



C I T Y O F
RENO

Memorandum

DATE: August 27, 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: August 2025

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 August 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) points to a stable economy tempered by a cautious, wait-and-see stance. Listed below is a summary of key highlights across the major segments we monitor relative to the Reno MSA:

Labor Market:

- The labor market in June 2025 remains relatively stable with modest over-the-year job growth (+1.1%). However, the slowdown in hiring, a slight rise in unemployment, and reduced worker confidence point to continued cooling despite low layoffs and initial claims.

Tourism:

- The Reno MSA tourism sector cooled in June 2025 with lower visitation, hotel occupancy, and room rates compared to last year, though gaming revenue provided a bright spot with solid year-over-year gains likely supported by local play.

Housing:

- The Reno MSA housing market in July 2025 remained relatively stable with modest home price growth (+1.2%), longer selling times, and easing mortgage rates. Single family home inventory rose to its highest level in recent years, signaling more options for buyers even as the market remains tilted toward sellers.

Consumer:

- Consumer conditions in July 2025 showed steady but cautious spending patterns with modest taxable sales growth in Washoe County, consumer confidence rebounding slightly though still below last year, and inflation holding at 2.7% as shelter costs remain the primary driver amid ongoing tariff-related pressures.

Economic Signals	
Upside Cushions	Downside Risks
<ul style="list-style-type: none">• Inflation Under 3%• Stable Home Prices• Steady Wage Growth• Stable Labor Market	<ul style="list-style-type: none">• Low Housing Supply• Negative U.S. GDP Growth• Tariffs• Uncertain Monetary Policy

This Month's Indicators:

Labor Market

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

- June seasonally adjusted employment data shows that the Reno MSA labor market continues to show a relatively stable labor market. Over-the-year employment increased by 1.1%, which is positive but the slowest growth rate we've seen this year (1.1%–1.7%). This increase was driven primarily by gains in the education, health service, and manufacturing sectors this month.
- The unemployment rate in the Reno MSA increased over-the-month in June 2025 to 4.6%, up from 4.3% in May but down from 5.1% in June 2024 (not seasonally adjusted).

- The Reno MSA continues to maintain an unemployment rate consistent with a healthy labor market.
- Nevada’s unemployment rate improved slightly this month to 5.4% (seasonally adjusted), but still sits at the top of the nation with the highest unemployment rate in June, excluding Washington, D.C.
- Behind Nevada and California were Michigan and Oregon with unemployment rates of 5.3 percent and 4.9 percent, respectively.
- In June 2025, Nevada reported 11,629 initial claims for unemployment insurance, a 2.3% increase from May but a 0.3% decrease compared to June 2024. Despite the over-the-month uptick, initial claims remain low by historical standards and are still below the 12-month average of 11,702.
 - The Department of Employment, Training and Rehabilitation (DETR) reported that SA Automotive will be closing its facility in Reno, affecting over 154 employees on 10/7/2025.
 - Additionally, Ayr Wellness will be closing two locations in Sparks, resulting in 82 layoffs on 9/29/2025.
- 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 June, Nevada’s job openings fell 2.3 percent from the previous month but were 9.8 percent higher than a year earlier. Despite a steady decline in openings throughout most of 2025, June marked the second consecutive month of unexpected gains. Hiring, however, was unchanged.
 - Quits declined 2.7 percent compared to last year, continuing a downward trend in 2025 that points to reduced worker confidence in finding new or better jobs. This is typically a sign of a cooling labor market.
 - Overall, the June JOLTS report showed a familiar pattern. Hiring remains subdued, but layoffs are also low, which gives the Federal Reserve room to keep policy steady while it evaluates how tariffs may affect inflation and growth.

Indicator	Source	Most Recent Release Date	Current Data Month	Latest Memo with Analysis	Next Release Date
Employment - Reno MSA	BLS-CES	7/30/2025	Jun. 2025	This Memo	8/27/2025
Unemployment Rate- Reno MSA	BLS-LAUS	7/30/2025	Jun. 2025	This Memo	8/27/2025
Initial Claims - Nevada	DOL	7/31/2025	Jun. 2025	This Memo	8/31/2025
Job Openings - Nevada	BLS-JOLTS	8/13/2025	Jun. 2025	This Memo	9/17/2025

Tourism

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

- Reno MSA’s tourism market realized a cooling in June with several indicators down over-the-year.

