

An aerial photograph of Las Vegas, Nevada, showing the city skyline and the Strip. A large, thick red arrow is superimposed on the image, pointing from the bottom left towards the right side of the page.

CBER Economic Indexes for Nevada and Southern Nevada

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Center for Business and Economic Research, UNLV

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CBER's Indexes of Nevada Economic Activity



Coincident Index Components

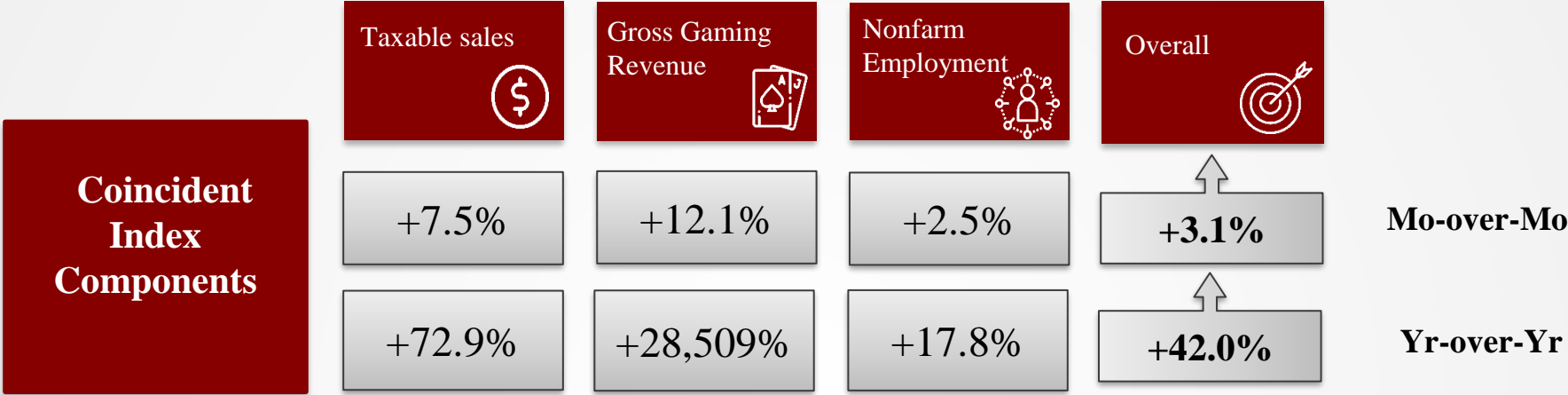
- Nevada Taxable Sales
- Nevada Gross Gaming Revenue
- Nevada Nonfarm Employment

