



# **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

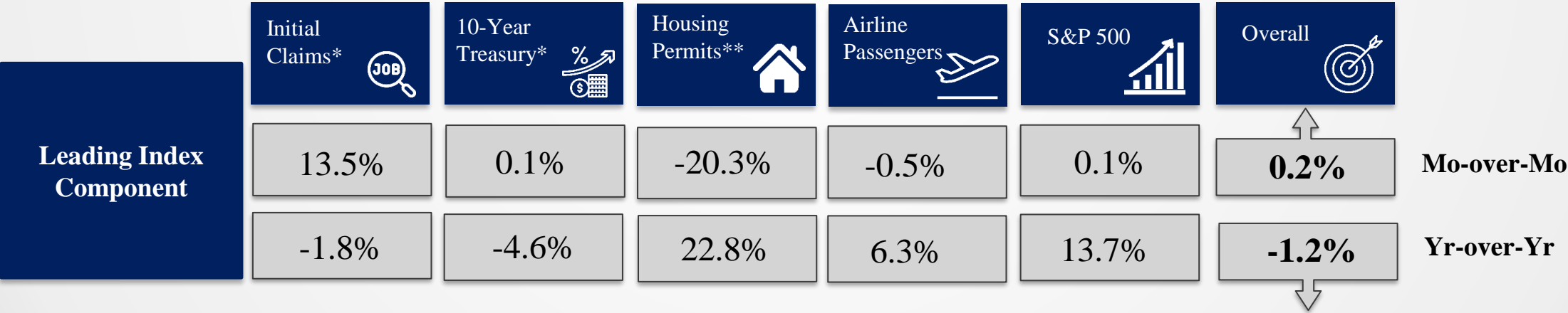
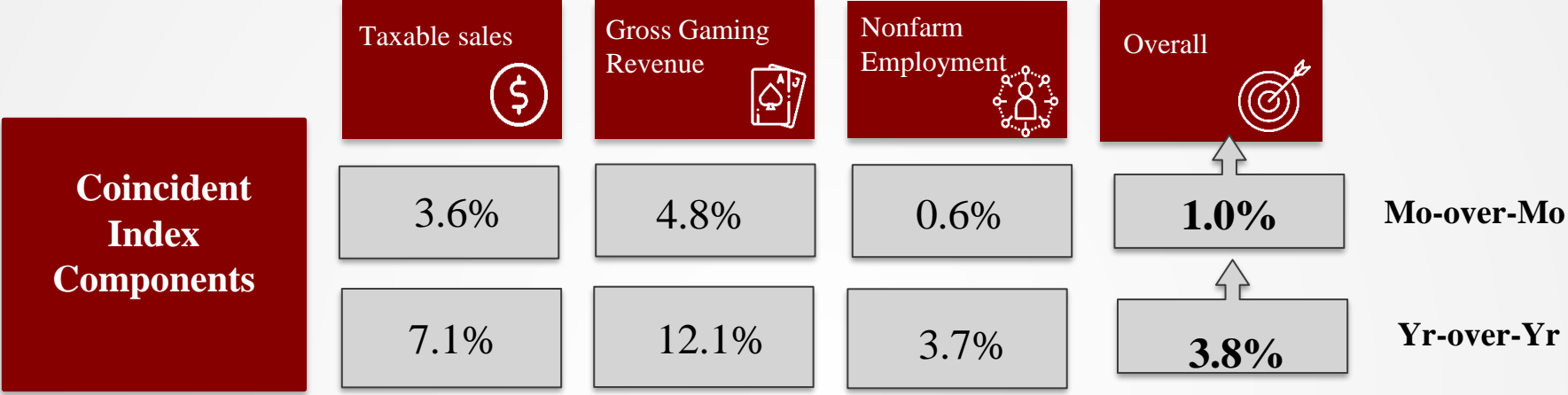
- Nevada Taxable Sales
- Nevada Gross Gaming Revenue
- Nevada Nonfarm Employment

### 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 November 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)

