



C I T Y O F
RENO

Memorandum

DATE: June 20, 2025

TO: Mayor and City Council

THROUGH: Jackie Bryant, City Manager

FROM: Calli Wilsey, Director of Policy and Strategy
Jason Gortari, Urban Economist

DEPT: Office of Policy and Strategy

SUBJECT: Monthly Economic Update: June 2025

A handwritten signature in black ink, appearing to read "Jason Gortari".

Staff is pleased to provide Council with this monthly update on key economic indicators. These updates aim to assist Council in making informed policy decisions by offering insights into interconnected topics such as the labor market, housing, tourism, consumer activity, and other critical economic drivers.

This memo provides an economic update featuring the most recent local data as of June 2025, highlighting key metrics and trends shaping the region's economic outlook. Many economic indicators have a lag time between their occurrence and when that data is released. Additionally, the data is released at various times throughout each month. The monthly economic update memo is meant to highlight new information that has been released since the last memo. To help explain what is new in each of these monthly updates, these memos will include a table for each indicator that details the following:

- The most recent date when the data for the indicator was released (*See: Most Recent Release Date*);
- The month or timeframe that the most recent data released represents (*See: Current Data Month*);
- If new data has not been released since the last memo, what version of the monthly memo you can find the most recent analysis (*See: Latest Memo with Analysis*); and
- The date when the next data set is expected to be released (*See: Next Release Date*).

Executive Summary:

The latest economic data for the Reno-Sparks Metropolitan Statistical Area (MSA) reflects a generally stable economy. Listed below is a summary of key highlights across the major segments we monitor relative to the Reno MSA:

Labor Market:

- The labor market remained stable in April 2025 supported by steady job growth, a declining unemployment rate, and low layoff levels, though a statewide drop in job openings presents a potential risk.

Tourism:

- The tourism sector showed positive increase across a variety of indicators in April 2025 with higher visitation, hotel occupancy, and gaming revenue, though a slight dip in room rates and broader economic uncertainty may temper future momentum.

Housing:

- The housing market in May 2025 continued its gradual shift toward balance with rising home values and rents, slightly improved inventory, and moderating mortgage rates, though conditions still generally favor sellers in Reno.

Consumer:

- Consumer conditions in the region showed many positive signs with real wage gains, a sharp rebound in confidence following tariff de-escalation, and moderate inflation, though uncertainty around trade policy may impact future behavior.

Economic Signals	
Upside Cushions	Downside Risks
<ul style="list-style-type: none">• Inflation Moderation• Steady Consumption• Steady Wage Growth• Stable Labor Market	<ul style="list-style-type: none">• Low Housing Supply• Negative U.S. GDP Growth• Tariffs• Increasing public debt

This Month's Indicators:

Labor Market

Key indicators: unemployment, initial claims, job openings, and employment.

- April employment data shows that the Reno MSA labor market continues to improve. Over-the-year employment increased by 1.7%, extending the high end of the range (1.3%–1.7%), driven primarily by gains in the education and health service and the professional services sectors.
- The unemployment rate in the Reno MSA fell to 4.2% in April 2025, down from 4.7% in March and 4.6% in April 2024 (not seasonally adjusted).
 - The Reno MSA continues to lower its rate and maintain an unemployment rate consistent with a healthy labor market. Nevada's unemployment rate improved slightly this month but still sits at the top of the nation with the highest unemployment rate in April, excluding Washington, D.C.

- In April 2025, Nevada had a total of 11,770 initial claims for unemployment insurance. This was the result of 1,137 new initial unemployment insurance claims filed this month, an increase of 10.7%, from March’s total of 10,633. While April’s claims were up 14.5% over-the-year, they remain low by historical standards.
 - It’s also important to note that total compensation for unemployment insurance, which represents the total dollars paid to all ongoing claimants (not just new ones), was down by nearly \$7 million or 15.6% over-the-year. Indicating that people may be receiving benefits for fewer weeks and finding jobs faster.
- The Job Openings and Labor Turnover Survey (JOLTS), provides key data on labor market supply and demand, offering valuable insight into trends that influence wages and inflation.
 - In March, Nevada’s monthly job openings saw a 13.9% decrease in job openings compared to the previous month and a decline of 11.7% over-the-year.
 - Total layoffs and discharges declined over the month, a positive sign, as a sustained increase in layoffs typically signals growing concerns about an economic slowdown.
 - While the backward-looking JOLTS data continues to reflect a relatively stable labor market, more recent developments, particularly growing uncertainty around U.S. trade policy and tariffs, have raised concerns about the forward outlook.
- The Department of Employment, Training and Rehabilitation (DETR) reported that Amazon will be closing its facility at 8000 N. Virginia Street in Reno, affecting 325 employees. Workers who do not accept internal transfer offers will have their employment end on August 2, 2025.

