

## Overview

**The purpose of this report is to provide an overview of economic indicators that may impact Henrico County's ability to provide its services.** This report compiles National, State, and Local data that measure current economic conditions from National Financial Markets to Local Car Registrations. Most data will provide complete information for at least the previous fiscal year (FY24) and compare it to the current year (FY25). Data for FY25 is updated monthly as it becomes available. Some data is collected more frequently.

## OMB Summary

The month of December yielded middling results at the macroeconomic level as the S&P 500 ended 150.75 points lower than last month. It also saw a decrease in the Consumer Confidence Index, with consumers citing concerns about the future. In a press release by the Federal Reserve for the Federal Open Market Committee December meeting, the Federal Reserve announced it would cut the federal funds rate by 0.25% from 4.5% to 4.25%. The Federal Reserve's stated long term goal was to work towards maximizing employment and returning the inflation rate to 2%, future adjustments to the federal funds rate would come if deemed necessary to meet this goal, and any changes in monetary policy would only come if risks emerged<sup>1</sup>. Within the County, unemployment rates dropped from 3.1% to 2.8%, which differs from the national and state level where there were increases in the unemployment rate. Year-to-date tax collections remain strong across all bases. Car registrations declined from the month prior. As 30-year fixed mortgage rates decreased, the average number of days on the housing market increased; residential transactions slightly lag FY24 year-to-date with higher days on the market and increased median sales price.

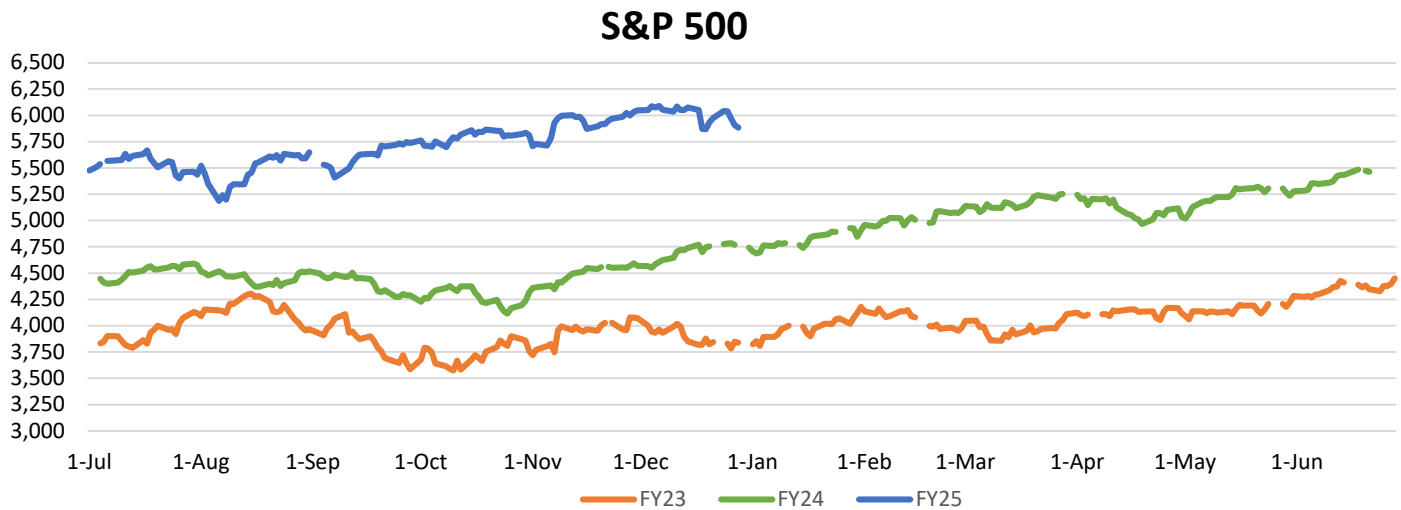
## Metrics Considered

- **National:** S&P 500, Consumer Confidence Index, Real GDP, Wages, Consumer Price Index, Average Hourly Wage Changes against Changes in the Consumer Price Index, 30-Year Fixed Mortgage Rate
- **Virginia:** Unemployment Rate
- **Henrico:** Local Sales & Use Tax, Meals Tax, Real Property Tax, Personal Property Tax, Vehicle Registrations, Occupancy Tax, New Residential Construction, Average Days on the Housing Market & Median Sales Price, Residential Transactions & Foreclosures
- **Area:** Richmond Aviation Activity

<sup>1</sup> Federal Reserve Press Release for December FOMC Meeting; [Federal Reserve issues FOMC statement](#)

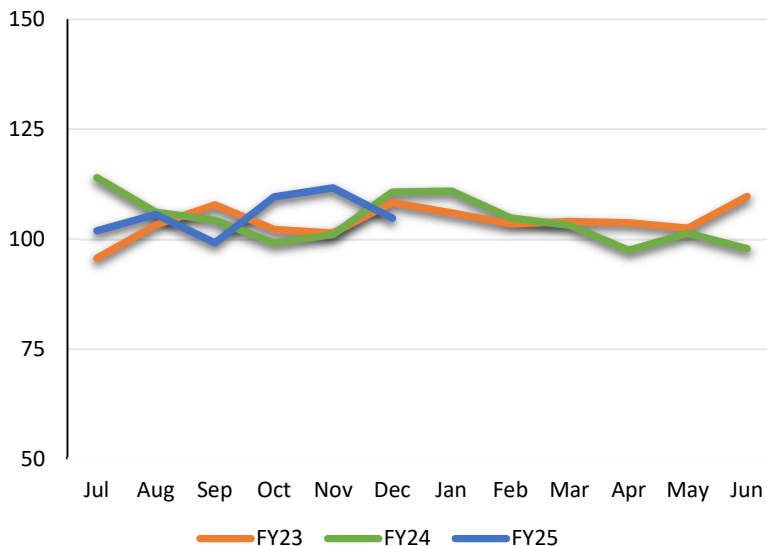
## National Metrics

These indicators provide a mix of hard financial data as well as consumer consensus surveys to provide a macroeconomic and microeconomic view of the United States.



