

# NORTHERN NEVADA

Q2

2021

## ECONOMIC OVERVIEW

CORONAVIRUS

UNEMPLOYMENT RATE



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**Washoe County Unemployment Rate continues to outpace the United States rate and is about half of the Las Vegas rate, Nevada Unemployment Trust Fund Balance plunges further in the red, and Reno was listed as the #3 Overall city where U.S. Manufacturing is thriving.**

## WASHOE COUNTY AREA UNEMPLOYMENT

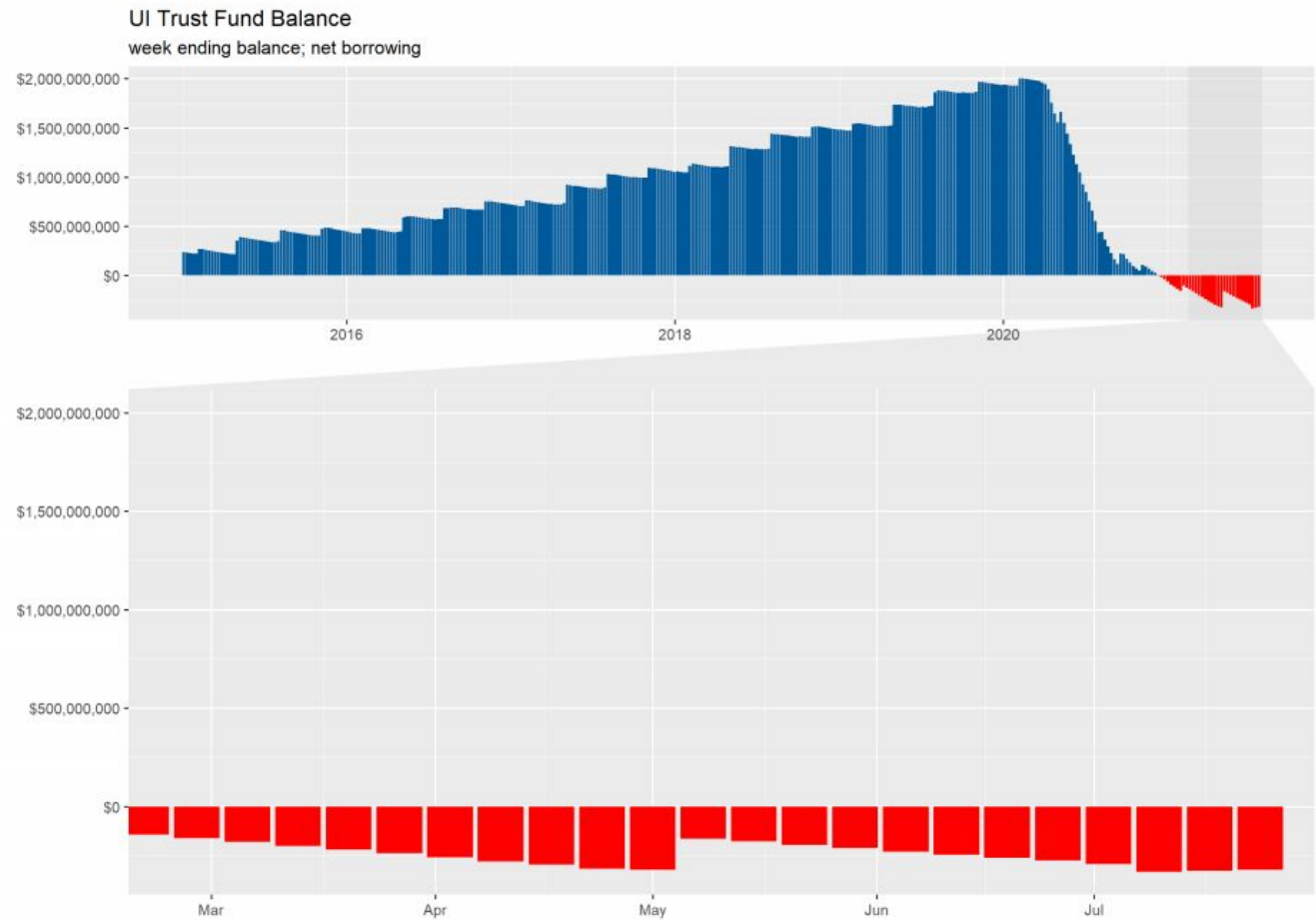
The U.S. Bureau of Labor Statistics Unemployment Rate for Washoe County was 4.9% for June 2021. The Washoe County unemployment rate continued to outpace the 6.1% United States nation rate, and 8.3% State of Nevada rate. The unemployment rate for Washoe County in June 2020 was 8.6% reflecting a year over year improvement of 43%.

