



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 September yielded mixed economic results. The S&P 500 had a strong performance following a dip at the end of August, while the Consumer Confidence Index dropped nearly five points with consumers citing pessimistic labor market expectations. In July, the 30-year fixed mortgage interest rate decreased to 6.1%, its lowest point in two fiscal years. The Henrico County unemployment rate rose for the third consecutive month to 3.2% and should be closely monitored. Year-to-date building permit issuance continues to exceed that of FY24. Year-to-date used and new car registrations also exceed FY24 values. Richmond International Airport activity continues to remain high in volume.

Metrics Considered

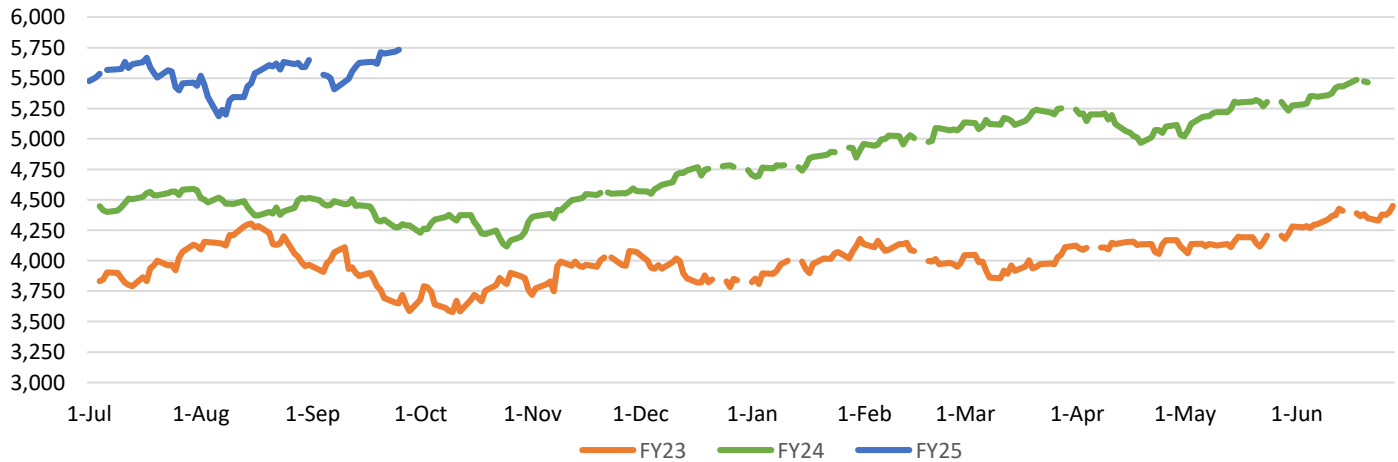
- **National:** S&P 500, Consumer Confidence Index, Real GDP, Wages, Consumer Price Index, Average Hourly Wage Changes against Changes in the Consumer Price Index, 30-Year Fixed Mortgage Rate
- **Virginia:** Unemployment Rate
- **Henrico:** Local Sales & Use Tax, Meals Tax, Real Property Tax, Personal 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

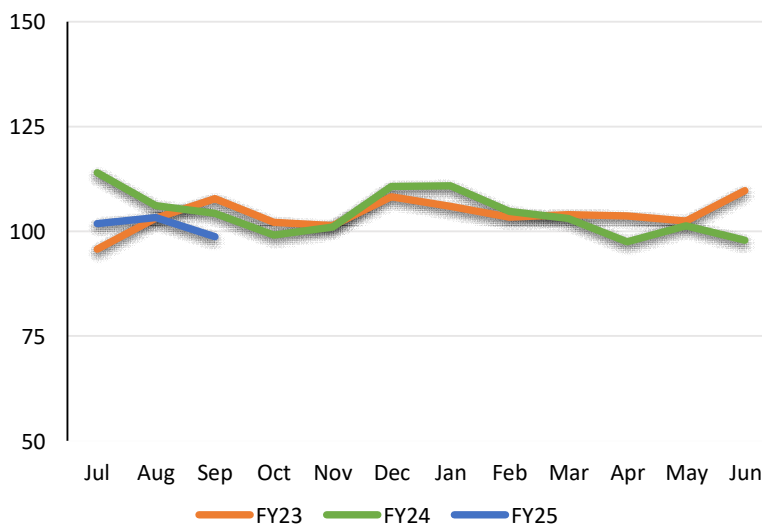
These indicators provide a mix of hard financial data as well as consumer consensus surveys to provide a macroeconomic and microeconomic view of the United States.

