



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

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## CBER's Indexes of Nevada Economic Activity



### Coincident Index Components

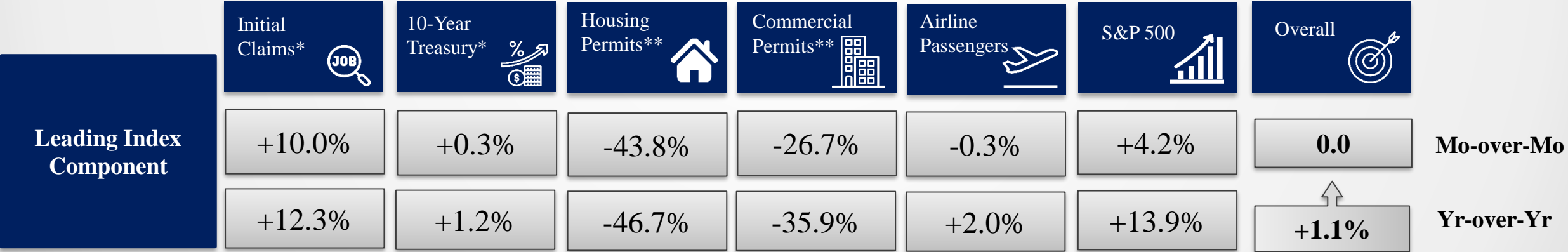
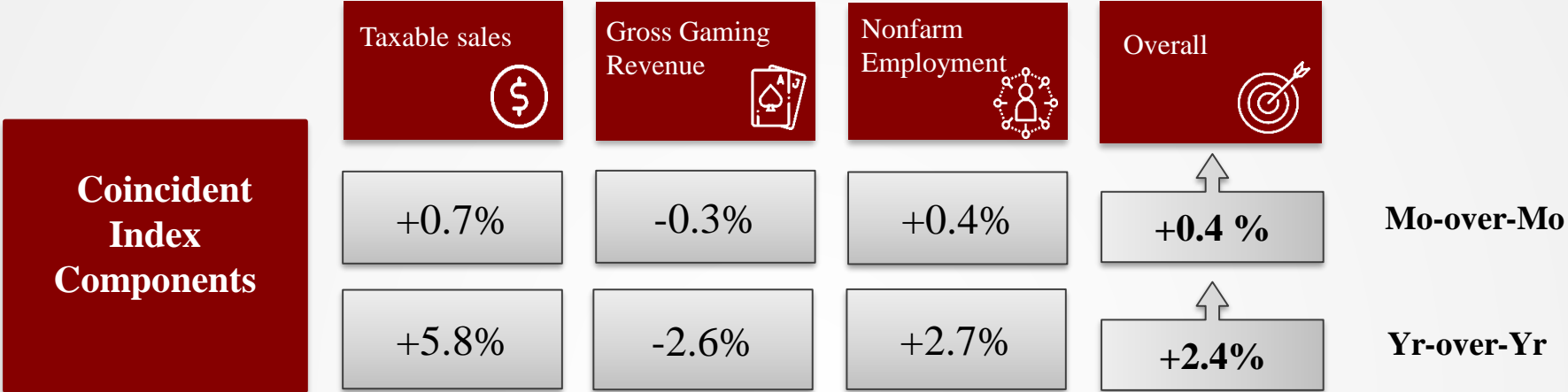
- Nevada Taxable Sales
- Nevada Gross Gaming Revenue
- Nevada Nonfarm Employment