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 April 2021



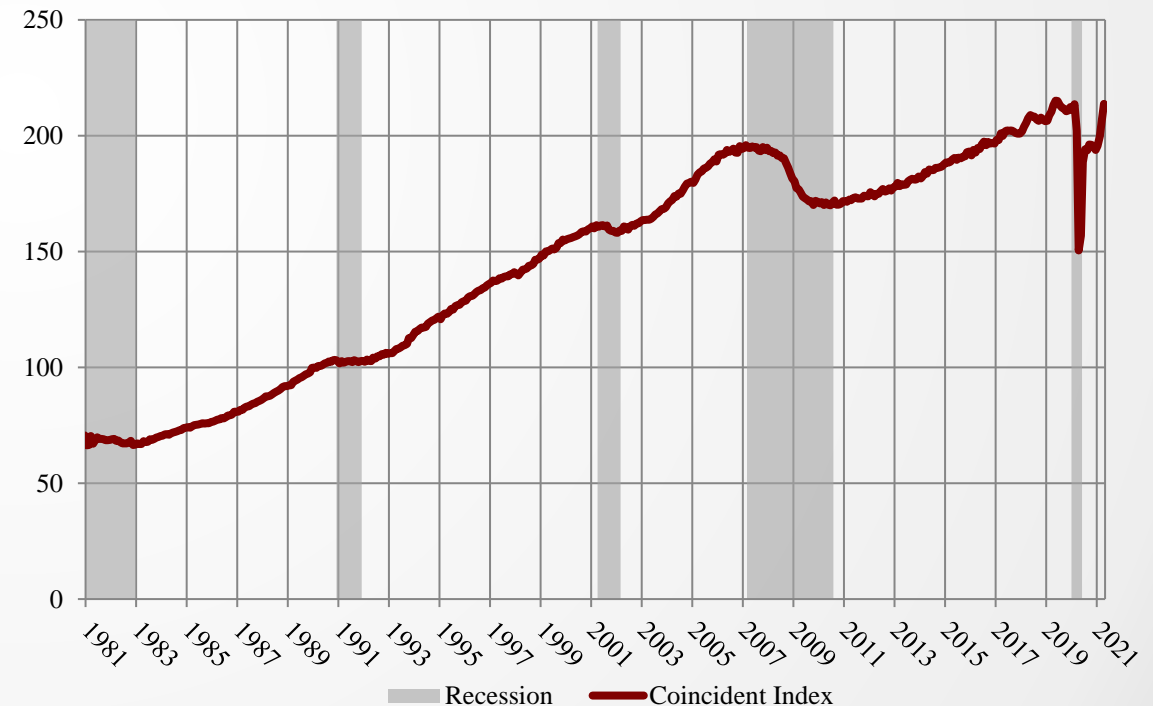
* Inverted ** Data are partly forecasted as Clark County Service's permit reports have not been available since December 2017.
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The CBER Nevada coincident index strongly increased both month-over-month and year-over-year.

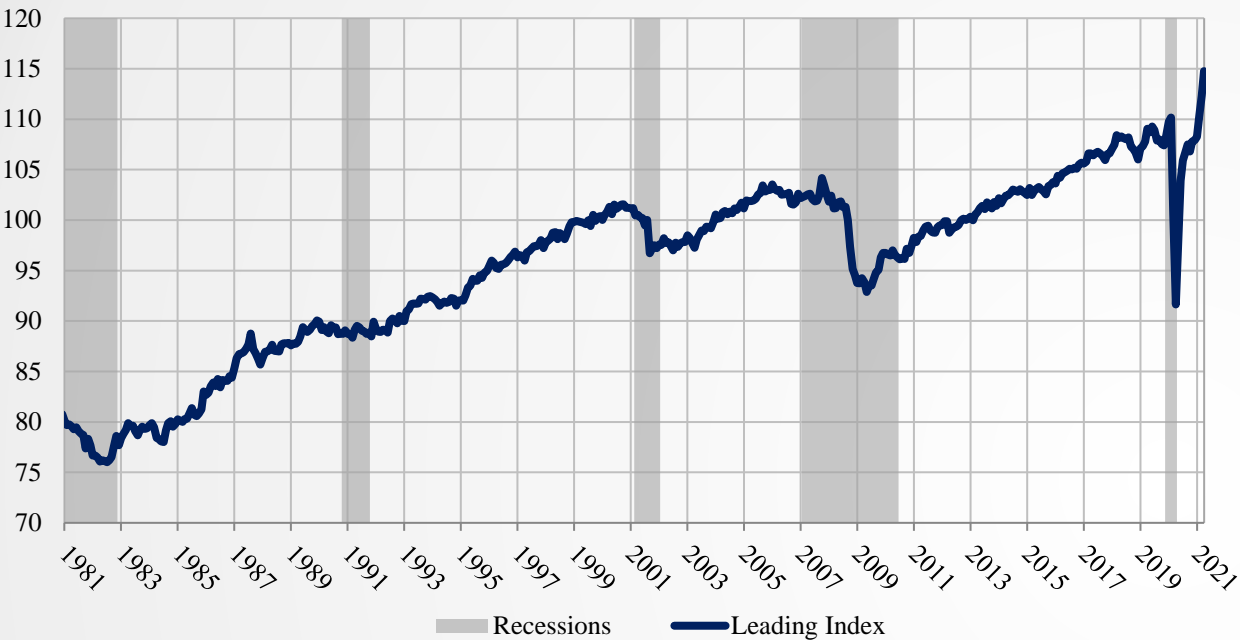
The CBER Nevada coincident index experienced a robust 3.1 percent month-over-month gain in April. This increase reflects notable increases in taxable sales, gross gaming revenue, and nonfarm employment of 7.5, 12.1, and 2.5 percent, respectively, from March.