The **S&P 500** is a stock market index measuring the performance of 500 large U.S. companies on stock exchanges and is considered one of the best representations of the U.S. economy. **The month of December saw an all-time high on the 11<sup>th</sup> but saw a decline after and ended lower than the end of November<sup>2</sup>.**

## Consumer Confidence Index



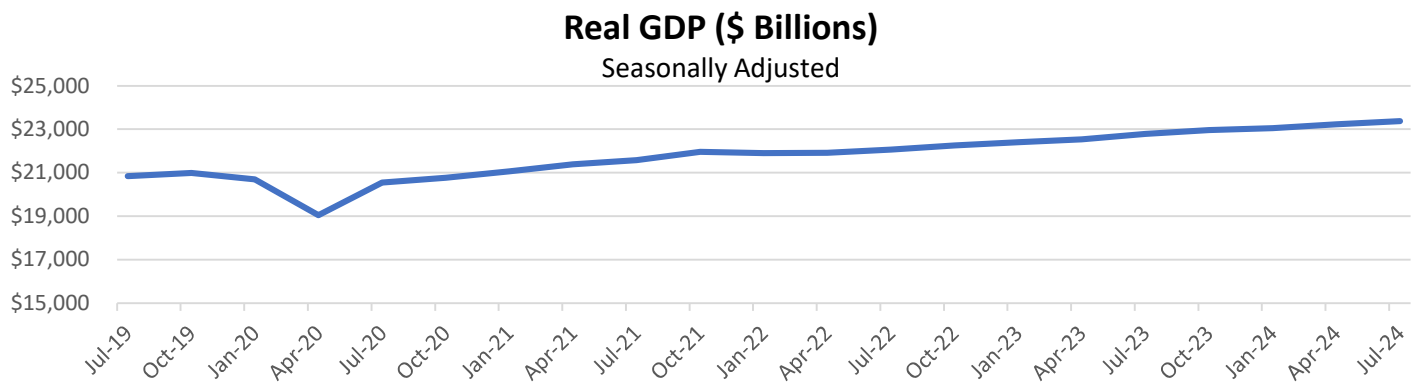
The **Consumer Confidence Index** is a monthly survey given to 5,000 randomly selected households gathering opinions on present situations and future expectations. It is benchmarked to 1985 (100) and best compared by reviewing month-over-month changes. **In December, the index dropped 7 points from November, with consumers weakening assessments of future business conditions, incomes, and employment prospects contributing to their more pessimistic outlooks<sup>3</sup>.**

<sup>2</sup> Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/SP500>

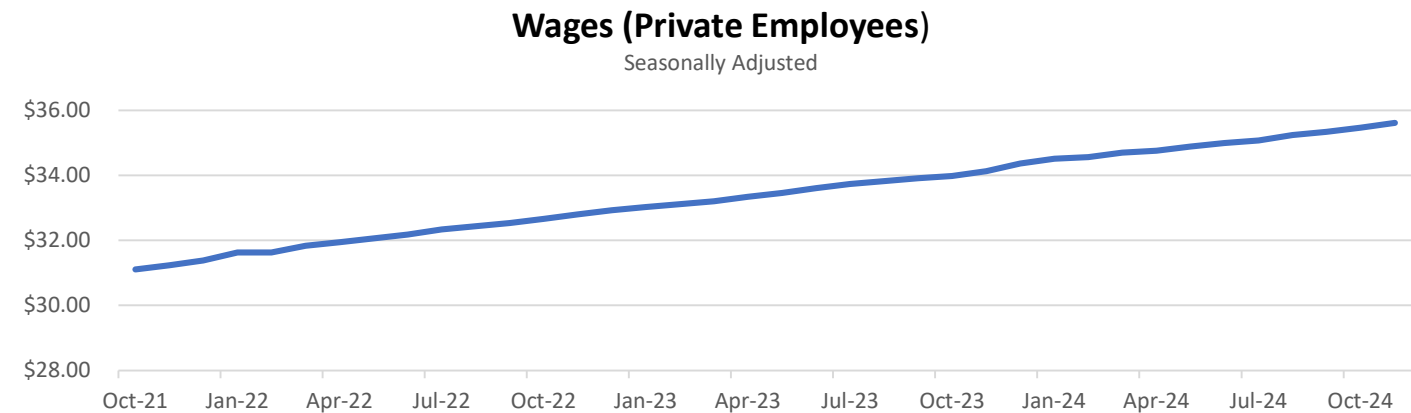
<sup>3</sup> The Conference Board; [US Consumer Confidence \(conference-board.org\)](https://www.conference-board.org/data/consumer-confidence/)



National Metrics



The **Real Gross Domestic Product (GDP)** is an inflation adjusted standard measure of all goods and services produced by labor and property located in the United States in a stated period. Gross domestic product can be calculated on a nominal or real (adjusted for inflation) basis. Since rising prices influence GDP, removing inflation related price changes isolates changes in production quantity. **In Q3 2024, real GDP increased by 0.70%<sup>4</sup> over Q2 2024, continuing the upward trend experienced since Q3 2022. Q4 data has not yet been made available.**



The **Average Hourly Earnings of All Private Employees** measures average hourly earnings employers pay that include overtime and shift differentials but excludes benefits, bonuses, retroactive pay, or employer payroll taxes. While earnings data changes capture wage rate adjustments, they can also include changes in the mix of employment. **In November, the average hourly wage increased to \$35.61. This rise of \$0.15 from October represents an increase of 0.4%<sup>5</sup>.**

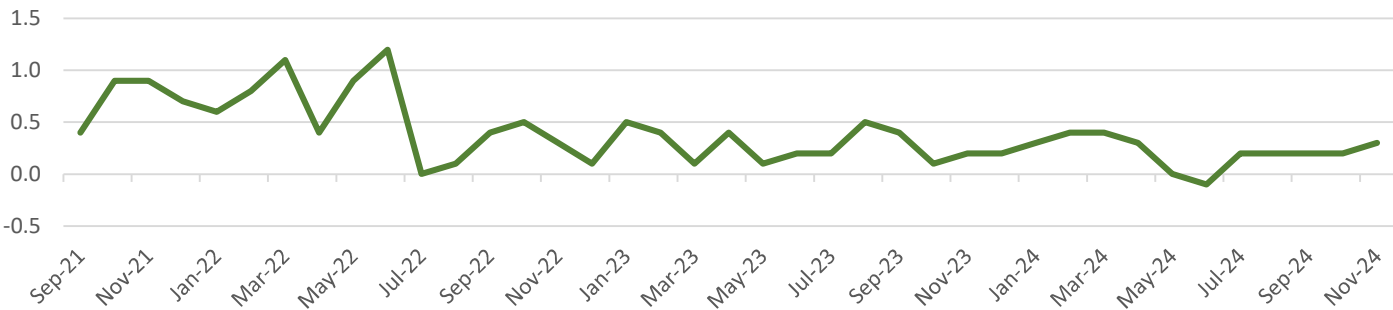
<sup>4</sup> Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/GDP>; GDP data is published quarterly.