### 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. 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 2019



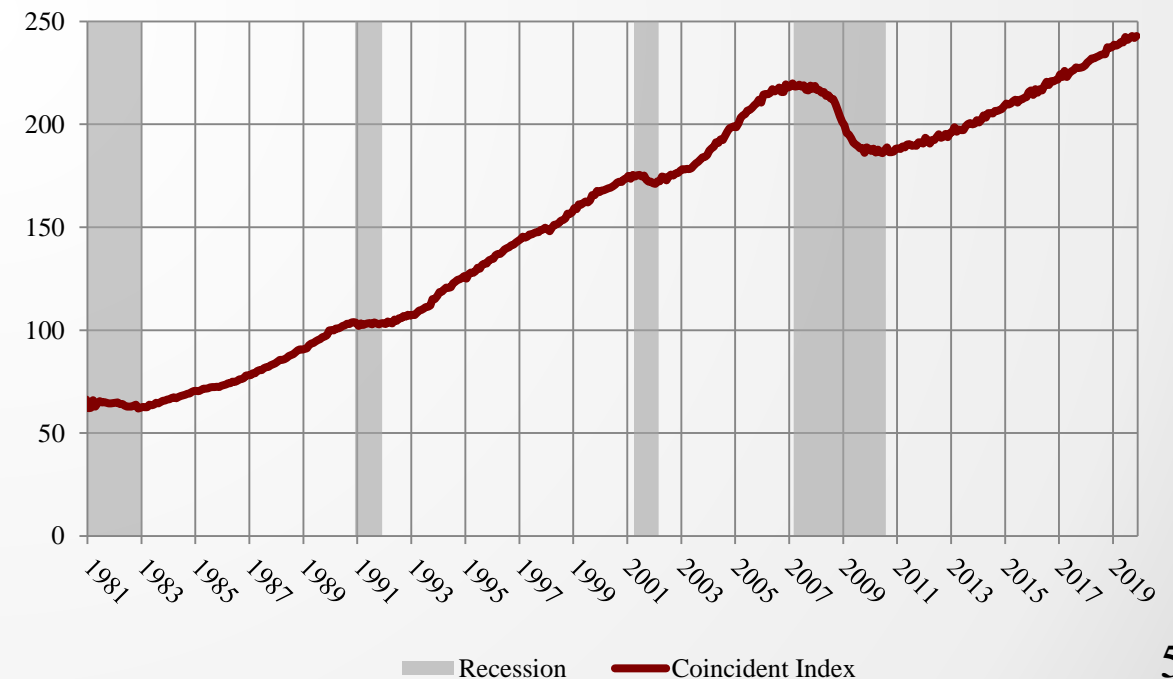
\* Inverted \*\* Data are partly forecasted as Clark County Service's permit reports have not been available since December 2017.  
Icons are made by 1) [www.freepik.com](http://www.freepik.com) 2) phatplus, mynamepong, and Payungkeas from [www.flaticon.com](http://www.flaticon.com)

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

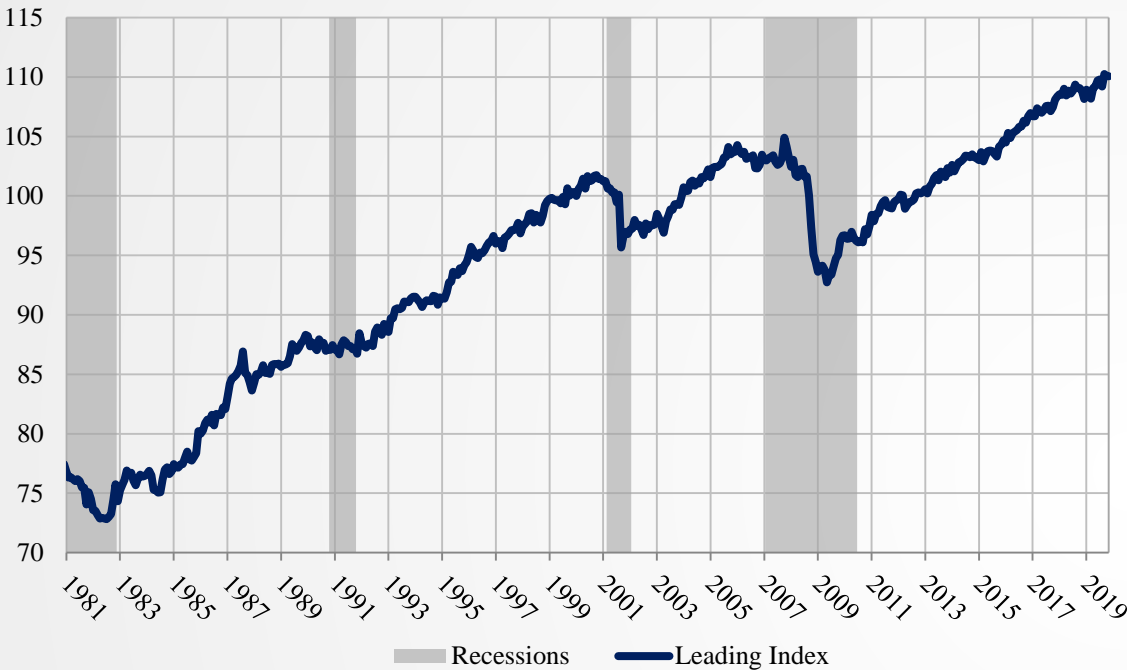
The CBER Nevada coincident index increased by 0.4 percent in November compared to the previous month. This increase resulted from a monthly improvement in taxable sales and nonfarm employment, up by 0.7 and 0.4 percent, respectively, from October 2019. On the negative side, gaming revenue decreased by 0.3 percent in November. The coincident index stands 10.5 percent higher than its previous peak at the beginning of the Great Recession.

