



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

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Center for Business and Economic Research, UNLV



## CBER's Indexes of Nevada Economic Activity



### Coincident Index Components

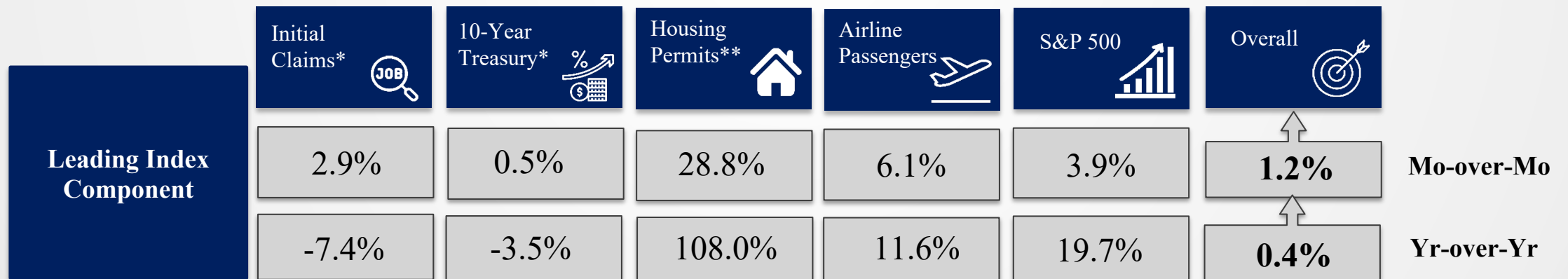
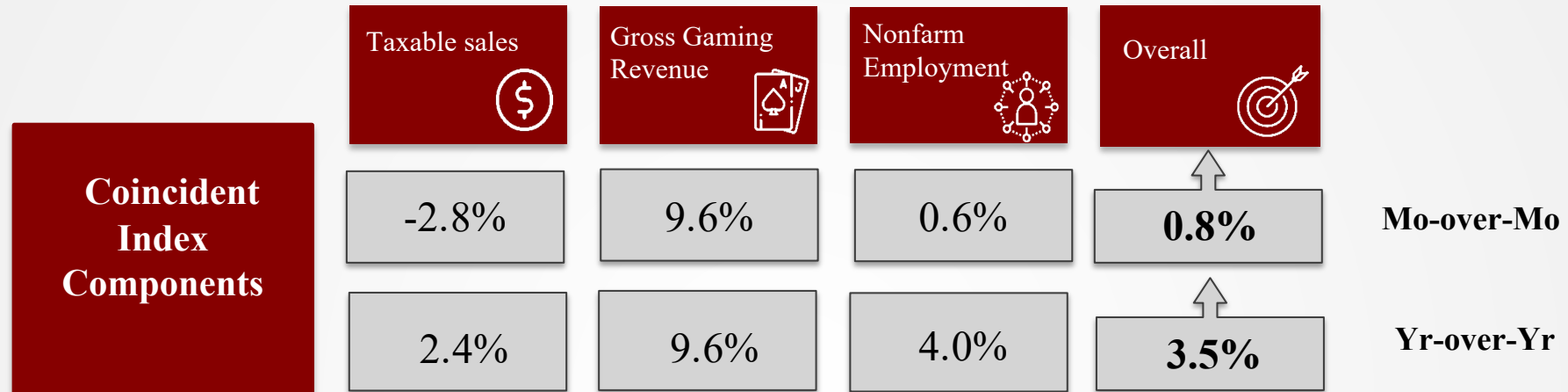
- Nevada Taxable Sales
- Nevada Gross Gaming Revenue
- Nevada Nonfarm Employment

### 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 this [link](#).

# Summary of CBER's Nevada Coincident and Leading Indexes in December 2023



\* 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)