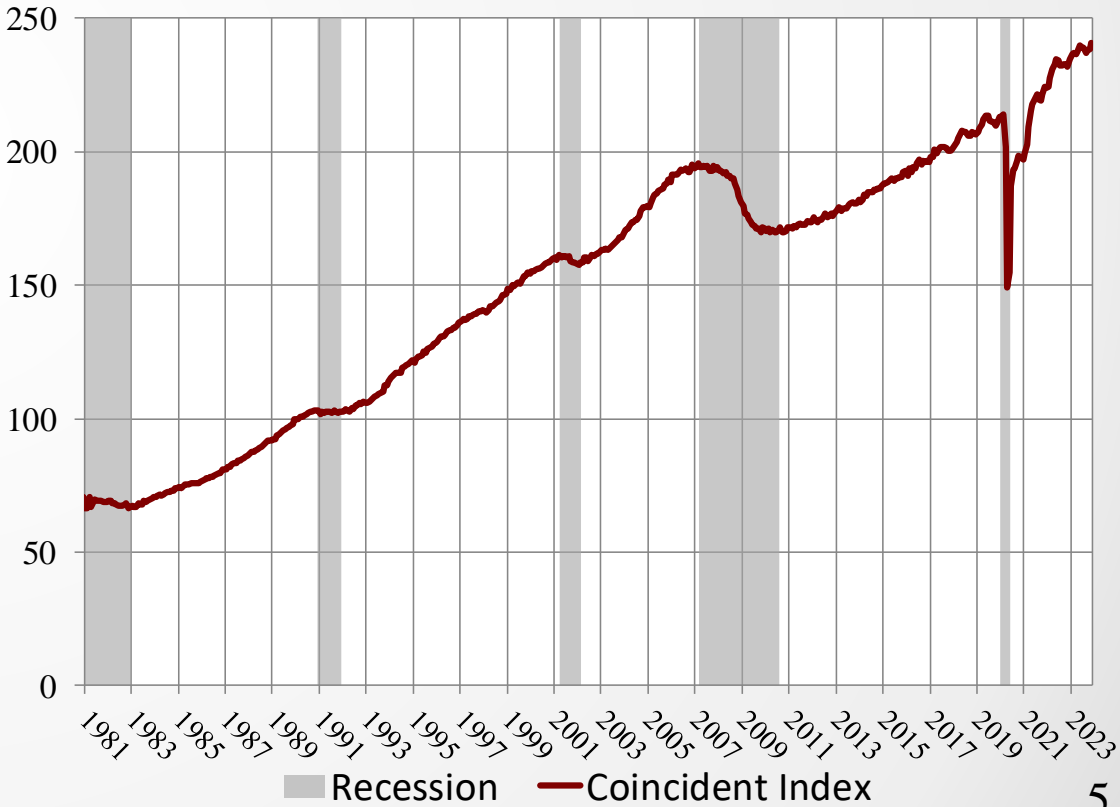
# Nevada Coincident Index in November 2023

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

The CBER Nevada coincident index rose by 1.0 percent month-over-month in November. Since last month, taxable sales, gross gaming revenue and nonfarm employment rose by 3.6, 4.8, and 0.6 percent, respectively.

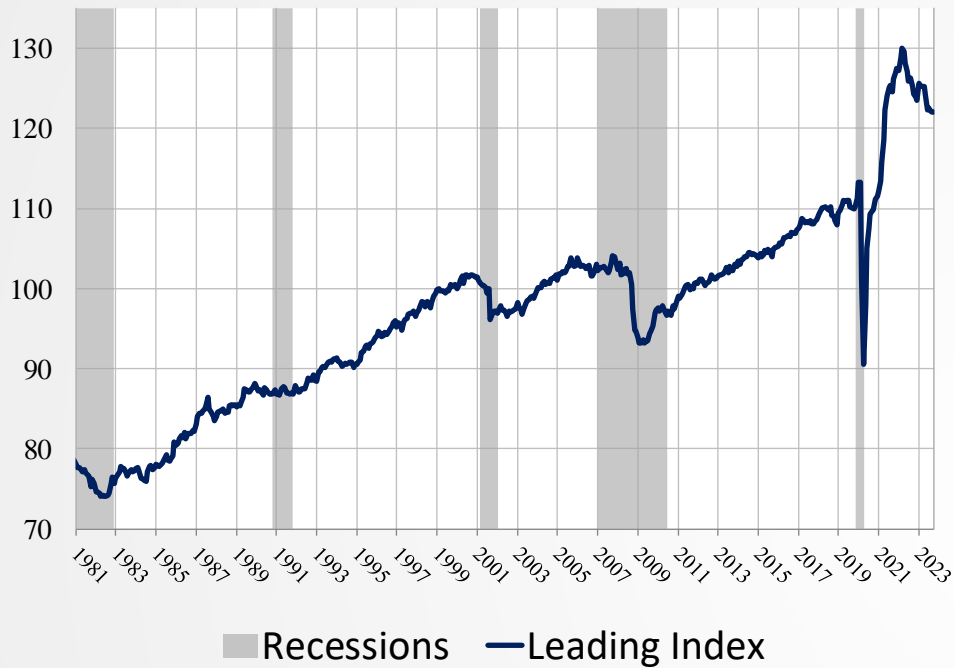
On a year-over-year basis, the CBER Nevada coincident index increased by 3.8 percent. This gain was led by the growth in taxable sales, gross gaming revenue, and nonfarm employment of 7.1, 12.1, and 3.7 percent, respectively, from November 2022. In sum, the Nevada coincident index continues to expand.