On a year-over-year basis, the CBER Nevada coincident index increased by 42.0 percent due to the almost stalled economy in April 2020 caused by the COVID-19 pandemic. This increase reflects substantial increases in taxable sales, gross gaming revenue, and nonfarm employment by 72.9, 28,508.7, and 17.8 percent, respectively, from April 2020. The index climbed slightly from two years ago thanks to strong gains in taxable sales and gross gaming revenue, boosted by federal relief money.

Series	Latest Value	Mo-over-Mo	Yr-over-Yr	From 2 Yr Ago
Taxable Sales (SA)	6,595,507,066	7.5%	72.9%	22.8%
Gross Gaming Revenue (SA)	1,207,764,053	12.1%	28508.7%	13.4%
Nonfarm Employment (SA)	1,331,517	2.5%	17.8%	-6.9%
Index and % Change	213.8	3.1%	42.0%	0.3%



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



Date	Index	Mo-over-Mo	Yr-over-Yr	From 2 Yr Ago
May-20	97.4	6.3%	-10.4%	-10.1%
Jun-20	103.9	6.7%	-4.9%	-3.9%
Jul-20	105.9	1.9%	-2.8%	-1.9%
Aug-20	106.6	0.7%	-1.1%	-1.4%
Sep-20	107.5	0.8%	-0.5%	0.2%
Oct-20	106.8	-0.6%	-0.7%	-0.2%
Nov-20	107.8	0.9%	0.4%	1.0%
Dec-20	107.9	0.1%	-0.4%	1.8%
Jan-21	108.3	0.3%	-1.4%	1.1%
Feb-21	110.3	1.9%	0.1%	2.7%
Mar-21	112.3	1.9%	11.9%	4.2%
Apr-21	114.8	2.2%	25.2%	5.2%

The CBER Nevada leading index rose by 2.2 percent on a month-over-month basis. On the positive side, initial claims for unemployment insurance (inverted), the ten-year real Treasury yield (inverted), housing permits, Nevada passengers, and the S&P 500 posted strong gains of 17.6, 1.4, 11.1, 16.1, and 5.0 percent, respectively, from March. On the negative side, commercial permits decreased by 16.0 percent from last month.

On a year-over-year basis, the CBER Nevada leading index surged by 25.2 percent. This increase reflects a rise in initial claims for unemployment insurance (inverted), the ten-year real Treasury yield (inverted), housing permits, Nevada passengers, and the S&P 500 by 81.0, 2.8, 96.9, 1,769.2, and 49.8 percent, from April 2020. Commercial permits, however, slightly declined by 0.6 percent year-over-year. The index also 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 indexed 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

