



CBER Economic Indexes for Nevada and Southern Nevada

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CBER's Indexes of Nevada Economic Activity



Coincident Index Components

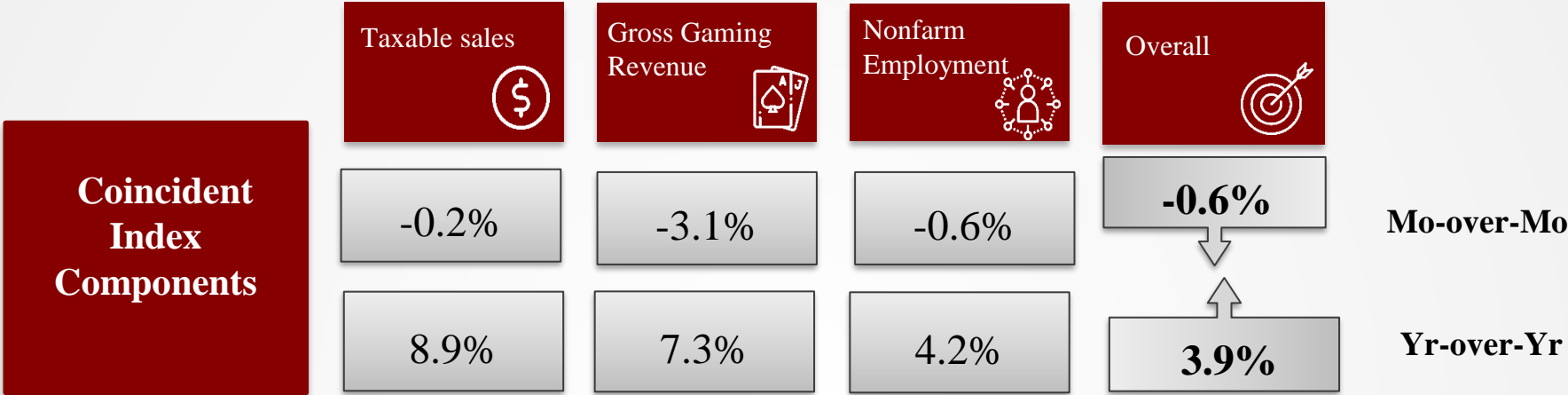
- Nevada Taxable Sales
- Nevada Gross Gaming Revenue
- Nevada Nonfarm Employment

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 September 2022



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

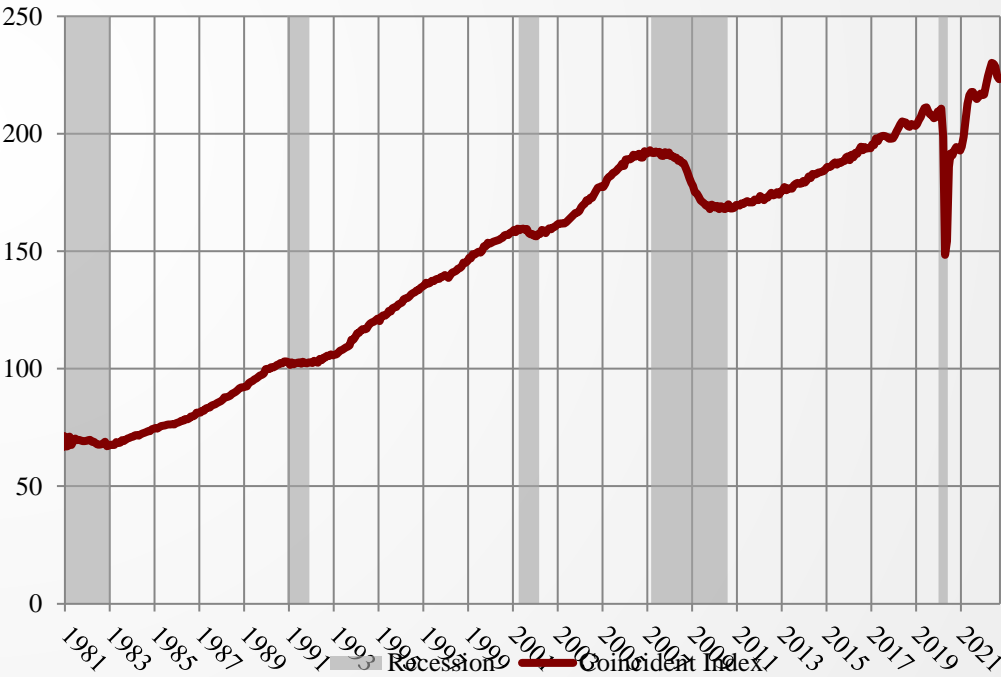
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The CBER Nevada coincident index fell month-over-month but rose year-over-year.