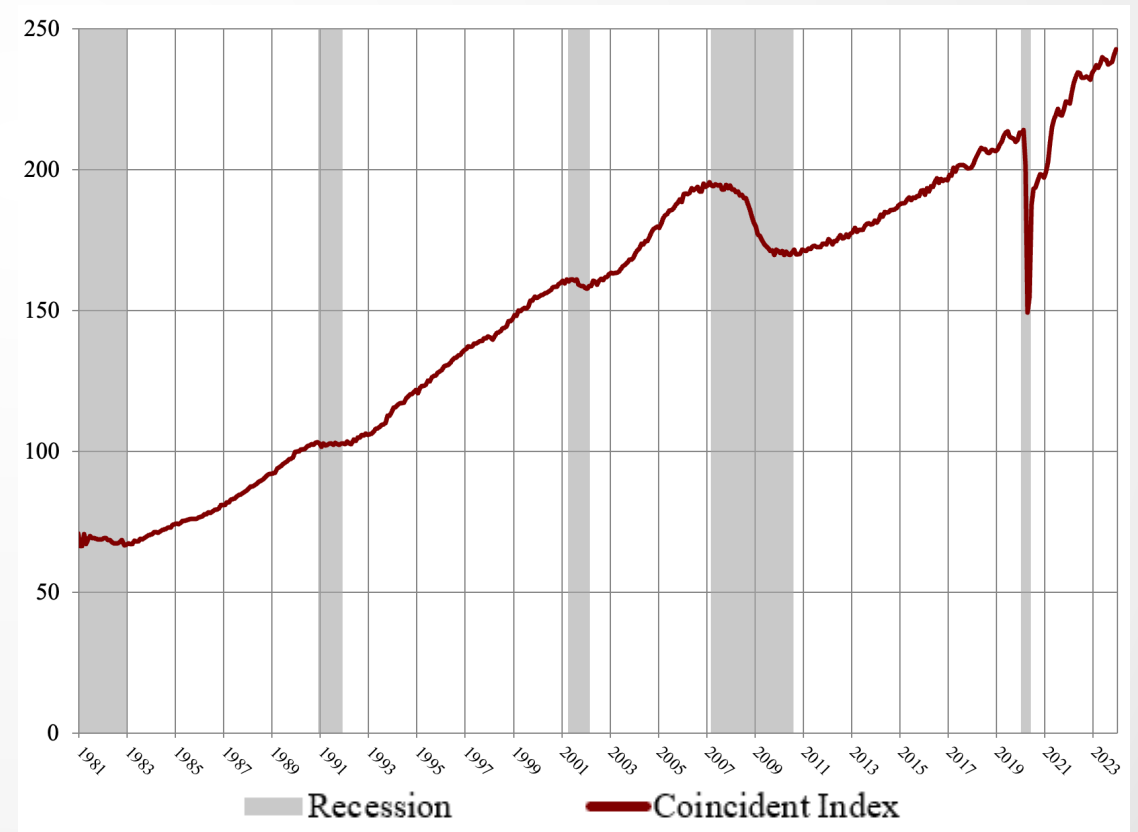
# Nevada Coincident Index in December 2023

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

The CBER Nevada coincident index increased by 0.8 percent month-over-month in December. Since last month, gross gaming revenue and nonfarm employment rose by 9.6 and 0.6 percent, respectively. Taxable sales, however, fell by 2.8 percent.

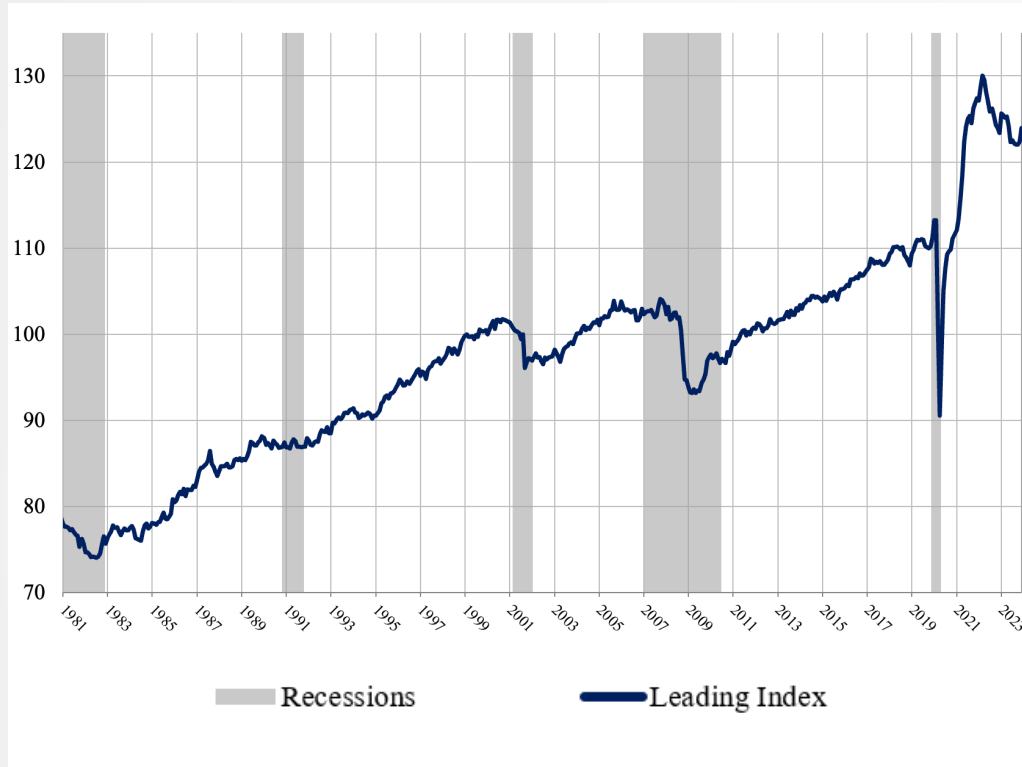
On a year-over-year basis, the CBER Nevada coincident index increased by 3.5 percent. This gain reflected the growth in taxable sales, gross gaming revenue, and nonfarm employment of 2.4, 9.6, and 4.0 percent, respectively, from December 2022. The Nevada coincident index continues its month over month upward movement that began in August 2023.