The Nevada coincident index continued its year-over-year upward trend. The index rose by 2.4 percent compared to last year. This increase reflected gains in taxable sales and nonfarm employment, rising by 5.8 and 2.7 percent, respectively. Gaming revenue, however, decreased by 2.6 percent.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	5,571,347,148	0.7%	5.8%
Gaming Revenue (SA)	980,417,758	-0.3%	-2.6%
Nonfarm Employment (SA)	1,442,400	0.4%	2.7%
<b>Index and % Change</b>	<b>242.9</b>	<b>0.4%</b>	<b>2.4%</b>



*The CBER Nevada leading index remained constant month-over-month, but increased year-over-year.*



Date	Index	Mo-over-Mo	Yr-over-Yr
Nov-18	108.8	-0.2%	0.7%
Dec-18	108.1	-0.6%	-0.2%
Jan-19	108.9	0.7%	0.3%
Feb-19	108.4	-0.5%	0.0%
Mar-19	108.2	-0.2%	-0.8%
Apr-19	109.1	0.8%	0.6%
May-19	109.2	0.1%	0.3%
Jun-19	109.7	0.4%	1.0%
Jul-19	109.8	0.1%	0.9%
Aug-19	109.2	-0.5%	-0.1%
Sep-19	110.3	1.0%	1.1%
Oct-19	110.1	-0.2%	0.9%
Nov-19	110.1	0.0%	1.1%

The CBER Nevada leading index was constant on a month-over-month basis. The initial claims for unemployment (inverted), the ten-year real Treasury yield, and the S&P 500 increased by 10.0, 25.5, and 4.2 percent, respectively, from October. Housing permits, commercial permits, and Nevada passengers decreased by 43.8, 26.7 and 0.3 percent, respectively, from the previous month.

On a year-over-year basis, the leading index jumped higher by 1.1 percent. Initial claims for unemployment (inverted), the ten-year real Treasury yield, Nevada passengers, and the S&P 500 increased by 12.3, 116.1, 2.0, and 13.9 percent, respectively, from November 2018. On the negative side, both housing permits and commercial permits fell by 46.7 and 35.9 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 index 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