The June 2021 edition of the Job Flash prepared by RCG Economics, reported; “The Reno-Sparks MSA “headline” (minimum) unemployment rate increased 0.3 points to 4.9% in June. This is still about half of the Las Vegas rate. Compared to June 2020, the region gained 17,300 private payroll jobs (8.7% of total) and the unemployment rate declined 3.7 points. Year over year average weekly inflation-adjusted wages were 5.2% lower compared to June 2020, but average weekly hours were up 3.2 hours. The Reno-Sparks MSA has already more or less recovered from the pandemic-driven recession. The last decade of concerted economic diversification efforts continue to help Northern Nevada mitigate the downturn.”

## NEVADA UNEMPLOYMENT TRUST FUND BALANCE

With the surge in Initial and Continued Claim filings since the middle of March 2020, The State of Nevada Unemployment Trust Fund Balance continues its unprecedented decline. The Unemployment Trust Fund Balance is now in the red with Net Borrowing of (\$320,419,758) for the week ended July 24, 2021 compared to approximately \$2 Billion of available funds in February 2020. There may be some reason for optimism since there was a positive change of \$7,438,439 from the previous week.

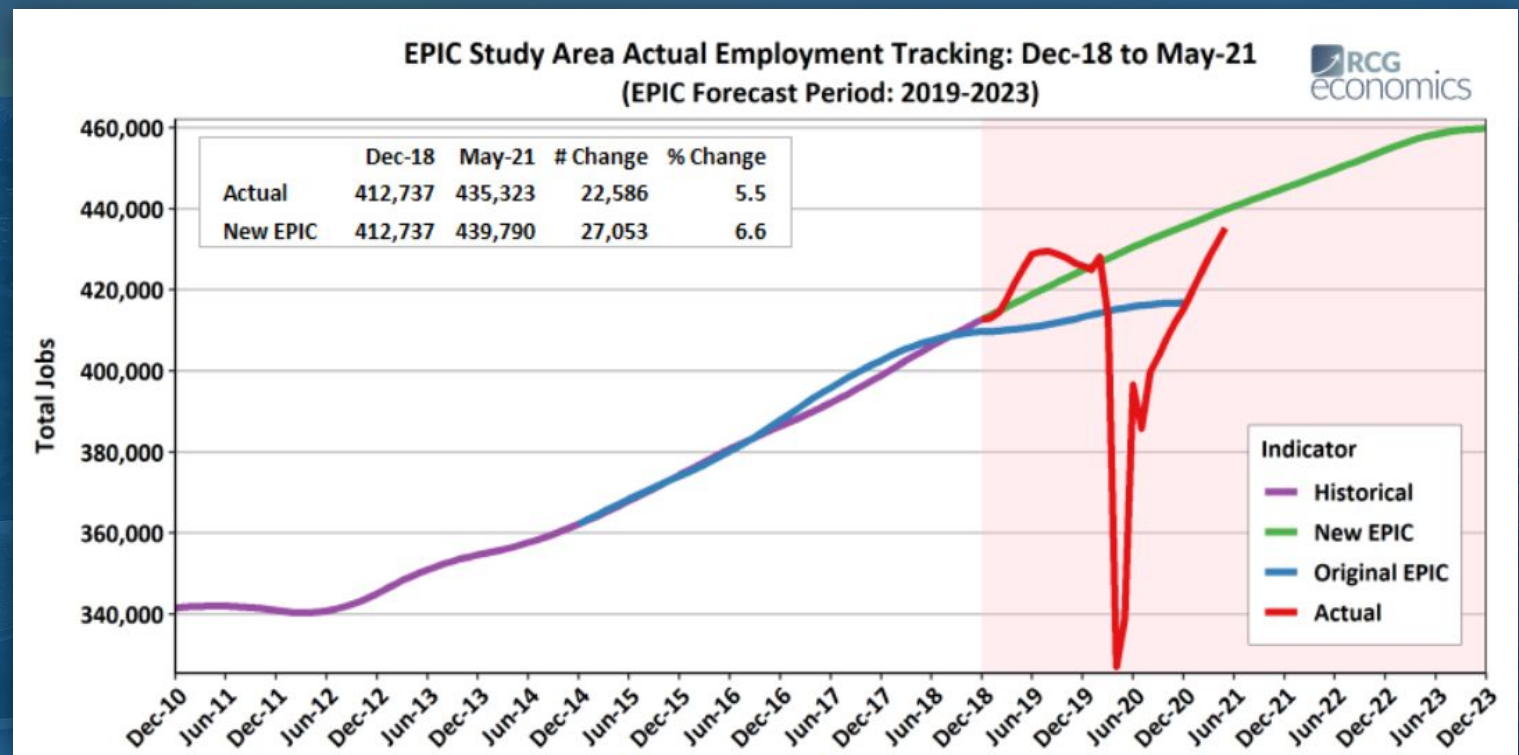
### Trust Fund Balance



Source: State of Nevada UI Trust Fund Balance Graph 07-24-21

## EPIC REPORT NUMBERS

The latest graph for the EPIC Study Area Actual Employment Tracking for December 2018 to May 2021 reports actual employment for the forecast period from Dec-18 to May-21 was 22,586 and the New EPIC projection at 27,053 reflecting 4,467 fewer jobs than the New EPIC projection. The graph reflects the significant loss of jobs during the pandemic, and the job growth rebound exceeding the original EPIC projection and inching closer to the New EPIC projection. In EDawn's CEO & Business Development Executive Updates dated August 6, 2021, they reported "The RCG Economics Report Shows our jobs have rebounded. Looks like the jobs in the region are not only back above the pre-pandemic level but almost back to the long range projection line in Green, adding 10,000 new jobs to the region each year."



Source: EPIC Report Graph for May 2021

## TOP CITIES

### WHERE U.S. MANUFACTURING IS THRIVING

Patrick Chen's June 28th 2021 article "Top Cities Where U.S. Manufacturing is Thriving" listed Reno, NV as the #2 midsize city, and #3 overall city that has experienced exceptional Manufacturing growth in the 2015 to 2019 study period. Patrick Chen writes; "AdvisorSmith conducted a study on 294 U.S. cities to determine the top cities where US. manufacturing is thriving. We based our rankings on four key economic factors: manufacturing output growth rate, manufacturing output per capita, manufacturing location quotient, and manufacturing employment growth rate."

