



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

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Stephen M. Miller, PhD, Director  
Sara Shafieian, Graduate Research Assistant  
Jimmy Vuong, Graduate Research Assistant

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## CBER's Indexes of Nevada Economic Activity



### Coincident Index Components

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

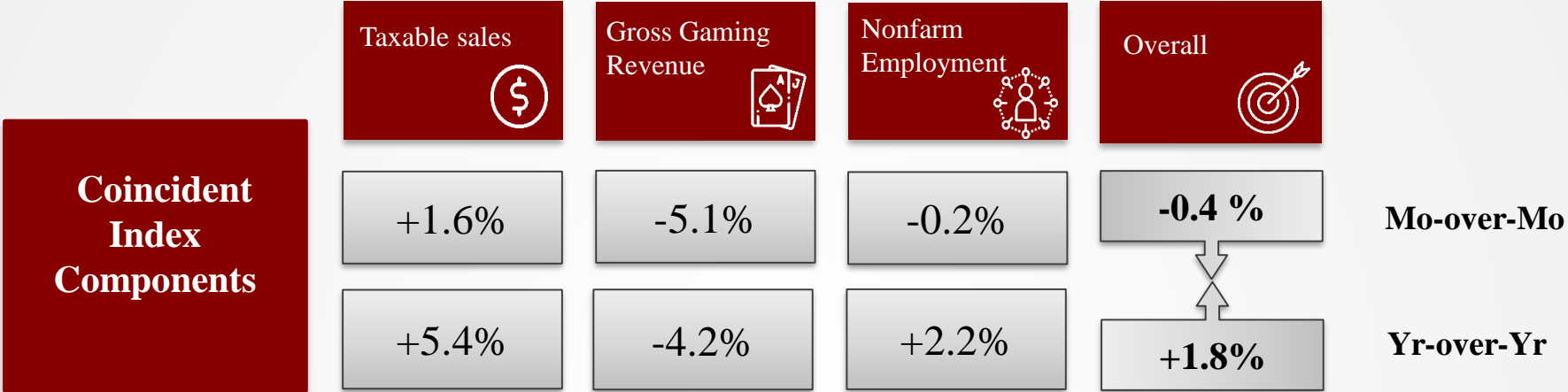
### Leading Index Component

- 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 October 2019



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

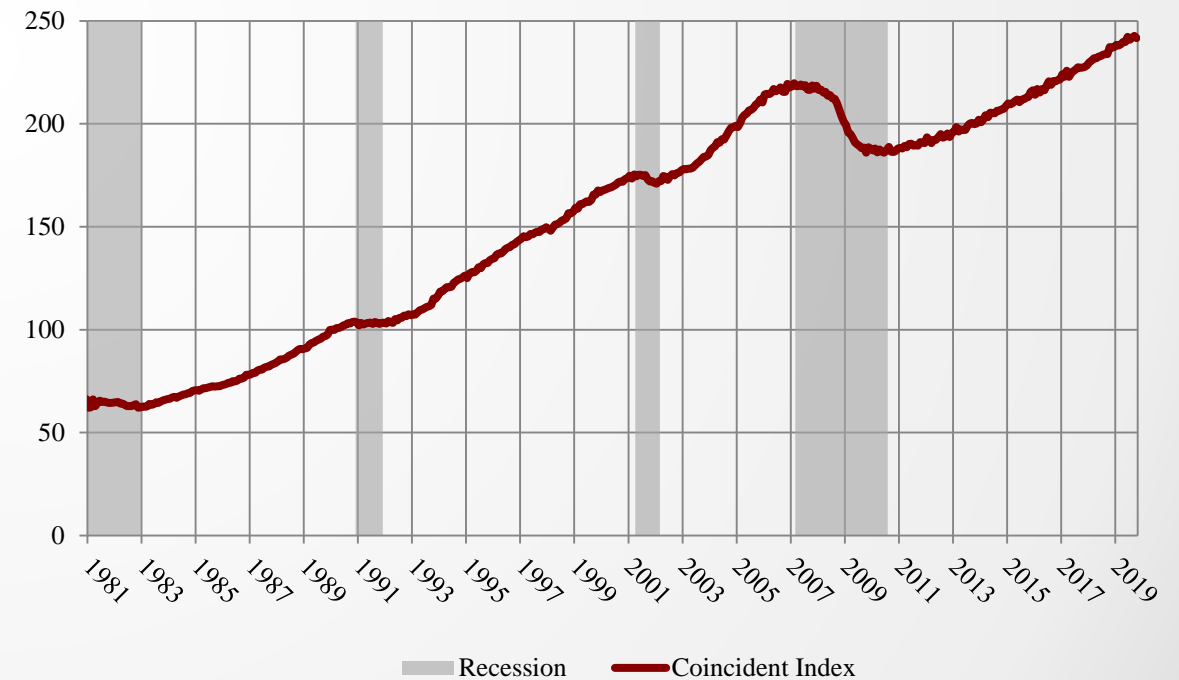
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## *The CBER Nevada coincident index decreased month-over-month, but increased year-over-year*

