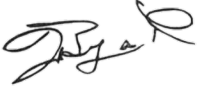




C I T Y O F  
**RENO**

## Memorandum

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**DATE:** May 12, 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: April 2026

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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 April 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 stable with strengthening labor market conditions, modest tourism growth, tight housing supply, and mixed consumer signals amid rising 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 strengthened in February, the latest month with associated data, with positive job growth and declining unemployment, signaling continued expansion, while low layoffs statewide point to ongoing stability.

**Tourism:**

- Reno MSA tourism activity in February was stable with increases in visitation, occupancy, and gaming revenue over-the-year indicating modest growth.

**Housing:**

- Reno MSA housing conditions in March were stable with relatively flat home prices, limited supply, and rising rents indicating market tightness.

**Consumer:**

- Consumer confidence edged up slightly in March but remained below last year’s level. Inflation increased notably, driven largely by higher gasoline prices. Taxable sales in Washoe County were up over the same time last year.

**Economic Signals:**

<b>Upside Cushions</b>	<b>Downside Risks</b>
<ul style="list-style-type: none"><li>• Housing Price Stability</li><li>• Stable Inflation</li><li>• Stable Labor Market</li><li>• Increasing Wages</li></ul>	<ul style="list-style-type: none"><li>• Iran War/Oil Prices</li><li>• National Policy Uncertainty</li><li>• Low Housing Supply</li><li>• Low Consumer Confidence</li></ul>

**This Month’s Indicators:**

**Labor Market**

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

- February data points to a strengthening labor market in the Reno MSA.
- Employment in the Reno MSA grew 2.2 percent over-the-year, adding 6,300 jobs, which is positive and extends the high end of growth range observed this year (1.3 percent to 2.2 percent seasonally adjusted).
  - The largest over-the-year job gains occurred in leisure and hospitality, and trade, transportation, and utilities.
- The Reno MSA unemployment rate edged down from 4.7 percent from January to 4.6 percent in February 2026 (not seasonally adjusted) and was 0.3 percentage points lower than February 2025.

- The Reno MSA continues to post an unemployment rate consistent with a healthy labor market.
- Nevada’s statewide unemployment rate was unchanged in February at 5.3 percent (seasonally adjusted), with the third-highest rate nationally (excluding Washington, D.C.).
- California (5.4 percent) and Delaware (5.4 percent) recorded the highest unemployment rates this month.
- South Dakota (2.1 percent) and Hawaii (2.1 percent) had the lowest unemployment rates this month.
- Nevada’s elevated statewide rate continues to be driven largely by the Las Vegas MSA, which reported a 5.8 percent unemployment rate this month.
- In March 2026, Nevada reported 10,779 initial claims for unemployment insurance, a 0.3 percent increase from February and a 1.4 percent increase compared to March 2025.
  - Initial claims for unemployment insurance remain low, below the 12-month average (11,875), and are also low by historical standards.
  - The Department of Employment, Training and Rehabilitation (DETR) reported no new Worker Adjustment and Retraining Notification (WARN) notices in Reno.

**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	<u>BLS-CES</u>	4/22/2026	Feb. 2026	This Memo	5/19/2026
Unemployment Rate - Reno MSA	<u>BLS-LAUS</u>	4/22/2026	Feb. 2026	This Memo	5/19/2026
Initial Claims - Nevada	<u>DOL</u>	4/1/2026	Mar. 2026	This Memo	5/1/2026
Job Openings - Nevada	<u>BLS-JOLTS</u>	2/19/2026	Dec. 2025	<u>March Memo</u>	7/22/2026

**Tourism**

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

- February tourism activity in the Reno MSA remained encouraging with several key indicators showing over-the-year gains following a positive January.
- In February 2026, the Reno MSA welcomed 292,6243 visitors, an increase of 26,700 visitors from February 2025, or a 10.1 percent increase.
  - Key events and activities that typically attract visitors during the month of February include ski season, concerts, Presidents Day celebrations, and Wolf Pack basketball games.

- In February 2026, hotel occupancy rates increased to 60.9 percent, marking a 3.1 percent increase when compared to February 2026.
- The average daily room rates for hotels in February were \$137.90 per night, down \$0.70 over-the-year and up by \$0.71 from January.
- Reno’s gaming win in February increased by \$4.3 million (7.7 percent) compared to last year and down by \$8.4 million (12.2 percent) from January.

