CITY OF RENO

Memorandum

DATE: July 9, 2026

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 2026

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 2026, 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:

Overall, the Reno metropolitan statistical area (MSA) economy remains resilient, with a healthy labor market, growing tourism and discretionary spending, stable housing prices, and strengthening consumer fundamentals, all of which are offsetting the effects of elevated inflation. Listed below is a summary of key highlights across the major segments we monitor relative to the Reno MSA:

Labor Market:

- The Reno MSA labor market remained steady in May, supported by positive employment growth, a healthy unemployment rate, and low unemployment insurance claims, even as Nevada experienced notable layoffs recently from Intuit in Reno and Spirit Airlines in Las Vegas.

Tourism:

- Strong tourism momentum continued in May, as higher visitor volumes, hotel occupancy, room rates, and gaming revenue supported private businesses and government revenue collections.

Housing:

- Reno MSA housing conditions in May remained resilient and stable. The underlying story in the Reno market is less about runaway appreciation and more about limited inventory, steady demand, and the continued pressure of mortgage rates and affordability.

Consumer:

- Consumer activity remained resilient in May as taxable sales increased, although consumer confidence declined modestly and inflation accelerated to its highest level since April 2023 amid rising geopolitical tensions.

Economic Signals:

Upside Cushions	**Downside Risks**
• Housing Price Stability • Growth in Consumer Spending • Stable Labor Market • Increasing Wages	• Iran War/Oil Prices • National Policy Uncertainty • Low Housing Supply • Increasing Inflation

This Month’s Indicators:

Labor Market

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

- May data once again continued to show steady progress in the Reno MSA labor market.
- Employment in the Reno MSA grew 1.5 percent over-the-year, adding 4,300 jobs. This lands in the middle of the growth range observed so far this year (0.6 percent to 2.2 percent, seasonally adjusted) and reflects continued positive labor market expansion.

    - The largest over-the-year job gains occurred in trade, transportation, and utilities sectors this month.
- The Reno MSA unemployment rate increased from 3.9 percent in April to 4.1 percent in May 2026 (not seasonally adjusted) and was 0.2 percentage points lower than March 2025, reflecting continued labor market stability and improvement over the past year.
    - The Reno MSA continues to post an unemployment rate consistent with a healthy labor market.
    - Nevada's statewide unemployment rate was 5.2 percent in May, down 0.1 percentage point from 5.3 percent in April (seasonally adjusted).
- In May 2026, Nevada reported 10,771 initial claims for unemployment insurance, a 1.7 percent decrease from April and a 5.3 percent decrease compared to May 2025.
    - Initial claims for unemployment insurance remain low, below the 12-month average (11,765), and are also very low by historical standards.
    - The Department of Employment, Training and Rehabilitation (DETR) reported one new Worker Adjustment and Retraining Notification (WARN) notices impacting Reno.
        - Intuit will be laying off 162 employees on July 31, 2026.
        - A notable WARN notice in Las Vegas came from Spirit Airlines, which ceased operations at the airport and laid off nearly 1,000 employees effective May 2, 2026.

Broader Implication to the City:

- Positive job growth signals expanding industries, increased business activity, a growing labor market, and stronger consumer spending, which boosts City revenues through higher sales taxes and business-related fees. A low unemployment rate and fewer initial claims indicate a healthy labor market, supporting household spending and sustaining local revenue growth.

Indicator	Source	Most Recent Release Date	Current Data Month	Latest Memo with Analysis	Next Release Date
Employment - Reno MSA	BLS-CES	6/23/2026	May 2026	This Memo	7/21/2026
Unemployment Rate - Reno MSA	BLS-LAUS	6/23/2026	May 2026	This Memo	7/21/2026
Initial Claims - Nevada	DOL	6/1/2026	May 2026	This Memo	7/1/2026
Job Openings - Nevada	BLS-JOLTS	2/19/2026	Dec. 2025	March Memo	7/22/2026

Tourism

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

- The Reno MSA experienced a second consecutive month of strong tourism activity in May, with all key indicators improving over the year.
- In May 2026, the Reno MSA welcomed 375,337 visitors, an increase of 55,861 visitors from May 2025, or a 17.5 percent increase.