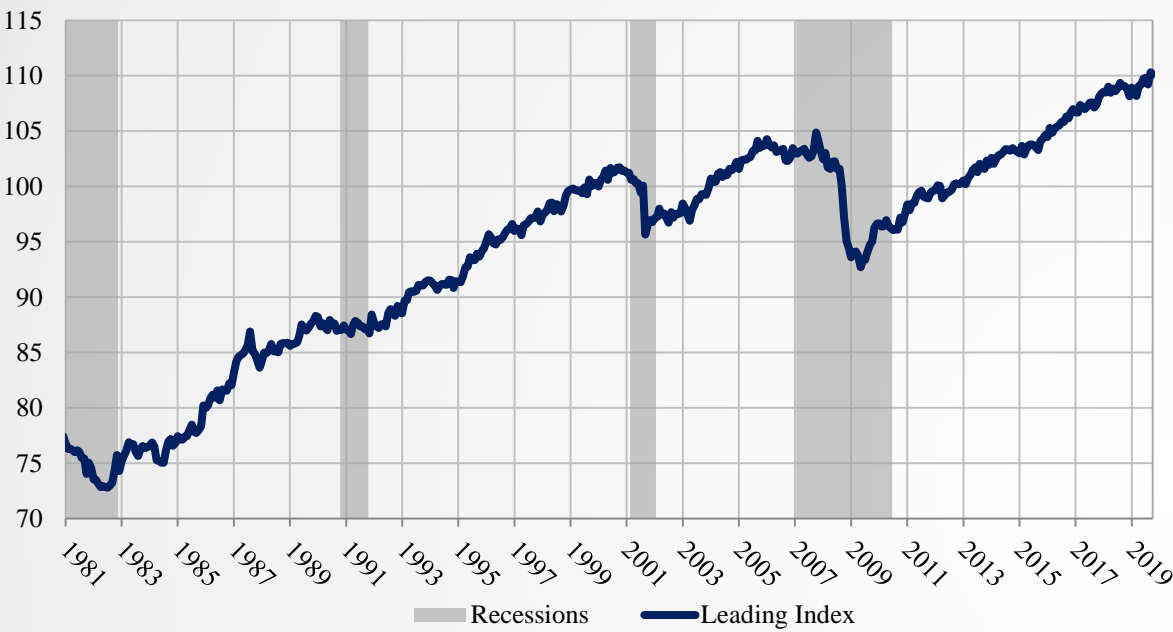
The CBER Nevada coincident index fell by 0.4 percent in October compared to the previous month. This loss resulted from a monthly declines in gaming revenue and nonfarm employment, down by 5.1 and 0.2 percent, respectively, from September 2019. On the positive side, taxable sales increased by 1.6 percent in October.

The Nevada coincident index continued its year-over-year upward trend. The index rose by 1.8 percent compared to last year. This increase reflected gains in taxable sales and nonfarm employment, rising by 5.4 and 2.2 percent, respectively. Gaming revenue, however, decreased by 4.2 percent.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	5,518,763,151	1.6%	5.4%
Gaming Revenue (SA)	987,065,938	-5.1%	-4.2%
Nonfarm Employment (SA)	1,434,670	-0.2%	2.2%
<b>Index and % Change</b>	<b>241.6</b>	<b>-0.4%</b>	<b>1.8%</b>



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



Date	Index	Mo-over-Mo	Yr-over-Yr
Oct-18	109.3	0.1%	1.4%
Nov-18	108.9	-0.3%	0.7%
Dec-18	108.4	-0.5%	-0.2%
Jan-19	108.9	0.5%	0.3%
Feb-19	108.4	-0.5%	0.0%
Mar-19	108.5	0.0%	-0.6%
Apr-19	109.3	0.8%	0.6%
May-19	109.6	0.3%	0.4%
Jun-19	109.9	0.2%	1.0%
Jul-19	110.2	0.2%	0.9%
Aug-19	109.6	-0.5%	-0.1%
Sep-19	110.4	0.7%	1.2%
Oct-19	110.4	-0.2%	1.0%

The CBER Nevada leading index fell slightly by 0.2 percent month-over-month. The initial claims for unemployment (inverted), the ten-year real Treasury yield, the S&P 500, and commercial permits increased by 3.2, 5.7, 0.2, and 3.9 percent, respectively, from September. Housing permits and Nevada passengers decreased by 19.3 and 2.0 percent, respectively, from the previous month.