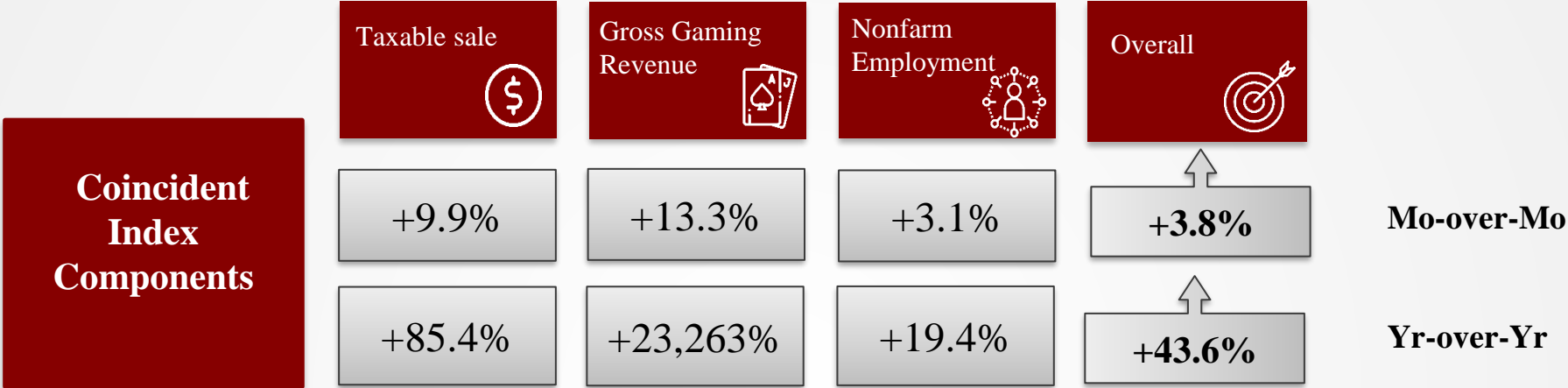
Tourism Index

- 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 April 2021



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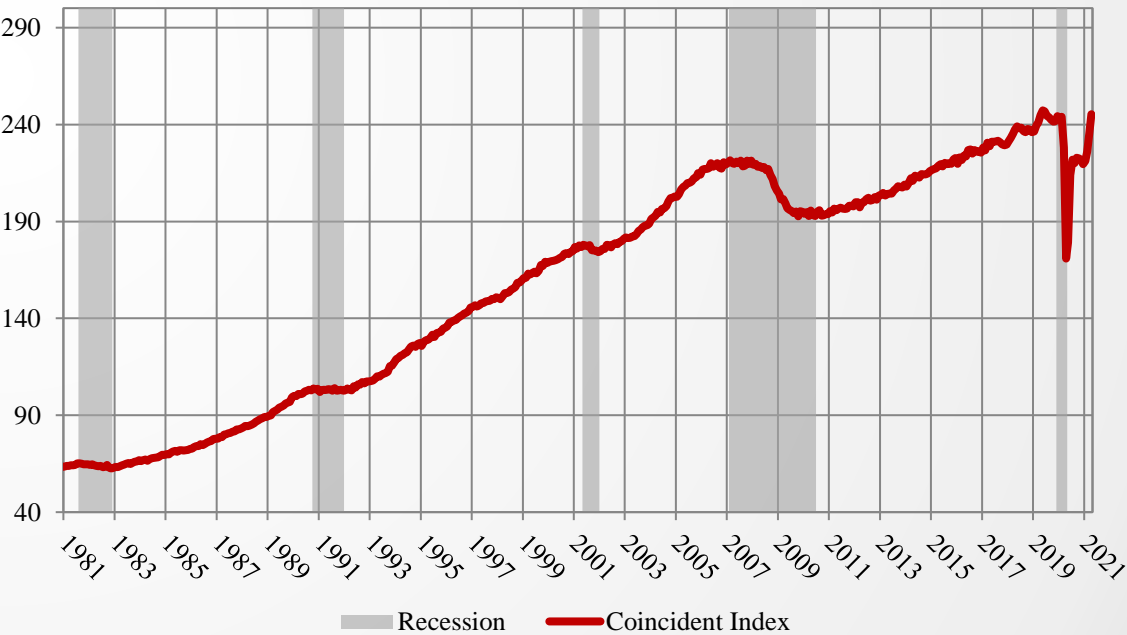
Southern Nevada Coincident Index in April 2021

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

The CBER Southern Nevada coincident index increased robustly by 3.8 percent month-over-month. The increase reflected gains in taxable sales, gross gaming revenue, and nonfarm employment by 9.9, 13.3, and 3.1 percent, respectively, from March.