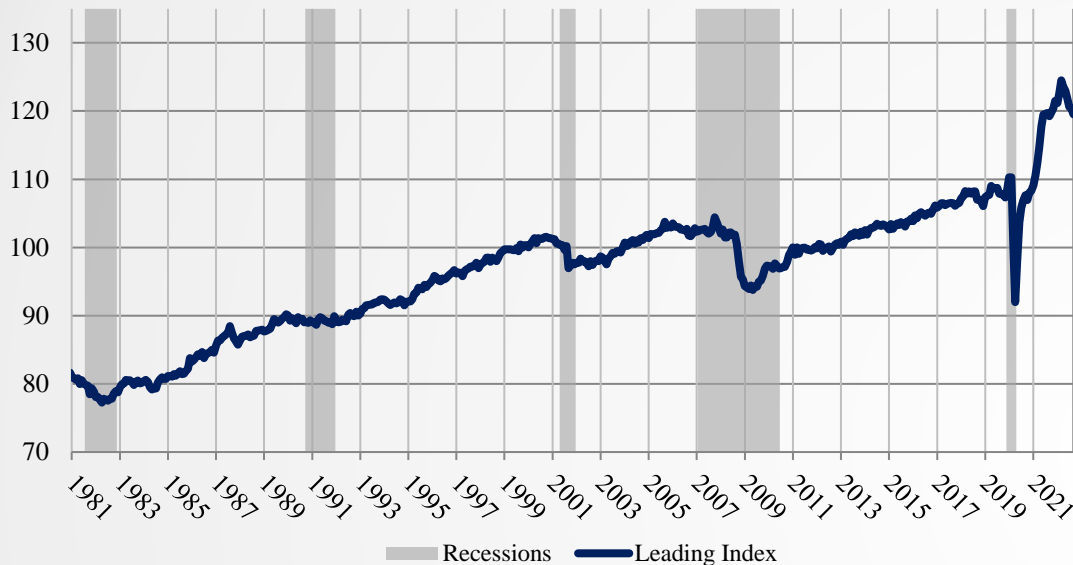
The CBER Nevada coincident index fell month-over-month by 0.6 percent in September. This decline reflected losses in taxable sales, gross gaming revenue, and nonfarm employment of 0.2, 3.1, and 0.6 percent, respectively, from last month.

On a year-over-year basis, the CBER Nevada coincident index increased considerably by 3.9 percent. This increase reflects sizeable growth in taxable sales, gross gaming revenue, and nonfarm employment by 8.9, 7.3, and 4.2 percent, respectively, from last year. The recovery from the pandemic recession to date includes three periods of rapid growth followed by three periods of sideways movement in the coincident index.

Series	Latest Period	Month-Over-Month	Year-Over-Year
Taxable Sales (SA)	7,122,322,760	-0.2%	8.9%
Gross Gaming Revenue (SA)	1,140,316,416	-3.1%	7.3%
Nonfarm Employment (SA)	1,450,547	-0.6%	4.2%
Index and % Change	223.2	-0.6%	3.9%



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



Date	Index	Month-over-Month	Year-over-Year
Aug-21	120.0	-0.3%	12.3%
Sep-21	119.7	-0.3%	11.5%
Oct-21	120.2	0.4%	12.3%
Nov-21	120.9	0.6%	12.1%
Dec-21	121.4	0.4%	12.3%
Jan-22	121.4	0.0%	11.2%
Feb-22	122.9	1.2%	11.0%
Mar-22	124.7	1.4%	10.8%
Apr-22	123.9	-0.6%	7.8%
May-22	123.1	-0.7%	4.2%
Jun-22	121.8	-1.0%	1.6%
Jul-22	120.4	-1.2%	0.0%
Aug-22	120.6	0.2%	0.5%
Sep-22	119.3	-1.0%	-0.3%

The CBER Nevada leading index decreased by 0.1 percent from last month. Housing permits increased by 8.8 percent in September. In contrast, Initial claims for unemployment insurance, the ten-year real Treasury yield (inverted), commercial permits, Nevada airline passengers, and the S&P 500 declined by 8.6, 0.2, 27.9, 3.3, and 5.8 percent, respectively.