Indicator	Source	Most Recent Release Date	Current Data Month	Latest Memo with Analysis	Next Release Date
Employment - Reno MSA	BLS-CES	5/28/2025	Apr. 2025	This Memo	6/24/2025
Unemployment Rate- Reno MSA	BLS-LAUS	5/28/2025	Apr. 2025	This Memo	6/24/2025
Initial Claims - Nevada	DOL	5/29/2025	Apr. 2025	This Memo	6/29/2025
Job Openings - Nevada	BLS-JOLTS	5/20/2025	Mar. 2025	This Memo	6/18/2025

Tourism

Key indicators: visitor volume, hotel occupancy rate, avg. daily room rate-hotels, and gaming win.

- Reno MSA’s tourism market showed positive performance in April, with several indicators up over –the year.
- In April 2025, the region saw 16,669 more visitors than in April 2024, marking a 4.2% over-the-year increase in visitation.
 - Key events and activities that typically attract visitors during the month of April include the kickoff to the Reno Aces home schedule, Easter celebrations, the

Biggest Little Half Marathon, Reno Fest, NCVA Far Western youth national volleyball tournament, the Mayor’s Dog Bowl, and a variety of concerts and shows.

- Hotel occupancy rates increased to 64.5% in April 2025, a 3.3% increase over-the-year. However, this increase did not translate into higher average room rates when compared to the same period last year.
- The average daily room rate declined by \$0.50 over-the-year but rose by \$33.30 from March, largely reflecting seasonal trends.
- Reno’s gaming industry maintained its positive momentum in April, with gaming win totals increasing by \$5.4 million, or 9.2%, over-the-year. Year-to-date gains through April 2025 remain positive, offering an encouraging sign despite recent declines in consumer confidence.
- Overall, April 2025 reflected positive trends in the Reno MSA’s tourism sector. Gains in visitation, hotel occupancy, and gaming revenue are encouraging, though the slight decline in average room rates suggests some softness in pricing power. While seasonal activity helped support overall performance, continued monitoring is warranted as broader economic uncertainty and weakening consumer confidence may affect travel and spending in the months ahead.

Indicator	Source	Most Recent Release Date	Current Data Month	Latest Memo with Analysis	Next Release Date
Visitor Volume	RSCVA	5/28/2025	Apr. 2025	This Memo	6/28/2025
Hotel Occupancy Rate	RSCVA	5/28/2025	Apr. 2025	This Memo	6/28/2025
Avg. Daily Room Rate - Hotels	RSCVA	5/28/2025	Apr. 2025	This Memo	6/28/2025
Gaming Win - Reno	GCB	5/29/2025	Apr. 2025	This Memo	6/26/2025

Housing

Key indicators: avg. single-family home prices, median days on market, 30-day fixed mortgage rates, and avg. apartment rent.

- The Reno MSA’s housing market in May 2025 continued to show signs of gradual adjustment with slight shifts across a variety of indicators.
- In May 2025, the average value of a single-family home reached \$576,322, reflecting a 2.2% over-the-year increase.
- In May, the median time for a single-family home in Reno to go under contract was 45 days, 11 days slower than last April and 6 days faster than the U.S. average. The longer timeline, in part, reflects rising inventory levels, giving buyers more options and time to make decisions.
- As of the first week in June, the average 30-year fixed mortgage rate is 6.85%, down slightly from last month and June last year.
- The average rent for all apartment types in the Reno MSA is \$1,749, reflecting a 3.5% or \$59 increase over-the-year. Rents have continued to trend upward for the past four consecutive months.
- Inventory in the Reno MSA housing market is increasing, but the supply remains relatively low at 2.2 months. While demand has softened compared to last year, conditions still favor

sellers, though over the last two months the market is gradually trending toward a more balanced state.