- In June 2025, the region saw 13,767 less visitors than in June 2024, marking a 3.7% decline.
 - Key events and activities that typically attract visitors during the month of June include the Reno Rodeo, the BBQ, Brews & Blues Festival, Juneteenth celebrations, and the start of summer tourism.
- In June 2025, hotel occupancy rates fell to 69.2%, marking a 2.5% decrease compared to June 2024.
- The average daily room rate slipped slightly, down \$0.79 year over year, though it increased \$3.42 from May.
- Gaming win provided a bright spot, rising \$3.6 million (5.6%) from last June and \$4.4 million (6.9%) from May. While an uptick from May to June is expected as summer tourism begins, the strength of the gain, given weaker visitation, suggests it was likely driven by local play.
- Overall, June 2025 reflected a slowdown in the Reno MSA’s tourism sector with most key indicators trending lower than a year ago.

Indicator	Source	Most Recent Release Date	Current Data Month	Latest Memo with Analysis	Next Release Date
Visitor Volume	RSCVA	7/28/2025	Jun. 2025	This Memo	8/28/2025
Hotel Occupancy Rate	RSCVA	7/28/2025	Jun. 2025	This Memo	8/28/2025
Avg. Daily Room Rate - Hotels	RSCVA	7/28/2025	Jun. 2025	This Memo	8/28/2025
Gaming Win - Reno	GCB	7/31/2025	Jun. 2025	This Memo	8/28/2025

Housing

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

- The Reno MSA housing market remains generally stable, though signs of softening are evident and buyers now have more options than they did a year ago.
- In July 2025, the average value of a single-family home reached \$572,175, a 1.2% increase over-the-year. Price growth has slowed compared to last year, giving buyers slightly more leverage amid lighter competition, while sellers still benefit from strong equity positions.
- In July, the median time for a single-family home in Reno to go under contract was 51 days, 6 days slower than last July and 7 days faster than the U.S. average. This suggests homes are taking longer to sell locally, offering buyers more time and requiring sellers to adopt more deliberate strategies.
- As of the first week in August, the average 30-year fixed mortgage rate is 6.58%, down slightly from last month and the same time last year.
- The average rent for all apartment types in the Reno MSA is \$1,770, reflecting a 3.9% or \$68 increase over-the-year. Rents have now risen for six consecutive months when compared to last year.
- Housing inventory continues to expand with 2.9 months of supply in July, up from 2.6 months in June and the highest level in recent years. Despite the increase, supply remains

relatively constrained, and the area is still in a sellers' market.

Indicator	Source	Most Recent Release Date	Current Data Month	Latest Memo with Analysis	Next Release Date
Avg. Single Family Home Prices	Zillow	8/16/2025	Jul. 2025	This Memo	9/16/2025
Median Days on Market	Realtor.com	8/8/2025	Jul. 2025	This Memo	9/8/2025
Avg. Apartment Rent Prices	Zillow	8/16/2025	Jul. 2025	This Memo	9/16/2025
30-Day Fixed Mortgage Rates	Freddie Mac	8/9/2025	Jul. 2025	This Memo	9/6/2025

Consumer

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

- Washoe County reported \$1.1 billion in total taxable sales for May, up 1.5% over-the-year and up 3.6% from April.
- 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 July 2025, the CCI was 97.2, marking a 4.6-point decline over-the-year but a 2.1-point increase from June.
 - Pessimism about the future eased somewhat in July, contributing to a modest uptick in overall confidence.
 - Consumer confidence has stabilized since May, rebounding from April's sharp drop, but it remains well below the elevated levels seen last July.
- Headline inflation held steady at 2.7% in July, unchanged from June.
 - Shelter prices rose just 0.2% for the month and continue to be the largest driver of the overall CPI. Food prices were unchanged, while energy costs fell 1.1%, according to the Bureau of Labor Statistics.
 - Inflation is trending upward, though July's increase was less pronounced than many had feared.
 - Looking ahead, price pressures are likely to persist as tariffs continue to filter through the economy.

Indicator	Source	Most Recent Release Date	Current Data Month	Latest Memo with Analysis	Next Release Date
Taxable Sales	Taxation	8/10/2025	May 2025	This Memo	9/10/2025
Average Weekly Wages	BLS-QCEW	6/4/2025	2024:Q4	June Memo	9/9/2025
Consumer Confidence Index	Conference Board	7/29/2025	Jul. 2025	This Memo	9/26/2025

Headline Inflation	BLS-CPI	8/12/2025	Jul. 2025	This Memo	9/11/2025
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Special Topic: The Six Months of Consolidated Tax: Part One – Cigarette Tax

- In the next six months our special topic will cover one of the six revenue sources that contribute to the consolidated tax. The City’s largest general fund revenue source.
- Consolidated Tax, or C-Tax for short, consolidates six distinct taxes into a single revenue pool. These funds are then distributed monthly to local governments and districts using a two-step allocation formula.
- More information about C-Tax can be found at Reno.Gov/Ctax
- The first revenue source we will discuss is the cigarette tax.

What is the Cigarette Tax?