On a year-over-year basis, the CBER Nevada leading index fell by 0.3 percent. Only three components increased—the ten-year real Treasury yield (inverted), housing permits, and Nevada airline passengers posted gains of 0.7, 3.2, and 25.1 percent, respectively, from September 2021. In contrast, initial claims for unemployment insurance, the S&P 500, and commercial permits decreased by 11.8, 13.3, and 54.6 percent, respectively, from last year. The index considerably 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 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
- Harry Reid Passengers
- S&P 500

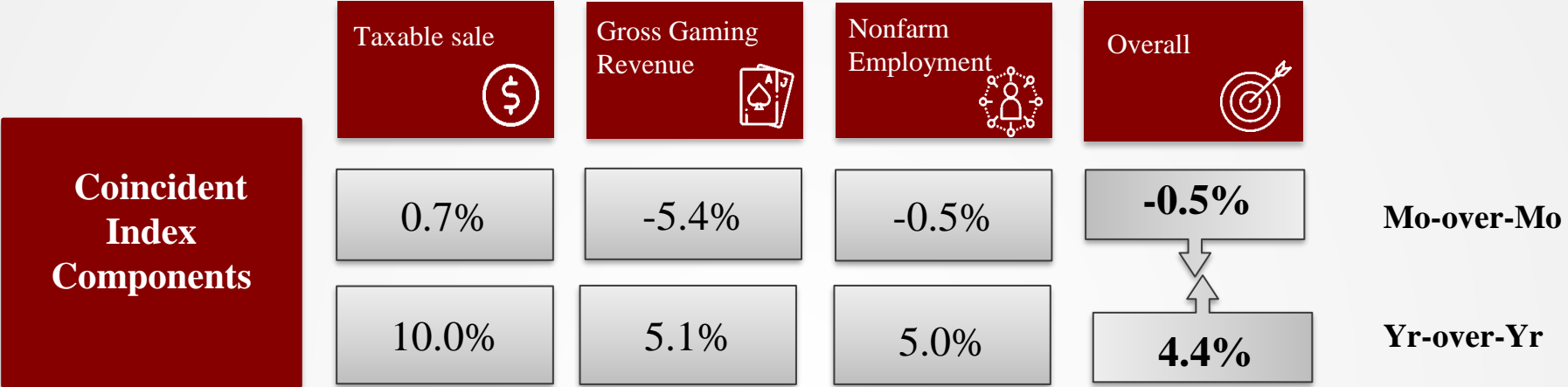
Tourism Index

- Harry Reid 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 September 2022



