



Overview

The purpose of this report is to provide an overview of different 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 Registration. 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. Forward-looking statements should not be relied upon for investment decisions.

OMB Summary

The month of June yielded mixed-to-positive economic results. The S&P 500 continues to stand strong, the Consumer Confidence Index experienced a slight increase over May's decline, and Q2 2024 GDP data rose 0.74% over Q1. County unemployment rates rose from 2.3% to 2.6%, while the national average rose from 4.0% to 4.1%. Year-end tax collections were strong across all bases. While Sales and Use Tax and Personal Property taxes slightly lagged FY23 collections, Real Property and Meals Tax firmly exceed prior years' collections. The Median Sales Price of County homes hit a record-high at \$425,000, up \$38,000 from May 2024, and 6.3% from June 2023. National thirty-year fixed mortgage rates remained stable at 6.8%. Year-end building permit issuance exceeded both FY22 and FY23, an action with positive implications for price stabilization. June marked the second consecutive month of declining New Car Registrations compared against prior fiscal years and this may indicate increased sensitivity to high interest rates. Richmond International Airport activity continues to remain high.

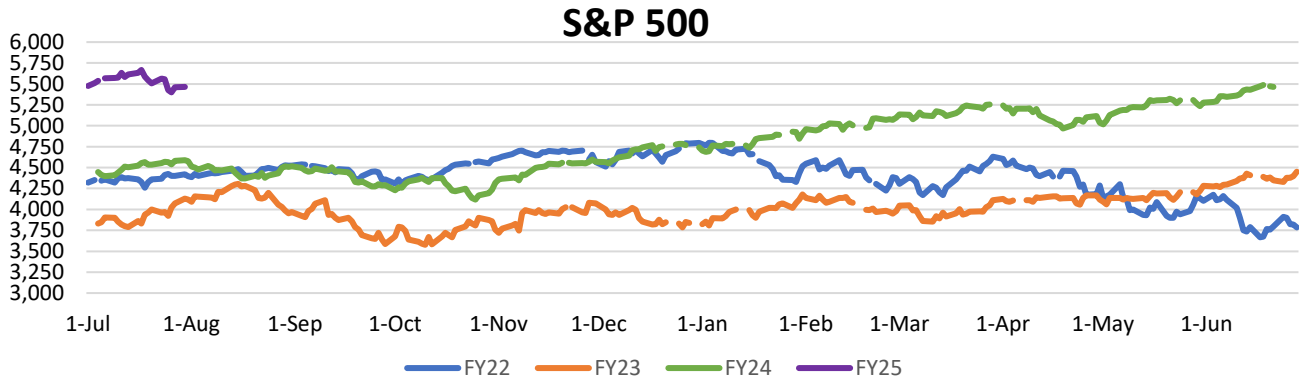
Metrics Considered

- **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



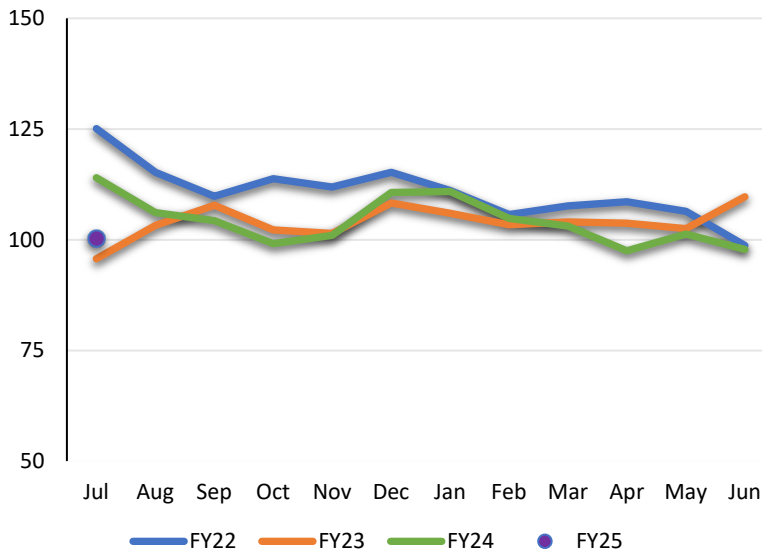
National Metrics

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. stock market. **During the month of July, the index experienced a slight decline after reaching an all-time high in the observed dataset. The index continues to exceed previous fiscal years¹.**

Consumer Confidence Index



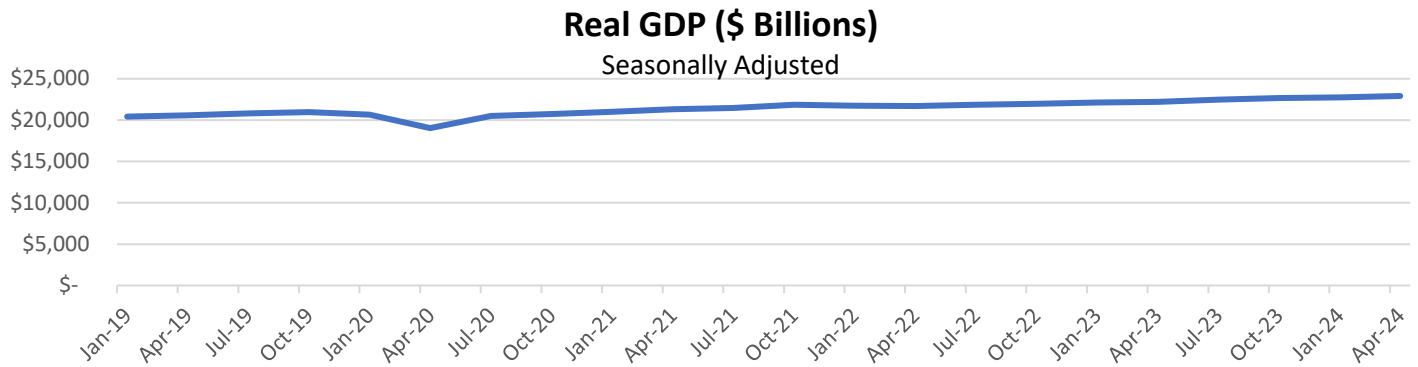
The **Consumer Confidence Index** is a monthly survey given to 5,000 randomly selected households gathering opinions on present situations and future expectations. It is benchmarked to 1985 (100) and best compared by reviewing month over month changes. **In July, the index rose from a revised 97.8 to 100.3, a score below FY24's average of 104.2, but in line with the recent months. Consumers cited elevated prices, high interest rates, and economic uncertainty as sources of concern².**

