



### 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 for the month of March with data received between March 1 and March 31, 2025. 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 throughout the month.

### OMB Summary

The month of March yielded subpar economic results. At the national level, the S&P 500 saw a drop of 342.65 points, or 5.8%. Wages when accounting for increases in CPI remained relatively flat. These factors alongside concerns related to the impact of incoming tariffs have resulted in the Consumer Confidence Index dropping by 7.2 points this month. The Consumer Confidence Index is still higher than during COVID as assessments of the present are still much higher than during the pandemic, but the Expectations Index component is now at a 12-year low. In a press release by the Federal Reserve for the Federal Open Market Committee March meeting, the Federal Reserve announced it would maintain the federal funds rate of 5.25% to 5.5%. The Federal Reserve noted that the economic outlook is uncertain, and it would remain highly attentive to future inflation risks<sup>1</sup>. At a local level some of these bearish signs can be seen in the longer average days a house is on the market, and new and used car registration figures that are lower than their corresponding month of last fiscal year. Unemployment rose locally to a rate of 3.1%, a number relatively in line with the state average, which remains lower than the national average. These trends will be monitored on a continual basis. **The Report does not contain or reflect any trends or information impacted by the Tariff announcements on April 2<sup>nd</sup>, 2025. That will be found in the April edition of this Report.**

### 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

This report is not intended to provide investment advice.

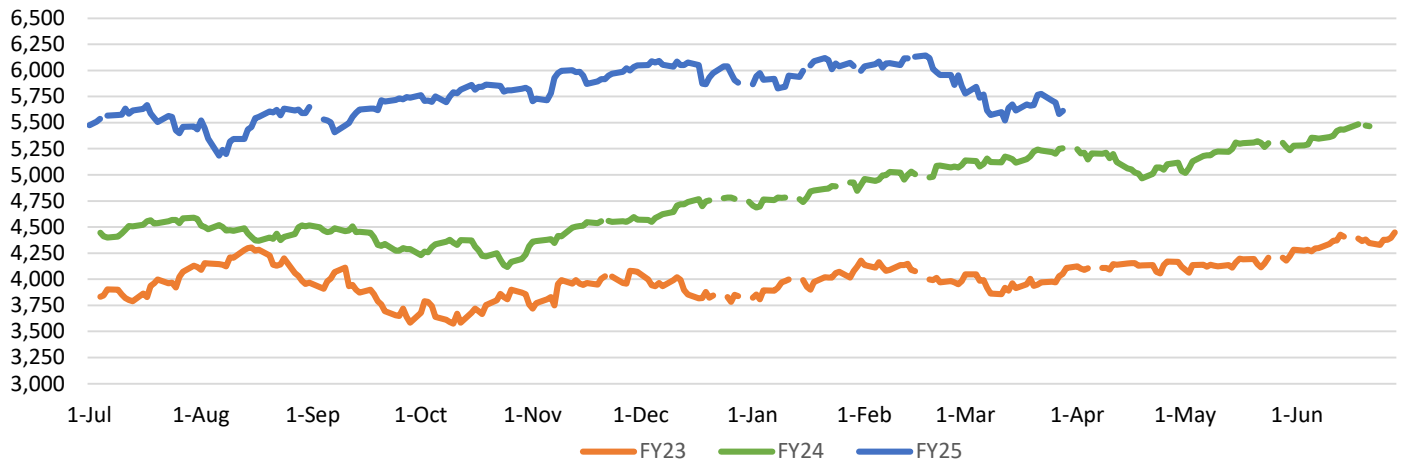
<sup>1</sup> Federal Open Market Committee March Meeting; <https://www.federalreserve.gov/newsevents/pressreleases/monetary20240320a.htm>



## National Metrics

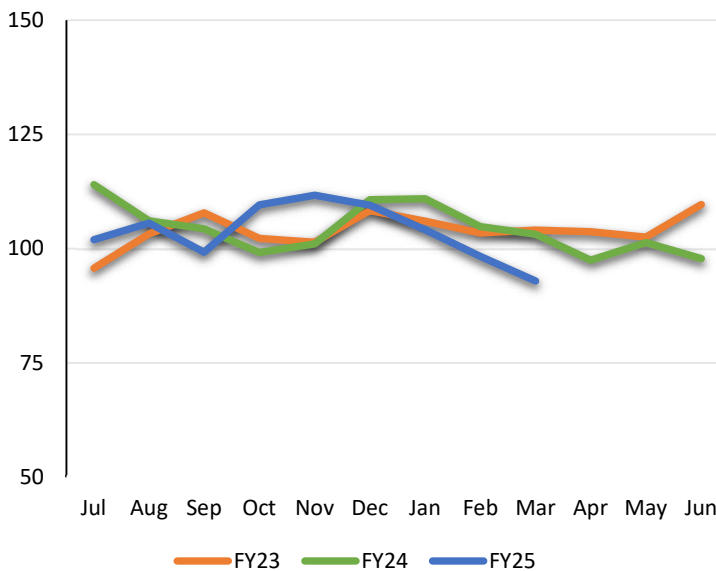
These indicators provide a mix of hard financial data as well as consumer consensus surveys to provide a macroeconomic and microeconomic view of the United States.