On a year-over-year basis, the leading index ticked upwards by 1.0 percent. Initial claims for unemployment (inverted), the ten-year real Treasury yield, Nevada passengers, and the S&P 500 increased by 1.9, 69.9, 5.0, and 6.8 percent, respectively, from October 2018. On the negative side, both housing permits and commercial permits fell by 12.1 and 17.2 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

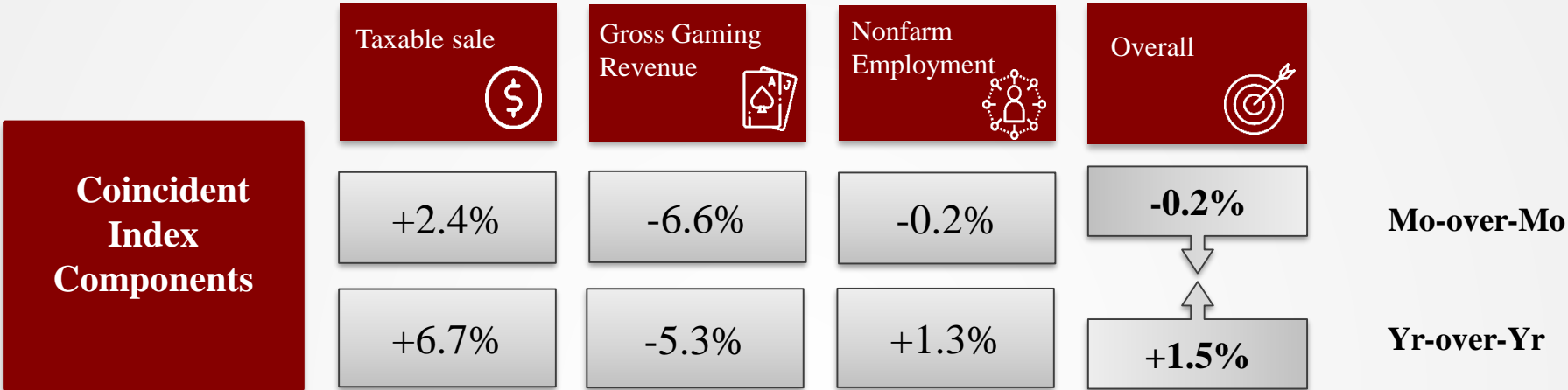
- McCarran Passengers
- CC Gross Gaming Revenue
- LV Hotel/Motel Occupancy Rate