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	<u>RSCVA</u>	3/27/2026	Feb. 2026	This Memo	4/28/2026
Hotel Occupancy Rate	<u>RSCVA</u>	3/27/2026	Feb. 2026	This Memo	4/28/2026
Avg. Daily Room Rate - Hotels	<u>RSCVA</u>	3/27/2026	Feb. 2026	This Memo	4/28/2026
Gaming Win - Reno	<u>GCB</u>	3/27/2026	Feb. 2026	This Memo	4/28/2026

**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 shows stabilizing prices alongside limited supply. For buyers, competition remains strong, particularly for single-family homes priced near the average, due to constrained inventory.
- In March 2026, the average value of a single-family home was \$574,128 in the Reno MSA, down 0.4 percent over-the-year and up 0.1 percent over-the-month.
- In March, the median time for a single-family home in Reno to go under contract was 46 days, 4 days shorter than last March and 11 days faster than the national average.
  - This marks the first month in a year that homes are selling faster compared to last year.
  - Inventory remained tight on single family residents and condo/townhomes at just 1.8 months of supply, affirming that we are still in a seller’s market despite slower selling times.
- As of March 2026, the average 30-year fixed mortgage rate was 6.38 percent, slightly higher than the previous month and down from 6.65 percent this time last year.
- The average rent for all apartment types in the Reno MSA is \$1,772, reflecting an 8.1 percent or \$133 increase over-the-year. Rents have now increased for 13 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	<a href="#">Zillow</a>	4/16/2026	Feb. 2026	This Memo	5/16/2026
Median Days on Market	<a href="#">Realtor.com</a>	4/8/2026	Feb. 2026	This Memo	5/8/2026
Avg. Apartment Rent Prices	<a href="#">Zillow</a>	4/16/2026	Feb. 2026	This Memo	5/16/2026
30-Day Fixed Mortgage Rates	<a href="#">Freddie Mac</a>	4/6/2026	Feb. 2026	This Memo	5/6/2026

## 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 \$945.9 million in total taxable sales for February, up 9.0 percent over-the-year and down 4.1 percent from January.
- 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 March 2026, the CCI was 91.8, representing a 2.2-point decrease over-the-year and a 0.9-point increase from an upwardly revised February.
  - 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.
  - Three of five components increased in March, contributing to the overall increase in the index from February.
  - Overall, confidence improved modestly for the second month. The main takeaway is that overall consumer sentiment doesn’t show major concern about the Iran war.
- U.S. headline, seasonally adjusted inflation was 3.3 percent over-the-year in March 2026, up from 2.4 percent in February, a 0.9 percentage point increase from the prior month.
  - The Iran conflict was the story for the monthly inflation reading as gasoline soared 21.2 percent, accounting for nearly three-quarters of the headline price increase.

- The U.S. annual inflation rate is at its highest level since May 2024.

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.