Series	Latest Period	Month-Over-Month	Year-Over-Year
Taxable Sales (SA)	7,671,854,777	3.6%	7.1%
Gross Gaming Revenue (SA)	1,309,164,634	4.8%	12.1%
Nonfarm Employment (SA)	1,550,430	0.6%	3.7%
Index and % Change	240.3	1.0%	3.8%



# Nevada Leading Index in November 2023

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



Date	Index	Month-over-Month	Year-over-Year
Jan-23	125.7	1.9%	-1.2%
Feb-23	125.5	-0.2%	-2.6%
Mar-23	125.2	-0.2%	-3.8%
Apr-23	125.5	0.3%	-3.3%
May-23	124.2	-1.1%	-3.1%
Jun-23	122.4	-1.4%	-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	122.3	0.2%	-1.2%

The CBER Nevada leading index increased in November on a monthly basis by 0.2 percent. Initial claims for unemployment (inverted), the ten-year real Treasury yield (inverted), and the S&P 500 rose by 13.5, 0.1, and 0.1 percent, respectively, from the preceding month. Housing permits and Nevada passengers fell by 20.3 and 0.5 percent from October 2023.

Overall, the CBER Nevada leading index fell by 1.2 percent from November 2022. On a year-over-year basis, housing permits, Nevada passengers, and the S&P 500 rose by 22.8, 6.3, and 13.7 percent, respectively. On the negative side, initial claims for unemployment insurance (inverted) and the ten-year real Treasury yield (inverted) fell by 1.8 and 4.6 percent, respectively, from the previous year. While no signs of a recession exist in the Nevada coincident index, the leading indexes has sent a negative signal that started after its peak in March 2022.





## 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 November 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

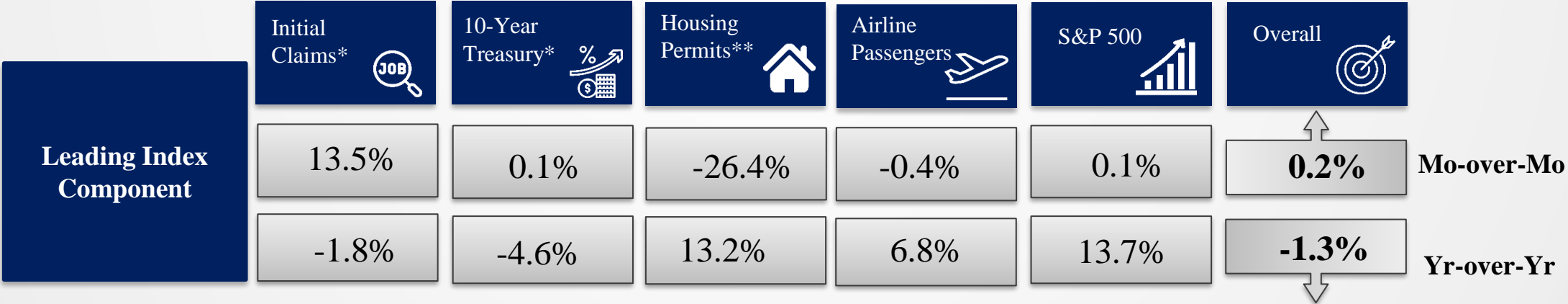
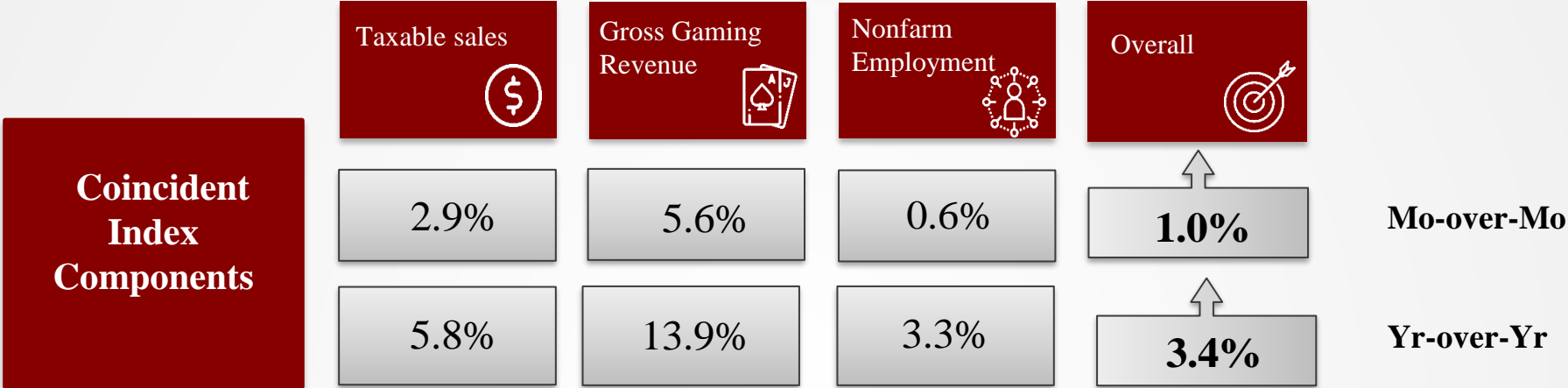
- Harry Reid Passengers
- CC Gross Gaming Revenue
- LV Hotel/Motel Occupancy Rate

