

The pandemic is not over yet, but it has permanently changed how we live and work in many ways. While there are several more months of social distancing and mask-wearing, the vaccines are on the way and we are expecting a transition to some form of “normal” by this summer. However, when the lockdowns are lifted and capacities for businesses increased, the way we do business will still be different than they were pre-pandemic. Welcome to the “new normal.” No one knows for sure what this “new normal” will look like, but many think tanks and policy institutes are making their projections. A few of these predictions, and their likely impacts on our region and our economy, are detailed below.

Telecommuting and remote work is here to stay: There is no doubt that the working world has had no choice but to implement remote working to survive in the pandemic. The results are often improved productivity, a happier workforce, and lower costs associated with office space. Industries that can continue remote work are expected to adopt a hybrid model that allows for a blend of in-office and remote work. This increase in remote working is good for our region because remote workers (talent workers) may choose to relocate to improve their quality of life, thus attracting more talent to the area. Companies considering relocation, but concerned about available talent, can now consider using their remote workers in other locations to fill their local talent needs. Additionally, people living here can stay here while working remotely for companies in other states, providing unlimited employment opportunities.

The pandemic accelerated the acceptance and adoption of automation and artificial intelligence. The move to automation was already in full swing prior to the start of the pandemic. According to McKinsey, by 2030 up to 50% of the jobs globally will be automated. Machines don’t get sick or need to “social distance,” so many employers have moved up their plans to invest in automation. Our success in attracting advanced manufacturing and technology companies has embedded many of these 4th Industrial Revolution (automation) jobs in our economy over the past decade. These higher-paying jobs helped raise our average family income by over 45% in the past seven years. As we continue to grow these industries, we provide new opportunities for employees that may lose their jobs to the business model changes driven by the pandemic or the accelerated adoption of automation.

A new wave of innovation and entrepreneurship is driven by the pandemic. The pandemic forced a shift from conventional ways of doing business to a digital-driven economy. The disruption caused by the pandemic and its far-reaching ripple effects, triggered an exponential surge in entrepreneurs’ opportunities to innovate. Zoom, telemedicine, and remote learning are now a way of life for many. This world of innovation and the ability to create jobs through entrepreneurship (organic growth) is something our community has embraced for many years. Our work-life balance here is especially important to the entrepreneurial community; both local entrepreneurs and start-ups weary of the Bay Area stress want to grow their companies in a more livable environment. With new technologies like electric cars, batteries, drones, and blockchain growing here, our region is well-positioned to innovate the jobs of the future. McKinsey reported new business formations are up over 20% and projects that 85% of the jobs in 2030 do not even exist now!

We are postured for extraordinary success. There are many other fundamental changes to how we live and do business during the pandemic that will become a part of the “new normal.” Fortunately for us, the pandemic has highlighted the many live-work-play advantages of our region to companies and employees alike. We experienced increased prospect activity during the past year and are seeing more remote workers (talent) moving here. As we embrace the “new normal,” we should also consider ways to capitalize on this opportunity. We need to address the growing demand for affordable housing, workforce development (reskilling), STEAM education at every level of our education system, and adequate education funding. Despite these challenges, the “new normal” for the Reno-Sparks economy is continued economic success for years to come.