    - Key events and activities that typically attract visitors during the month of May include the Reno-Tahoe Odessey race, Memorial Day celebrations, REVEL Reno Tahoe Marathon, UB40 concert, and college graduation ceremonies.
- In May 2026, hotel occupancy rates increased to 72.2 percent, marking a 9.7 percent increase when compared to the same month last year.
- The average daily room rates for hotels in May were $156.13 per night, up $9.19 over-the-year and down by $18.68 from April due to seasonality.
- Reno's gaming win in May increased by $7.0 million (11.1 percent) compared to last year and down by $1.9 million (2.6 percent) from a strong April.

Broader Implication to the City:

- Tourism drives local spending that directly supports City revenues through room, sales, and property-related taxes, business license fees, and a variety of other fees the City collects. Strong visitor activity benefits hotels, restaurants, and entertainment venues, generating ripple effects across the local economy which helps sustain vital public services.

Indicator	Source	Most Recent Release Date	Current Data Month	Latest Memo with Analysis	Next Release Date
Visitor Volume	RSCVA	6/26/2026	May 2026	This Memo	7/28/2026
Hotel Occupancy Rate	RSCVA	6/26/2026	May 2026	This Memo	7/28/2026
Avg. Daily Room Rate - Hotels	RSCVA	6/26/2026	May 2026	This Memo	7/28/2026
Gaming Win - Reno	GCB	6/26/2026	May 2026	This Memo	7/28/2026

Housing

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

- Overall, this month's Reno MSA housing data reflects a market that remains resilient but supply-constrained.
- In May 2026, the average value of a single-family home was $579,825 in the Reno MSA, up 0.1 percent over-the-year and virtually unchanged over-the-month.
- In May, the median time for a single-family home in Reno to go under contract was 44 days, 1 day shorter than last May and 8 days faster than the national average.
    - This marks the third consecutive month in a year that homes are selling faster compared to last year.
    - Inventory remained low for both single-family homes and condo/townhome units at just 1.8 months of supply, down nearly 33 percent from last May. Sellers in the Reno housing market continue to maintain the upper hand over buyers.
- As of May 2026, the average 30-year fixed mortgage rate was 6.53 percent, higher than the previous month but down from 6.89 percent this time last year.
- The average rent for all apartment types in the Reno MSA is $1,796, reflecting a 6.2 percent or $104 increase over-the-year. Rents have now increased for 15 consecutive months.

Broader Implication to the City:

- The health of the housing market impacts construction activity and key revenue sources, including building permits, sales and use tax, and the real property transfer tax (both of which are included in consolidated taxes). Stable home values help maintain the property tax base to fund essential City services. Rising rents and limited supply can highlight ongoing affordability challenges that affect residents' discretionary spending and workforce housing needs.

Indicator	Source	Most Recent Release Date	Current Data Month	Latest Memo with Analysis	Next Release Date
Avg. Single Family Home Prices	Zillow	6/16/2026	May 2026	This Memo	7/16/2026
Median Days on Market	Realtor.com	6/8/2026	May 2026	This Memo	7/8/2026
Avg. Apartment Rent Prices	Zillow	6/16/2026	May 2026	This Memo	7/16/2026
30-Day Fixed Mortgage Rates	Freddie Mac	6/6/2026	May 2026	This Memo	7/10/2026

Consumer

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

- The Nevada Department of Taxation continues to implement their new tax system, "Modernize Your Nevada Tax" (MYNT).
    - The system shift continues to complicate historical comparisons.
    - Washoe County reported $1.1 billion in total taxable sales for April, up 7.6 percent over-the-year.
- 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 estimates.
    - Using the most recent QCEW data, the third quarter of 2025 (2025:Q4) shows that average weekly wages across all industries in the Reno MSA continued to rise and finished the year on a strong note.
    - As of 2025:Q4, average weekly wages in the Reno MSA reached $1,503, up $189 or 5.4 percent over the same time last year, outpacing both the national growth rate of 4.2 percent and state growth rate of 3.2 percent.
    - Strong wage growth has continued to exceed inflation in the Reno MSA throughout 2025, improving workers' real purchasing power.
    - Average weekly wages rose by $75 in 2025 compared with 2024, the strongest annual increase since the post-pandemic wage surge in 2021.
- 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. The index is based on a five-question survey with two questions related to present conditions and three questions related to future expectations.