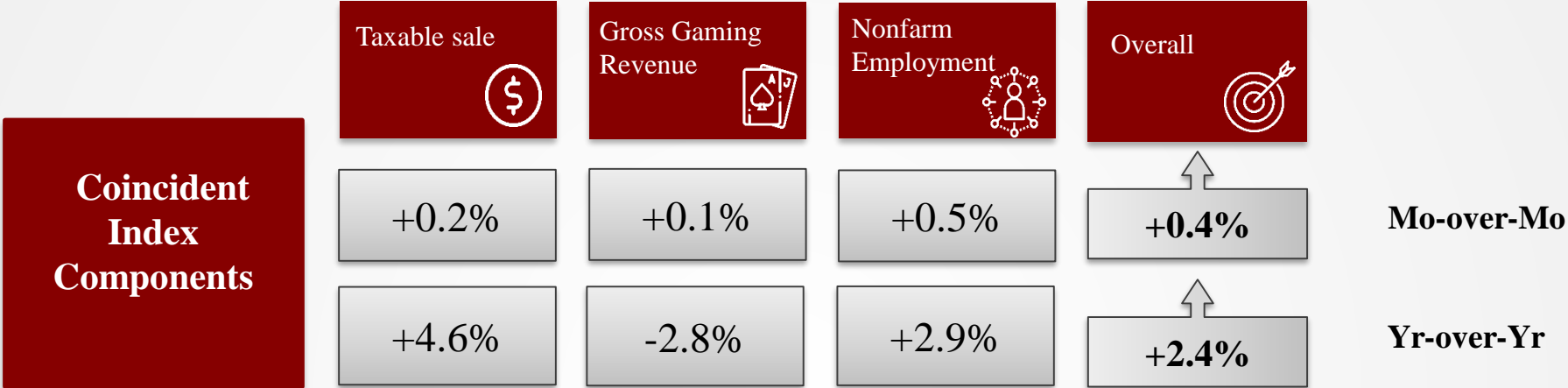
### Tourism Index

- 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 November 2019



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

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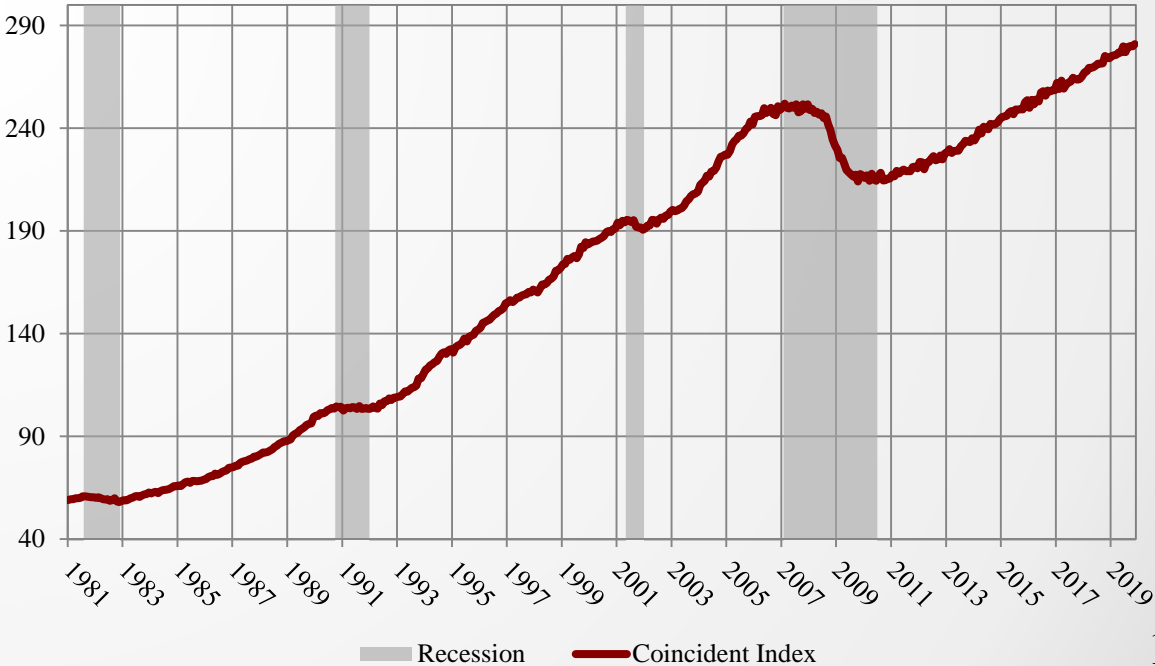
# Southern Nevada Coincident Index in November 2019

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

The CBER Southern Nevada coincident index experienced a 0.4 percent increase in November. This increase is due to taxable sales, gaming revenue, and nonfarm employment ticked higher by 0.2, 0.1, and 0.5 percent, respectively, from October 2019. The coincident index stands 11.5 percent higher than its previous peak at the beginning of the Great Recession.