### S&P 500



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 S&P 500 saw a downward trend over the month of March, with the month opening at 5,954.50 and closing at 5,611.85, <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 March, the index dropped 7.2 points from February, the fourth consecutive month of decline. Expectations for the future have hit a 12-year low. Consumers cited pessimistic outlooks on business conditions, future finances, and employment. Factors such as market volatility, tariffs, and inflation on key household staples like eggs are likely contributing factors to the continued negative trend.**

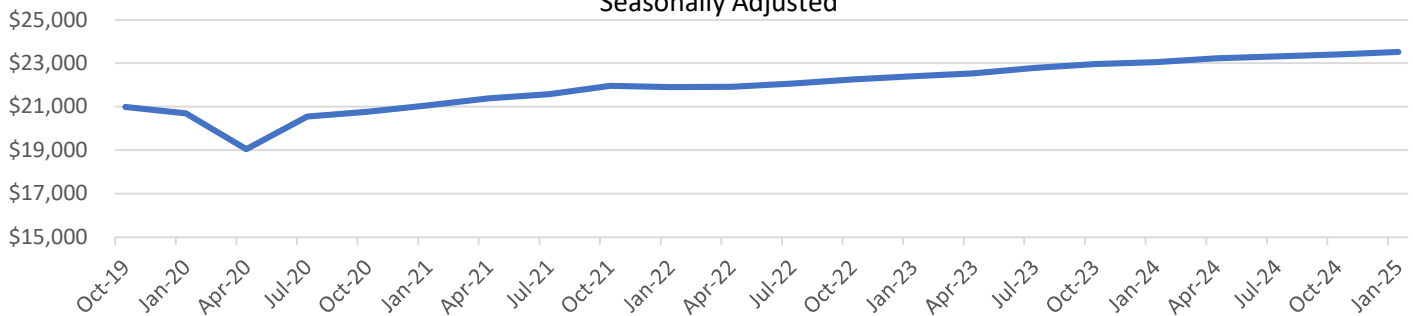
<sup>2</sup> Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/SP500>



## National Metrics

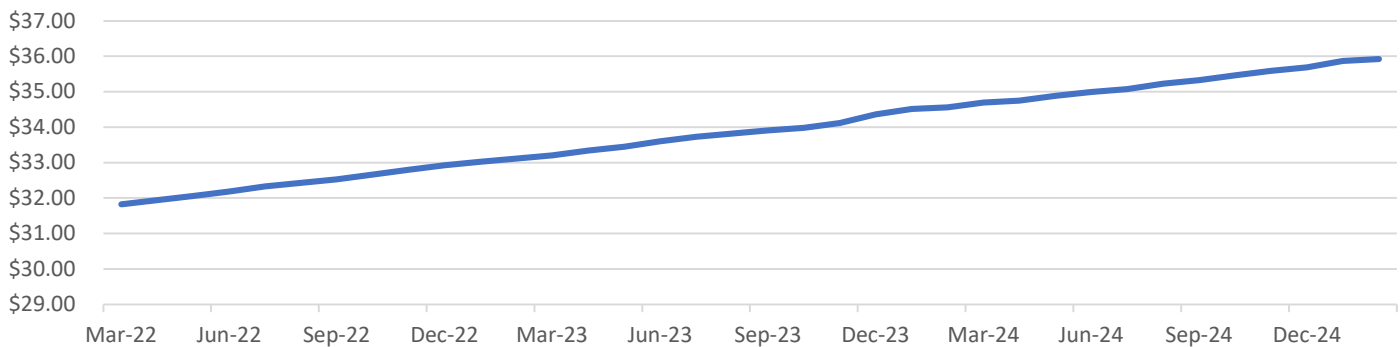
### Real GDP (\$ Billions)

Seasonally Adjusted



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 given 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 Q4 2024, real GDP increased by 0.56%<sup>3</sup> over Q3 2024, continuing the upward trend experienced since Q3 2022.**

### Wages (Private Employees)



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 February, the average hourly wage increased to \$35.93. This rise of \$0.06 from January represents an increase of 0.2%<sup>4</sup>.**

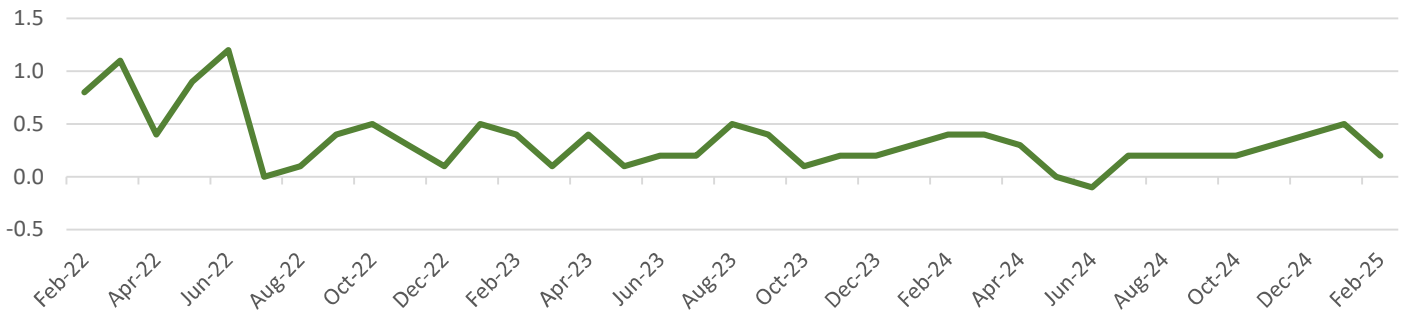
<sup>3</sup> Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/GDP>; GDP data is published quarterly.