"Reno is a city in the northwestern part of Nevada, located near the California border. The city is best known for casinos and tourism, serving both the gaming industry and nearby ski resorts of Lake Tahoe. Recently, the Reno economy has attracted major investments from technology companies based in California and Washington, such as Amazon and Google. Most importantly for the manufacturing industry is the location of the Tesla Gigafactory in Reno. This electric vehicle battery manufacturing plant has led to rapid growth in manufacturing output and manufacturing jobs in Reno. The manufacturing output of Reno was \$3.4 billion in 2019, which was \$7,054 on a per-capita basis. Manufacturing output grew by 15.3% annualized over the study period. The city also has 124% more manufacturing jobs than the national average."

### Top Cities Where... U.S. Manufacturing Is Thriving

Small			Midsize			Large		
< 150K			150K - 500K			500K+		
1	Columbus	IN	1	Elkhart	IN	1	San Jose	CA
2	Sheboygan	WI	2	Reno	NV	2	Grand Rapids	MI
3	Lima	OH	3	Spartanburg	SC	3	Wichita	KS
4	Decatur	IL	4	Lake Charles	LA	4	Palm Bay	FL
5	Kankakee	IL	5	Wausau	WI	5	Toledo	OH
6	Kokomo	IN	6	Decatur	AL	6	Durham	NC
7	Napa	CA	7	El Centro	CA	7	Ogden	UT
8	Morristown	TN	8	Hickory	NC	8	San Francisco	CA
9	Dalton	GA	9	Oshkosh	WI	9	Detroit	MI
10	Owensboro	KY	10	Beaumont	TX	10	Chattanooga	TN

Source: AdvisorSmith 2021

## CONSTRUCTION INDEX

Ekay Economic Consultants and the Center for Regional Studies created the Reno MSA Construction Index to provide a picture of the performance of the construction industry in the Reno MSA region.

EKAY states “The index shows a slight increase of .08% between May and June 2021. The index increased by 14.27% compared to the same month in the previous year (June 2020 and 2021). Construction employment declined slightly in June when adjusted for seasonality. Commercial permit values declined compared to the previous month when adjusted for inflation and seasonality, but were higher than the previous year. Commercial permits and residential permit values and units increased compared to the previous month and year.”

0.08% ↑					
	Commercial		Residential		
	Building	Commercial	Building	Residential	
	Permit	Building	Permit	Building	
	Valuation	Permits	Valuation	Permit Units	
% Change	Construction	Commercial	Commercial	Residential	
	Employment	Permit	Building	Building	
		Valuation	Permits	Permit Units	
Month to					
Month	-0.33% ↓	-21.0% ↓	28.4% ↑	0.4% ↑	0.1% ↑
14.27% ↑					
	Commercial		Residential		
	Building	Commercial	Building	Residential	
	Permit	Building	Permit	Building	
	Valuation	Permits	Valuation	Permit Units	
% Change	Construction	Commercial	Commercial	Residential	
	Employment	Permit	Building	Building	
		Valuation	Permits	Permit Units	
Year to					
Year	-3.7% ↓	-36.0% ↓	215.9% ↑	44.4% ↑	26.3% ↑

Source: Ekay Economic Consultants and the Center for Regional Studies June 2021

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