¹ Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/SP500>

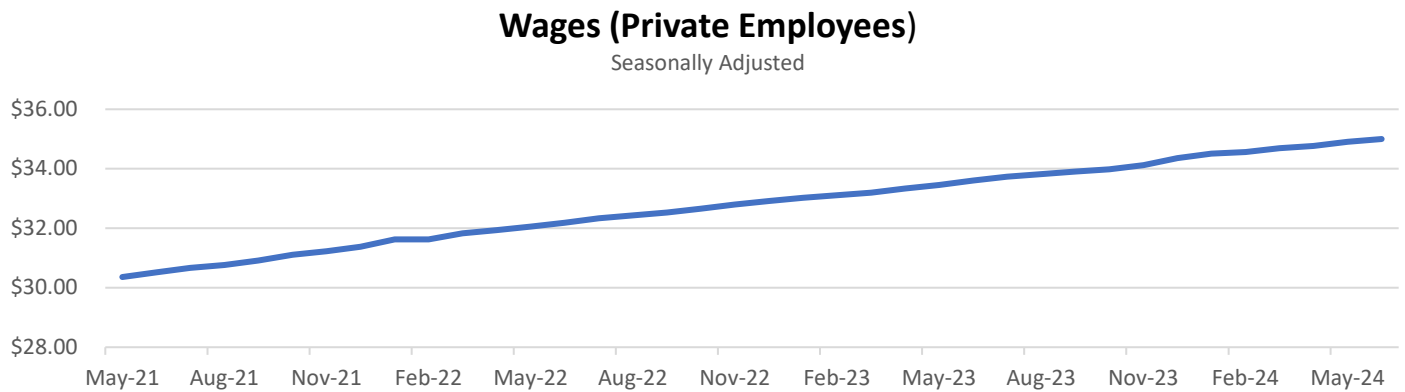
² The Conference Board; [US Consumer Confidence \(conference-board.org\)](https://www.conference-board.org)



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 Q2 2024, real GDP increased by 0.74%³ over Q1 2024, continuing the upward trend experienced since Q3 2022.**



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 June, the average hourly wage increased to \$35.00. This rise of \$0.09 from May represents a 0.3% increase⁴.** The last time wages decreased from the prior month was in June 2020 reflecting impacts of the pandemic.

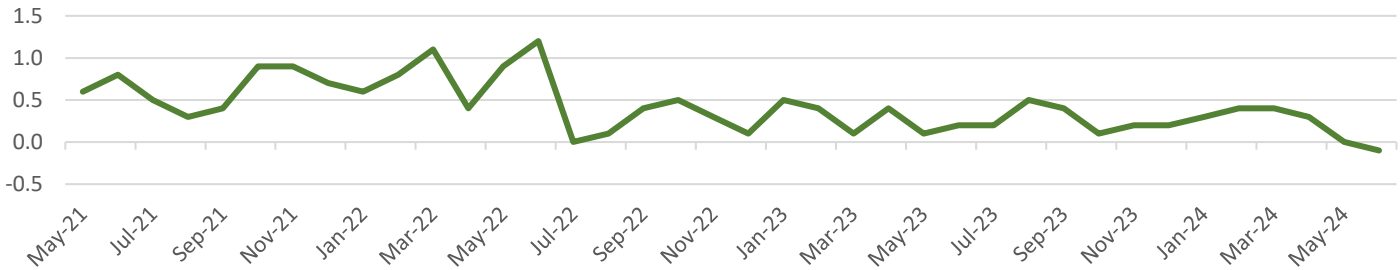
³ Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/GDP>; GDP data is published quarterly.

⁴ Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CES0500000003>



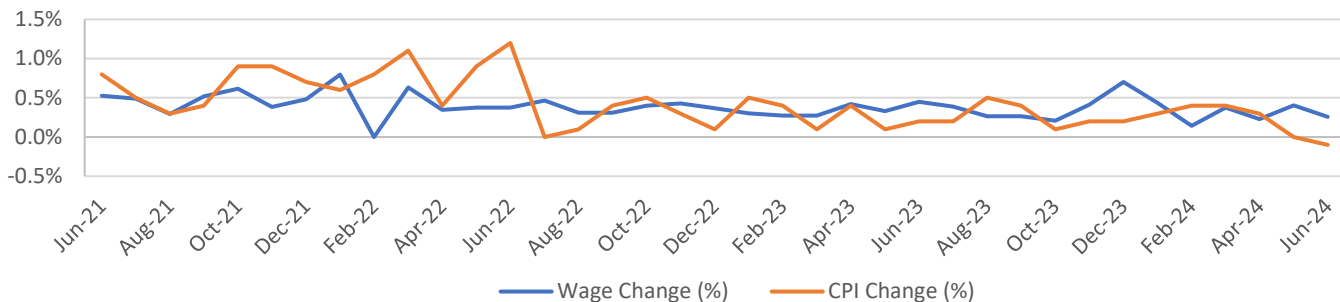
National Metrics

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 over time. 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 June 2024, the consumer price index decreased 0.1%⁵. This marks the first negative month since May of 2020, and has positive implications for consumer buying power.** The current 12-month CPI growth is 3.2% (unadjusted) as reported by the Bureau of Labor Statistics. This is 1.2% less than the trailing 12-month average of 4.4%, indicating continued inflation less than that of last year.