- Nevada uses a tax stamp system, requiring a stamp on every pack of cigarettes to indicate that the state tax has been paid.
- The tax is paid by wholesalers on each pack of cigarettes. It does not apply to alternative nicotine products, vapor products, cigars, chewing tobacco, or other non-cigarette products, which are taxed separately under the Other Tobacco Products (OTP) Tax. All OTP revenue is deposited into the State General Fund.
- A list of wholesalers who pay the tax can be found here: [August 2025 Cigarette Wholesalers](#).

What is the Tax Rate?

- The current rate is \$1.80 per pack of 20 cigarettes, reflected in the value of the tax stamp.

Where Does the Revenue Collected From this Tax Go?

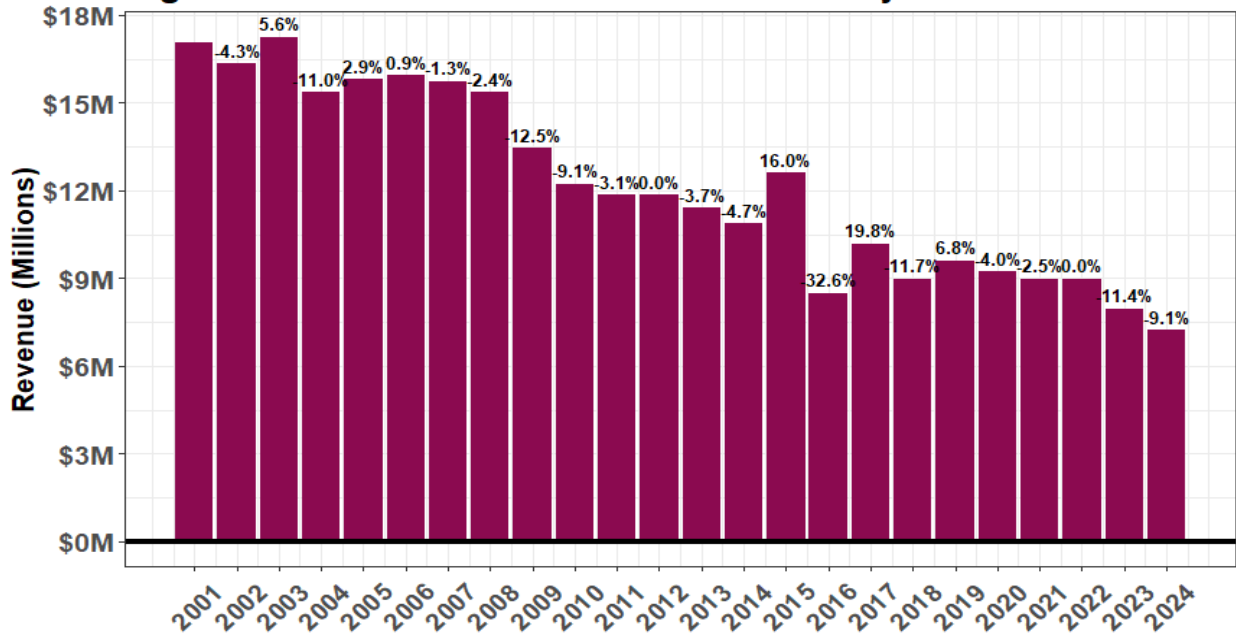
- Of every \$1.80 collected, \$1.70 (94 percent) is deposited into the State General Fund. The remaining 10 cents (6 percent) goes into the C-Tax system managed by the Nevada Department of Taxation.

History and Trends:

- Nevada first introduced the cigarette tax in 1947 at a rate of two cents per pack.
- Over time, the Legislature has raised the rate repeatedly to discourage smoking. While effective in reducing smoking rates, these increases have also caused cigarette tax revenues to steadily decline.
- In 2003, the Legislature raised the tax by 45 cents per pack, increasing the rate from 35 cents to 80 cents per pack of 20, effective July 22, 2003.
- Effective July 1, 2015, the excise tax on cigarettes increased again from 80 cents per pack of 20 to \$1.80 per pack of 20 where it currently stands today.
- This once-reliable revenue source has shrunk significantly: cigarette tax collections attributable towards C-Tax fell from \$17.1 million in FY2001 to \$7.2 million in FY2024.

- Declines in cigarette stamp sales reflects the long-term trend. In FY2001, 180.8 million cigarette pack stamps were sold to wholesalers statewide; by FY2024, that figure had fallen to just 72.7 million.
- Moving forward, as cigarette consumption continues to decline, identifying an alternative funding source will be important to sustaining revenues for the C-Tax system and local governments.

Cigarette Tax Revenue Attributable to C-Tax by Fiscal Year



Nevada Cigarette Pack Stamps Sold by Fiscal Year