<sup>4</sup> Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CES050000003>



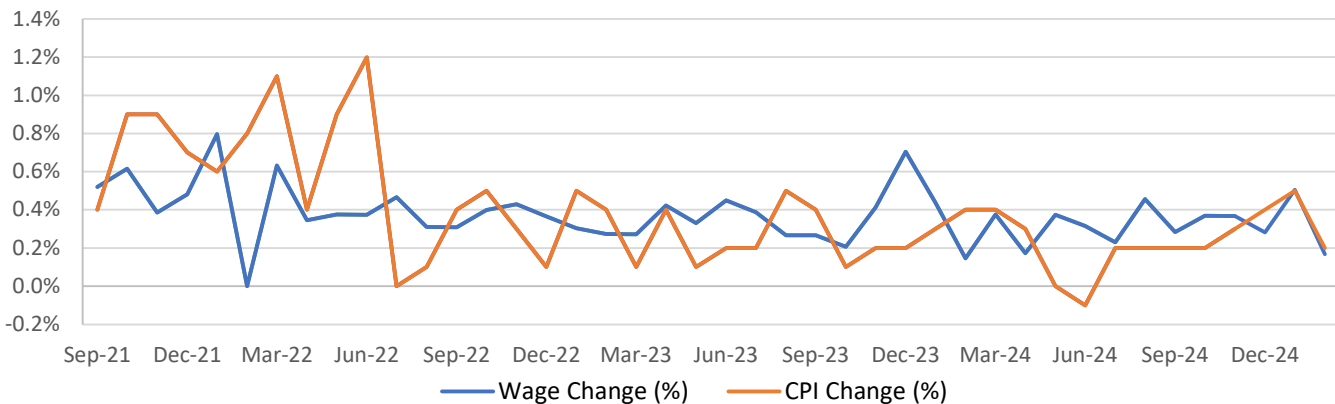
## National Metrics

### 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 February, the consumer price index rose by 0.2%**<sup>5</sup>. The current 12-month CPI growth is 3.14% (unadjusted) as reported by the Bureau of Labor Statistics. This is 0.4% less than the trailing 12-month average of 4.13%, indicating continued inflation less than that of last year.

### Average Hourly Wage Changes against Changes in CPI



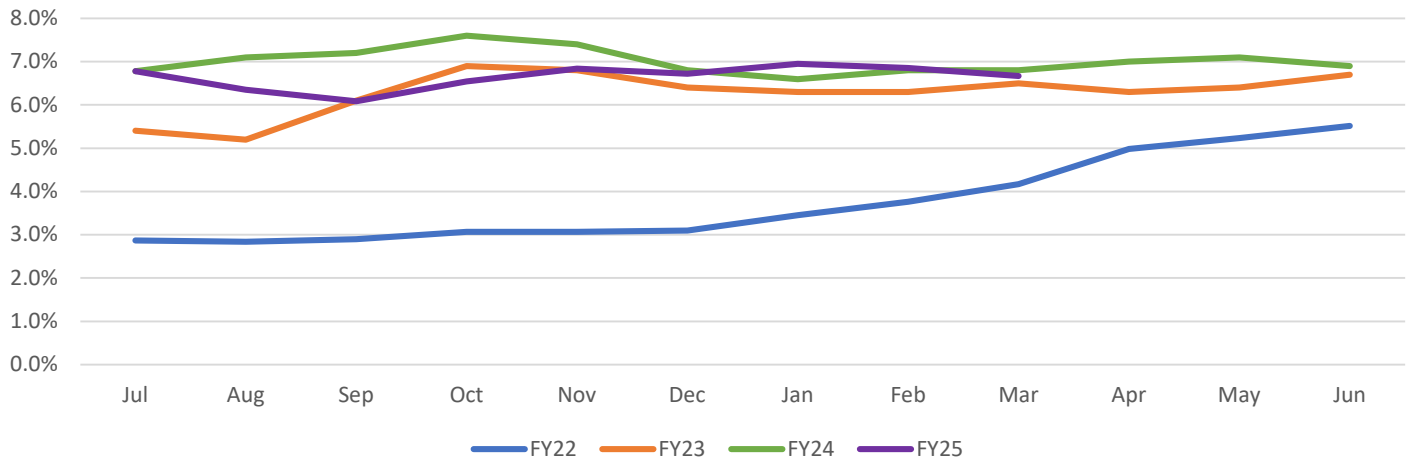
**Average Hourly Wage Changes against Changes in the Consumer Price Index** analyzes the relationship between national wages and consumer pricing, and more loosely, its affiliate inflation. It should be noted that this graph encompasses month over month changes, with both metrics demonstrating continuous upward growth over the past 2 years of recorded data. **February had a monthly wage growth of 0.2% while the CPI increased 0.2%, a neutral outcome for consumer buying power.**

<sup>5</sup> 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 March, the 30-year fixed mortgage interest rate decreased from 6.9% to 6.7%<sup>6</sup>. This decrease follows three rate cuts from the Federal Reserve in 2024, an effort to ease pressure on the economy from elevated interest rates.**