Average Hourly Wage Changes against Changes in CPI



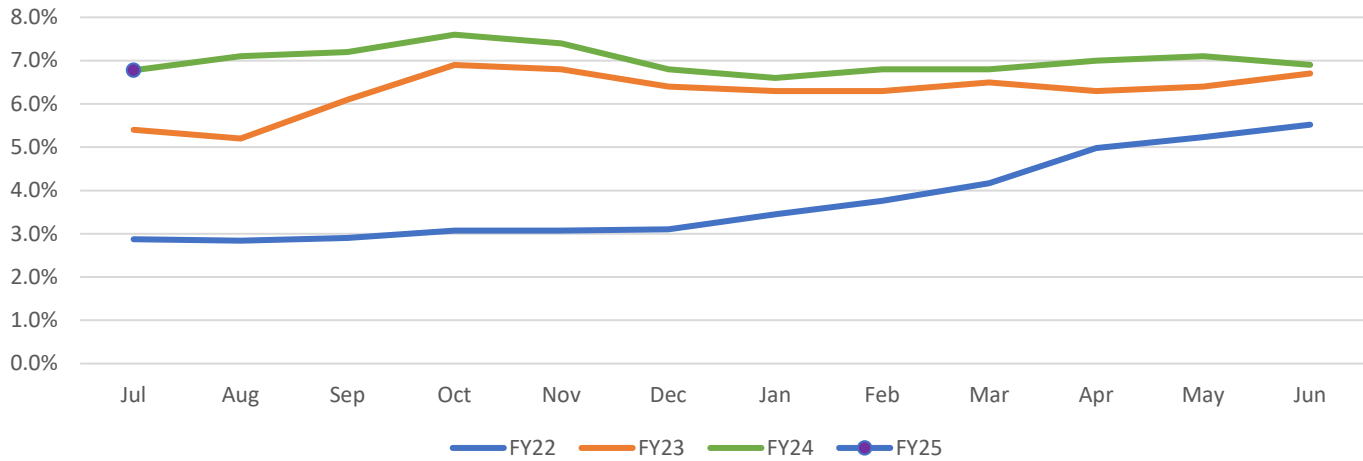
Average Hourly Wage Changes against Changes in the Consumer Price Index analyzes the relationship between national wages and consumer pricing, and more loosely, its affiliate inflation. It should be noted that this graph encompasses month over month changes, with both metrics demonstrating continuous upward growth over the past 2 years of recorded data. **June's monthly wage growth of 0.3% while the CPI decreased 0.1% was a positive outcome for consumer buying power.**

⁵ U.S. Bureau of Labor Statistics; [Bureau of Labor Statistics Data \(bls.gov\)](https://www.bls.gov)



National Metrics

30-Year Fixed Mortgage Rates



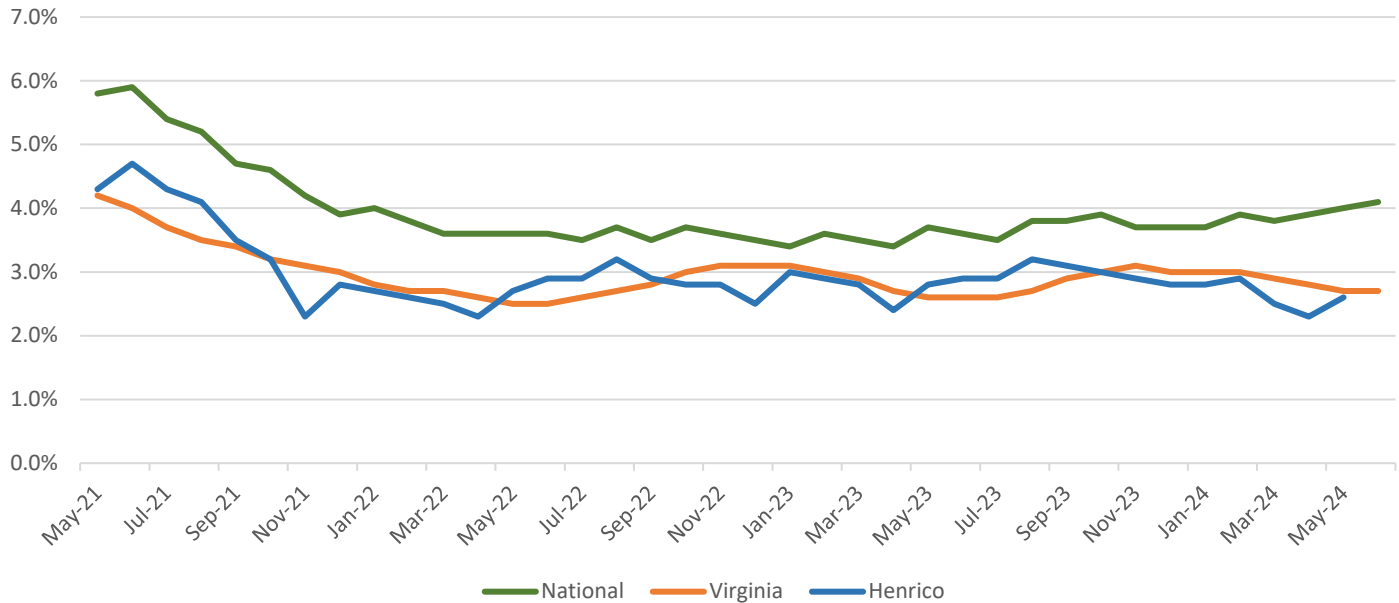
The **30-Year Fixed Mortgage Rate** is the most common financing mechanism used by residential home buyers. The interest rate represents the amount a qualified borrower will be charged by a lender over the loan term. **In July, the 30-year fixed mortgage interest rate decreased slightly from 6.9% to 6.8%**⁶.

