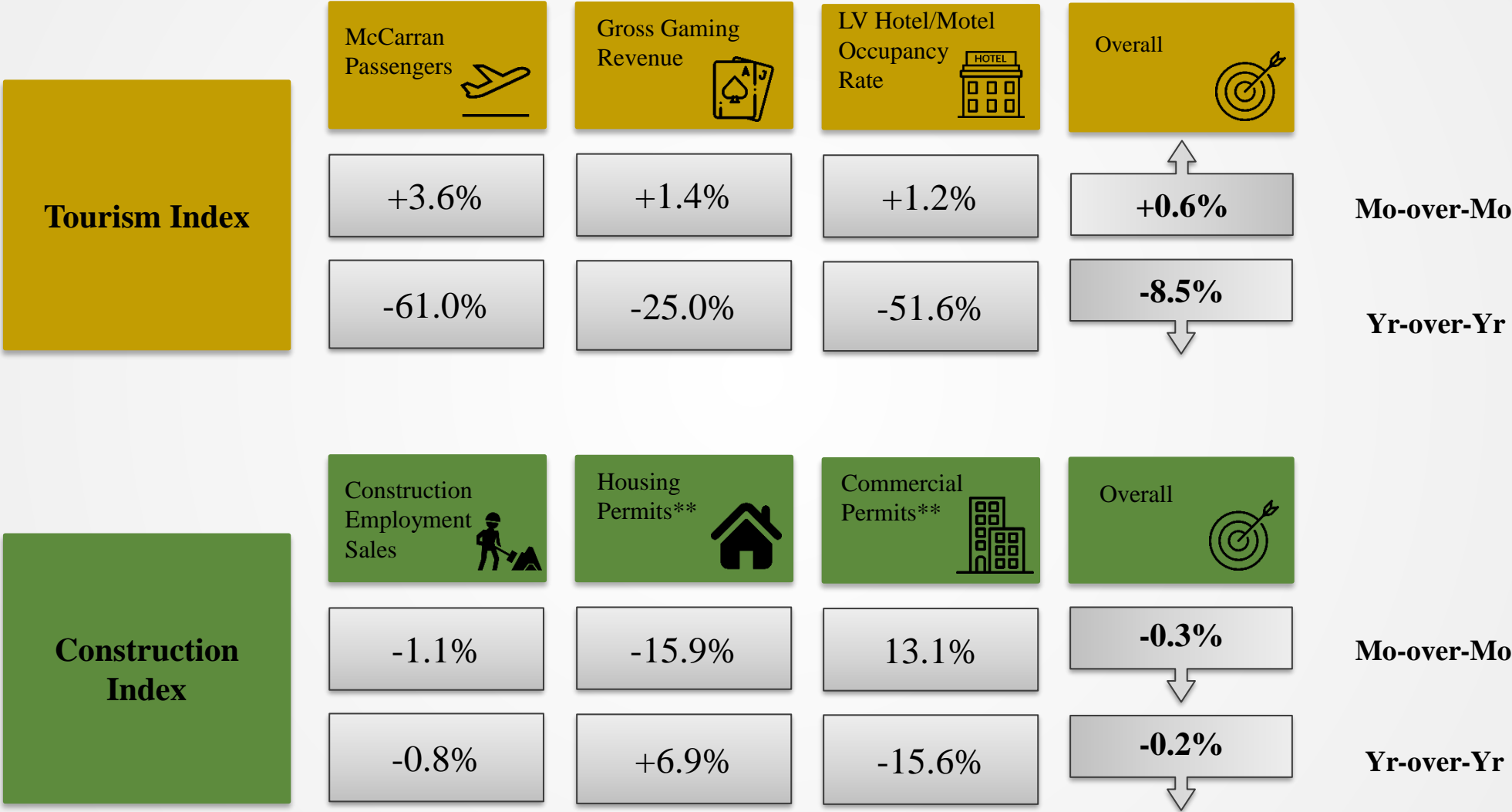


Date	Index	Mo-over-Mo	Yr-over-Yr
Aug-19	107.9	-1.0%	-0.4%
Sep-19	108.5	0.6%	1.0%
Oct-19	108.6	0.1%	1.0%
Nov-19	108.4	-0.2%	1.0%
Dec-19	109.3	0.8%	2.5%
Jan-20	110.4	1.0%	2.7%
Feb-20	110.3	-0.1%	2.4%
Mar-20	100.0	-9.3%	-7.1%
Apr-20	90.8	-9.2%	-16.5%
May-20	97.3	7.1%	-10.6%
Jun-20	103.8	6.7%	-4.7%
Jul-20	106.0	2.1%	-2.7%
Aug-20	107.0	0.9%	-0.9%

The CBER Southern Nevada leading index experienced a moderate gain of 0.9 percent month-over-month. On the positive side, initial claims for unemployment insurance (inverted), the ten-year real Treasury yield (inverted), commercial permits, McCarran passengers, and the S&P 500 increased by 8.8, 0.2, 13.1, 3.6, and 7.1 percent, respectively, from July. The housing permits decreased by 15.9 percent. Once again, the increase in the index partly reversed the huge month-over-month decrease experienced in April.