Series	Latest Period	Month-Over-Month	Year-Over-Year
Taxable Sales (SA)	7,441,166,094	-2.8%	2.4%
Gross Gaming Revenue (SA)	1,452,581,643	9.6%	9.6%
Nonfarm Employment (SA)	1,561,642	0.6%	4.0%
<b>Index and % Change</b>	<b>242.6</b>	<b>0.8%</b>	<b>3.5%</b>



# Nevada Leading Index in December 2023

*The CBER Nevada leading index rose month-over-month and year-over-year.*



Date	Index	Month-over-Month	Year-over-Year
Dec-22	123.4	-0.4%	-3.1%
Jan-23	125.6	1.8%	-1.2%
Feb-23	125.4	-0.2%	-2.6%
Mar-23	125.2	-0.2%	-3.8%
Apr-23	125.3	0.1%	-3.3%
May-23	124.1	-0.9%	-3.1%
Jun-23	122.3	-1.5%	-3.8%
Jul-23	122.6	0.2%	-2.6%
Aug-23	122.2	-0.3%	-3.2%
Sep-23	122.1	-0.1%	-2.6%
Oct-23	122.1	0.0%	-1.8%
Nov-23	122.4	0.3%	-1.2%
<b>Dec-23</b>	<b>124.0</b>	<b>1.2%</b>	<b>0.4%</b>

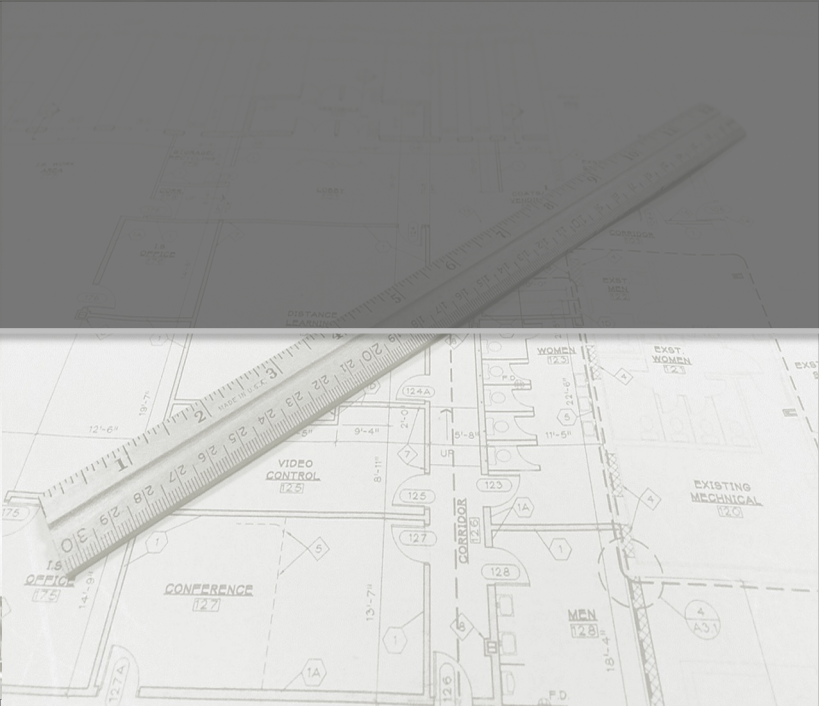
The CBER Nevada leading index increased in December on a monthly basis by 1.2 percent. Initial claims for unemployment (inverted), the ten-year real Treasury yield (inverted), housing permits, Nevada airline passengers, and the S&P 500 all rose by 2.9, 0.5, 28.8, 6.1, and 3.9 percent, respectively, from the preceding month.

Overall, the CBER Nevada leading index rose by 0.4 percent from December 2022. Housing permits, Nevada airline passengers, and the S&P 500 rose by 108.0, 11.6, and 19.7 percent, respectively. On the negative side, initial claims for unemployment insurance (inverted) and the ten-year real Treasury yield (inverted) fell by 7.4 and 3.5 percent, respectively, from the previous year. The Nevada coincident and leading indexes continue to tell different stories with the leading index signaling a possible recession.