  - In May 2026, the CCI was 93.1, representing a 5.3-point decrease over-the-year and a 0.7-point decrease from an upwardly revised April.
  - Consumer confidence in May saw its first drop after three months of gains in part due to rising prices and inflation, both driven up by the U.S.-Israeli conflict in Iran.
  - The CCI is based on five core survey components: two questions measuring current business and employment conditions (the "Present Situation"), and three questions assessing expectations for business conditions, employment, and household income over the next six months (the "Expectations").
  - The "Present Situation" continued to drop in May, as consumers' views of current business conditions eroded.
  - However, the "Expectations" increased this month due to consumers being moderately more optimistic about future business conditions.
  - This month's CCI report show that consumers' view of current business conditions and the current labor market were moderately less positive compared to last month. This was somewhat offset by modest improvements in consumers' expectations for business conditions and the labor market six months from now.

- U.S. headline, seasonally adjusted inflation was 4.2 percent over-the-year in May 2026, up from 3.8 percent in April, a 0.4 percentage point increase from the prior month.
  - The U.S. annual inflation rate is at the highest level since April 2023.
  - The impacts of the Iran war continue to affect the cost of basic necessities and a broad array of goods and services.
  - People are typically spending more on gas, along with healthcare and utilities.

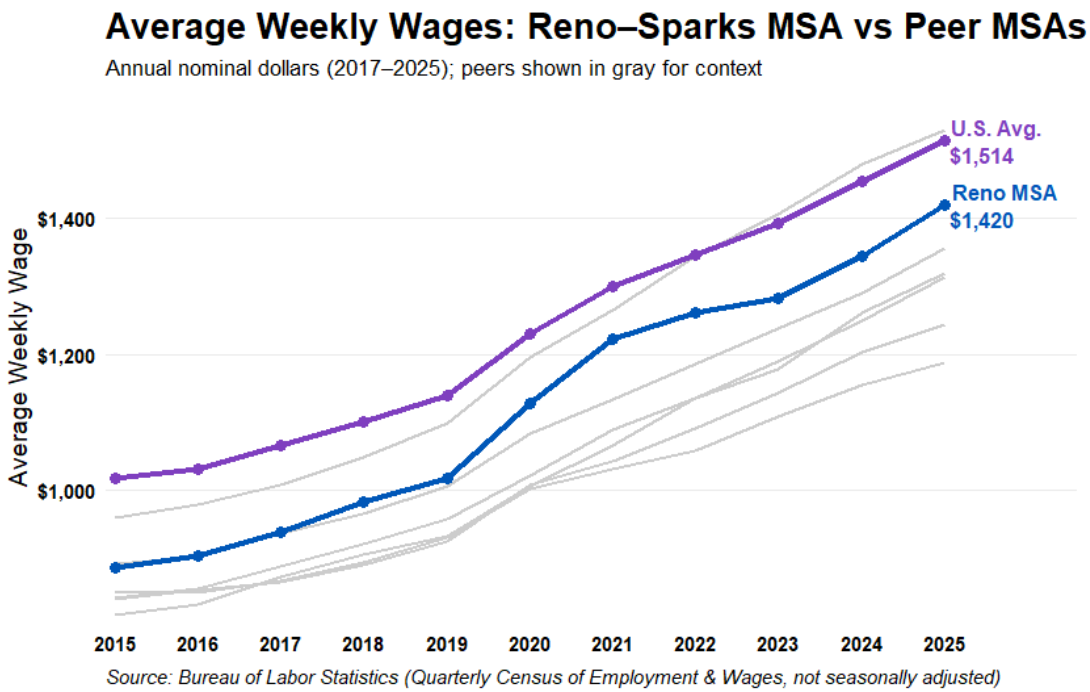
Broader Implication to the City:

- Higher wages strengthen Reno's economy by boosting consumer spending and increasing sales tax revenues. Inflation is the rate at which prices for goods and services rise. However, inflation erodes consumer purchasing power and increases production costs for businesses. Unstable prices also greatly increase the uncertainty in forecasting City revenues and optimizing expenditures. Together, wage growth, inflation, and consumer spending shape overall consumer confidence, which directly influences the future revenue outlook.