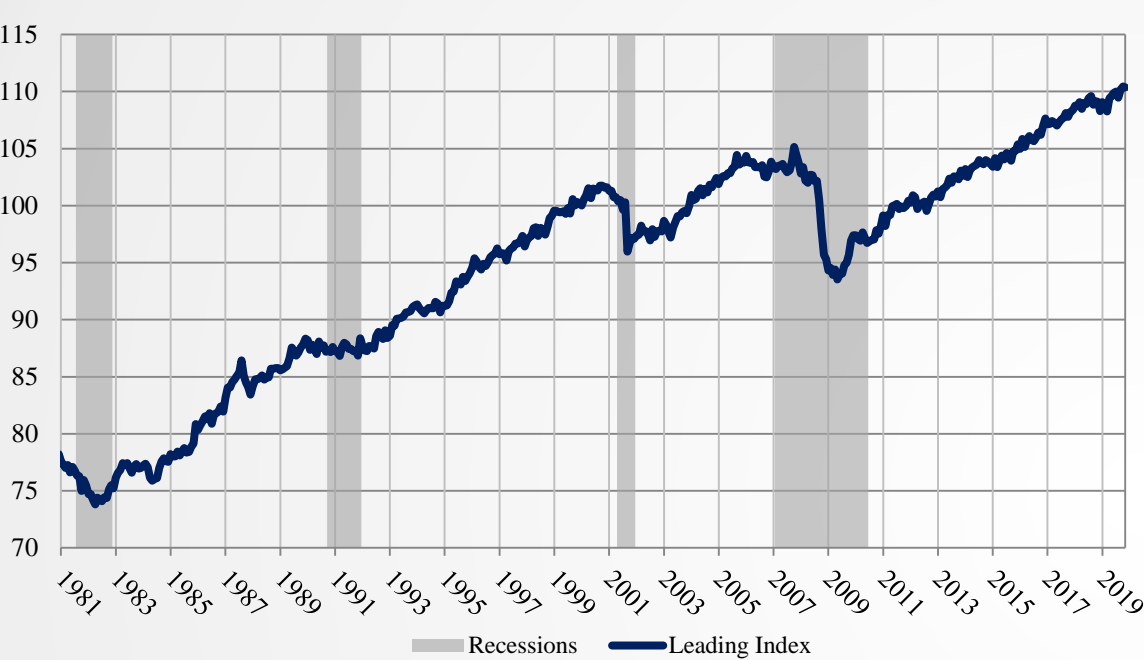
On a year-over-year basis, the index grew by 2.4 percent. Gross gaming revenue was the only component that experienced a monthly loss and decreased by 2.8 percent. Nevertheless, the loss was not enough to offset the gains of the other two components. Taxable sales and nonfarm employment increased by 4.6 and 2.9 percent, respectively, year-over-year. In November, around 73 percent of taxable sales collected in Nevada came from Clark County and 13 percent came from Washoe County, which stood in the second place.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	4,057,187,544	0.2%	4.6%
Gaming Revenue (SA)	839,545,605	0.1%	-2.8%
Nonfarm Employment (SA)	1,041,572	0.5%	2.9%
Index and % Change	280.8	0.4%	2.4%