# 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 October 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
- Harry Reid Passengers
- S&P 500

### Tourism Index

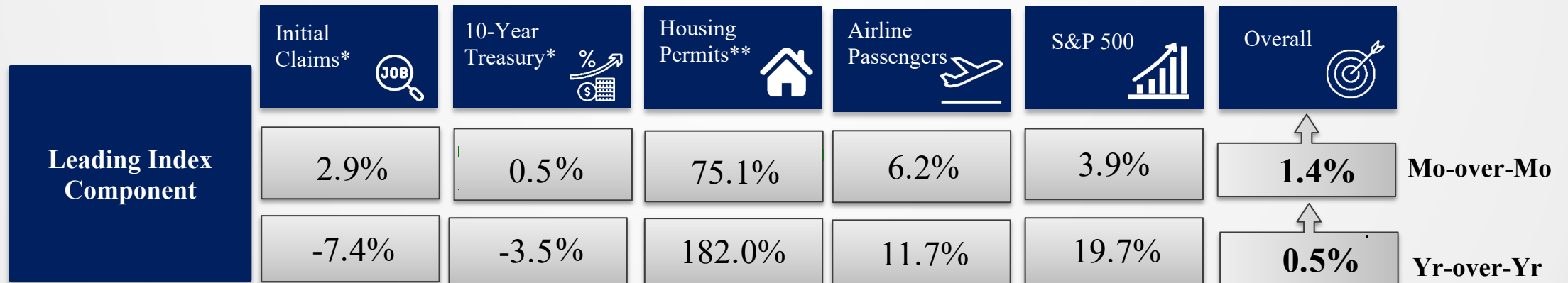
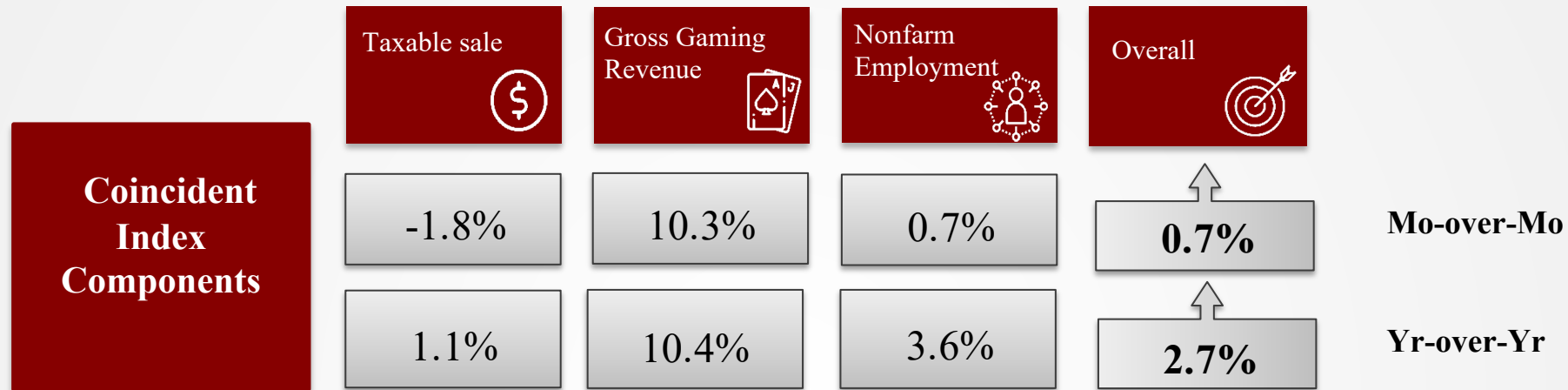
- Harry Reid Passengers
- CC Gross Gaming Revenue
- LV Hotel/Motel Occupancy Rate