<sup>5</sup> Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CES0500000003>



National Metrics

Consumer Price Index

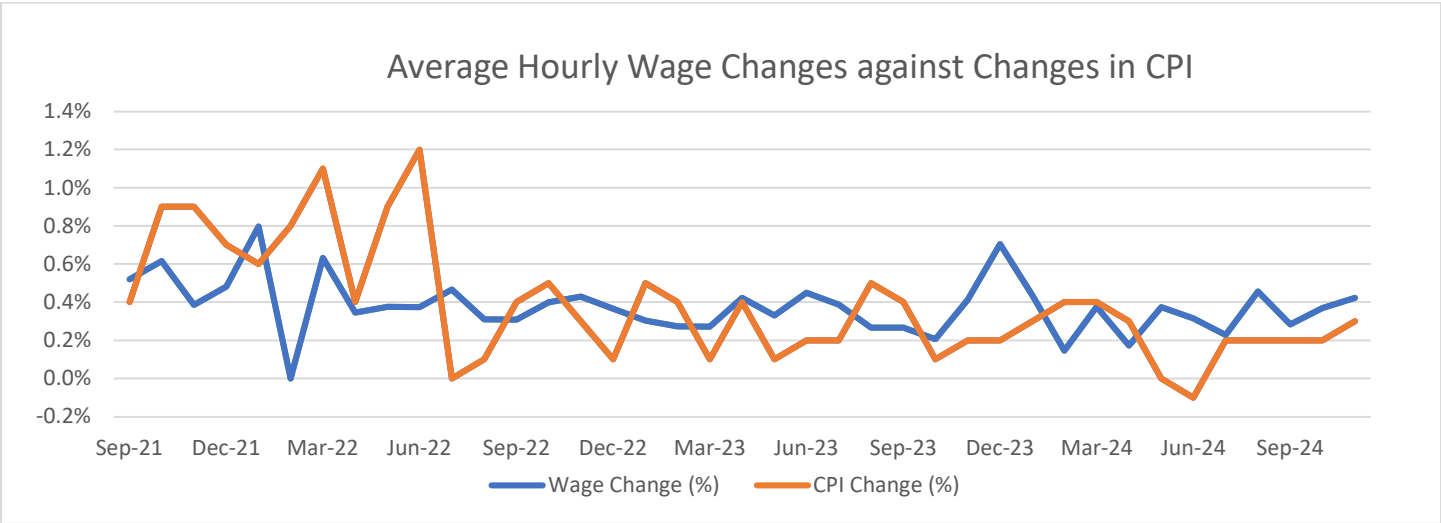


The **Consumer Price Index** (CPI) is a weighted average of the prices of an identified basket of consumer goods and services used to help monitor inflation. The index measures the average change in price that consumers pay overtime. The data is presented as a 1-month percent change, which means that anything shown greater than zero is indicative of inflation (prices increasing) while anything below zero is indicative of deflation (prices decreasing). **During the month of November 2024, the consumer price index rose by 0.3%<sup>6</sup>.** The current 12-month CPI growth is 2.73% (unadjusted) as reported by the Bureau of Labor Statistics. This is 0.83% less than the trailing 12-month average of 3.56%, indicating continued inflation less than that of last year.

<sup>6</sup> U.S. Bureau of Labor Statistics; [Bureau of Labor Statistics Data \(bls.gov\)](https://www.bls.gov)



National Metrics

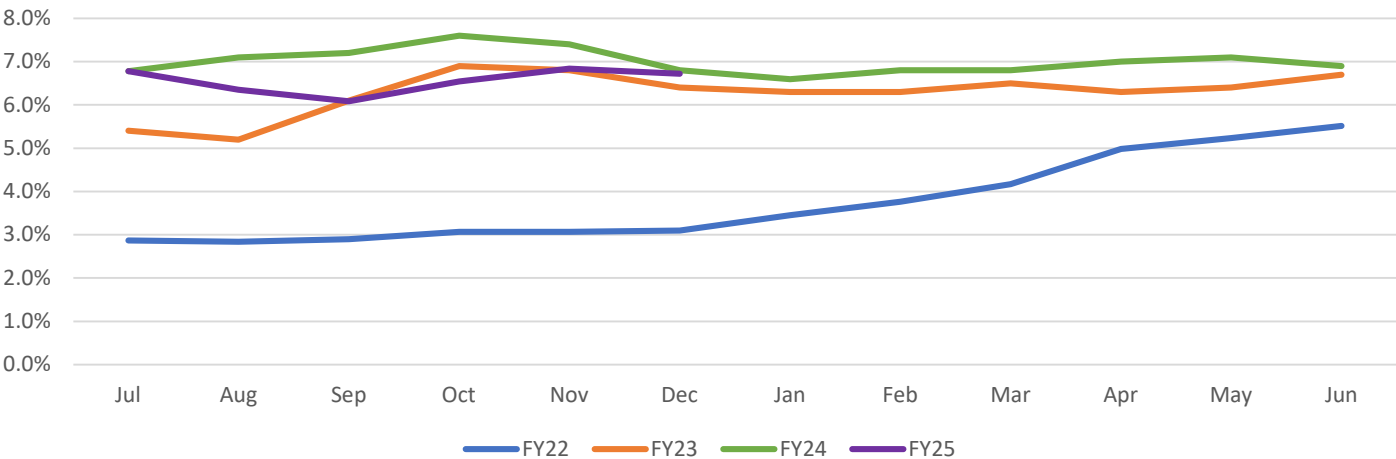


**Average Hourly Wage Changes against Changes in the Consumer Price Index** analyzes the relationship between national wages and consumer pricing, and more loosely, its affiliate inflation. It should be noted that this graph encompasses month over month changes, with both metrics demonstrating continuous upward growth over the past 2 years of recorded data. **November had a monthly wage growth of 0.4% while the CPI Increased at 0.3%, a positive outcome for consumer buying power.**