Indicator	Source	Most Recent Release Date	Current Data Month	This Memo	Next Release Date
Taxable Sales	Taxation	6/1/2026	Apr. 2026	This Memo	7/1/2026
Average Weekly Wages	BLS-QCEW	6/2/2026	2025:Q4	This Memo	8/28/2026
Consumer Confidence Index	Conference Board	6/10/2026	May 2026	This Memo	6/30/2026
Headline Inflation	BLS-CPI	6/10/2026	May 2026	This Memo	7/14/2026

Special Topic: How Do Wages in Reno Compare to Peer Western Metros, and Why Are They Important for Taxable Sales?

- This month, we continue our deep dive into taxable sales, one of the largest revenue sources for local governments in Nevada.
- With the release of fourth quarter and full-year 2025 data from the U.S. Bureau of Labor Statistics' (BLS) Quarterly Census of Employment and Wages (QCEW) program, we examine how average weekly wages in Reno compare with similarly sized Western metropolitan areas with populations between 500,000 and 1.5 million and discuss why wage growth is important to the region's economy and local tax base.
- According to the BLS QCEW program, average weekly wages across all industries in the Reno MSA reached approximately $1,420 in 2025. While this is modestly below the national average, Reno remains highly competitive among similarly sized Western metropolitan areas.
- Reno ranks in the middle to upper tier of its selected peer group, indicating that the region is not a low-wage market by Western standards.
- Among comparable metros, Salt Lake City stands out as the primary outlier, with average weekly wages of approximately $1,531. This reflects its larger concentration of high-paying professional, technical, financial, and specialized industries.
- Likewise, the national average exceeds Reno's in part because it is influenced by large, high-cost metropolitan areas with greater concentrations of advanced manufacturing, technology, finance, and professional services, all of which tend to support higher wage levels.
- The other selected peer metros, including Boise, Spokane, Albuquerque, and Bakersfield, reported lower average weekly wages than Reno, while Colorado Springs reported wages that are generally comparable.
- Reno also led its selected peer group in wage growth during 2025. Average weekly wages increased approximately six percent over the year, compared to five percent in Boise, Colorado Springs, and Spokane, four percent nationally and in Salt Lake City, and approximately three percent in Albuquerque and Bakersfield.
- Competitive wages are an important indicator of a region's economic strength because they help attract and retain skilled workers, support household purchasing power, and make the region more attractive for business investment.
- Because taxable sales are largely driven by consumer spending, sustained wage growth provides an important foundation for long-term sales tax revenue growth. As household incomes increase, consumers generally have greater discretionary income available for retail purchases, dining, entertainment, vehicles, and other taxable transactions.
- Overall, Reno's wage levels and recent wage growth compare favorably with similar sized Western metropolitan areas. Although wage levels differ across regions based on industry composition, Reno's recent wage growth provides a positive foundation for household spending and future taxable sales.



Metro (MSA)	[1]Population	Avg. Weekly Wage ($) 2025	Over-the-Year Growth	Relative to Reno
Bakersfield, CA	927,068	$1,187	3%	Lower
Albuquerque, NM	925,279	$1,244	3%	Lower
Spokane, WA	608,012	$1,313	5%	Lower
Boise, ID	864,243	$1,319	5%	Lower
Colorado Springs, CO	781,796	$1,356	5%	Similar
Reno–Sparks, NV	**578,734**	**$1,420**	**6%**	**NA**
U.S. Average	NA	$1,514	4%	Higher
Salt Lake City, UT	1,308,377	$1,531	4%	Higher

[1] U.S. Census Bureau: Metropolitan and Micropolitan Statistical Area Population Totals and Components of Change: 2020-2025