### Construction Index

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



# Summary of CBER's Southern Nevada Coincident and Leading Indexes in December 2023



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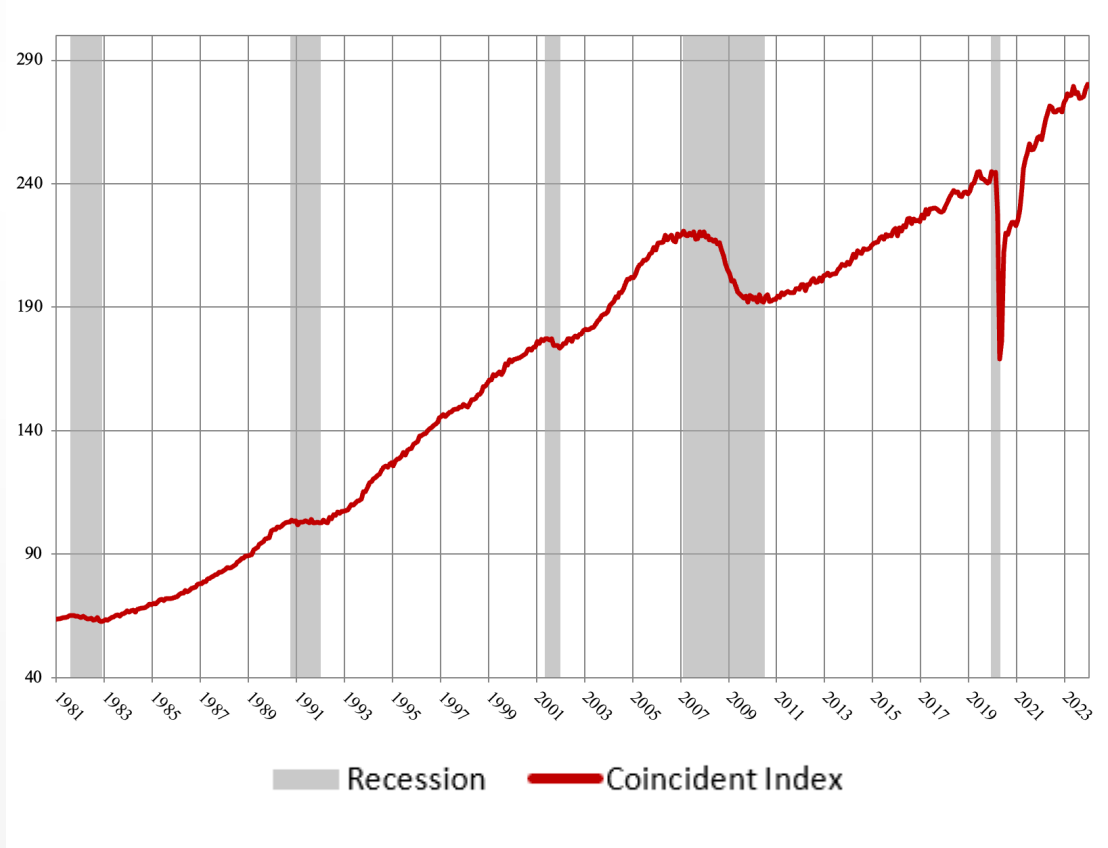
# Southern Nevada Coincident Index in December 2023

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

The CBER Southern Nevada coincident index increased by 0.7 percent month-over-month in December. Taxable sales fell by 1.8 percent from November 2023. Gross gaming revenue and nonfarm employment, however, increased by 10.3 and 0.7 percent month-over-month, respectively.

The CBER Southern Nevada coincident index posted a year-over-year gain of 2.7 percent. The annual growth was driven by positive increases in all three components. Taxable sales, gross gaming revenue, and nonfarm employment rose by 1.1, 10.4, and 3.6 percent, respectively, year-over-year.

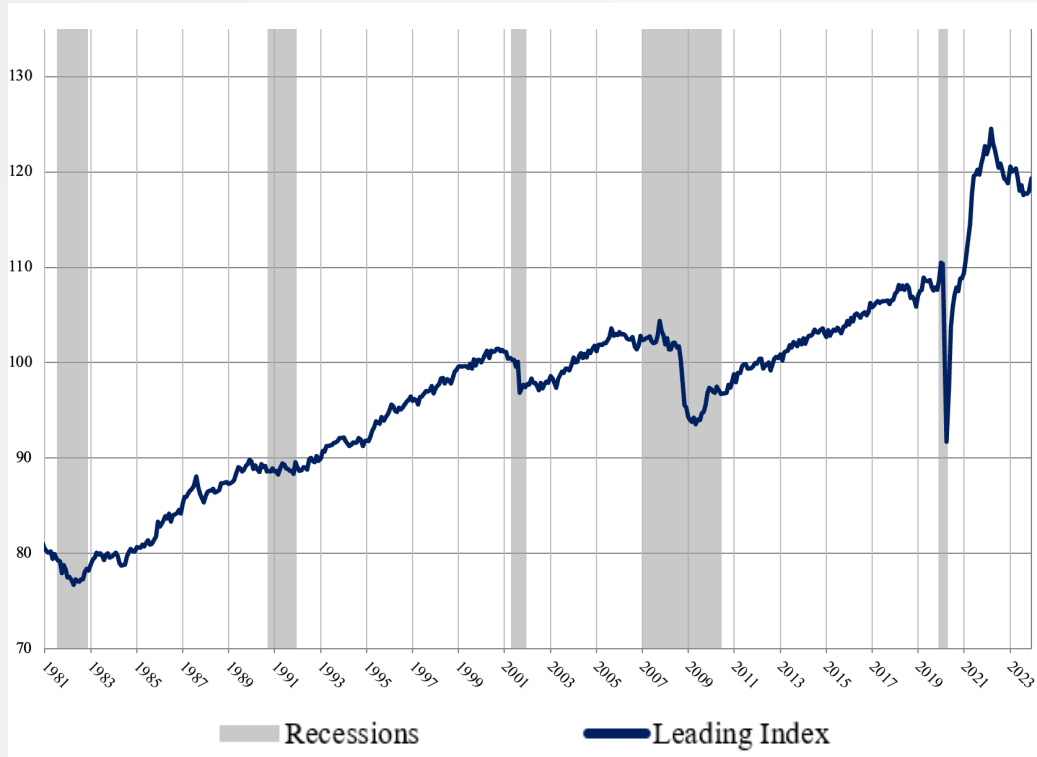
Series	Latest Value	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	5,461,629,046	-1.8%	1.1%
Gross Gaming Revenue (SA)	1,275,250,597	10.3%	10.4%
Nonfarm Employment (SA)	1,136,808	0.7%	3.6%
<b>Index and % Change</b>	<b>280.2</b>	<b>0.7%</b>	<b>2.7%</b>