### Construction Index

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



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



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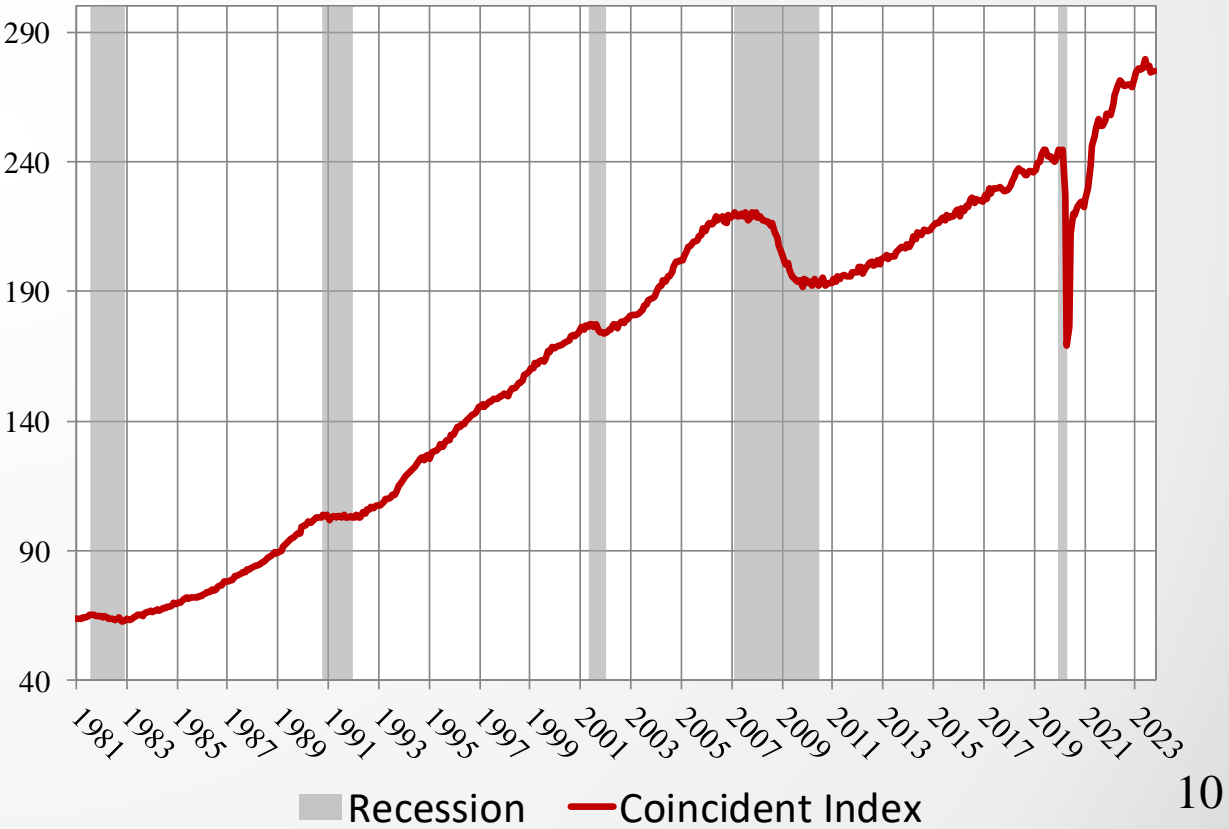
# Southern Nevada Coincident Index in November 2023

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

The CBER Southern Nevada coincident index rose by 1.0 percent month-over-month in November. Taxable sales, gross gaming revenue, and nonfarm employment rose by 2.9, 5.6, and 0.6 percent month-over-month, respectively. The recovery from the pandemic recession continues to occur with a series of pauses interrupting positive growth. Southern Nevada currently experiences a pause.