# Southern Nevada Leading Index in November 2019

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

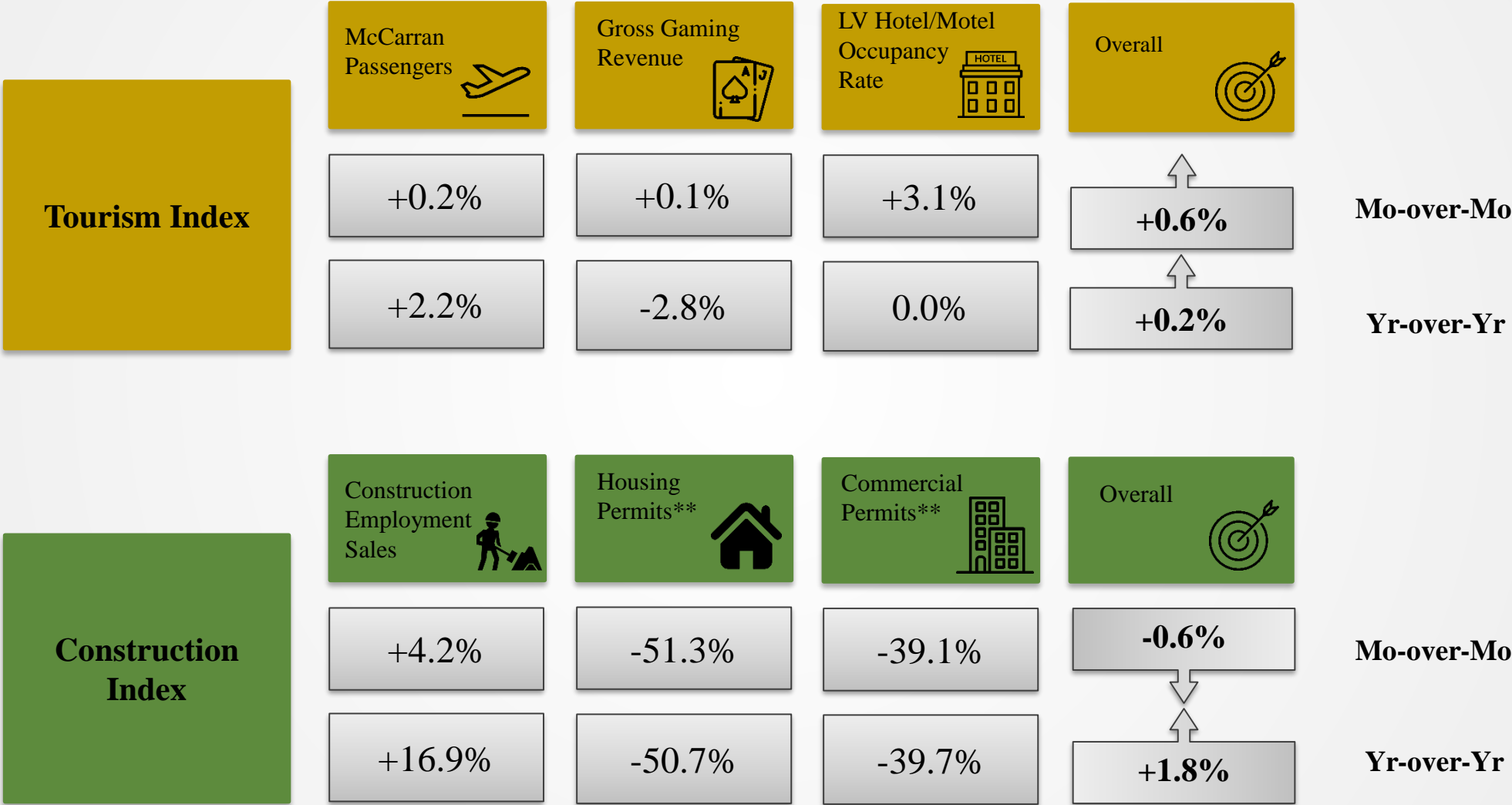


Date	Index	Mo-over-Mo	Yr-over-Yr
Nov-18	109.1	0.0%	0.8%
Dec-18	108.3	-0.8%	-0.1%
Jan-19	109.1	0.7%	0.3%
Feb-19	108.8	-0.2%	0.1%
Mar-19	108.3	-0.5%	-0.7%
Apr-19	109.4	1.1%	0.9%
May-19	109.6	0.2%	0.6%
Jun-19	109.9	0.3%	0.9%
Jul-19	110.0	0.1%	0.6%
Aug-19	109.5	-0.5%	-0.1%
Sep-19	110.2	0.6%	1.2%
Oct-19	110.4	0.2%	1.2%
Nov-19	110.4	-0.1%	1.2%

The CBER Southern Nevada leading index experienced a loss for the month, decreasing by 0.1 percent. Initial claims for unemployment (inverted), the ten-year real Treasury yield, McCarran Airport passengers, and the S&P 500 increased by 10.0, 0.3, 0.2 and, 4.2 percent, respectively, month-over-month. That gain was more than offset by decreases in housing and commercial permits of 51.3 and 39.1 percent, respectively.