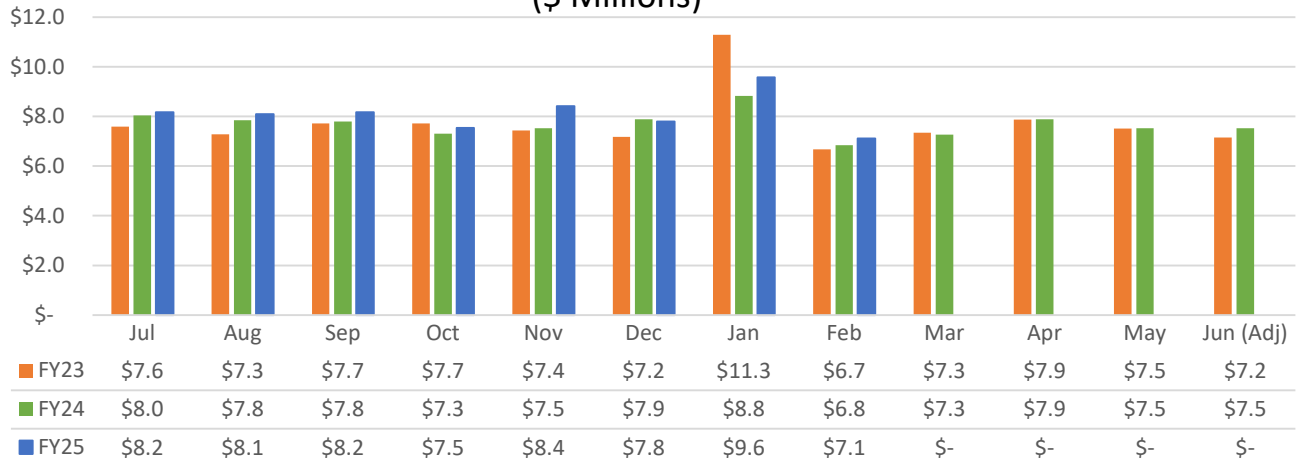
<sup>6</sup> Freddie Mac; [30-Year Fixed-Rate Mortgages Since 1971 - Freddie Mac](#)





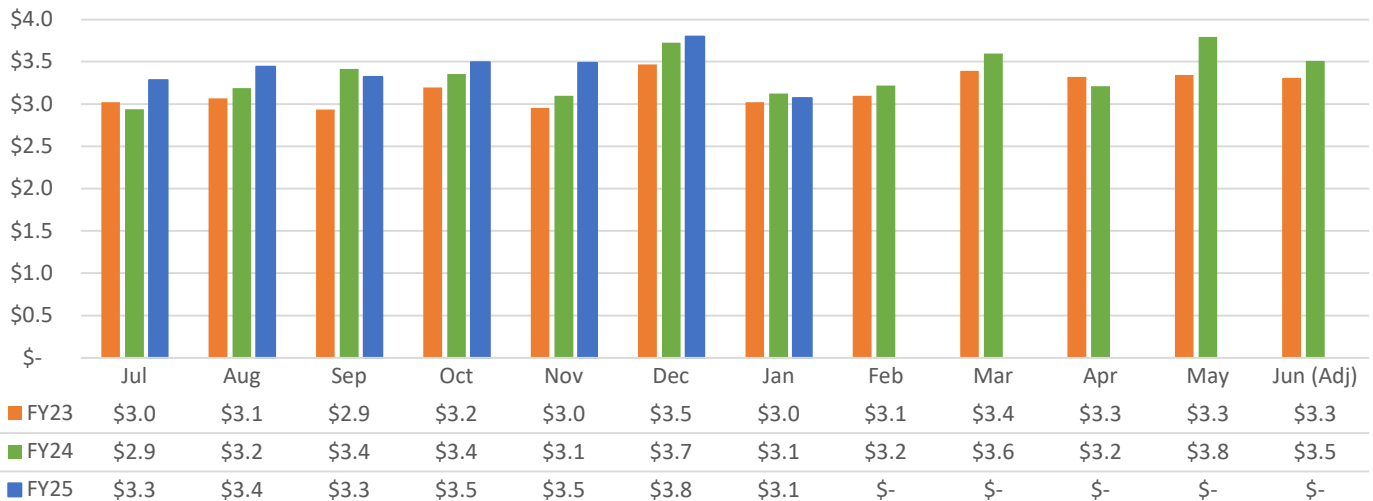
## Henrico Metrics

### 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. **February FY25 recorded collections of \$7.1 million, \$0.3 million higher than February FY24 collections.**