⁶ Freddie Mac; [30-Year Fixed-Rate Mortgages Since 1971 - Freddie Mac](#)



Combined Metrics

Unemployment Rates



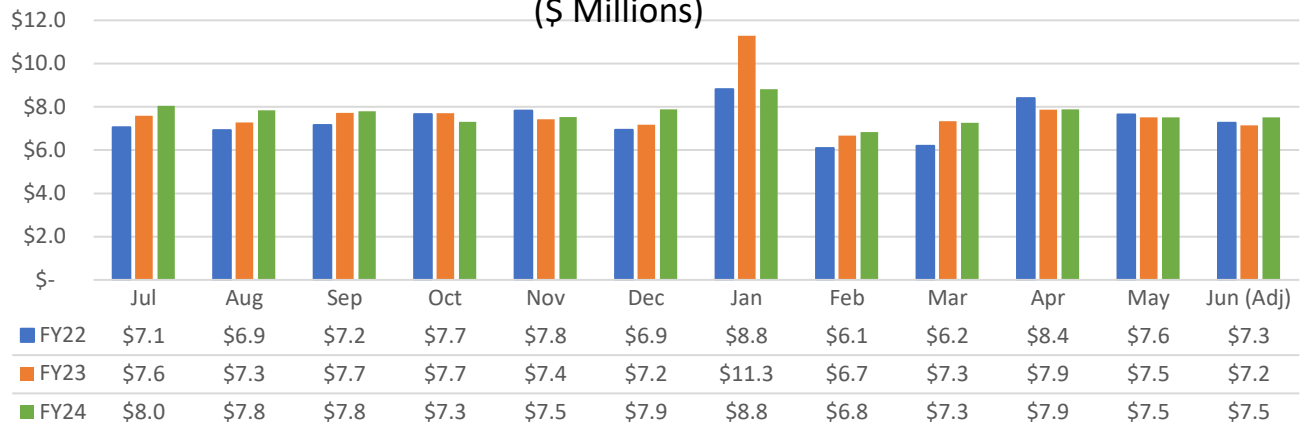
The **Unemployment Rate** shows the number of unemployed people as a percentage of the workforce. Known as the U-3 unemployment rate, an individual must be actively seeking work or laid off to be included. State unemployment data lags roughly six weeks while local unemployment data lags nine weeks. **In the month of June, the unemployment rate increased from 4.0% to 4.1% at the national level and remained stable at 2.7% at the state level. In May, Henrico County's unemployment rate increased from 2.3% to 2.6%⁷.** Historically, Henrico unemployment rates have trended closely with the National and State levels.

⁷ US Bureau of Labor Statistics; <https://data.bls.gov/lausmap/showMap.jsp>



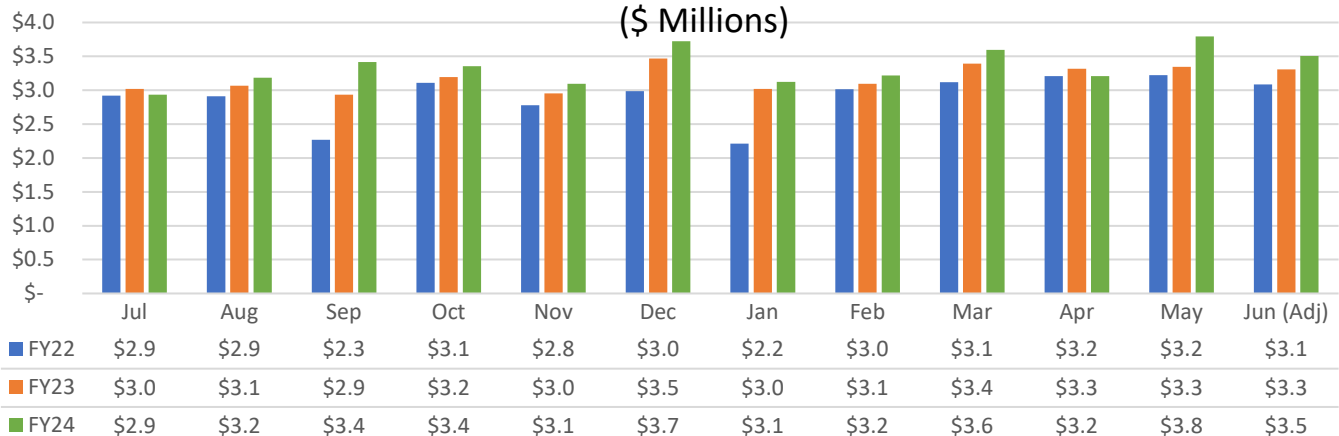
Henrico Metrics

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. **June FY24 recorded collections of \$7.5 million, \$0.3 million higher than June FY23 collections. FY24 year-end collections slightly lagged FY23 due to a multi-year correction that impacted FY23 recorded in January FY23. FY24 closed with a total sum of \$92.2 million, \$0.5 million less than that of FY23.**

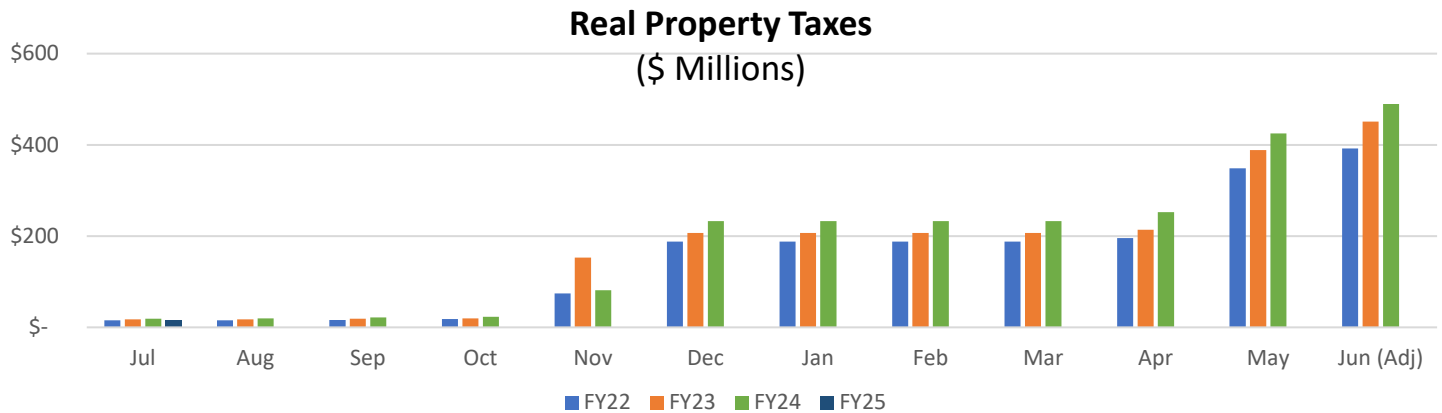
Meals Tax (\$ Millions)