# Southern Nevada Leading Index in December 2023

*The CBER Southern Nevada leading index rose month-over-month and year-over-year.*

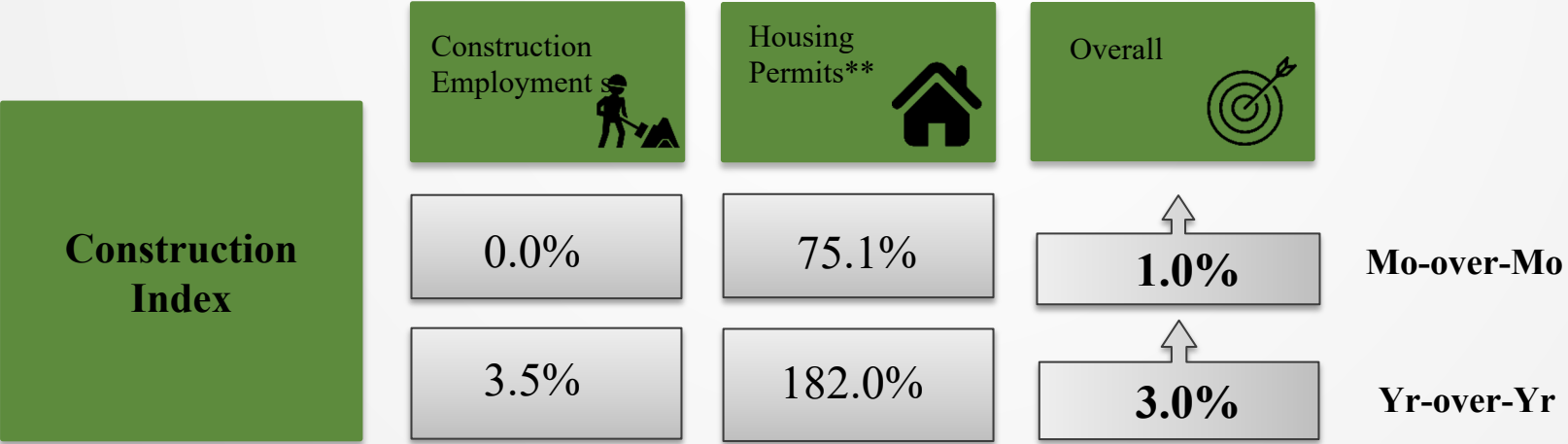
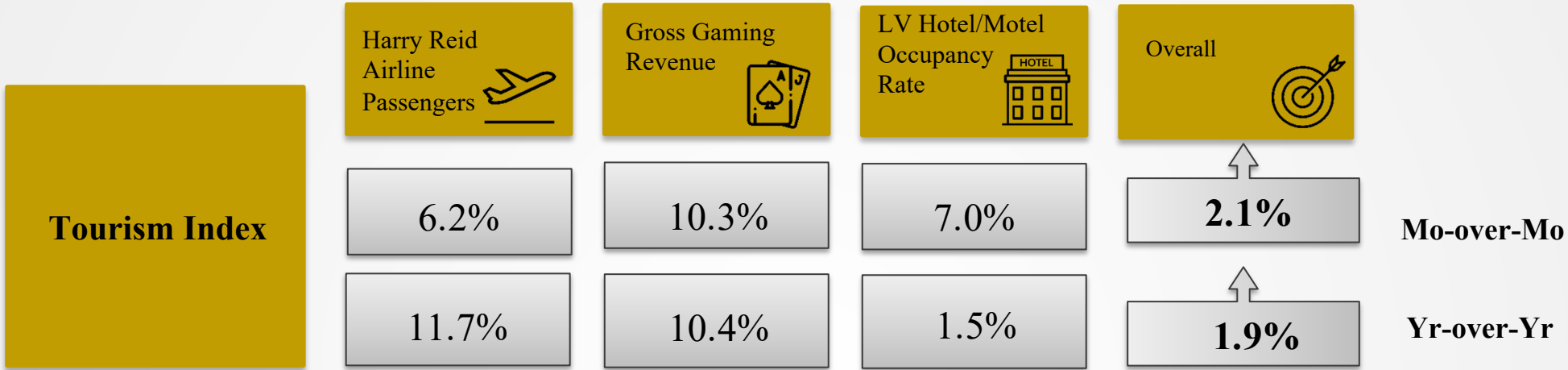