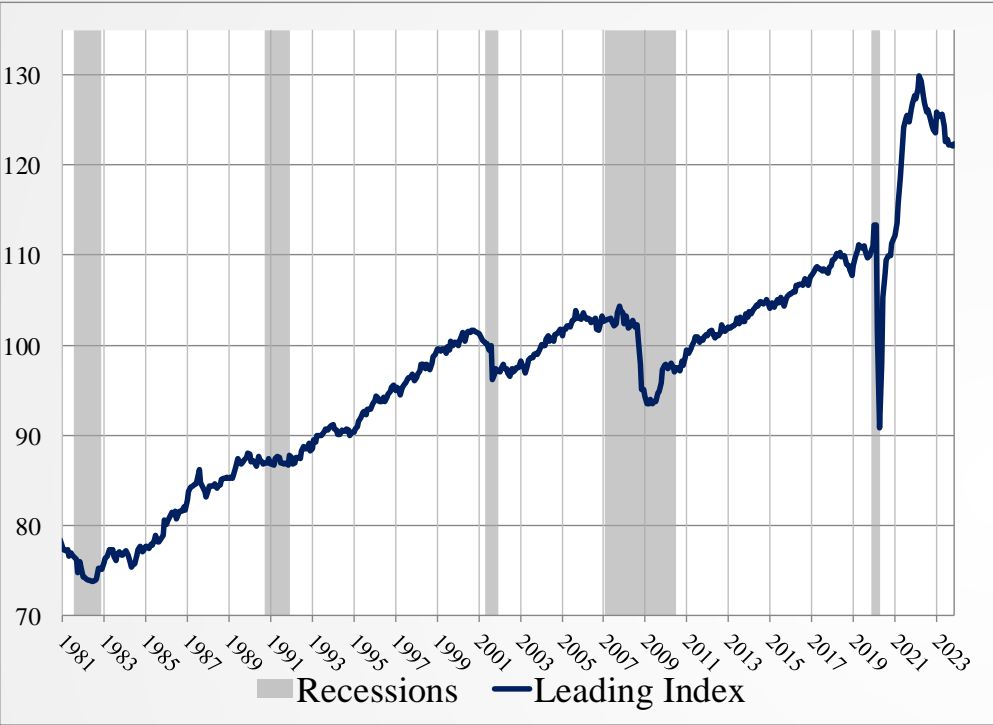
The CBER Southern Nevada coincident index posted a year-over-year gain of 3.4 percent. The annual growth was driven by positive increases in all three components. Taxable sales, gross gaming revenue, and nonfarm employment rose by 5.8, 13.9, and 3.3 percent, respectively, year-over-year.

Series	Latest Value	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	5,568,368,745	2.9%	5.8%
Gross Gaming Revenue (SA)	1,142,489,717	5.6%	13.9%
Nonfarm Employment (SA)	1,127,535	0.6%	3.3%
Index and % Change	277.8	1.0%	3.4%