### Construction Index

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



# Summary of CBER's Southern Nevada Coincident and Leading Indexes in October 2019



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

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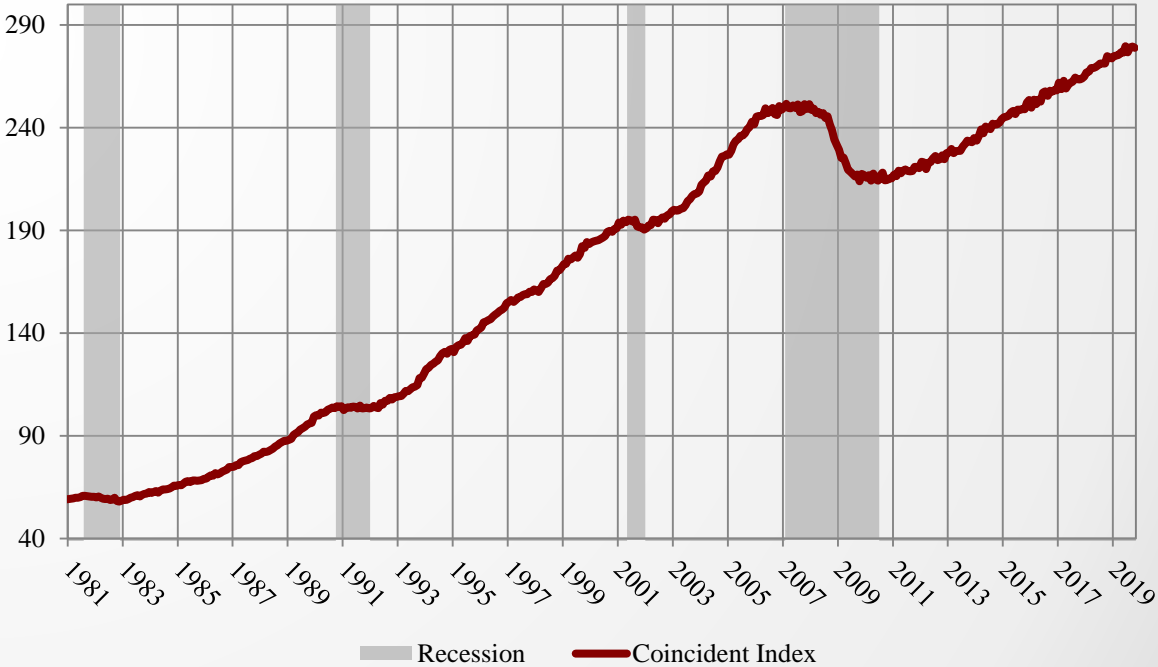
# Southern Nevada Coincident Index in October 2019

*The CBER Southern Nevada coincident index fell month-over-month, but rose year-over-year.*

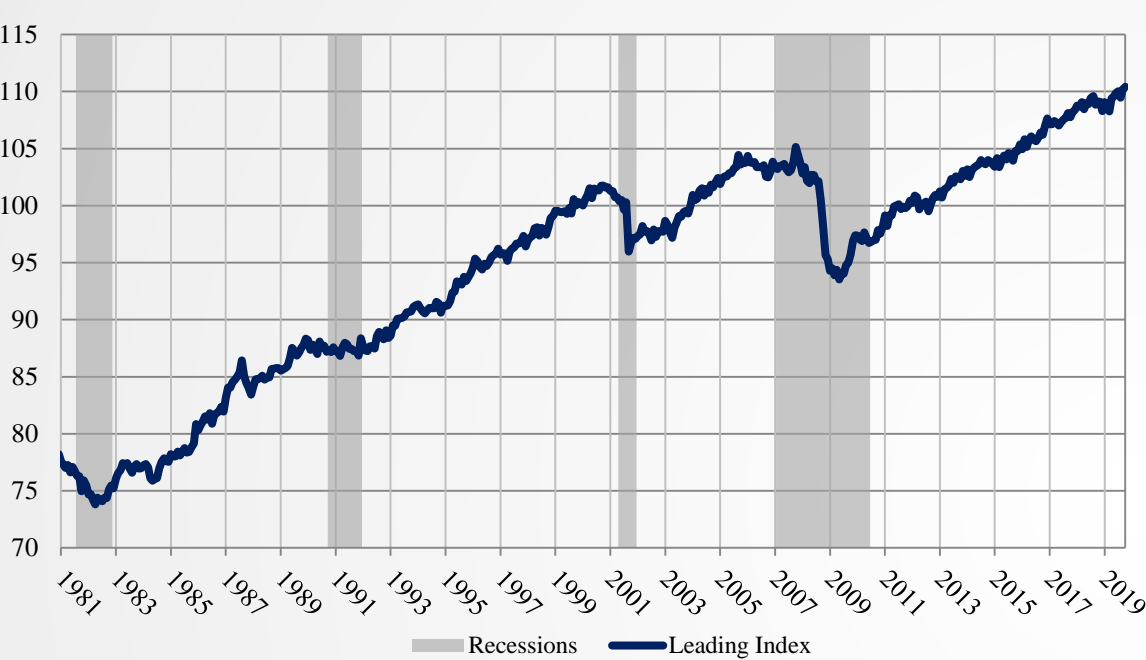
The CBER Southern Nevada coincident index experienced a slight 0.2 percent loss in October. Seasonally adjusted gross gaming revenue fell significantly by 6.6 percent compared to the prior month. Also, nonfarm employment posted a slight monthly decrease in October of 0.2 percent. Taxable sales showed a gain, up by 2.4 percent.