On a yearly basis, The CBER Southern Nevada leading index ticked up 1.2 percent. Housing permits and commercial permits were the only components that registered losses of 50.9 and 39.7 percent, respectively. Initial claims for unemployment (inverted), the ten-year real Treasury yield, McCarran Airport passengers, and the S&P 500 registered increases of 12.3, 1.2, 2.2, and 13.9 percent, respectively.

Summary of CBER’s Southern Nevada Tourism and Construction Indexes in November 2019



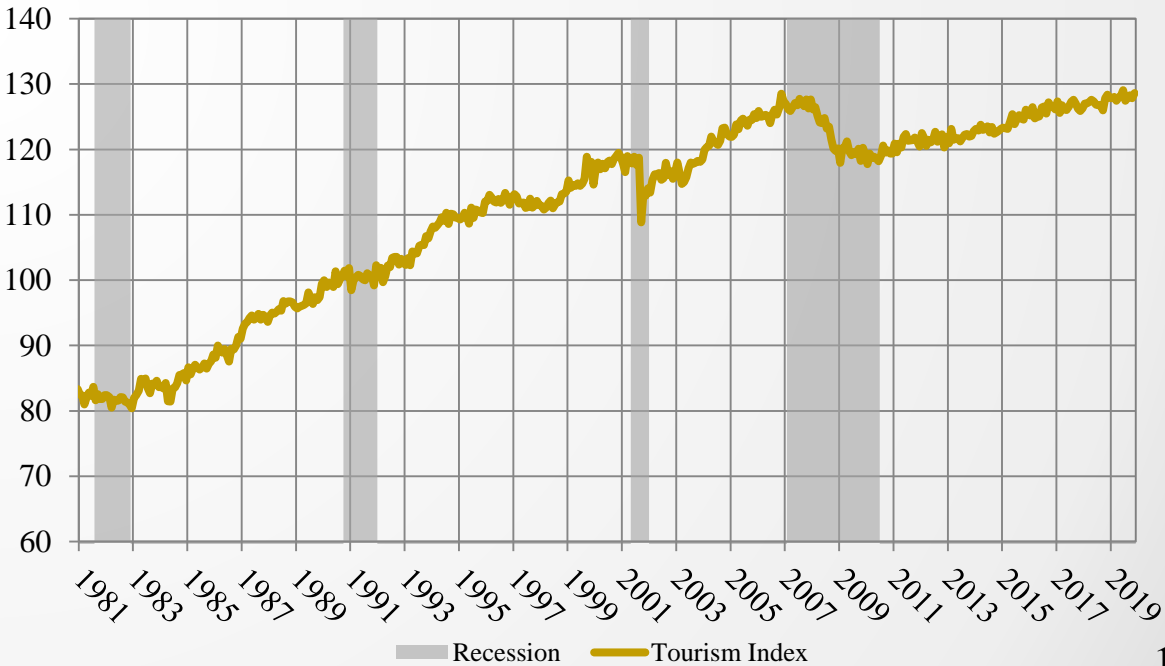
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*The CBER Southern Nevada tourism index increased month-over-month and year-over-year.*

The CBER Southern Nevada tourism index rose by 0.6 percent from October to November. All three components grew. McCarran airport passenger volume, the Las Vegas hotel/motel occupancy rate, and gross gaming revenue increased by 0.2, 3.1, and 0.1 percent, respectively. In October gross gaming revenue experienced 6.6 percent loss but rebounded this month and posted a small gain.