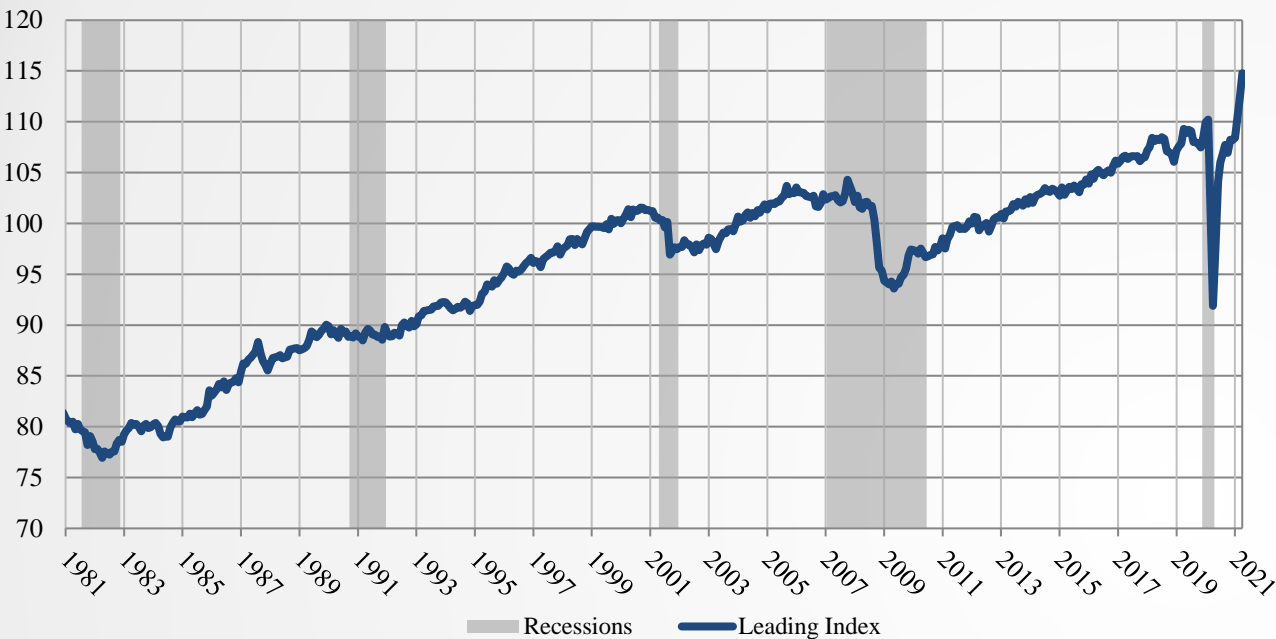
The CBER Southern Nevada coincident index surged year-over-year by 43.6 percent due to lockdowns in April 2020 caused by the COVID-19 pandemic. The increase reflected increases in taxable sales, gross gaming revenue, and nonfarm employment by 85.4, 23,262.9, and 19.4 percent, respectively, from last year. Despite slower recovery in nonfarm employment, the index gained slightly from two years ago thanks to substantial gains in taxable sales and gross gaming revenue.

Series	Latest Value	Mo-over-Mo	Yr-over-Yr	From 2 Yr Ago
Taxable Sales (SA)	4,721,473,400	9.9%	85.4%	18.7%
Gross Gaming Revenue (SA)	1,007,123,700	13.3%	23,262.9%	9.4%
Nonfarm Employment (SA)	945,734	3.1%	19.4%	-9.4%
Index and % Change	245.3	3.8%	43.6%	0.2%