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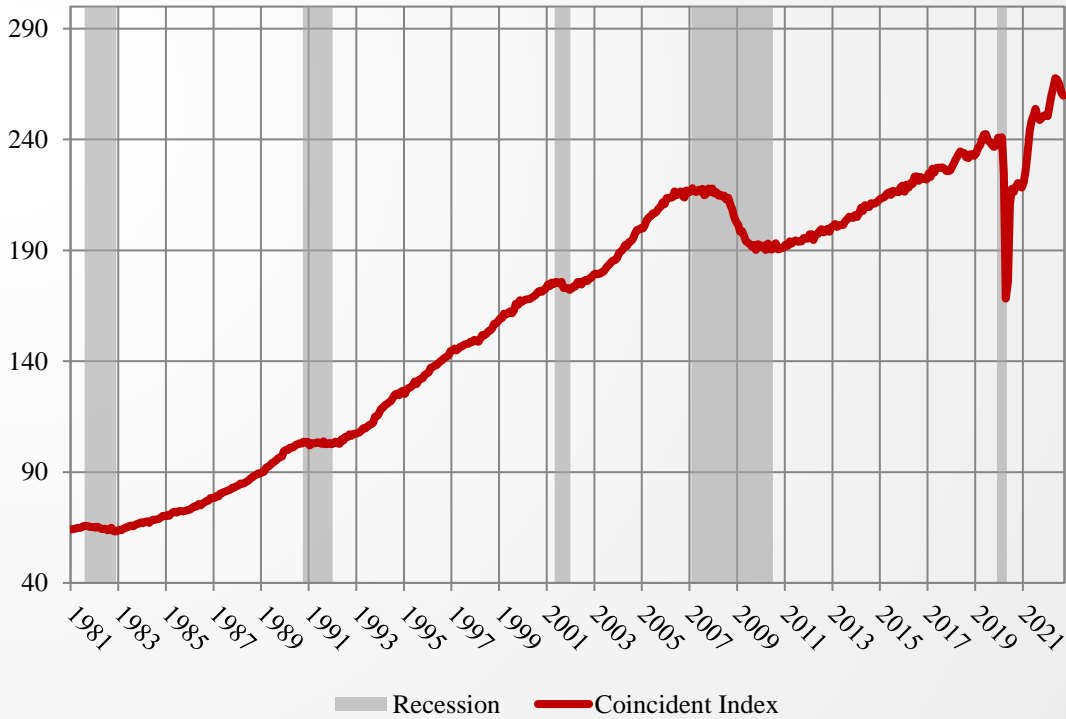
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The CBER Southern Nevada coincident index decreased month-over-month but increased year-over-year.

The CBER Southern Nevada coincident index decreased by 0.5 percent month-over-month. This decrease reflected monthly reductions in gross gaming revenue and nonfarm employment by 5.4, and 0.5 percent, respectively. In contrast, taxable sales increased by 0.7 percent.

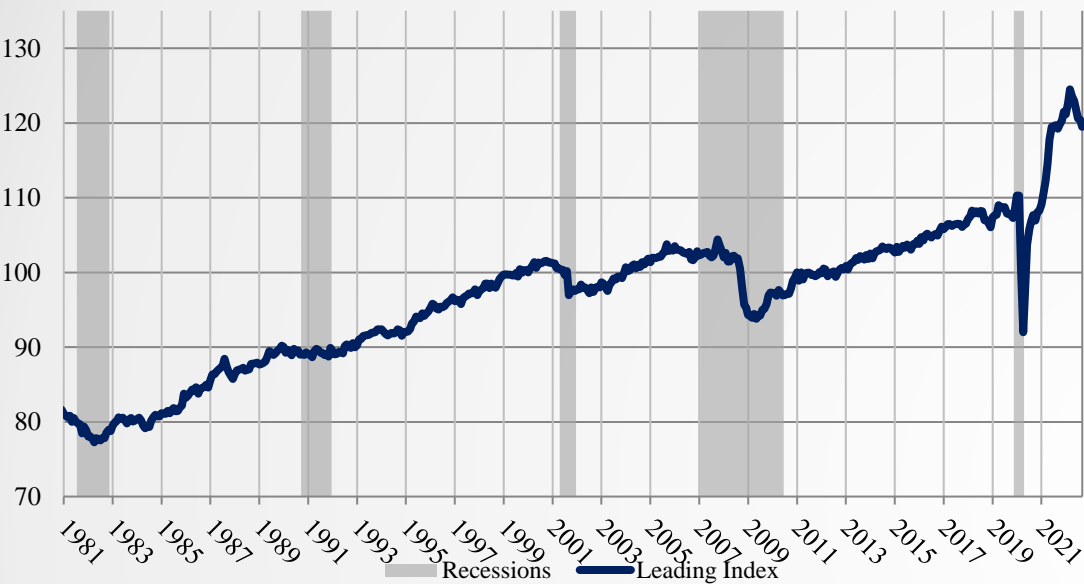
The CBER Southern Nevada coincident index posted a substantial year-over-year gain of 4.4 percent. The growth reflected increases in taxable sales, gross gaming revenue, and nonfarm employment of 10.0, 5.1, and 5.0 percent, respectively, from last year. The recovery from the pandemic recession in Southern Nevada also includes three periods of rapid growth followed by three periods of sideways movement in the coincident index.