### Meals Tax (\$ Millions)

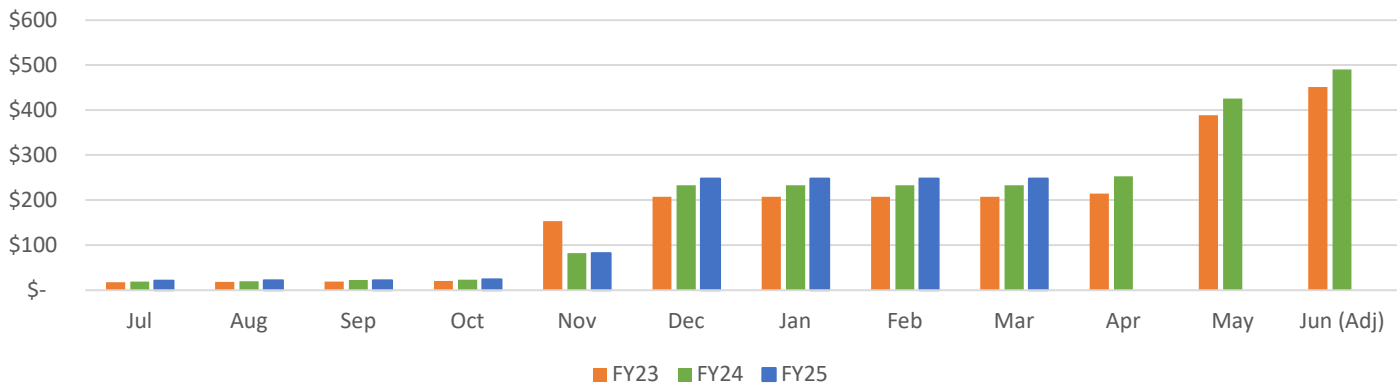


Henrico's **Meals Tax** establishes a 4% tax on prepared food and beverages. Revenue generated by the Meals Tax is dedicated to the operational and capital project needs of Henrico's Public Schools. Collections lag by two months and are compared as year-over-year monthly collections. **January FY25 collections totaled \$3.1 million, with year-to-date collections similar to FY24.**



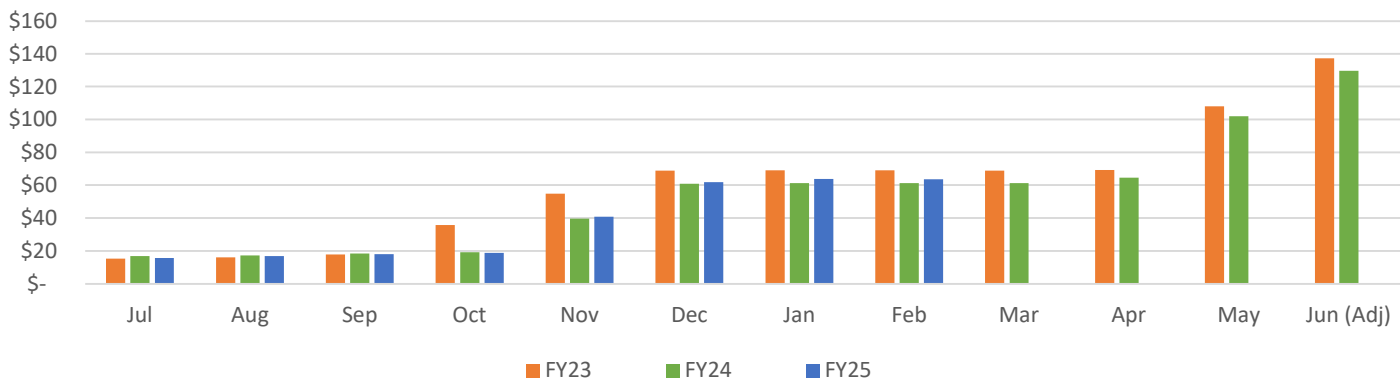
## Henrico Metrics

### Real Property Taxes (\$ Millions, Cumulative)



**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 March FY25 are \$247.6 million.** The graph above represents cumulative collections through each fiscal year.