Southern Nevada Leading Index in April 2021

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

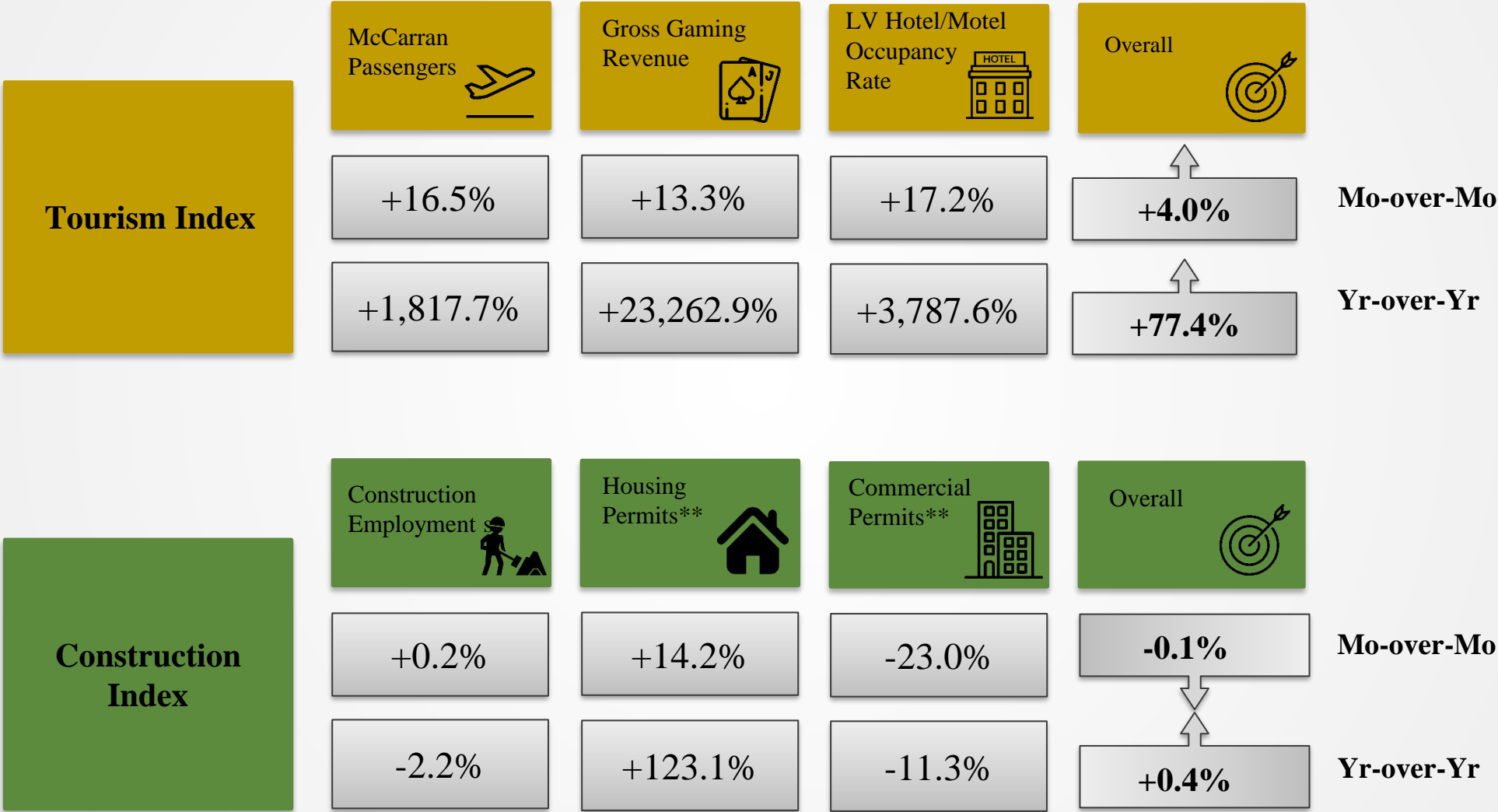


Date	Index	Mo-over-Mo	Yr-over-Yr	From 2 Yr Ago
May-20	97.7	6.3%	-10.3%	-9.8%
Jun-20	104.1	6.6%	-4.7%	-3.8%
Jul-20	106.0	1.8%	-2.8%	-2.3%
Aug-20	106.9	0.8%	-1.1%	-1.3%
Sep-20	107.7	0.8%	-0.2%	0.6%
Oct-20	106.9	-0.8%	-0.8%	-0.1%
Nov-20	108.2	1.2%	0.7%	1.4%
Dec-20	108.2	0.0%	-0.3%	2.0%
Jan-21	108.4	0.2%	-1.4%	1.1%
Feb-21	110.3	1.7%	0.1%	2.5%
Mar-21	112.4	1.9%	11.9%	4.2%
Apr-21	114.8	2.1%	24.9%	5.0%