On a yearly basis, the CBER Southern Nevada leading index also dropped by 0.9 percent. The ten-year Treasury yield (inverted), housing permits, and the S&P 500 increased by 0.5, 6.9, and 17.1 percent, respectively, from August 2019. On the negative side, initial claims for unemployment insurance (inverted), commercial permits, and McCarran passengers declined by 418.1, 15.6, and 61.0 percent, respectively, from the prior year.

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



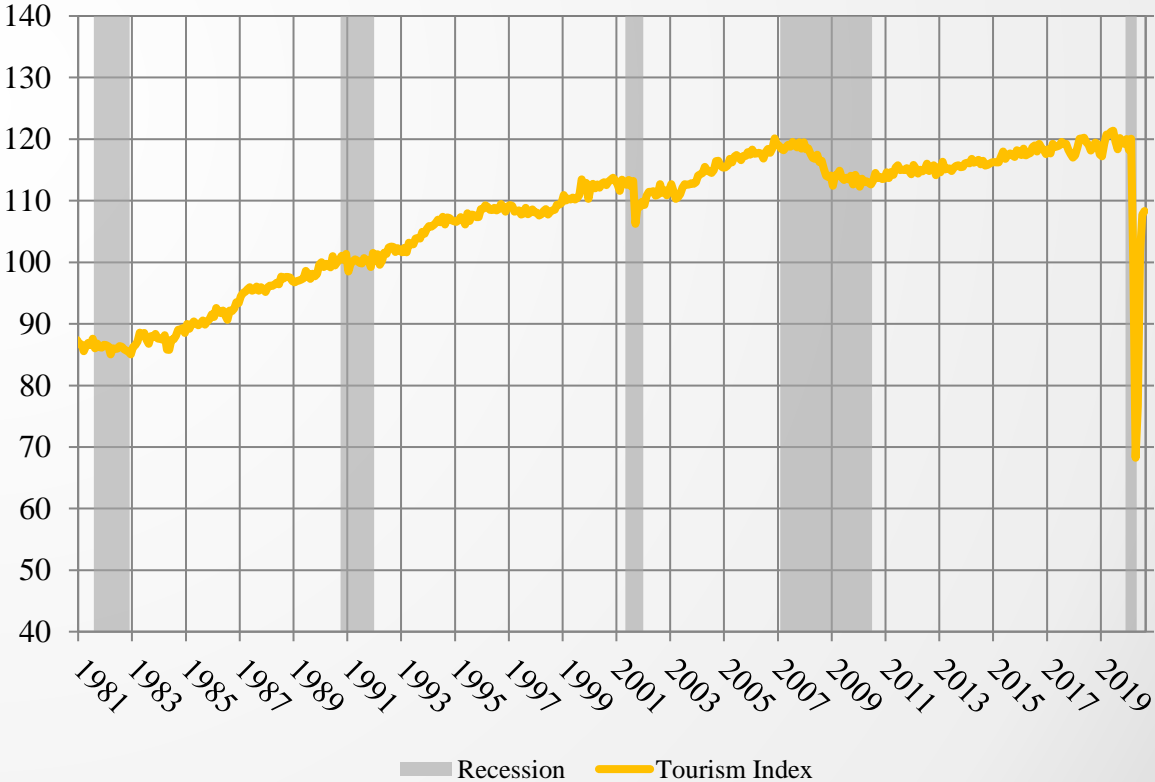
** Inverted ** Data are partly forecasted as Clark County Service's permit reports have not been available since December 2017.*
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The CBER Southern Nevada tourism index increased month-over-month and dropped year-over-year.

The CBER Southern Nevada tourism index increased by 0.6 percent month-over-month in August. All three items, McCarran airport passenger volume, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate experienced increases of 3.6, 1.4, and 1.2 percent, respectively. The month-over-month increase reversed partly the month-over-month decrease in April.