On a year-over-year basis, the index grew by 1.5 percent. Gross gaming revenue was the only component that experienced a monthly loss. Nevertheless, the loss was not enough to offset the gains of other two components. Taxable sales and nonfarm employment increased by 6.7 and 1.3 percent, respectively, year-over-year. Gross gaming revenue decreased by 5.3 percent. According to the October Nevada Department of Taxation report, the amount of tax for professional, scientific, and technical services for Clark county was around \$55 million.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	4,037,728,977	2.4%	6.7%
Gaming Revenue (SA)	841,905,266	-6.6%	-5.3%
Nonfarm Employment (SA)	1,032,947	-0.2%	1.3%
Index and % Change	278.8	-0.2%	1.5%



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



Date	Index	Mo-over-Mo	Yr-over-Yr
Oct-18	109.1	0.2%	1.3%
Nov-18	109.1	0.0%	0.8%
Dec-18	108.3	-0.7%	-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%	0.5%
Aug-19	109.5	-0.5%	-0.1%
Sep-19	110.2	0.7%	1.2%
Oct-19	110.4	0.2%	1.2%

The CBER Southern Nevada leading index rose by 0.2 percent from October to September. The index experienced gains in all of its components. Initial claims for unemployment (inverted), the ten-year real Treasury yield, commercial permits, housing permits, McCarran Airport passengers, and the S&P 500 increased by 3.2, 0.1, 5.3, 3.9, 0.1, and, 0.2 percent, respectively, month-over-month.

On a yearly basis, five out of the six components exhibited gains, leading to a 1.2 percent gain in the index. Commercial permits gained 20.0 percent. The other components experienced smaller adjustments. Initial claims for unemployment (inverted), the ten-year real Treasury yield, McCarran Airport passengers, and the S&P 500 increased, up by 1.9, 0.7, 4.0, and 6.8 percent, respectively. Housing permits, however, fell by 6.7 percent from the previous year.



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



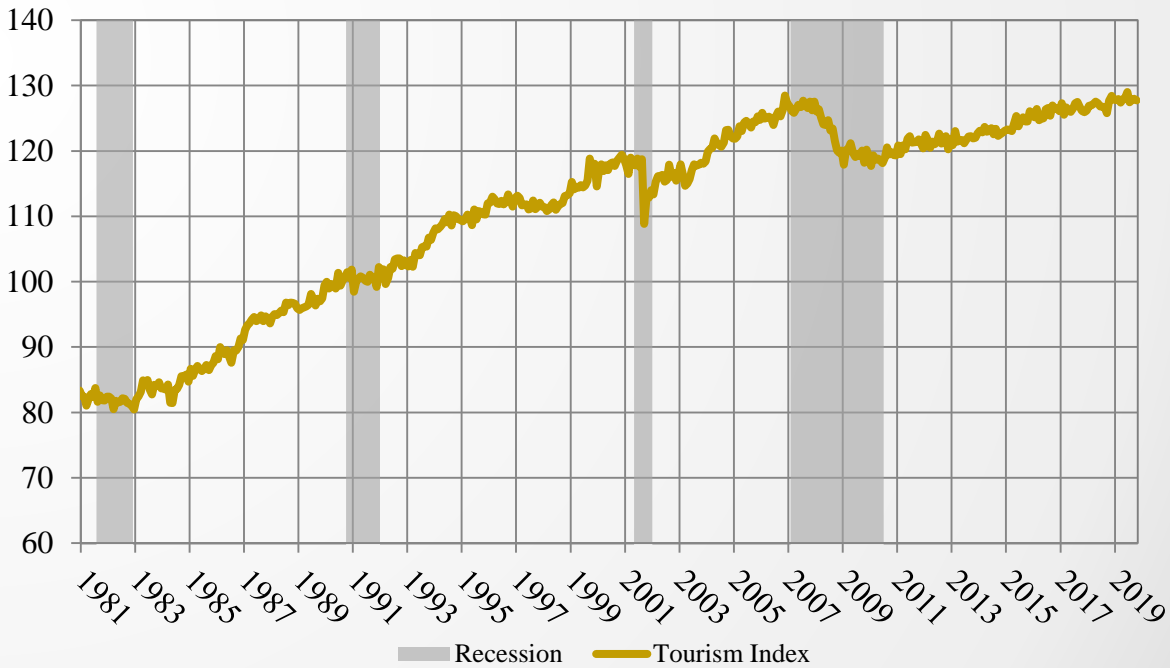
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*The CBER Southern Nevada tourism index fell month-over-month, but remained flat year-over-year.*

The CBER Southern Nevada tourism index decreased by 0.2 percent in October. McCarran airport passenger volume and the Las Vegas hotel/motel occupancy rate increased by 0.1 and 1.3 percent, respectively. Gross gaming revenue dropped by 6.6 percent. This decrease more than offset the gains in the other two components, leading to a decrease in the overall index.