The CBER Southern Nevada leading index climbed by 2.1 percent month-over-month. On the positive side, initial claims for unemployment insurance (inverted), the ten-year Treasury yield (inverted), housing permits, McCarran passengers, and the S&P 500 increased by 17.6, 1.4, 14.2, 16.5, and 5.0 percent, respectively, from March. Commercial permits, however, decreased by 23.0 percent from last month.

On a yearly basis, the CBER Southern Nevada leading index surged by 24.9 percent due to lockdowns in April 2020. This substantial increase reflected gains in initial claims for unemployment insurance (inverted), the ten-year Treasury yield (inverted), housing permits, McCarran passengers, and the S&P 500 by 81.0, 2.8, 123.1, 1,817.7, and 49.8 percent, respectively, from last year. Commercial permits, however, fell by 11.3 percent from last year. This index significantly exceeds its prior February 2020 peak and increased by 5.0 percent from April 2019.

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



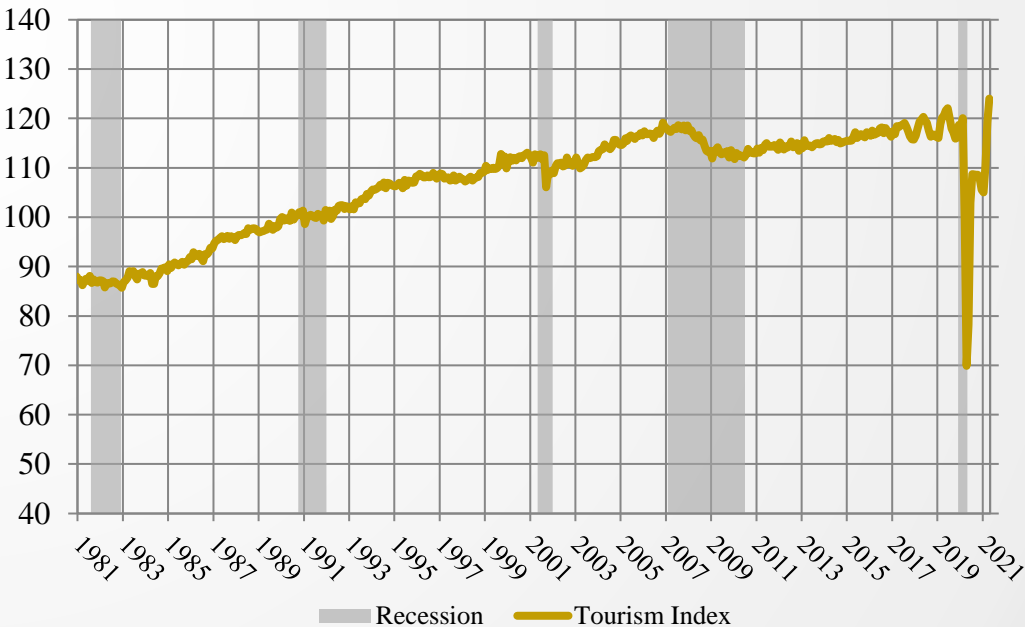
** Inverted ** Data are partly forecasted as Clark County Service's permit reports have not been available since December 2017.*
Icons are made by 1) www.freepik.com 2) Payungkead and Retinaicons from www.flaticon.com

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

The CBER Southern Nevada tourism index increased by 4.0 percent month-over-month in April. This increase reflected strong gains in McCarran passengers, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate by 16.5, 13.3, and 17.2 percent, respectively, from March.