Series	Latest Value	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	5,257,609,541	0.7%	10.0%
Gross Gaming Revenue (SA)	972,278,339	-5.4%	5.1%
Nonfarm Employment (SA)	1,056,477	-0.5%	5.0%
Index and % Change	259.8	-0.5%	4.4%



Southern Nevada Leading Index in September 2022

The CBER Southern Nevada leading index declined month-over-month but increased year-over-year.

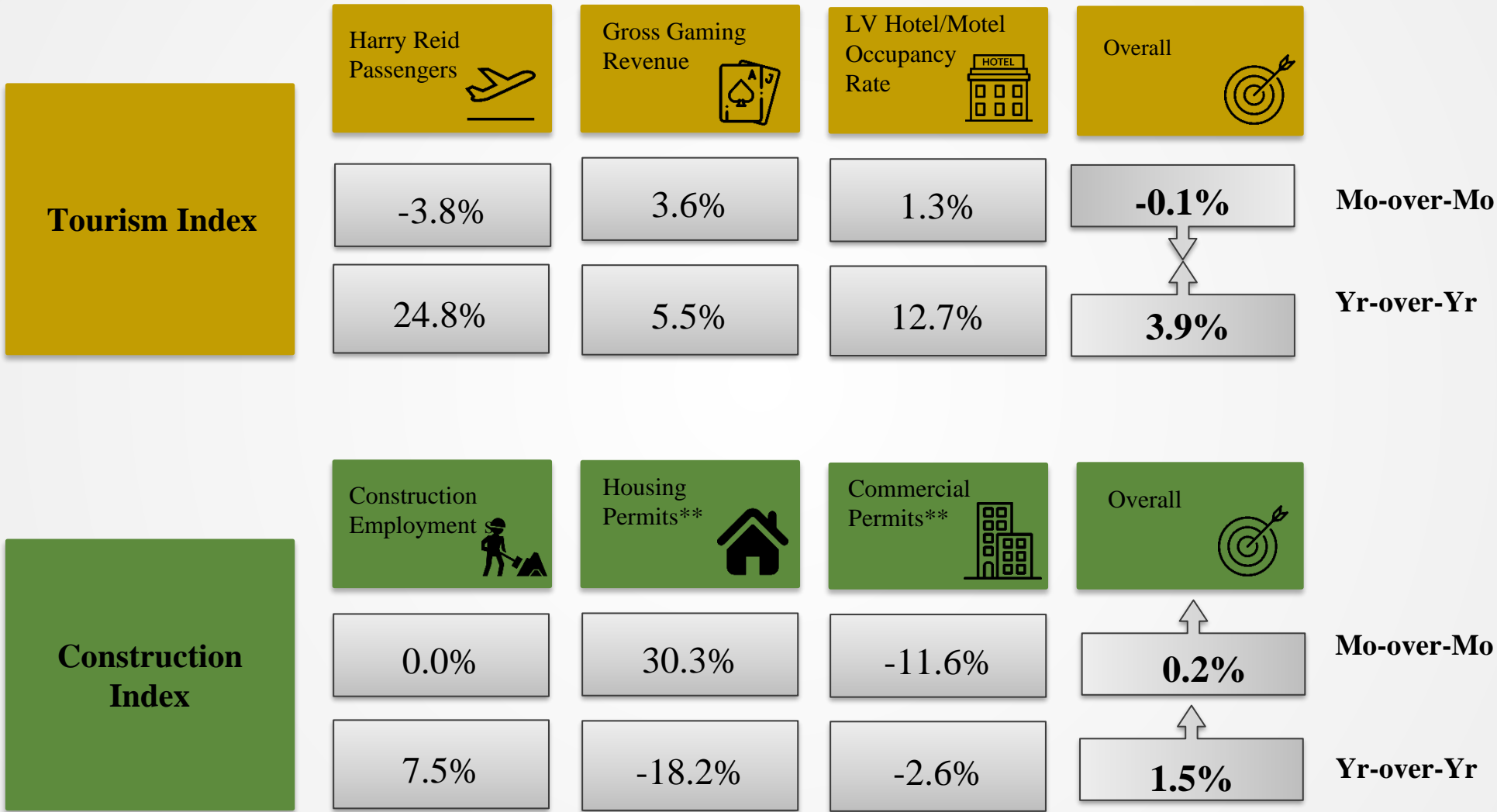


Date	Index	Month-over-Month	Year-over-Year
Aug-21	119.7	0.1%	12.0%
Sep-21	119.2	-0.4%	10.7%
Oct-21	119.8	0.5%	12.0%
Nov-21	120.4	0.5%	11.4%
Dec-21	121.5	1.0%	12.2%
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Jun-22	121.8	-0.9%	1.9%
Jul-22	120.6	-1.0%	0.9%
Aug-22	120.4	-0.1%	0.6%
Sep-22	119.5	-0.8%	0.2%