On an annual basis, the Southern Nevada tourism index remained unchanged. On the positive side, McCarran airport passenger volume increased by 4.0 percent. Gross gaming revenue and the Las Vegas hotel/motel occupancy rate both decreased, falling by 5.3 and 1.4 percent, respectively, and totally offsetting the increase in McCarran airport passengers.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
McCarran Passengers (SA)	4,318,553	0.1%	4.0%
Gaming Revenue (SA)	841,905,266	-6.6%	-5.3%
LV Hotel/Motel Occupancy Rate (SA)	0.874	1.3%	-1.4%
Index and % Change	127.7	-0.2%	0.0%



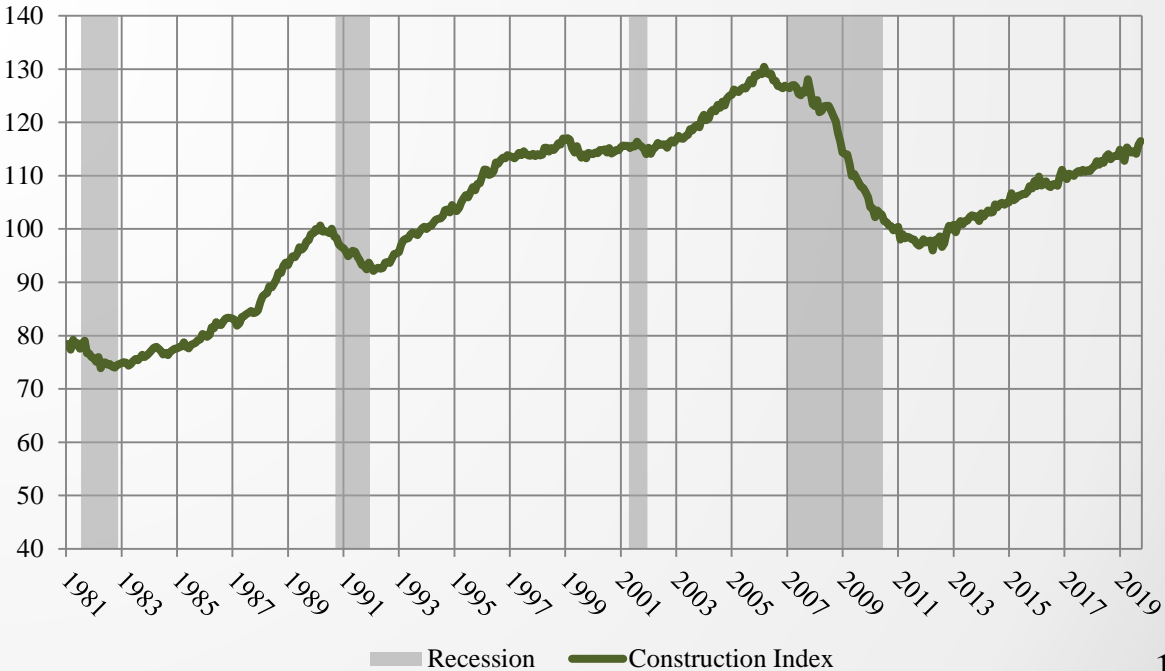
# Southern Nevada Construction Index in October 2019

*The CBER Southern Nevada construction index continued to advance on a monthly and yearly basis.*

The Southern Nevada construction index increased by 0.7 percent in October. This gain resulted from a monthly increase in all three components. Construction employment, housing permits, and commercial permits experienced gains for the month, increasing by 2.6, 3.9, and 5.3 percent, respectively, in October.

On a year-over-year basis, the construction index rose 2.6 percent. Commercial permits increased significantly by 20.0 percent. In addition, construction employment jumped up, rising by 12.3 percent. These two components contributed positively to the index. Seasonally adjusted housing permits equaled 1515 in October 2018 compared to 1413 this year, which led to a decrease in housing permits of 6.7 percent.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Construction Employment (SA)	72,591	2.6%	12.3%
Housing Permits (SA)	1,413	3.9%	-6.7%
Commercial Permits (SA)	44	5.3%	20.0%
Index and % Change	116.5	0.7%	2.6%





# 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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