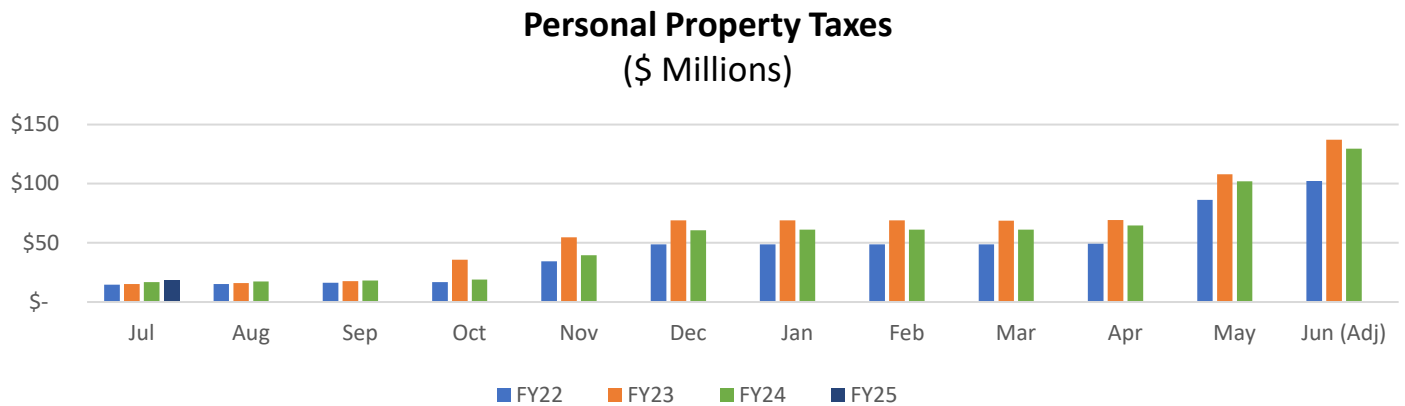
Henrico's **Meals Tax** establishes a 4% tax on prepared food and beverages. Revenue generated by the Meals Tax is dedicated to the operational and capital project needs of Henrico's Public Schools. Collections are backdated two months and compared as year-over-year monthly collections. **June FY24 collections of \$3.5 million represent an increase of 6.0% over June FY23 collections. FY24 collections of \$40.2 million far exceeded pandemic and pre-pandemic levels. This sum is \$2.1 million higher than FY23 collections.**



Henrico Metrics



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 for July FY25 recorded \$17 million. FY24 year-end collections recorded \$490 million, \$39 million above those of FY23.**

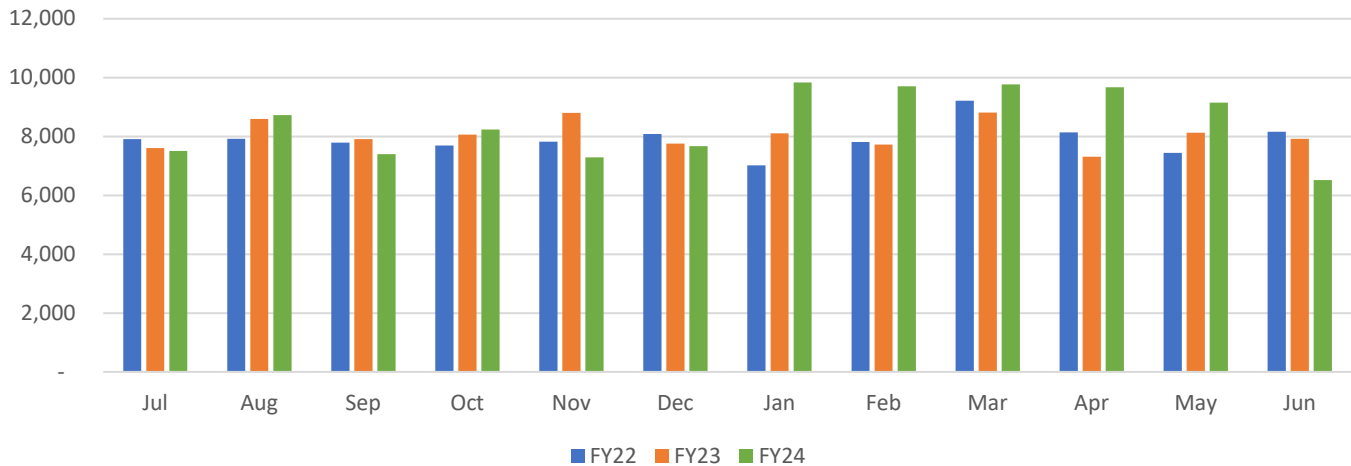


Personal Property Taxes are collected on all vehicles including cars, trucks, trailers, motorcycles, motor homes, aircraft, and watercraft. Personal property is collected in the locality where it is normally garaged, docked, or parked. Henrico County uses the J.D. Power Official Used Car Guide as of January 1st of each year to establish valuations. Collections are due twice a year in December and June. **Personal Property Tax Collections for July FY25 recorded \$18 million. FY24 year-end collections totaled \$130 million, \$7 million less than FY23.** Throughout FY23, Personal Property Tax Collections reflected significant increases in used vehicle assessments. These increases were the result of price hikes in the used vehicle market due to supply chain shortages for new vehicles. However, since Q1 FY24 used vehicle prices have started to come down as new vehicle supply has become more available.