On an annual basis, the Southern Nevada tourism index also exhibited a loss of 8.5 percent. McCarran airport passenger volume, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate fell considerably by 61.0, 25.0, and 51.6 percent, respectively.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
McCarran Passengers (SA)	1,607,260	3.6%	-61.0%
Gaming Revenue (SA)	623,861,576	1.4%	-25.0%
LV Hotel/Motel Occupancy Rate (SA)	0.416	1.2%	-51.6%
Index and % Change	108.3	0.6%	-8.5%

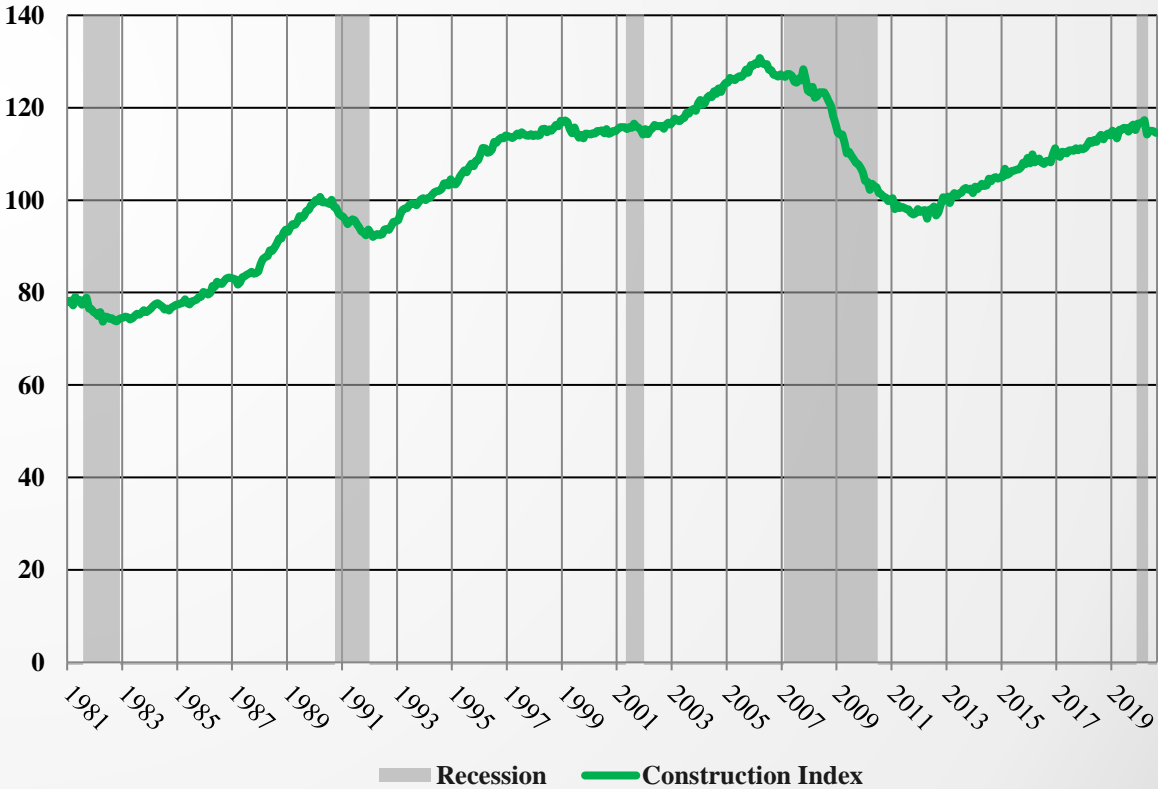


The CBER Southern Nevada construction index decreased both month-over-month and year-over-year.

The Southern Nevada construction index ticked slightly downward by 0.3 percent from last month. Construction employment and housing permits decreased by 1.1 and 15.9 percent, respectively, from July. On the positive side, commercial permits increased by 13.1 percent from the previous month. We note that unlike the other indexes, the commercial index does not yet appear to be affected by the COVID-19 recession, as construction was classified as an essential activity.

The Southern Nevada construction index decreased slightly by 0.2 percent from the previous year. On the positive side, housing permits increased by 6.9 percent from August 2019. On the negative side, construction employment and commercial permits decreased by 0.8 and 15.6 percent, respectively, from last year.

Series	Latest Period	Month-over-Month	Year-over-Year
Construction Employment (SA)	69,977	-1.1%	-0.8%
Housing Permits (SA)	1,116	-15.9%	6.9%
Commercial Permits (SA)	24	13.1%	-15.6%
Index and % Change	114.6	-0.3%	-0.2%



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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