The CBER Southern Nevada leading index fell by 0.8 percent month-over-month. Initial claims for unemployment insurance (inverted), the ten-year real Treasury yield (inverted), commercial permits, the S&P 500, and Harry Reid airline passengers all decreased by 8.6, 0.2, 11.6, 5.8, and 3.8 percent, respectively, from August. But housing permits increased by 30.3 percent. Note that the leading index has fallen for the last six months.

On a yearly basis, the index increased by 0.2 percent. Two components—the ten-year real Treasury yield (inverted) and Harry Reid airline passengers—increased by 0.7 and 24.8 percent, respectively, from September 2021. On the other hand, initial claims for unemployment insurance (inverted), housing permits, commercial permits, and the S&P 500 decreased by 11.8, 18.2, 2.6, and 13.3 percent, respectively, from September 2021. The index considerably exceeds its prior February 2020 peak.

Summary of CBER’s Southern Nevada Tourism and Construction Indexes in September 2022



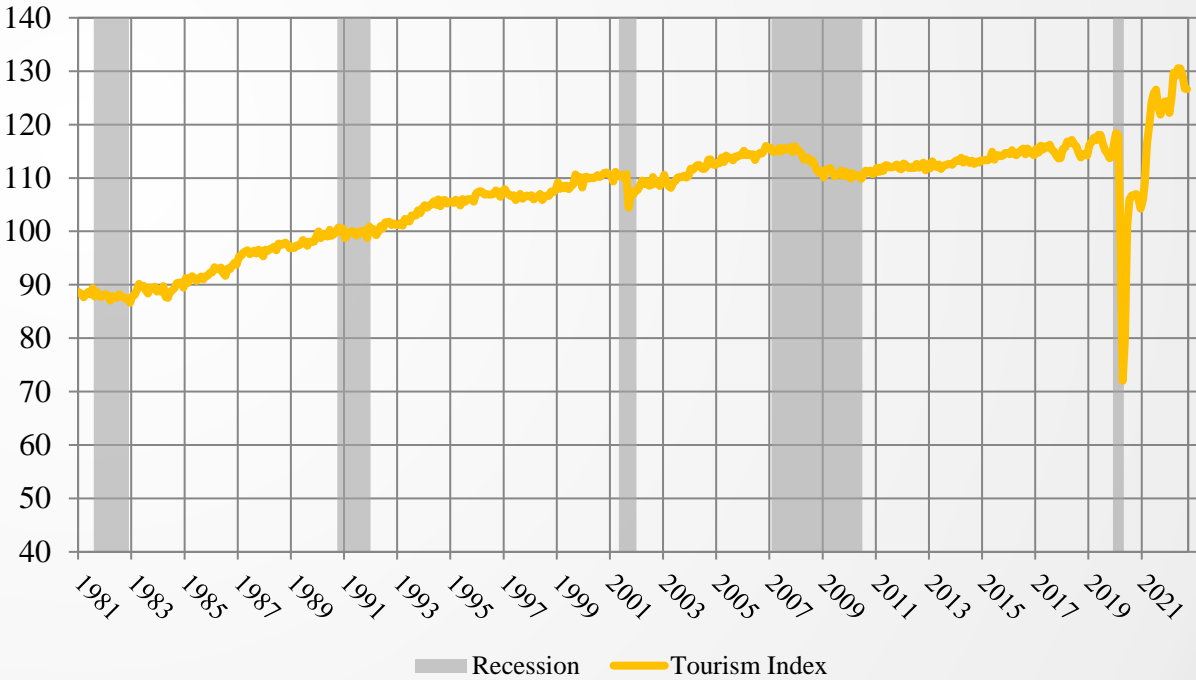
* Inverted ** Data are partly forecasted as Clark County Service’s permit reports have not been available since December 2017.
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The CBER Southern Nevada tourism index decreased month-over-month but increased year-over-year.