National Metrics

30-Year Fixed Mortgage Rates

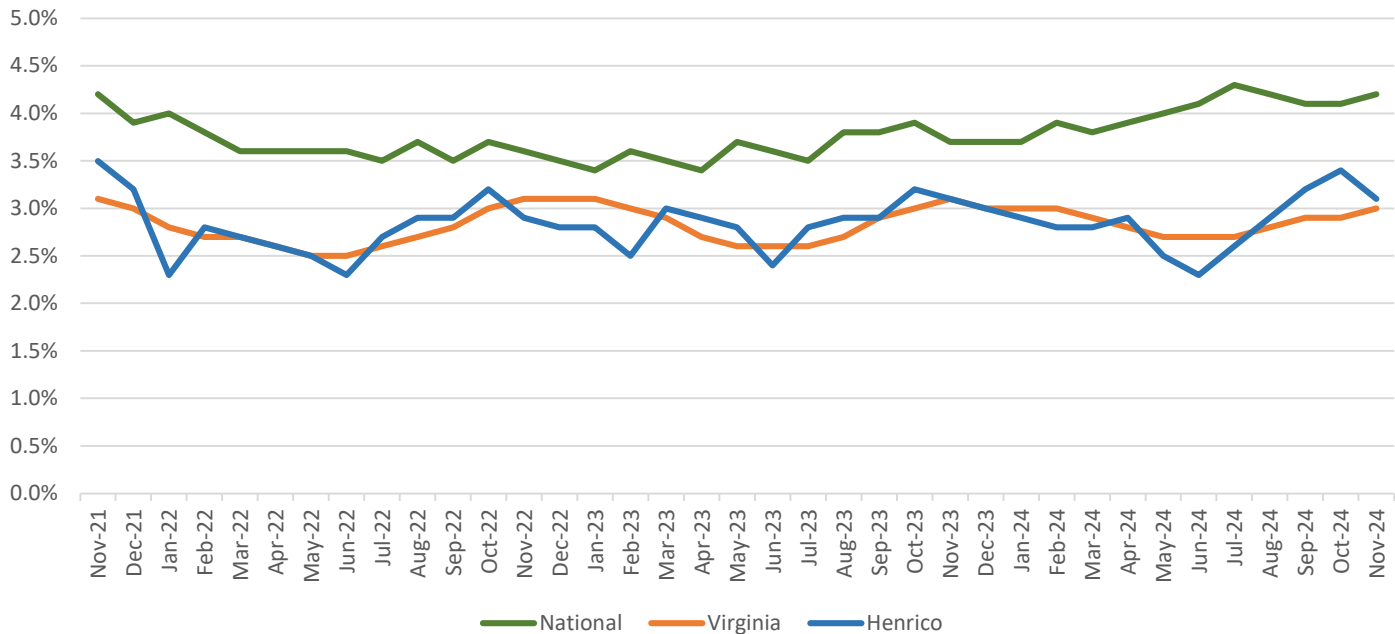


The **30-Year Fixed Mortgage Rate** is the most common financing mechanism used by residential home buyers. The interest rate represents the amount a qualified borrower will be charged by a lender over the loan term. **In December, the 30-year fixed mortgage interest rate decreased from 6.8% to 6.7%, a slight trend reversal from the increases in October and November<sup>7</sup>. This decrease follows an additional 25-point rate cut from the Federal Reserve, the third cut this year, in an effort to ease pressure on the economy from elevated interest rates and may have implications for residential real estate transactions sales volume in the months to follow. The current lending rate of 4.25-4.5% is a two-year low.**

<sup>7</sup> Freddie Mac; [30-Year Fixed-Rate Mortgages Since 1971 - Freddie Mac](#)

## Combined Metrics

## Unemployment Rates



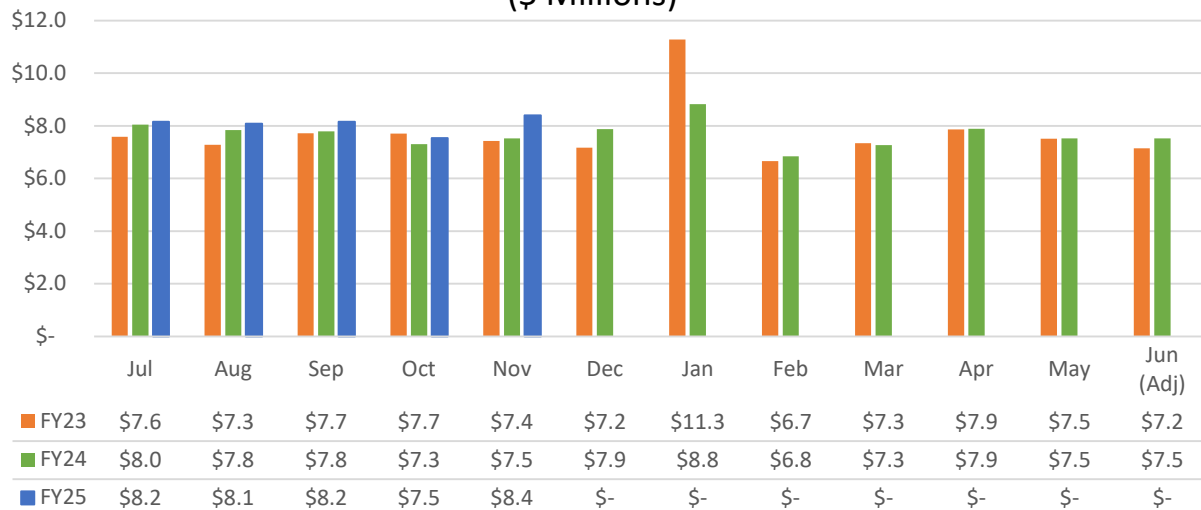
The **Unemployment Rate** shows the number of unemployed people as a percentage of the workforce. Known as the U-3 unemployment rate, an individual must be actively seeking work or laid off to be included. State unemployment data lags roughly six weeks while local unemployment data lags nine weeks. **In the month of November, the unemployment rate increased over October at 4.2% and 3.0% at the National and State levels respectively. In November, Henrico County's unemployment rate decreased from 3.1% to 2.8%. continuing the trend from last month<sup>8</sup>.** Historically, Henrico unemployment rates have trended closely with the National and State levels.