# Southern Nevada Leading Index in November 2023

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



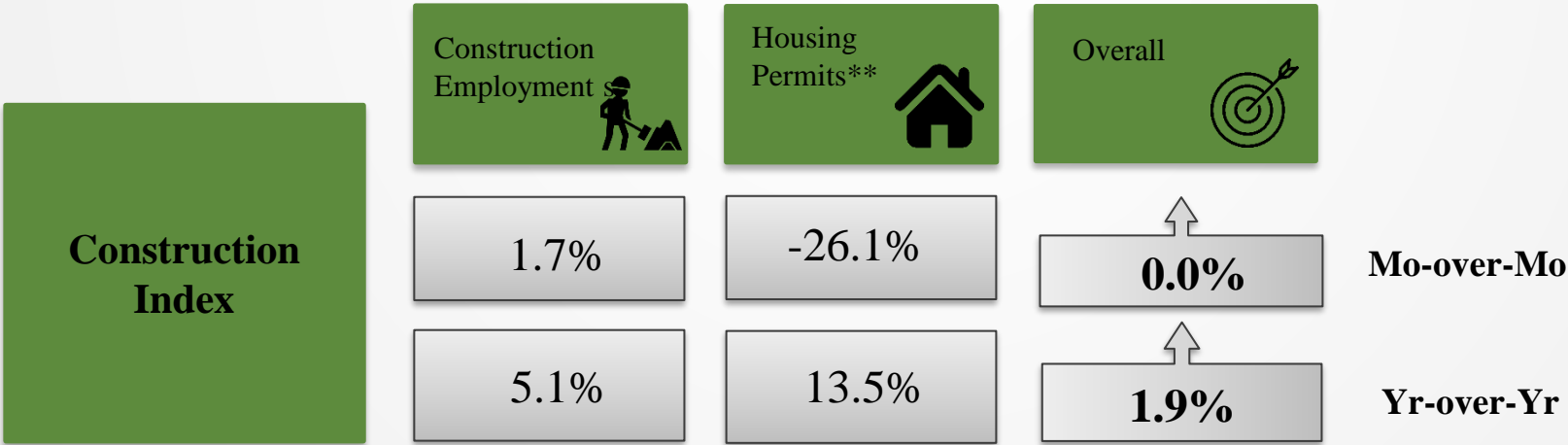
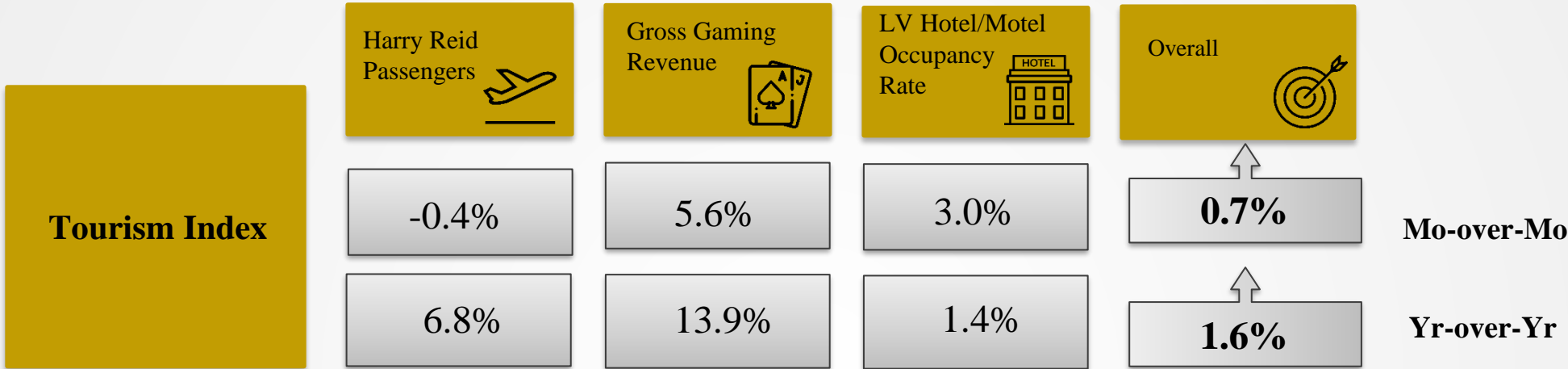
Date	Index	Month-over-Month	Year-over-Year
Nov-22	124.0	-0.3%	-2.3%
Dec-22	123.6	-0.3%	-3.2%
Jan-23	125.9	1.9%	-1.1%
Feb-23	125.4	-0.4%	-2.4%
Mar-23	125.3	0.0%	-3.5%
Apr-23	125.6	0.2%	-2.8%
May-23	124.4	-1.0%	-2.6%
Jun-23	122.5	-1.5%	-3.4%
Jul-23	122.8	0.2%	-2.4%
Aug-23	122.2	-0.5%	-3.1%
Sep-23	122.2	0.0%	-2.5%
Oct-23	122.1	-0.1%	-1.8%
Nov-23	122.3	0.2%	-1.3%

The CBER Southern Nevada leading index rose month-over-month by 0.2 percent. In November, initial claims for unemployment insurance (inverted), the ten-year bond yield (inverted), and the S&P 500 rose by 13.5, 0.1, and 0.1 percent, respectively. Housing permits and Harry Reid airline passengers had a month-over-month decrease of 26.4 and 0.4 percent, respectively.