The CBER Southern Nevada tourism index declined by 0.1 percent month-over-month. Gross gaming revenue and the Las Vegas hotel/motel occupancy rate saw positive growth of 3.6 and 1.3 percent, respectively, from August. But Harry Reid airline passengers decreased by 3.8 percent.

On an annual basis, the CBER Southern Nevada tourism index grew by a healthy 3.9 percent. Harry Reid airline passengers, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate grew by 24.8, 5.5, and 12.7 percent, respectively, from September 2021.

Series	Latest Value	Mo-over-Mo	Yr-over-Yr
Harry Reid Passengers (SA)	4,397,962	-3.8%	24.8%
Gross Gaming Revenue (SA)	1,060,633,455	3.6%	5.5%
LV Hotel/Motel Occupancy Rate (SA)	0.741	1.3%	12.7%
Index and % Change	126.6	-0.1%	3.9%

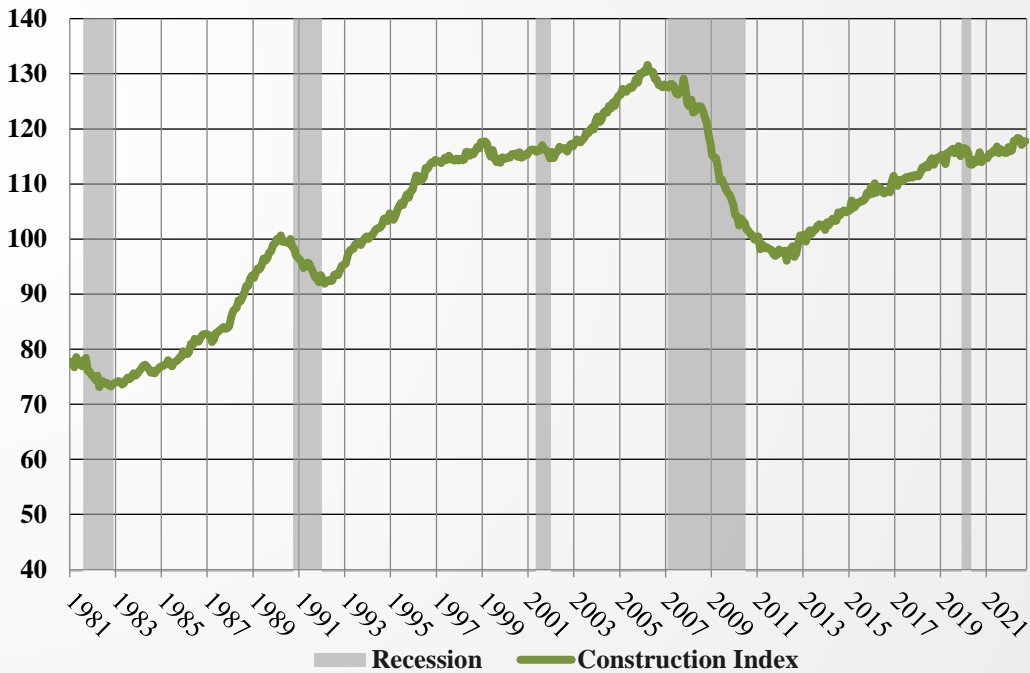


The CBER Southern Nevada construction index grew both month-over-month and year-over-year.

The CBER Southern Nevada construction index increased by 0.2 percent from last month. Commercial permits decreased by 11.6 percent. On the other hand, housing permits increased by 30.3 percent. Construction employment remained unchanged.

The CBER Southern Nevada construction index increased by 1.5 percent year-over-year. Construction employment grew by 7.5 percent. In contrast, housing permits and commercial permits decreased by 18.2, and 2.6 percent, respectively, over the last twelve months.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Construction Employment (SA)	75,296	0.0%	7.5%
Housing Permits (SA)	1,196	30.3%	-18.2%
Commercial Permits (SA)	32	-11.6%	-2.6%
Index and % Change	117.8	0.2%	1.5%



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
- Harry Reid 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
- Harry Reid 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.