<sup>8</sup> US Bureau of Labor Statistics; <https://data.bls.gov/lausmap/showMap.jsp>



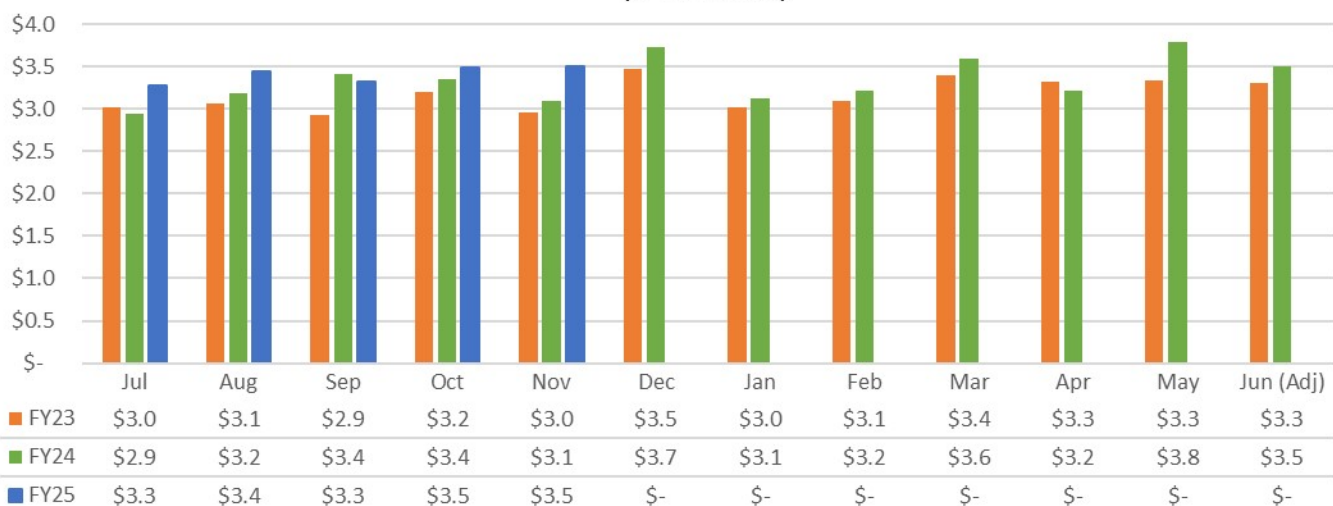
## Henrico Metrics

### Local Sales & Use Tax (\$ Millions)



Henrico County **Sales & Use Tax** amounts to 6% on each purchase collected by the Commonwealth. By law, 1% is then remitted back to the County from the State. **November FY25 recorded collections of \$8.4 million, \$0.9 million higher than November FY24 collections.**

### Meals Tax (\$ Millions)

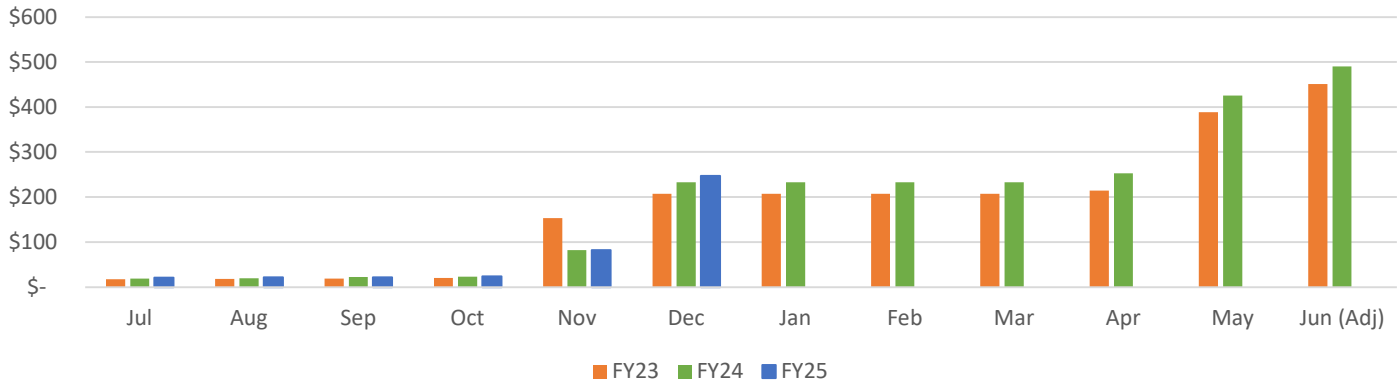


Henrico's **Meals Tax** establishes a 4% tax on prepared food and beverages. Revenue generated by the Meals Tax is dedicated to the operational and capital project needs of Henrico's Public Schools. Collections lag by two months and are compared as year-over-year monthly collections. **November FY25 collections totaled \$3.5 million, with year-to-date collections exceeding FY24 by \$1.0 million.**



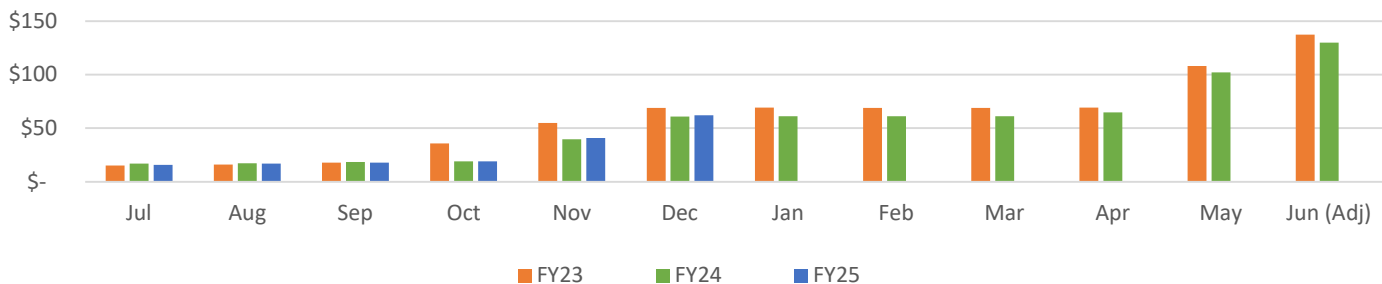
## Henrico Metrics

### Real Property Taxes (\$ Millions)



**Real Property Taxes** are collected on property used for residential and nonresidential purposes. The Code of Virginia provides for assessment of real property at 100% of fair market value, which is the probable amount a property would sell for today if exposed to the market for a reasonable period. Collections are due twice a year in December and June. At the time of publication, **Real Property Tax Collections through December FY25 are \$247.0 million.** The graph above represents cumulative collections through the fiscal years.