### Personal Property Taxes (\$ Millions, Cumulative)

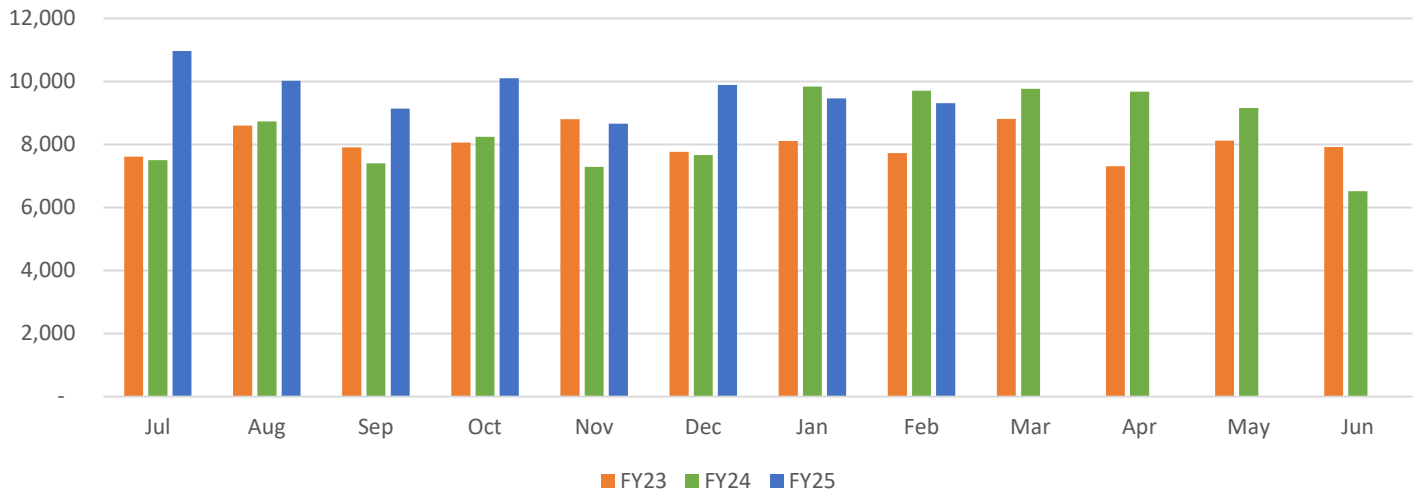


**Personal Property Taxes** are collected on all vehicles including cars, trucks, trailers, motorcycles, motor homes, aircraft, and watercraft. Personal property is collected in the locality where it is normally garaged, docked, or parked. Henrico County uses the J.D. Power Official Used Car Guide as 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 February FY25 recorded \$63.7 million. The Personal Property Tax rate was lowered to \$3.40 in FY24, impacting collection totals compared to FY23.**

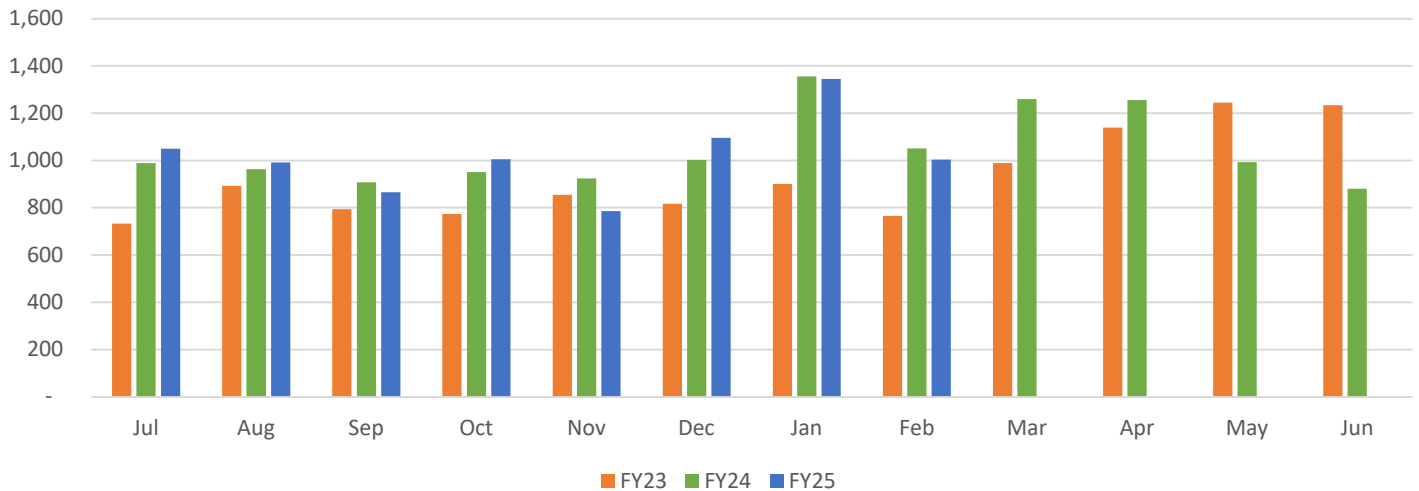


## Henrico Metrics

### Used Car Registration



### New Car Registration

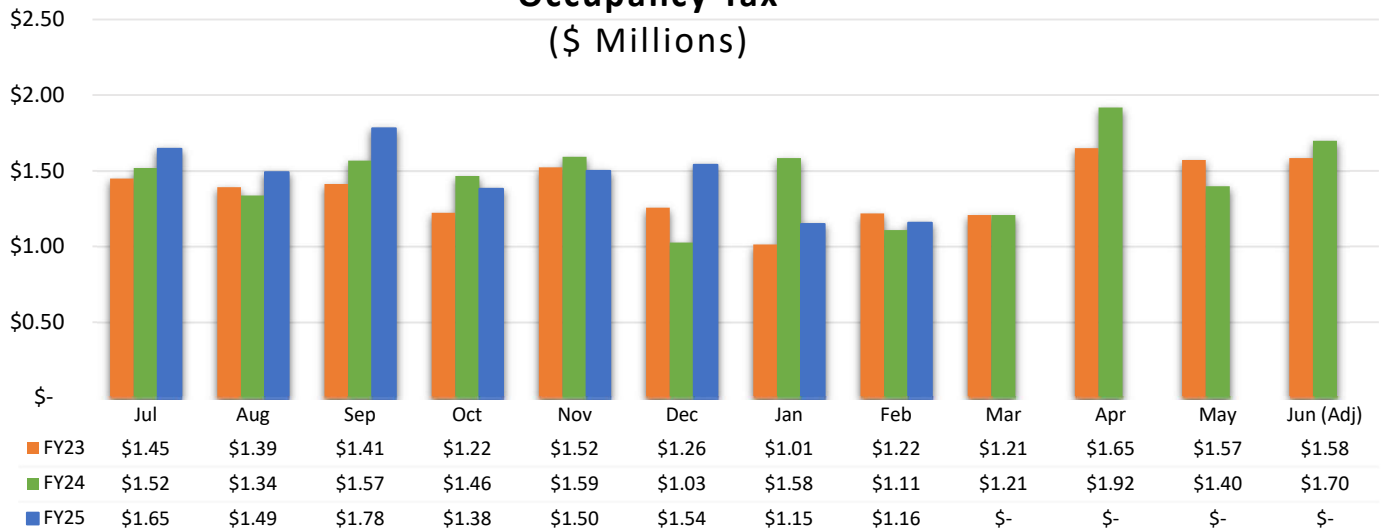


**Vehicle Registration** data is acquired from the Virginia Department of Transportation and is comprised of both new and used vehicles; the metric strongly correlates to vehicle sales. **Used Car Registrations in February** recorded 9,309. **New Car Registrations 1,003.** Both Used and New Car Registrations in February slightly lagged February FY24 registrations.