On an annual basis, the CBER Southern Nevada tourism index exhibited a substantial gain of 77.4 percent as the local tourism businesses had to shutdown due to the COVID-19 related executive orders in April 2020. McCarran airport passenger volume, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate skyrocketed by 1,817.7, 23,262.9, and 3,787.6 percent, respectively, from last year. The index is fully recovered from the COVID-19 recession thanks to extremely strong gross gaming revenue, benefitting from federal relief money. McCarran airport passenger and the hotel/motel occupancy rate, however, still remained much lower than their levels from two years ago.

Series	Latest Value	Mo-over-Mo	Yr-over-Yr	From 2 Yr Ago
McCarran Passengers (SA)	3,062,296	16.5%	1,817.7%	-30.9%
Gross Gaming Revenue (SA)	1,007,123,700	13.3%	23,262.9%	9.4%
LV Hotel/Motel Occupancy Rate (SA)	0.689	17.2%	3,787.6%	-26.8%
Index and % Change	124.0	4.0%	77.4%	2.9%

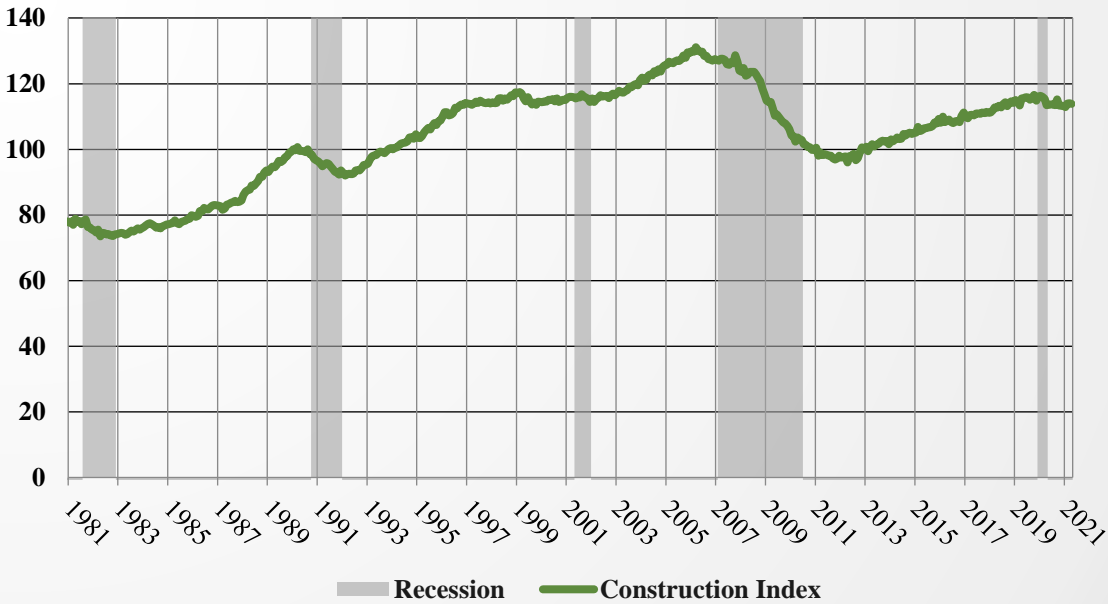


The CBER Southern Nevada construction index decreased month-over-month but increased year-over-year.

The CBER Southern Nevada construction index fell by 0.1 percent from last month. This slight decrease reflected a decrease in commercial permits by 23.0 percent in April. On the positive side, housing permits and construction employment gained by 14.2 and 0.2 percent, respectively, from March.

The CBER Southern Nevada construction index rose slightly by 0.4 percent from the previous year. Construction employment and commercial permits declined by 2.2 and 11.3 percent, respectively, from April 2020. A robust 123.1 percent increase in housing permits, however, led to a slight gain in the index year-over-year.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Construction Employment (SA)	65,861	0.2%	-2.2%
Housing Permits (SA)	1,530	14.2%	123.1%
Commercial Permits (SA)	26	-23.0%	-11.3%
Index and % Change	113.9	-0.1%	0.4%



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

Southern 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
- 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.