### Personal Property Taxes (\$ Millions)

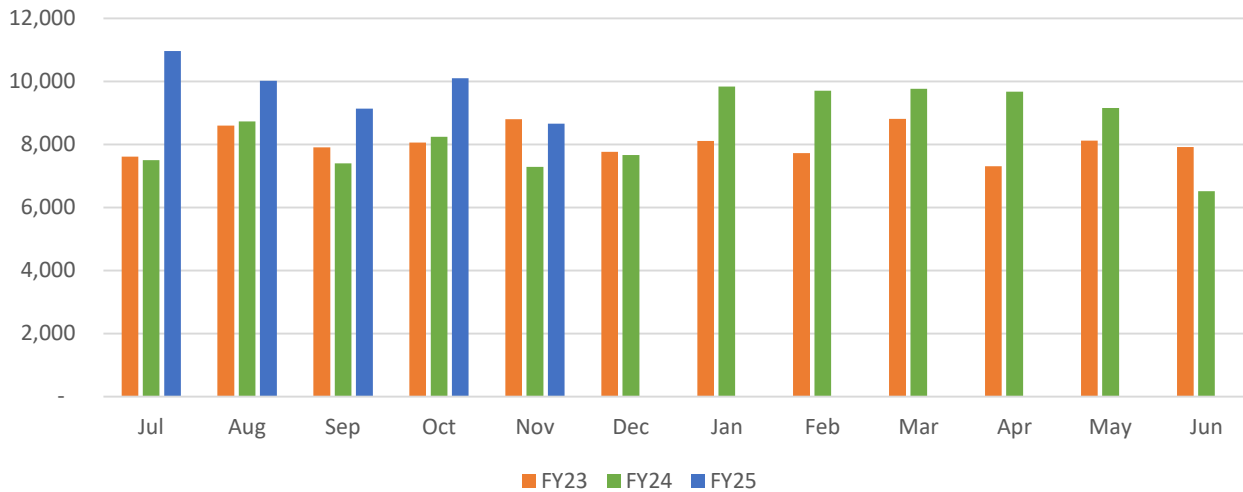


**Personal Property Taxes** are collected on all vehicles including cars, trucks, trailers, motorcycles, motor homes, aircraft, and watercraft. Personal property is collected in the locality where it is normally garaged, docked, or parked. Henrico County uses the J.D. Power Official Used Car Guide as of January 1<sup>st</sup> of each year to establish valuations. Collections are due twice a year in December and June. **Personal Property Tax Collections through November FY25 recorded \$62.0 million. The Personal Property Tax rate was lowered to \$3.40 in FY24, impacting collection totals compared to FY23.** Throughout FY24, used vehicle prices began to decrease with the improvement in new vehicle supply. Although new vehicle prices have also slightly reduced, they continue to remain elevated due to inflation.

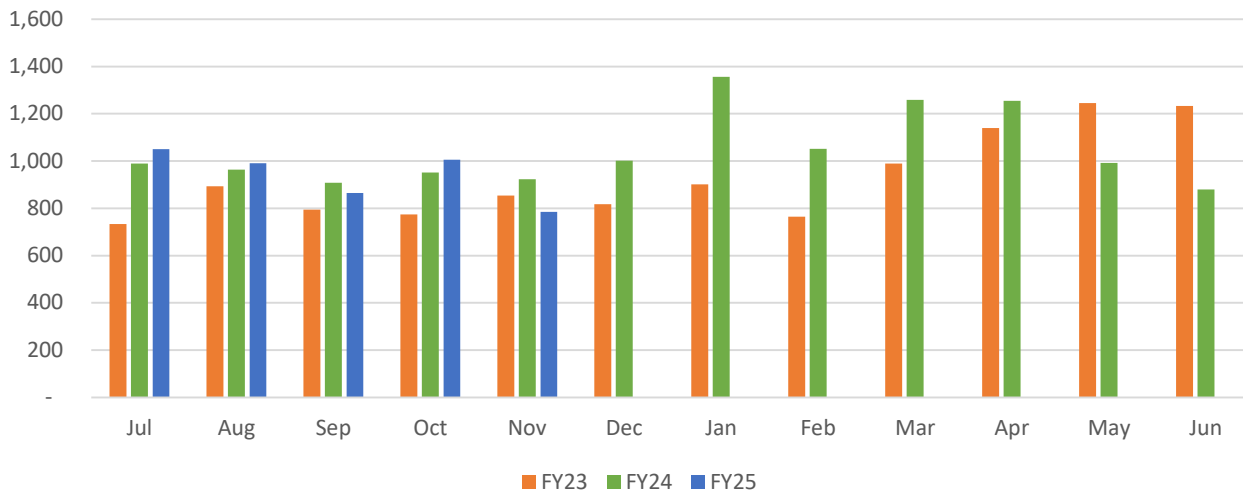


## Henrico Metrics

### Used Car Registration



### New Car Registration

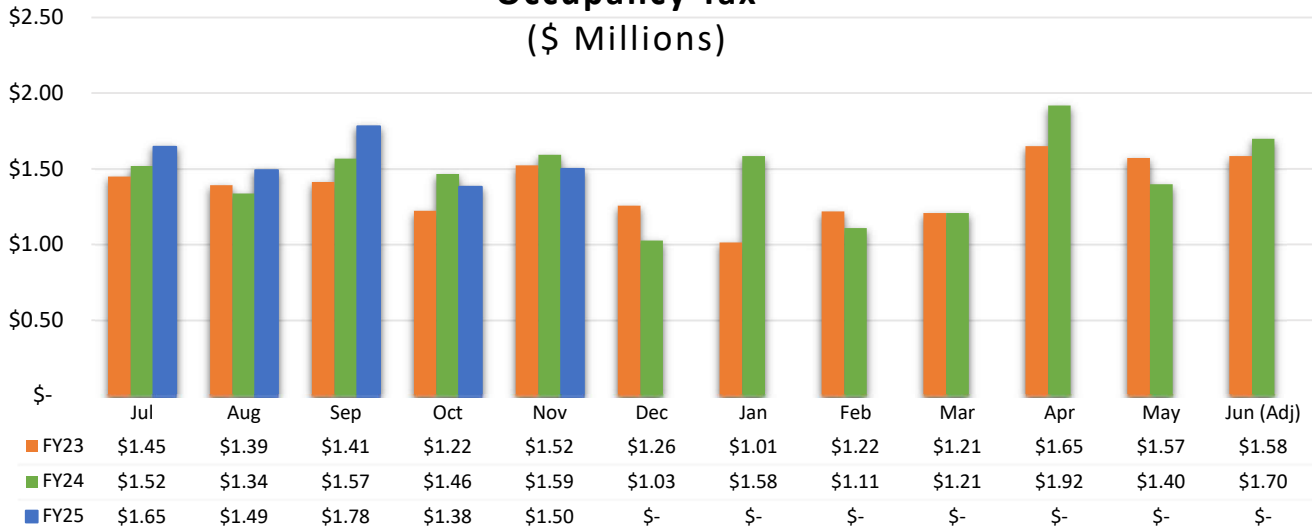


**Vehicle Registration** data is acquired from the Virginia Department of Transportation and is comprised of both new and used vehicles; the metric strongly correlates to vehicle sales. **Used Car Registrations in November recorded 8,662. New Car Registrations in November recorded 785. Used Car Registrations in FY25 strongly exceed FY24 values, signaling a growing and resilient local economy. New Car Registrations in FY25 have remained close to FY24 levels; Used Car Registrations for the month of November sees a decrease compared to the prior month, and New Car Registration sees a decrease compared to prior month and fiscal year equivalents.**