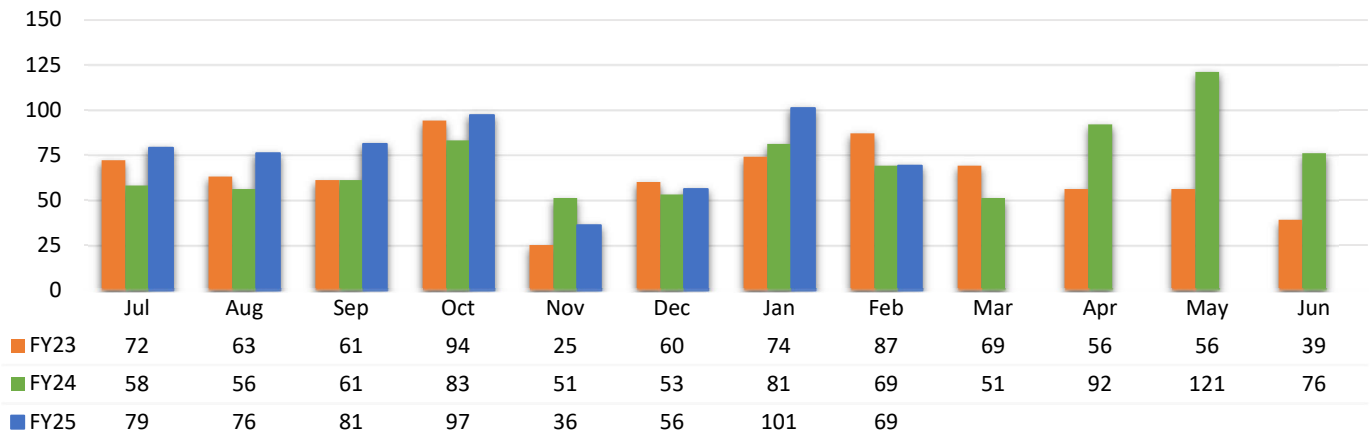
### Henrico Metrics

#### Occupancy Tax (\$ Millions)



Henrico’s **Occupancy Tax** is collected on lodging for overnight stays. **Occupancy Tax collections in February FY25 totaled \$1.16 million, \$0.05 million greater than February FY24.**

#### New Residential Construction

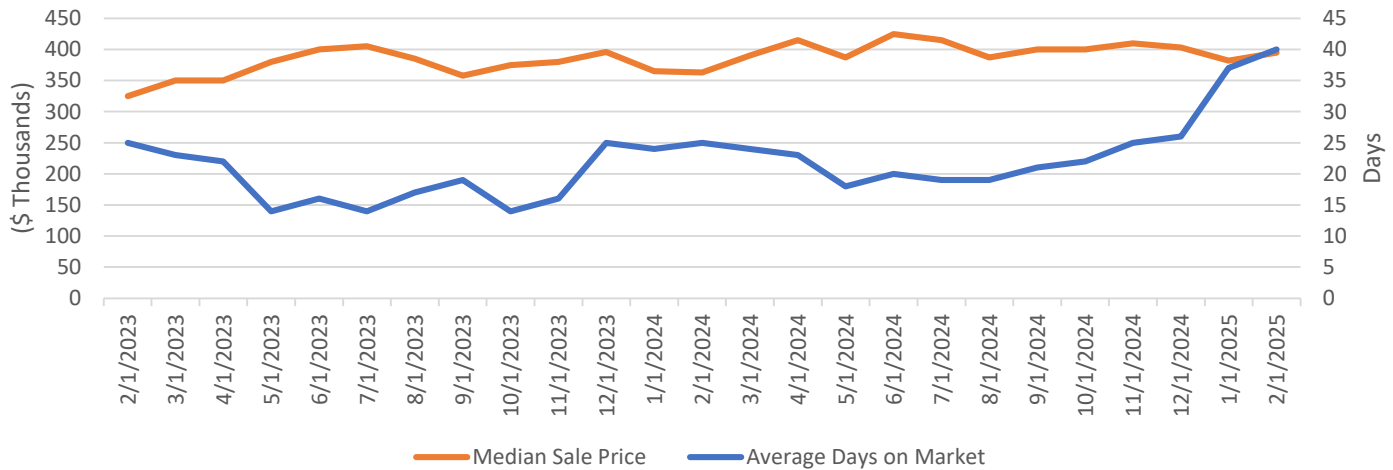


**New Residential Construction** is comprised of new single-family houses that were issued building permits. A slowdown may indicate worsening economic conditions, increased competition from neighboring localities, or a lack of expansion capabilities. **February FY25 construction totaled 69 permits, the same as February FY24.**