Date	Index	Month-over-Month	Year-over-Year
Dec-22	123.7	-0.4%	-3.2%
Jan-23	126.1	1.9%	-1.1%
Feb-23	125.5	-0.4%	-2.4%
Mar-23	125.5	0.0%	-3.5%
Apr-23	125.5	0.0%	-2.8%
May-23	124.5	-0.8%	-2.6%
Jun-23	122.6	-1.5%	-3.4%
Jul-23	122.9	0.2%	-2.4%
Aug-23	122.3	-0.5%	-3.1%
Sep-23	122.4	0.0%	-2.5%
Oct-23	122.3	-0.1%	-1.8%
Nov-23	122.6	0.3%	-1.3%
<b>Dec-23</b>	<b>124.4</b>	<b>1.4%</b>	<b>0.5%</b>

The CBER Southern Nevada leading index rose month-over-month by 1.4 percent in December. Initial claims for unemployment insurance (inverted), the ten-year real Treasury yield (inverted), housing permits, Harry Reid airline passengers, and the S&P 500 rose by 2.9, 0.5, 75.1, 6.2, and 3.9 percent, respectively.

On a yearly basis, the CBER Southern Nevada leading index increased by 0.5 percent. Three components – housing permits, Harry Reid airline passengers, and the S&P 500 increased by 182.0, 11.7, and 19.7 percent, respectively, from December 2022. Meanwhile, initial claims for unemployment insurance (inverted) and the ten-year real Treasury yield (inverted) fell by 7.4 and 3.5 percent, respectively. The leading index continues to send a negative signal that started after its peak in March 2022.

# Summary of CBER's Southern Nevada Tourism and Construction Indexes in December 2023



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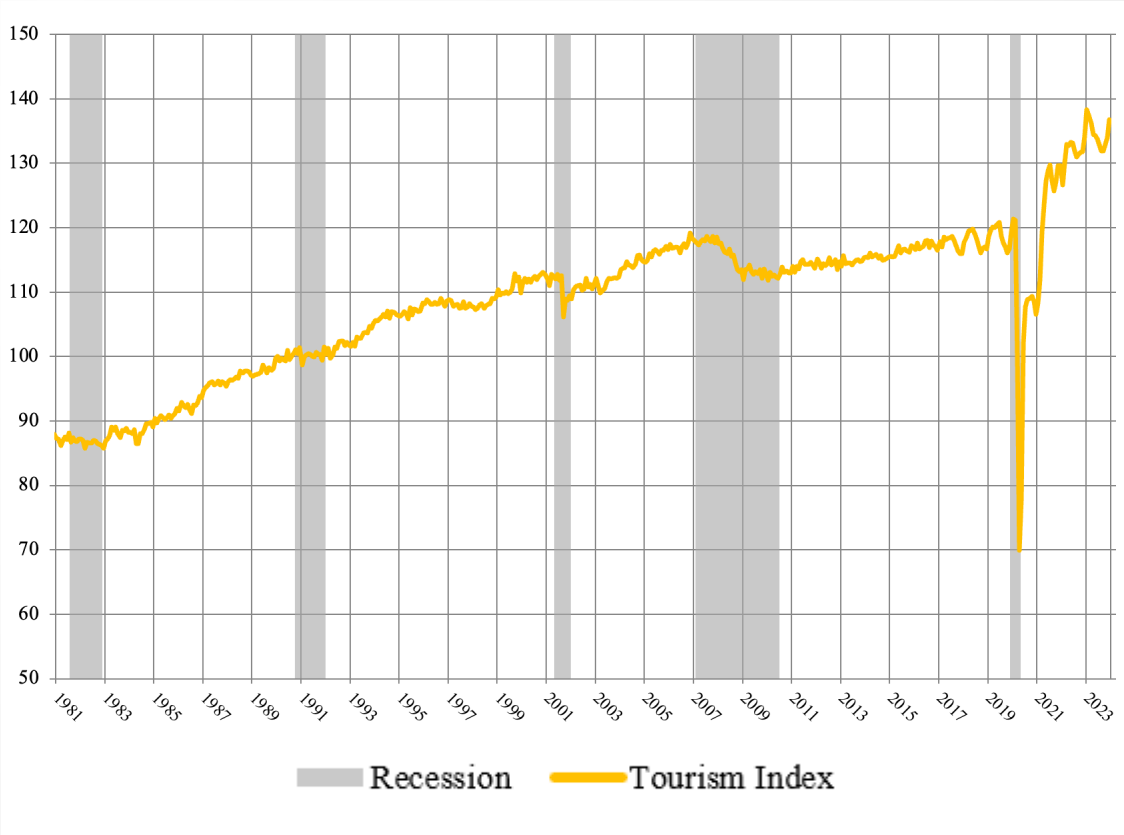
# Southern Nevada Tourism Index in December 2023

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

The CBER Southern Nevada tourism index increased 2.1 percent month-over-month in December. Harry Reid airline passengers, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate rose by 6.2, 10.3, and 7.0 percent, respectively, from last month.