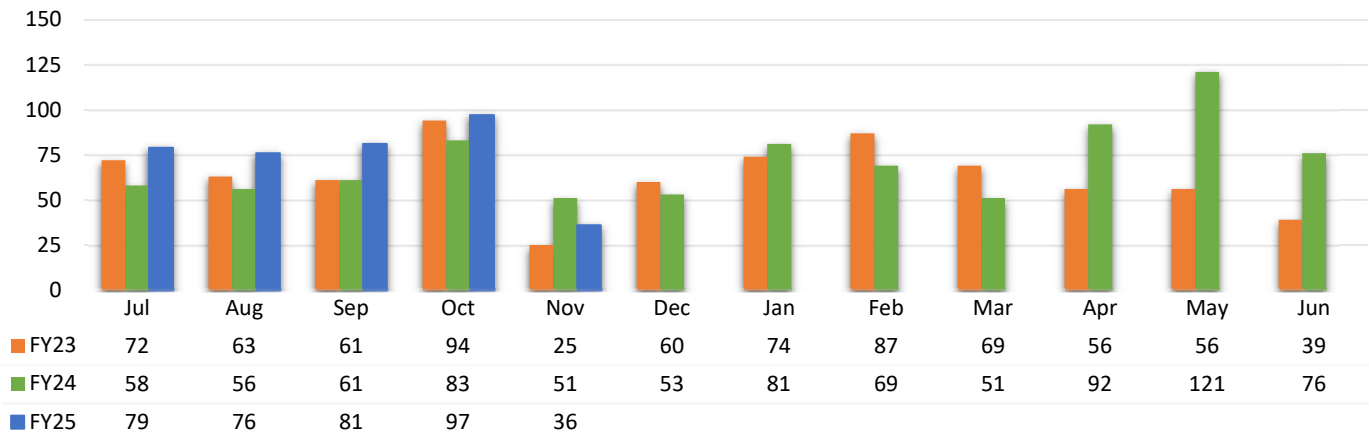
## Henrico Metrics

### Occupancy Tax (\$ Millions)



Henrico's **Occupancy Tax** is collected on lodging for overnight stays. **Occupancy Tax collections in November FY25 totaled \$1.50 million, \$0.09 million lower than November FY24.**

### New Residential Construction

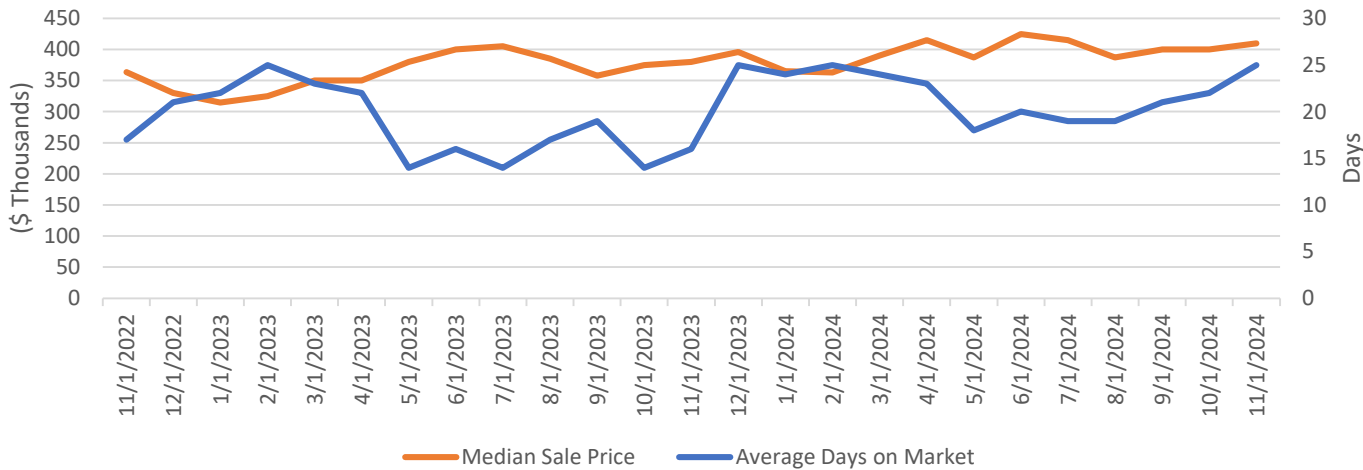


**New Residential Construction** is comprised of new single-family houses that were issued building permits. A slowdown may indicate worsening economic conditions, increased competition from neighboring localities, or a lack of expansion capabilities. **November FY25 construction totaled 36 permits, 15 less than November FY24.**



Henrico Metrics

Average Days on Housing Market and Median Sales Price (Henrico)