Indicator	Source	Most Recent Release Date	Current Data Month	Latest Memo with Analysis	Next Release Date
Avg. Single Family Home Prices	Zillow	6/16/2025	May. 2025	This Memo	7/16/2025
Median Days on Market	Realtor.com	6/5/2025	May. 2025	This Memo	7/3/2025
Avg. Apartment Rent Prices	Zillow	6/5/2025	May. 2025	This Memo	7/3/2025
30-Day Fixed Mortgage Rates	Freddie Mac	6/7/2025	May. 2025	This Memo	7/7/2025

Consumer

Key indicators: include the Consumer Confidence Index (CCI), Washoe taxable sales, headline inflation, and avg. weekly wages in the Reno MSA.

- The Nevada Department of Taxation has implemented its first phase of their new tax system, “Modernize Your Nevada Tax” (MYNT).
 - The system shifts revenue accounting from a partial accrual basis to a cash basis, which will complicate historical comparisons.
- Washoe County reported \$1.1 billion in total taxable sales for March, down 1.3% over-the-year but up down 6.7% from February.
- The Bureau of Labor Statistics' (BLS) Quarterly Census of Employment and Wages (QCEW) program publishes a quarterly count of employment and wages reported by employers. This data is available at the county, MSA, state, and national levels by industry.
 - The QCEW dataset has an approximate six-month lag but is often used as a benchmark for other BLS survey programs because it is based on actual counts of employment and wages rather than estimates or survey-based projections.
 - Using the most recent QCEW data, the fourth quarter of 2024 (2024: Q4) shows that average weekly wages across all industries in the Reno MSA continued to rise.
 - As of 2024: Q4, weekly wages averaged \$1,424, an increase of \$79, or 5.9%, over-the-year. This wage growth outpaced the national average of 5.0% but slightly lagged behind Nevada’s statewide increase of 6.1%.
 - Wage growth in the Reno MSA outpaced inflation in every quarter of calendar year 2024, leading to consistent real wage gains for workers.
- The Consumer Confidence Index (CCI) measures how optimistic or pessimistic consumers feel about the economy and their personal finances, based on surveys of current conditions and future expectations. A value above 100 indicates greater consumer confidence compared to a baseline, while a value below 100 reflects lower confidence and potential caution in spending.
 - In May 2025, the CCI was 98.0, marking a 3.3-point decline over-the-year but a 12.2 point increase from April.

- The CCI for May came in on the lower end of the range but realized its highest monthly increase in four years.
- The rebound in the May CCI was especially strong after the U.S. and China reached a temporary deal to lower mutual tariffs.
- That deal has consumers feeling less pessimistic about where the economy is headed, and maybe a little less anxious about spending.
- Back in April, consumer confidence dipped to a five year low on the prospect of a global trade war.
- Headline inflation increased by 0.1 percentage point from April to 2.4% in May, hovering closely to the Federal Reserve’s 2% target as an uptick in grocery inflation somewhat offset lower gasoline prices.
 - This is the second inflation report since the U.S. implemented new tariffs. While May’s inflation data was largely positive, evolving tariff policies could lead to upward pressure on consumer prices in the coming months.