On a yearly basis, the CBER Southern Nevada leading index fell by 1.3 percent. Two components – initial claims for unemployment insurance (inverted) and the ten-year bond yield (inverted) – fell by 1.8 and 4.6 percent, respectively, from November 2022. Meanwhile, housing permits, Harry Reid airline passengers, and the S&P 500 rose by 13.2, 6.8, and 13.7 percent, respectively. The Southern Nevada leading index continues to flash warning sign that started after its peak in March 2022.



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



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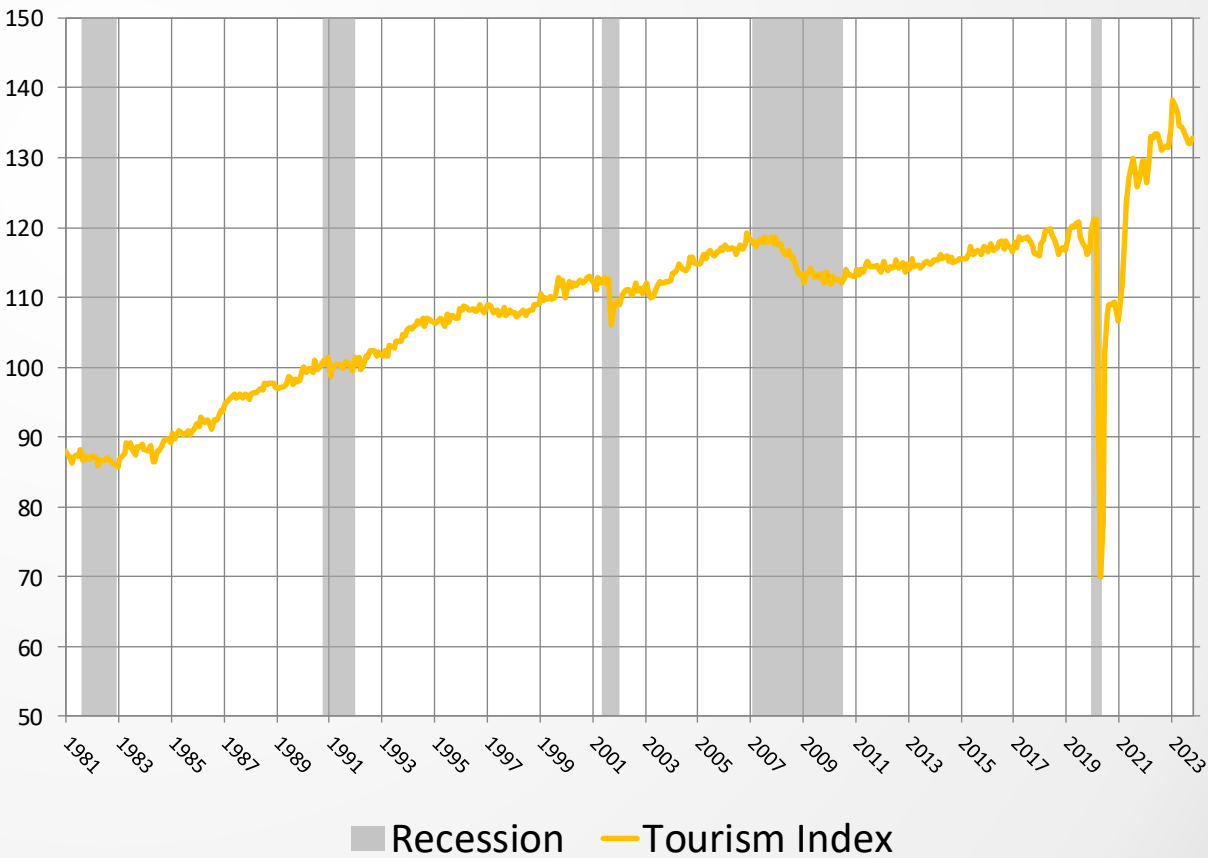
# Southern Nevada Tourism Index in November 2023

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

The CBER Southern Nevada tourism index rose 0.7 percent month-over-month in November. Harry Reid airline passengers fell by 0.4 percent from the previous month. Gross gaming revenue and the Las Vegas hotel/motel occupancy rate rose by 5.6 and 3.0 percent, respectively, from October. This index has followed a downward trend since January 2023.

On an annual basis, the CBER Southern Nevada tourism index increased by 1.6 percent. Harry Reid airline passengers, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate increased by 6.8, 13.9, and 1.4 percent, respectively, from November 2022.