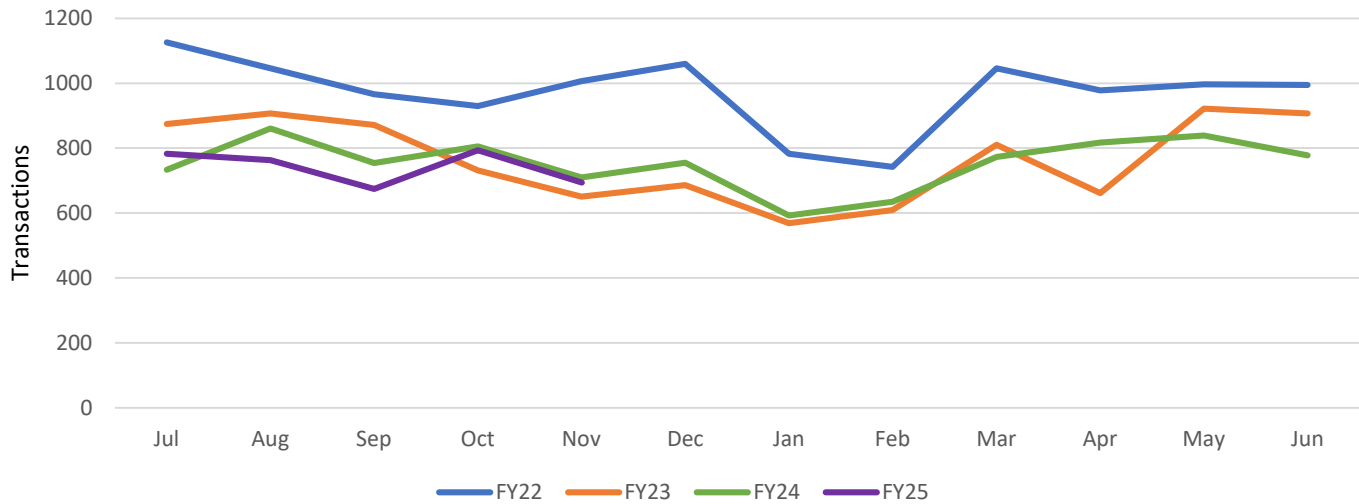


**Average Days on the Housing Market and Median Sale Price** provides a benchmark of the state of the housing market in Henrico. An increase in the time spent on market may indicate a slowing of the housing market, while a decrease may indicate acceleration. Median Sales Price tracks the middle value of homes sold in the County that month and can provide insight into the general direction of the market. **The Median Sales Price for the month of November totaled \$410,000, an increase from October. Average Days on the Housing Market increased from 22 in October to 25.**



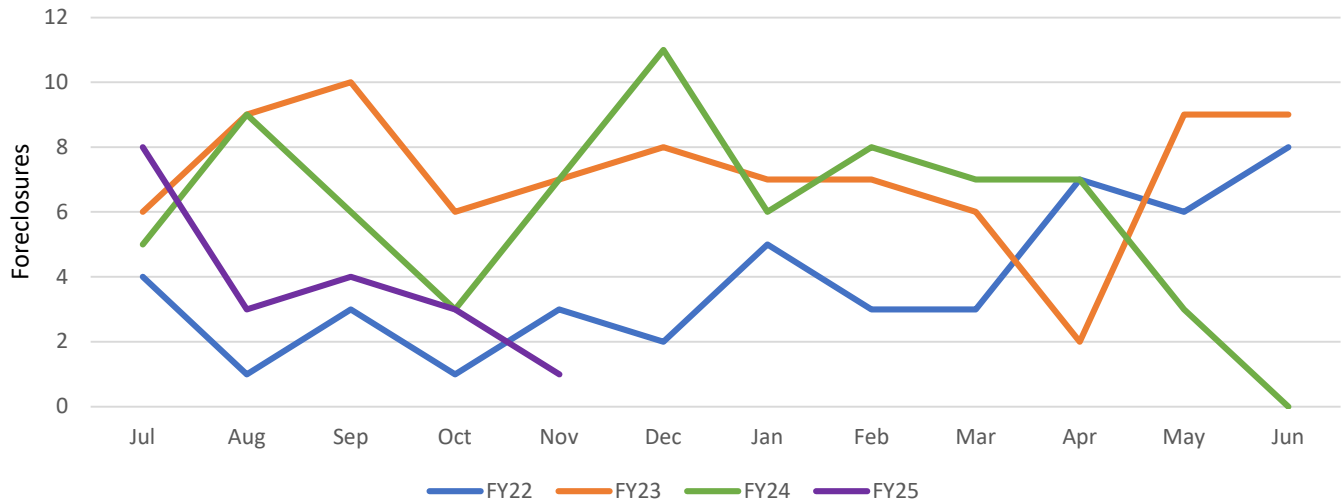
Henrico Metrics

Residential Transactions



**Foreclosures & Transactions** data represents Henrico’s completed residential sales and reports residential foreclosures. These provide a snapshot of Henrico’s housing market. Consistence in transactions represents a healthy and growing market. **A total of 694 residential transactions were recorded in November FY25, 16 less than the previous fiscal year.**

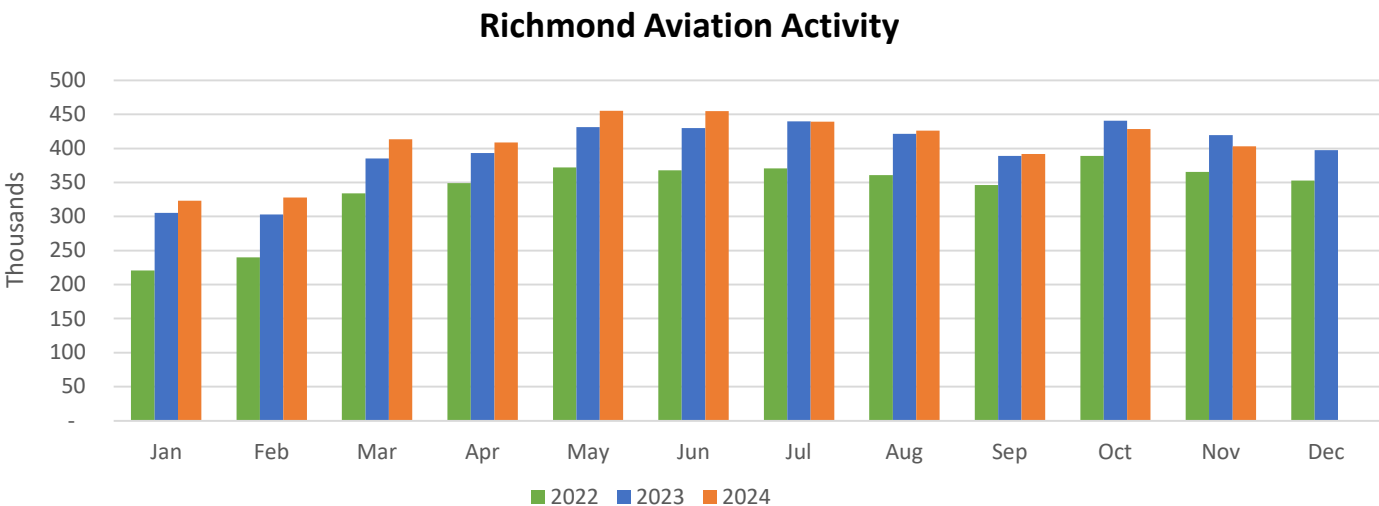
Residential Foreclosures



**There was 1 foreclosure reported in November FY25.**



Area Metric



**Richmond Aviation Activity** represents passenger activity in and out of Richmond International Airport. The value is the combination of enplaned (departing) and deplaned (arriving) passengers. This provides traffic activity as it relates to flights around Henrico. Air travel can provide a benchmark for imported economic activity and is correlated with Occupancy and Meals Tax collections. **November 2024 saw a total passenger count of 403,026, a 3.9% decrease from last month and 16,500 less than November 2023<sup>9</sup>.**

<sup>9</sup> Richmond International Airport; <https://flyrichmond.com/airport-information/>