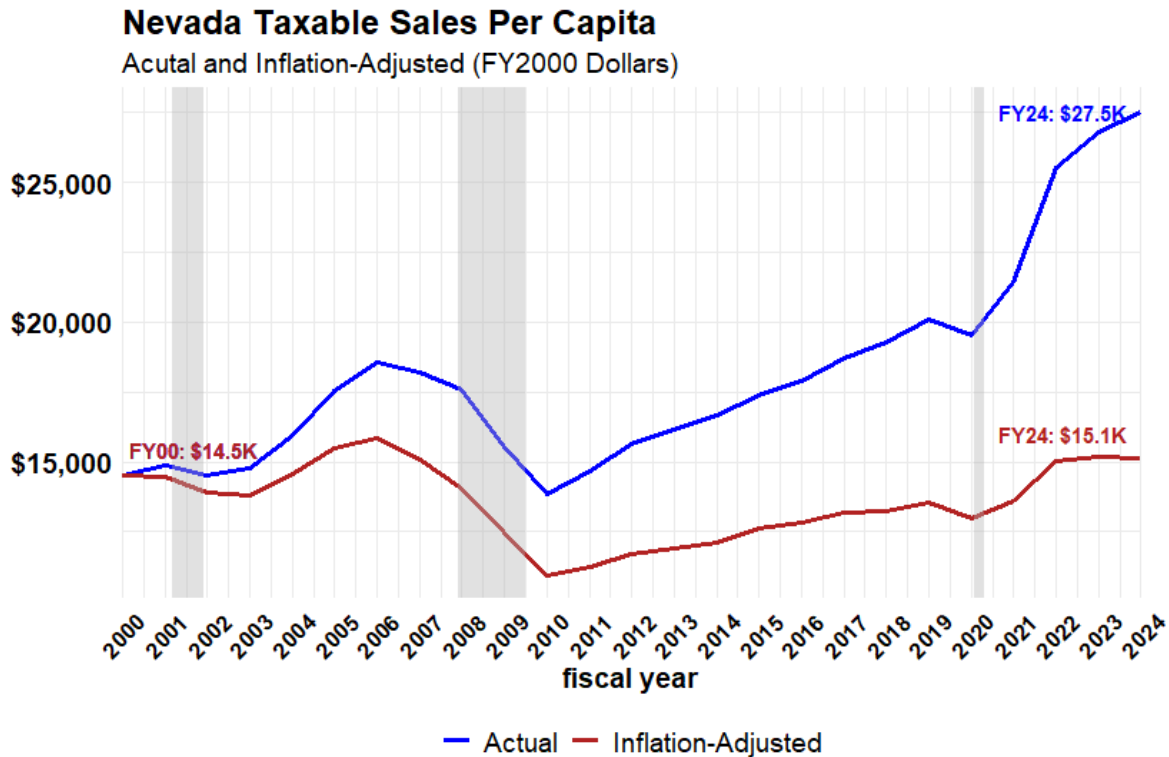
Indicator	Source	Most Recent Release Date	Current Data Month	This Memo	Next Release Date
Taxable Sales	<a href="#">Taxation</a>	4/1/2026	Feb. 2026	This Memo	5/1/2026
Average Weekly Wages	<a href="#">BLS-QCEW</a>	3/10/2026	2025:Q3	<a href="#">Mar. Memo</a>	6/2/2026
Consumer Confidence Index	<a href="#">Conference Board</a>	3/30/2026	Mar. 2026	This Memo	4/30/2026
Headline Inflation	<a href="#">BLS-CPI</a>	4/10/2026	Mar. 2026	This Memo	5/12/2026

**Special Topic: Nevada Taxable Sales: Per Capita and Inflation Adjusted**

This month, we continue our deep dive into understanding taxable sales, as sales tax remains one of the largest sources of revenue for local governments. Using data from the Nevada Department of Taxation, this month’s special topic examines how taxable sales have performed relative to population growth and inflation.

- The analysis includes statewide taxable sales as well as Washoe County’s Basic City-County Relief Tax (BCCRT) and Supplemental City-County Relief Tax (SCCRT), which are the key sales tax components of the Consolidated Tax (C-Tax).
- Inflation data is sourced from the Bureau of Labor Statistics using the U.S. City Average, All Items unadjusted series. All figures are adjusted for inflation to better understand real performance of this revenue source.
- Due to the Department of Taxation’s transition to a new accounting system in FY2025, which limits over-the-year comparability, this analysis uses data from FY2000 through FY2024.
- Taxable sales typically perform well with inflation because they are based on a percentage of sales prices. As population grows, visitation increases, and prices rise, and taxable sales tend to increase.
- In the chart below, the blue line represents actual per capita taxable sales in Nevada, while the red line shows inflation adjusted values in FY2000 dollars. Both the actual and inflation-adjusted taxable sales per capita series begin at the same point, but by FY2024 a clear divergence appears.

- Over the past 25 years, nominal per capita spending in Nevada has nearly doubled. However, beginning around 2022, the inflation adjusted per capita trend has flattened. By FY2024, the inflation-adjusted per capita amount has increased by just \$600 compared to 2000—more than two decades earlier.
- When accounting for both population growth and inflation, real sales tax growth is essentially flat in the Silver State.



- A similar but slightly more pronounced pattern is seen in Washoe County’s BCCRT and SCCRT sales tax collections when adjusting values to FY2007 dollars.
- It is important to note that Washoe County’s BCCRT and SCCRT sales tax collections reflect the C-Tax revenue generated within the county, not the actual dollars received by each local government, and are used here as an indicator of economic activity in the region. This can be seen in the chart below.
- Overall, sales tax revenues appear strong on the surface, but after adjusting for inflation and population growth, the trend has recently flattened after the COVID-19 pandemic in FY2020. This aligns with broader economic conditions where real consumer spending growth has slowed.

### Washoe County BCCRT & SCCRT Tax Collections Per Capita Actual and Inflation-Adjusted (FY2007 Dollars)