Series	Latest Value	Mo-over-Mo	Yr-over-Yr
Harry Reid Passengers (SA)	4,695,969	-0.4%	6.8%
Gross Gaming Revenue (SA)	1,142,489,717	5.6%	13.9%
LV Hotel/Motel Occupancy Rate (SA)	0.81%	3.0%	1.4%
Index and % Change	133.6	0.7%	1.6%



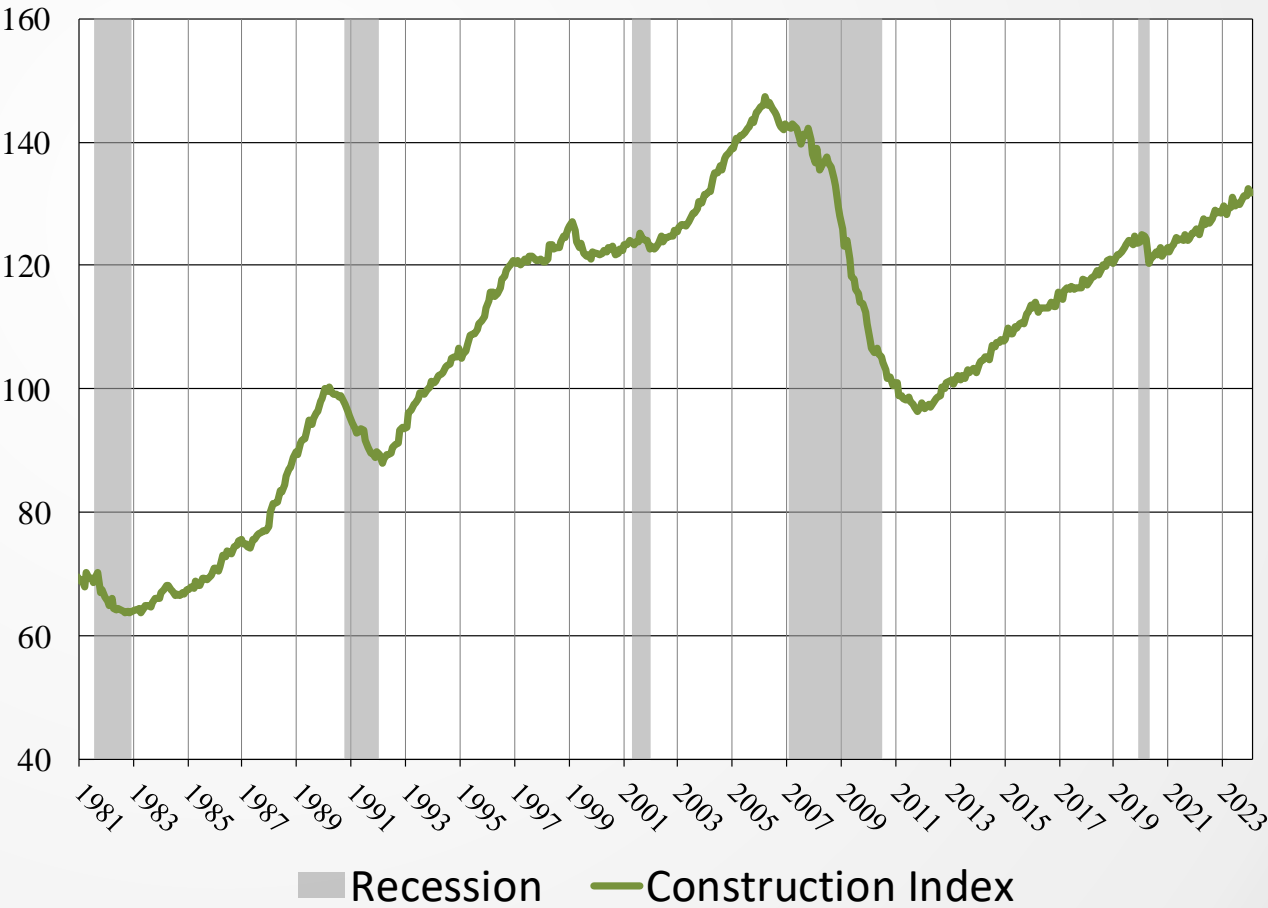
# Southern Nevada Construction Index in November 2023

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

The CBER Southern Nevada construction index remained unchanged from last month. On a monthly basis, construction employment increased by 1.7 percent, while housing permits fell by 26.1 percent, respectively.

The CBER Southern Nevada construction index increased by 1.9 percent year-over-year. Construction employment and housing permits rose by 5.1 and 13.5 percent, respectively, from November 2022.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Construction Employment (SA)	84,202	1.7%	5.1%
Housing Permits (SA)	943	-26.1%	13.5%
Index and % Change	131.2	0.0%	1.9%





# 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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- 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.*