## Henrico Metrics

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

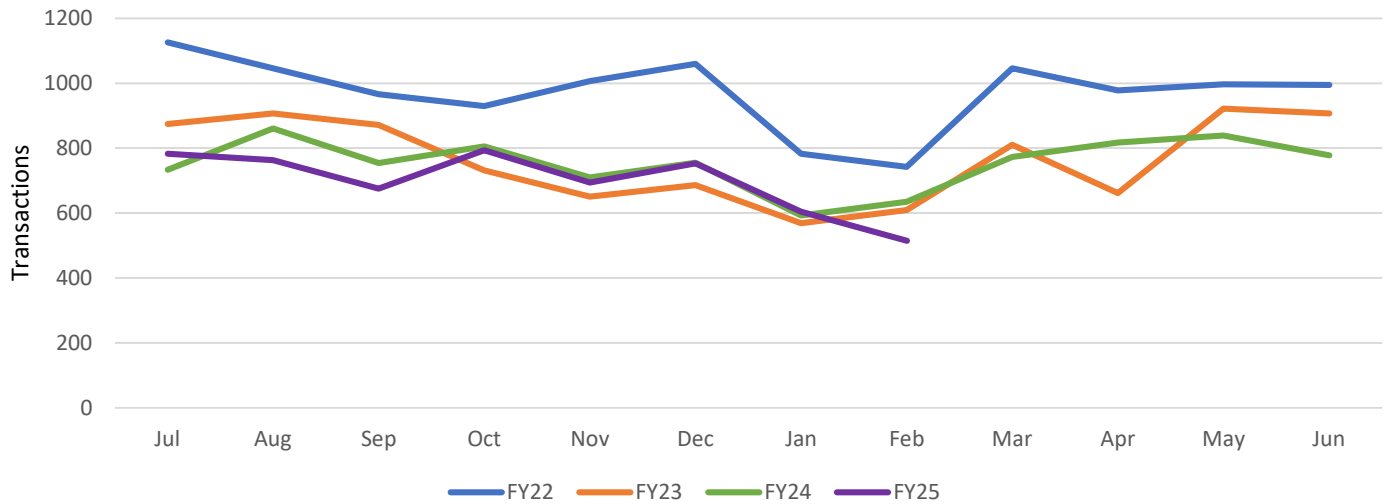


**Average Days on the Housing Market and Median Sale Price** provides a benchmark of the state of the housing market in Henrico. An increase in the time spent on market may indicate a slowing of the housing market, while a decrease may indicate acceleration. Median Sales Price tracks the middle value 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 February totaled \$395,000, a \$13,000 increase from January. Average Days on the Housing Market increased from 37 in January to 40, the highest in the recorded data set. This may indicate a deceleration in the housing market and warrants continued monitoring.**



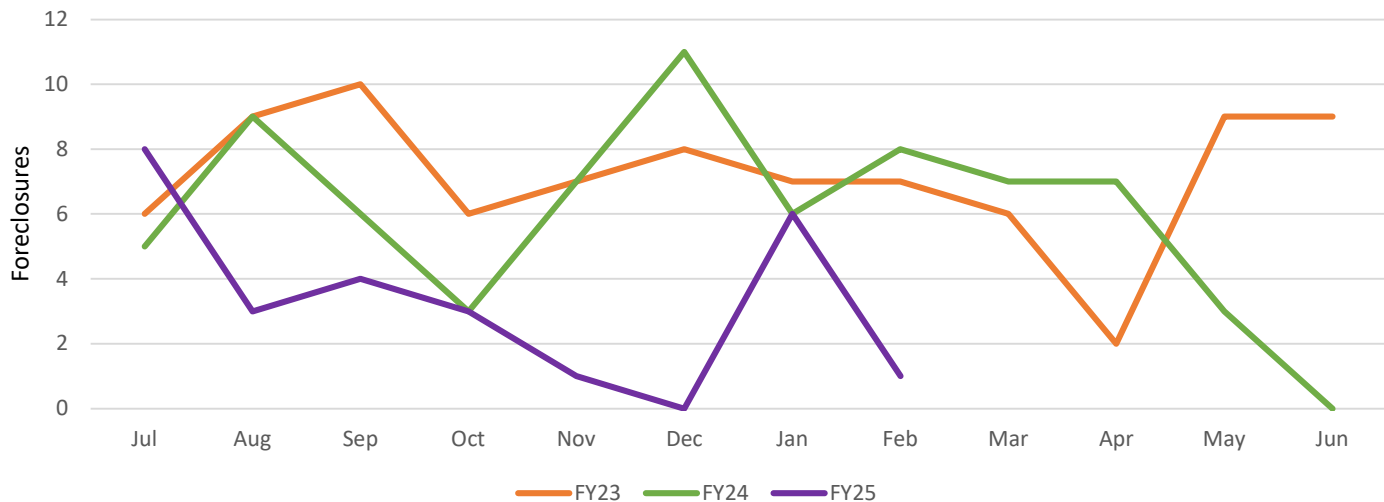
## Henrico Metrics

### 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 515 residential transactions were recorded in February FY25, 120 less than the previous fiscal year.**

### Residential Foreclosures



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