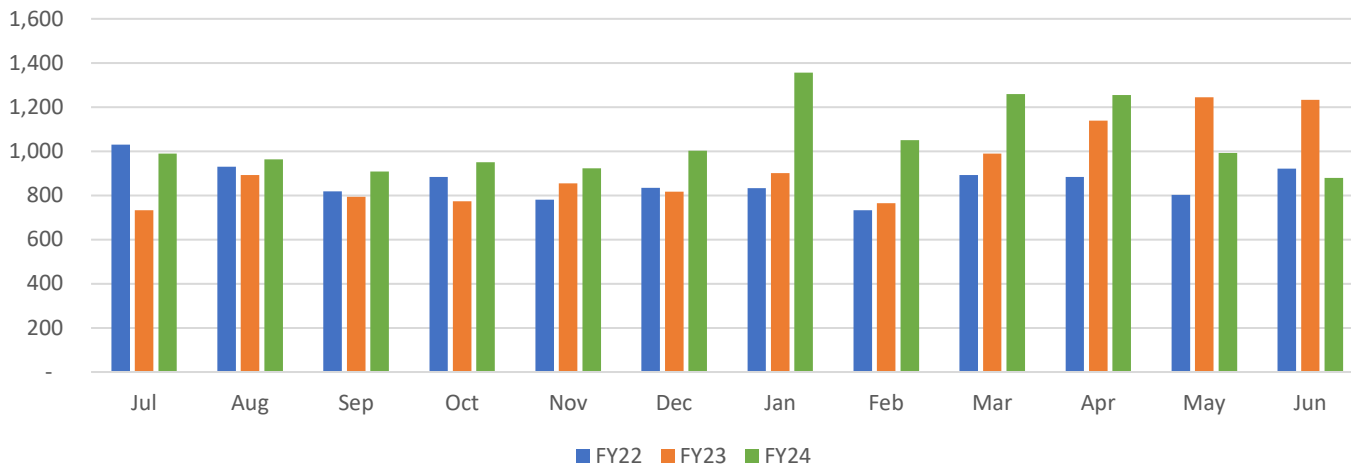


Henrico Metrics

Used Car Registration



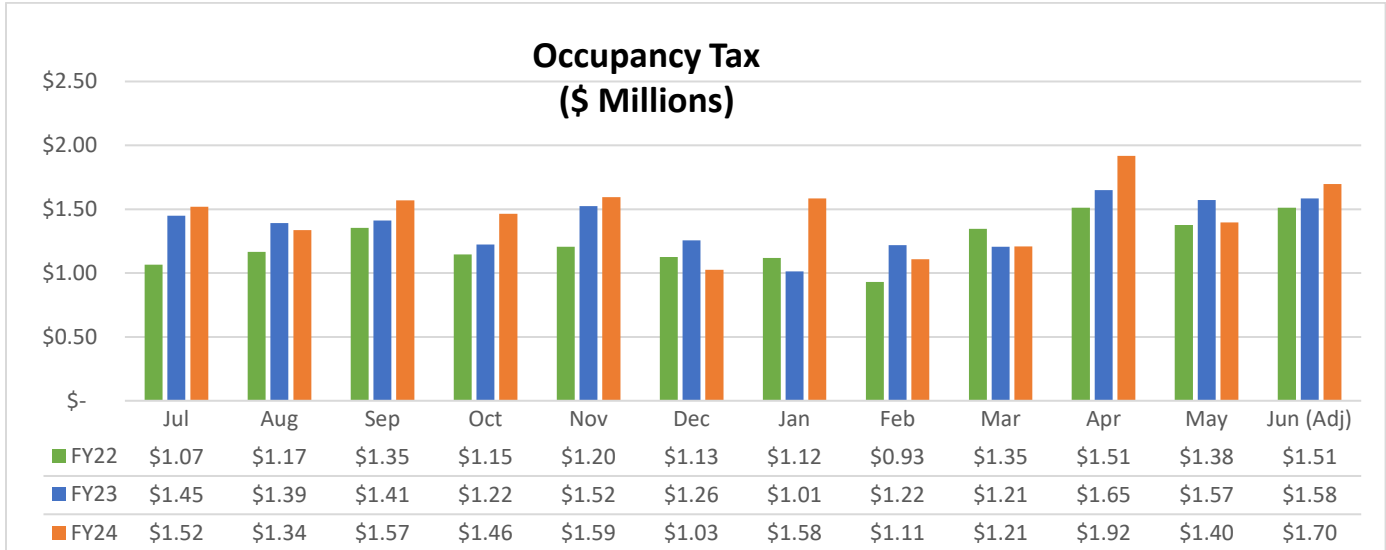
New Car Registration



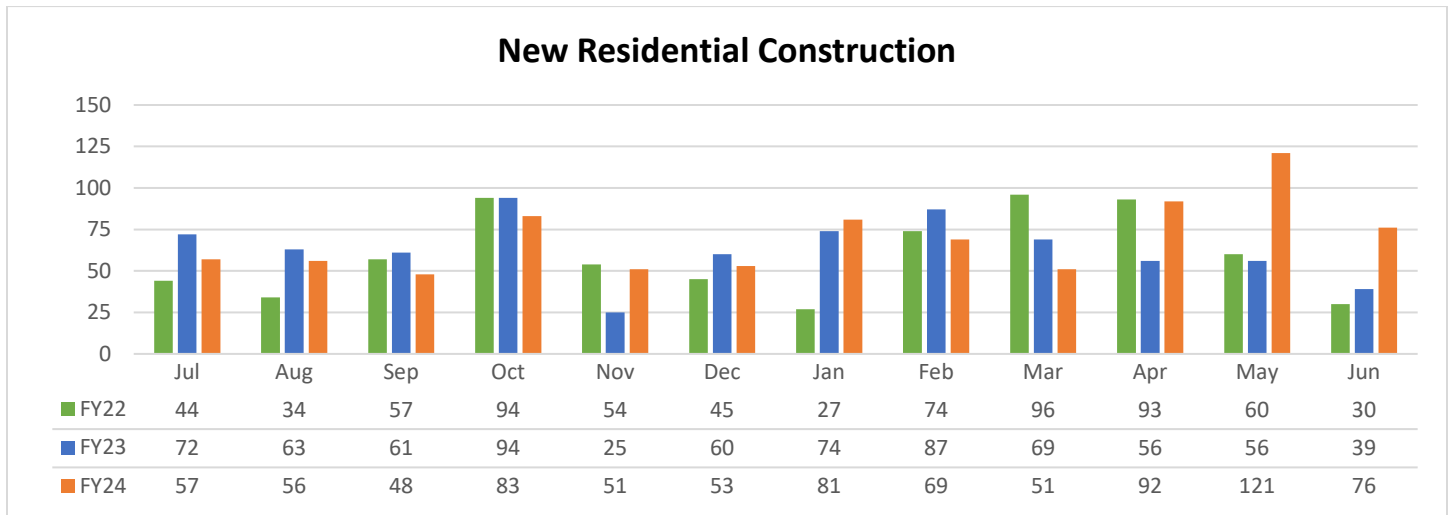
Vehicle Registration data is acquired from the Virginia Department of Transportation and is comprised of both new and used vehicles; the metric strongly correlates to vehicle sales. **Used Car Registrations in June recorded 6,518. New Car Registrations in May recorded 880. While New Car Registrations in May and June FY24 lagged those of FY23, year-end collections totaled 12,529; 1,392 higher than FY23.** Declining car sales may signal consumers sensitivity to rising interest rates.



Henrico Metrics