On an annual basis, the CBER Southern Nevada tourism index increased by 1.9 percent. Harry Reid airline passengers, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate rose by 11.7, 10.4, and 1.5 percent, respectively, from December 2022.

Series	Latest Value	Mo-over-Mo	Yr-over-Yr
Harry Reid Airline Passengers (SA)	5,016,984	6.2%	11.7%
Gross Gaming Revenue (SA)	1,275,250,597	10.3%	10.4%
LV Hotel/Motel Occupancy Rate (SA)	87%	7.0%	1.5%
<b>Index and % Change</b>	<b>136.8</b>	<b>2.1%</b>	<b>1.9%</b>





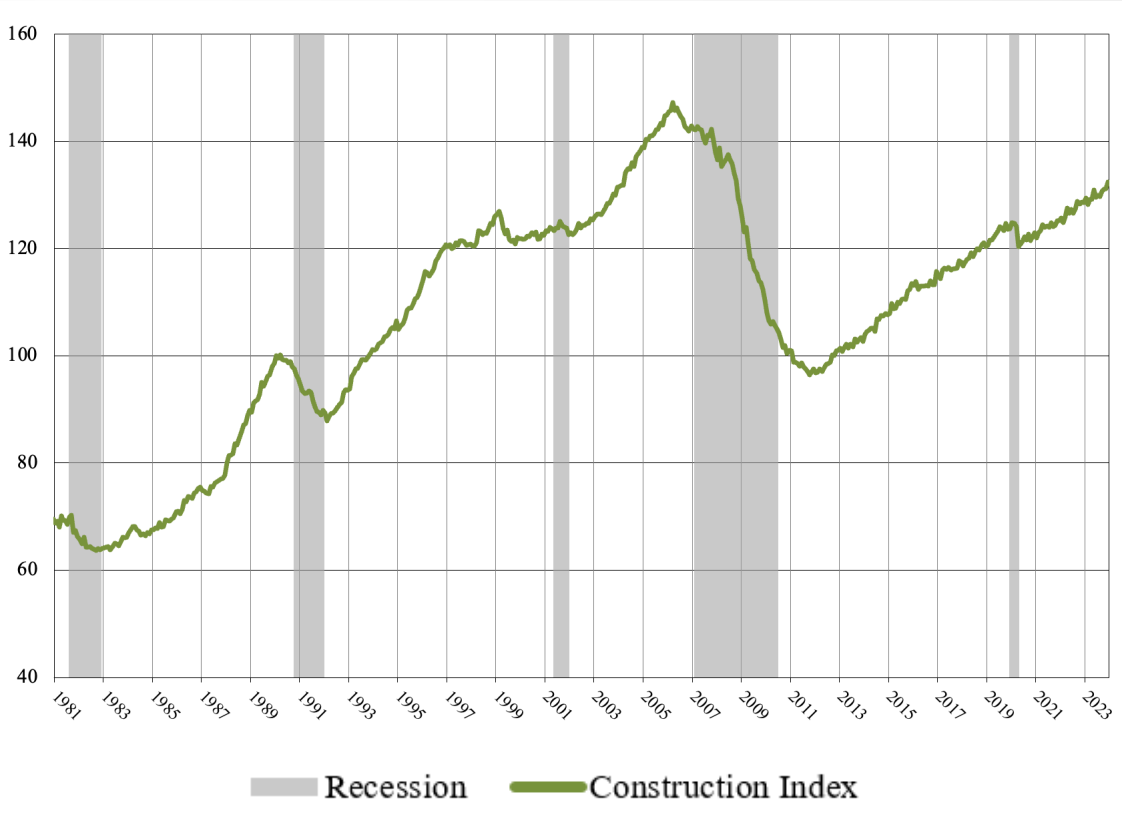
# Southern Nevada Construction Index in December 2023

**The CBER Southern Nevada construction index rose month-over-month and year-over-year.**

The CBER Southern Nevada construction index rose by 1.0 percent from last month. On a monthly basis, housing permits increased by 75.1 percent while construction employment showed no growth at 0.0 percent.

The CBER Southern Nevada construction index increased by 3.0 percent year-over-year. Construction employment and housing permits rose by 3.5 and 182.0 percent, respectively, from December 2022.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Construction Employment (SA)	84,251	0.0%	3.5%
Housing Permits (SA)	1,668	75.1%	182.0%
<b>Index and % Change</b>	<b>132.5</b>	<b>1.0%</b>	<b>3.0%</b>



## 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

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*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.*