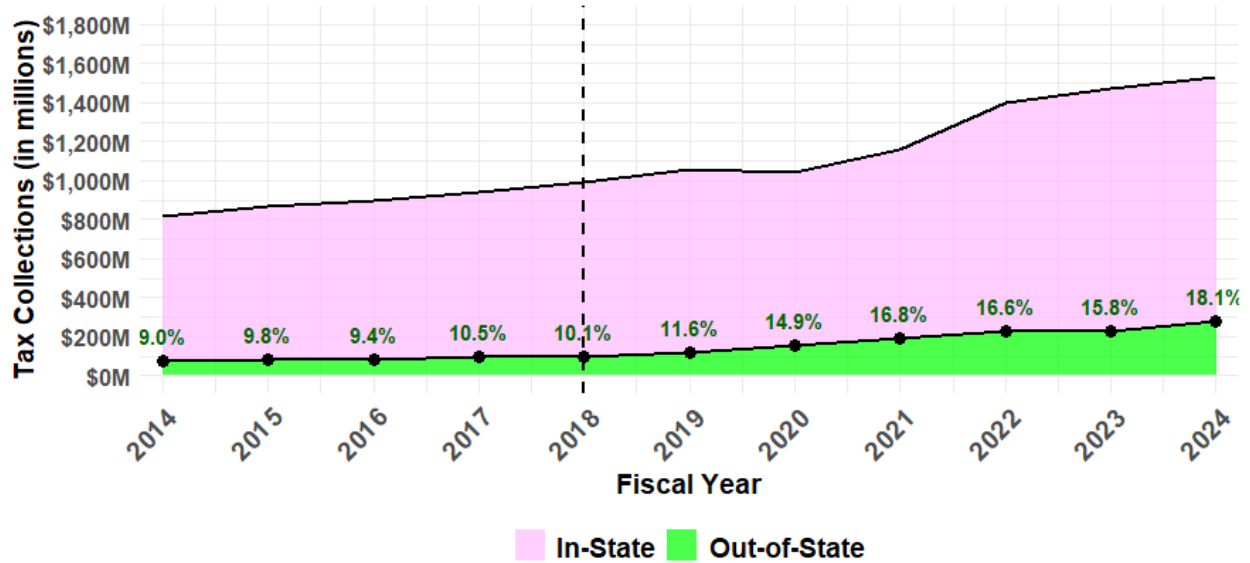
Indicator	Source	Most Recent Release Date	Current Data Month	Latest Memo with Analysis	Next Release Date
Taxable Sales	Taxation	6/1/2025	Mar. 2025	This Memo	7/1/2025
Average Weekly Wages	BLS-QCEW	6/4/2025	2024:Q4	This Memo	9/9/2025
Consumer Confidence Index	Conference Board	5/27/2025	May 2025	This Memo	6/24/2025
Headline Inflation	BLS-CPI	6/10/2025	May 2025	This Memo	7/15/2025

Special Topic: South Dakota v. Wayfair -- Impact on Sales Tax Collections in Nevada

- In this month’s special topic, we analyze the impact of the South Dakota v. Wayfair ruling on Nevada’s sales tax collections.
- Specifically, we examine its effect on the Supplemental City-County Relief Tax (SCCRT) over the past decade, as SCCRT is a piece of the sales tax rate that represents the largest component of consolidated taxes received by most local governments.
- On June 21, 2018, the U.S. Supreme Court issued a landmark ruling in South Dakota v. Wayfair, allowing states to require remote sellers, those without a physical presence in the state, to collect and remit sales or use taxes on transactions delivered to customers within their borders.
- In response to the Wayfair decision, Nevada adopted new regulations that required remote sellers making retail sales into the state to collect and remit sales tax, even if they do not maintain a physical presence or fixed business location in Nevada, effective October 1, 2018.
- Prior to the ruling, Nevada had voluntary compliance agreements with several large online retailers. The Wayfair decision, however, enabled the state to require a broader range of out-of-state sellers to register, collect, and remit sales tax on qualifying transactions.

- Under Nevada’s regulations, remote sellers must register and collect sales tax if they exceed \$100,000 in retail sales into Nevada or conduct 200 or more separate retail transactions. Sellers below these thresholds are not required to register but may opt in voluntarily to support their Nevada customers.
- While the Wayfair ruling led to only a modest expansion of the total taxable sales base, it has a growing impact on SCCRT out-of-state share of collections over the past decade. In FY 2024, in-state sales accounted for approximately 81.9% of total SCCRT revenue, while out-of-state sales made up 18.1%, a sizable increase from FY2018, when out-of-state sales comprised just 10.1% of the total.
- This near doubling of the out-of-state share underscores the long-term fiscal implications of the Wayfair decision and related policy changes, such as the implementation of marketplace facilitator laws.

Supplemental City County Relief Tax Collections: In-State vs Out-of-State
Out-of-State Collection's Share Nearly Doubles After SD vs. Wayfair (2018)



Source: Nevada Department of Taxation