Henrico’s **Occupancy Tax** is collected on lodging for overnight stays. **Occupancy Tax collections in June FY24 totaled \$1.70 million, \$0.30 million higher than May FY24. FY24 year-end collections of \$17.42 million exceed FY23 by \$0.92 million.**

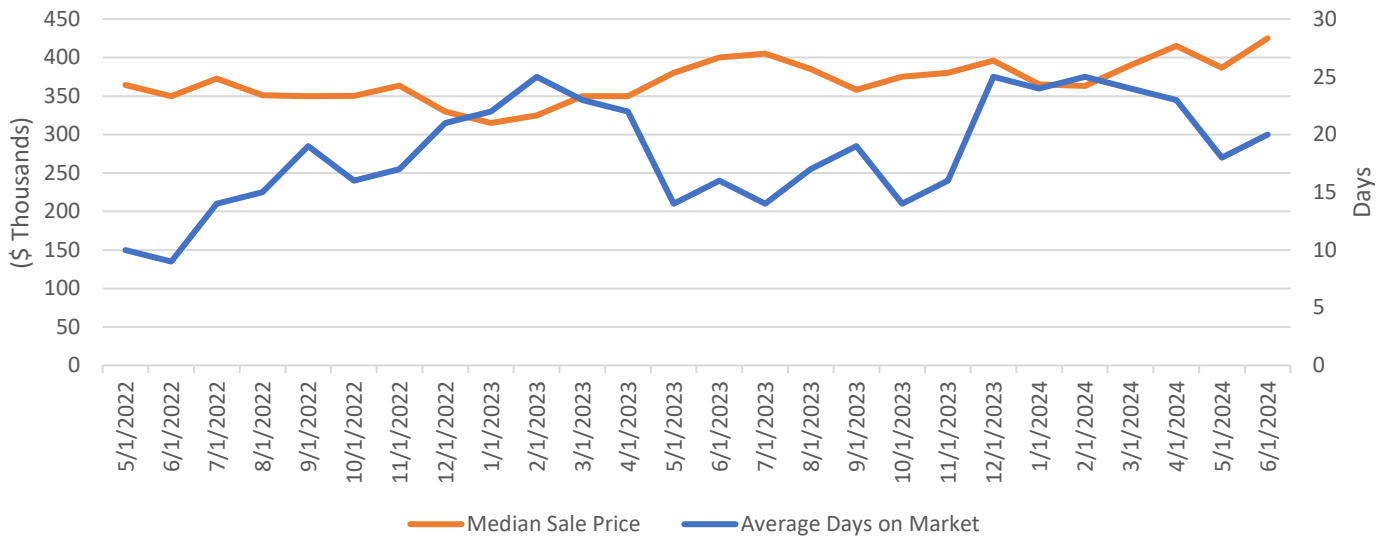


New Residential Construction is comprised of new single-family houses that were issued building permits. A slowdown may indicate worsening economic conditions, increased competition from neighboring localities, or a lack of expansion capabilities. **June FY24 construction totaled 76 permits, 37 more than June FY23. FY24 year-end permit issuance exceed FY23 by 82 permits, and exceeded FY22 by 130.**