On an annual basis, the Southern Nevada tourism index exhibited a 0.2 percent gain. On the positive side, McCarran airport passenger volume increased by 2.2 percent. Gross gaming revenue decreased, falling by 2.8 percent and the Las Vegas hotel/motel occupancy rate remained unchanged on a yearly basis. According to the McCarran Airport report, November was the 14<sup>th</sup> consecutive month of passenger growth and the 9<sup>th</sup> consecutive month of more than 4 million passengers.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
McCarran Passengers (SA)	4,331,767	0.2%	2.2%
Gaming Revenue (SA)	839,545,605	0.1%	-2.8%
LV Hotel/Motel Occupancy Rate (SA)	0.903	3.1%	0.0%
Index and % Change	128.6	0.6%	0.2%



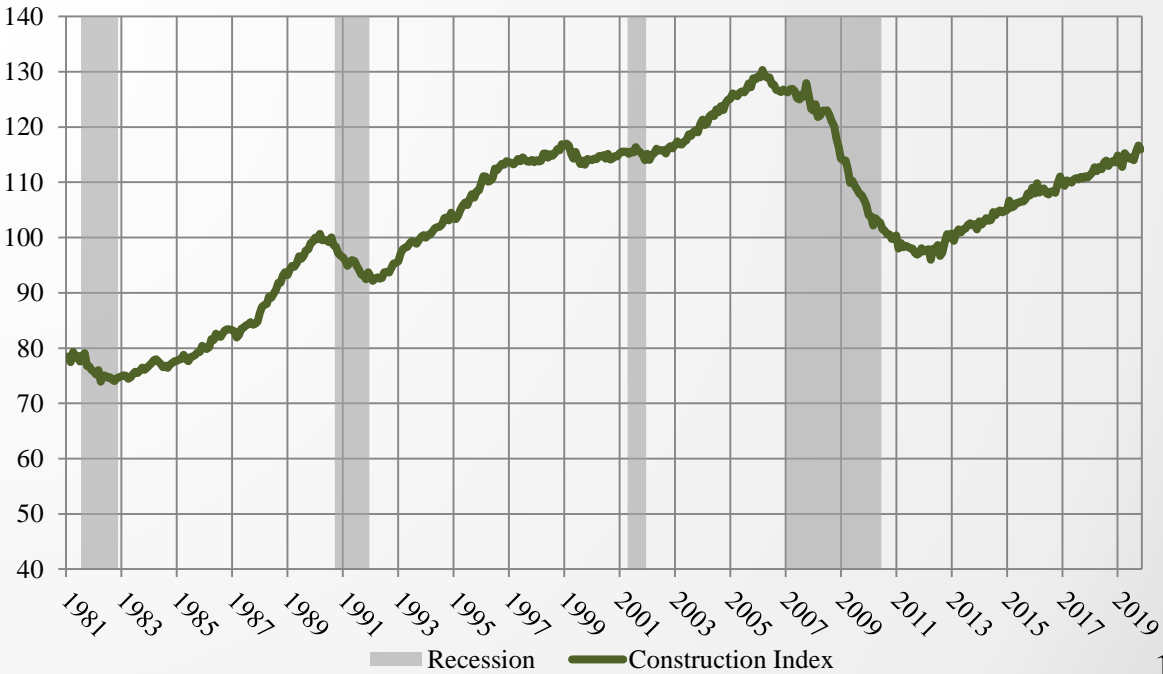
# Southern Nevada Construction Index in November 2019

*The CBER Southern Nevada construction index fell from October to November, but was higher compared to the last year.*

The Southern Nevada construction index dropped by 0.6 percent from October to November. The large monthly decline in housing permits and commercial permits resulted in a loss in the index. Housing permits and commercial permits posted declines of 51.3 and 39.1 percent, respectively. Construction employment, however, gained 4.2 percent month-over-month. Although the index declined in November, on the national level, according to the U.S. census, privately-owned housing units authorized by building permits were at a seasonally adjusted annual rate of 1,474,000 and experienced positive growth of 0.8 percent.

On a year-over-year basis, the construction index increased 1.8 percent. Commercial permits and housing permits both decreased significantly by 39.7 and 50.7 percent, respectively. Construction employment, however, jumped higher, rising by 16.9 percent. This component contributed positively to the index.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Construction Employment (SA)	76,397	4.2%	16.9%
Housing Permits (SA)	680	-51.3%	-50.7%
Commercial Permits (SA)	26	-39.1%	-39.7%
Index and % Change	115.9	-0.6%	1.8%



# 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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