Henrico Metrics

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



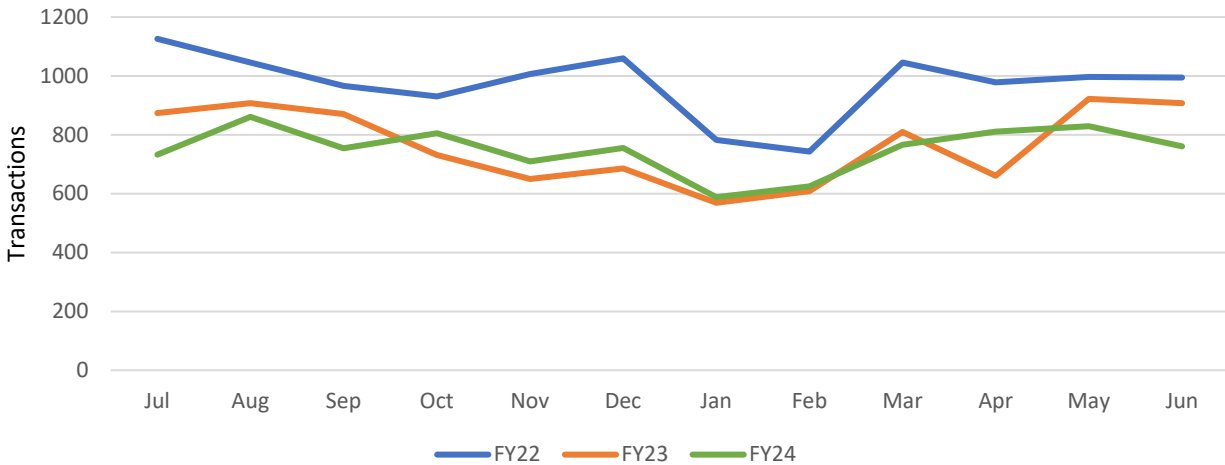
Average Days on the Housing Market and Median Sale Price provides a benchmark of the state of the housing market in Henrico. An increase in the time spent on market may indicate a slowing of the housing market, while a decrease may indicate acceleration. Median Sale Price tracks the middle value of homes sold in the County that month and can provide insight into the general direction of the market. **In June 2024, the Median Sale Price rose \$38,000 to \$425,000; this is 6.3% higher than the median of June 2023 and 21.4% higher than June 2022⁸. Average Days on the Housing Market increased from 18 in May to 20 in June.**

⁸ Long & Foster; <https://marketminute.longandfoster.com/market-minute/va/henrico-county.htm>



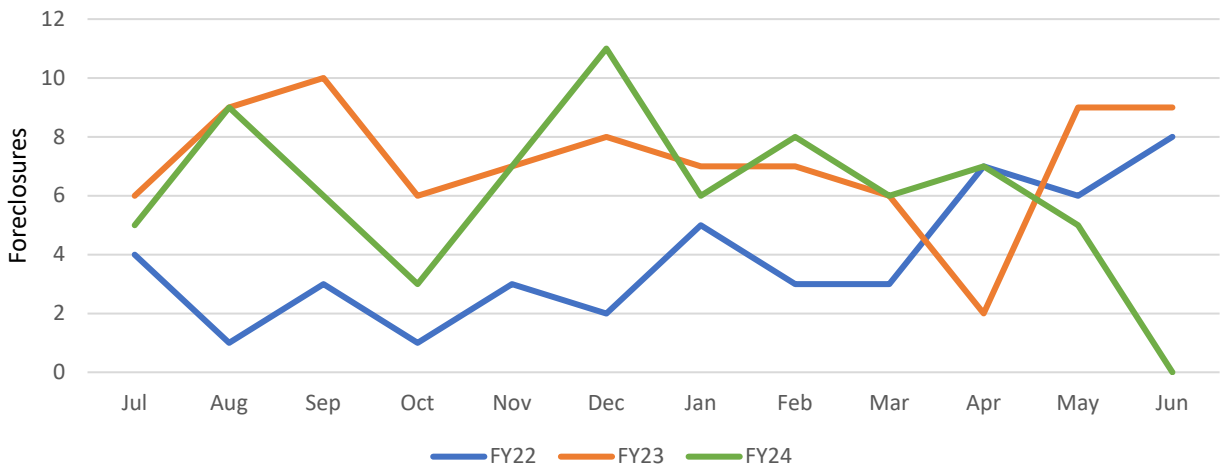
Henrico Metrics

Residential Transactions



Foreclosures & Transactions data represents Henrico’s completed residential sales and reports residential foreclosures. These provide a snapshot of Henrico’s housing market. Consistency in transactions represents a healthy and growing market. **761 total residential transactions were recorded in June FY24. FY24 recorded 8,998 total transactions, 199 less than that of FY23.**

Residential Foreclosures

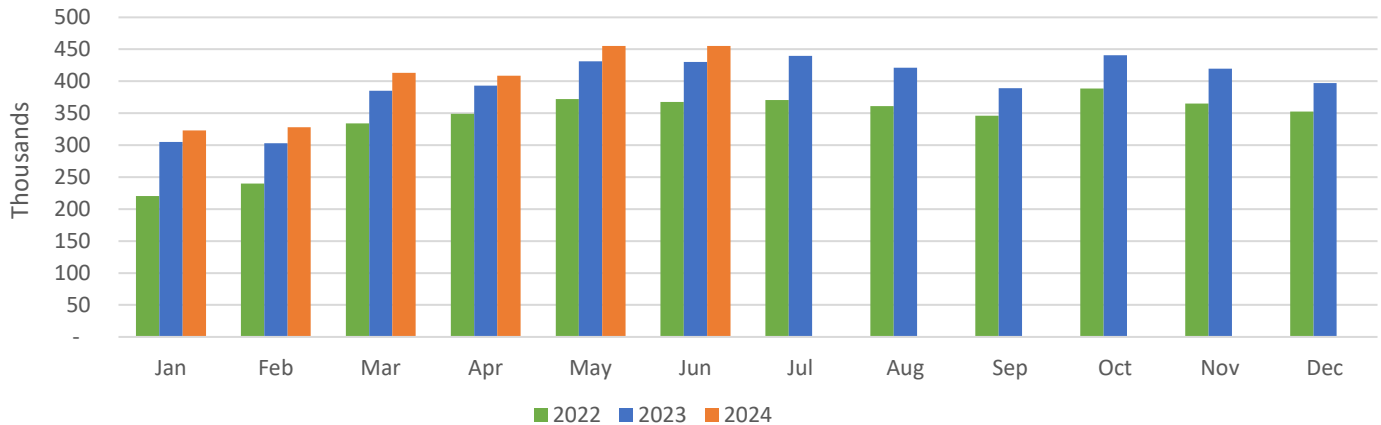


There were 0 foreclosures reported in June FY24, down from 5 in May.



Area Metric

Richmond Aviation Activity



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. **June 2024 represents another month of exceptionally high activity with 455,022 recorded passengers, up 3.5% from June 2023⁹.**

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