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. stock market. **During the month of September, the index climbed sizably following a sharp drop at the turn of August¹.**

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 September the index dropped 4.6 points from August, with consumers citing negative labor market expectations and business conditions as their leading causes of concern².**

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

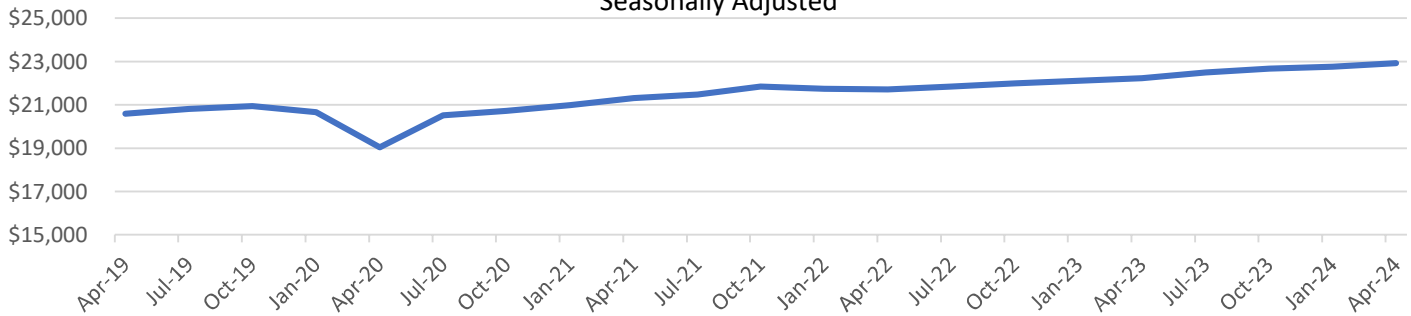
² The Conference Board; [US Consumer Confidence \(conference-board.org\)](https://www.conference-board.org/US-Consumer-Confidence)



National Metrics

Real GDP (\$ Billions)

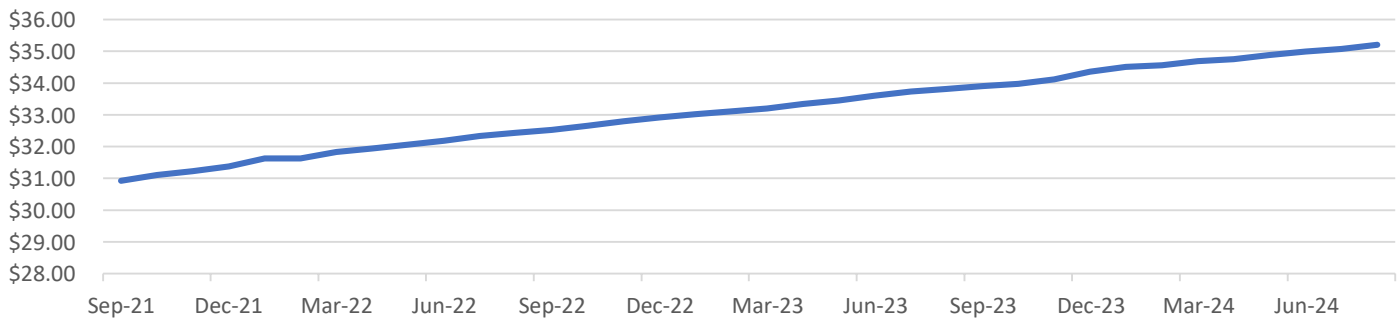
Seasonally Adjusted



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 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 a revised Q2 2024, real GDP increased by 0.73%³ over Q1 2024, continuing the upward trend experienced since Q3 2022.**

Wages (Private Employees)

Seasonally Adjusted



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 August, the average hourly wage increased to \$35.21. This rise of \$0.14 from July represents an increase of 0.4%⁴.**

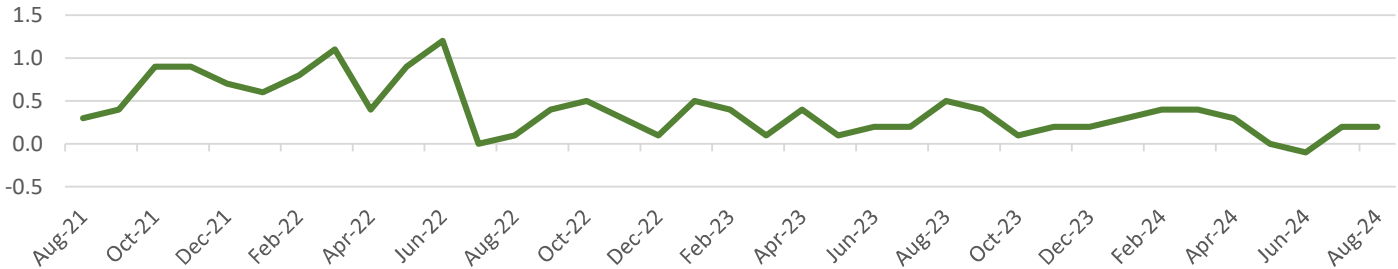
³ Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/GDP>; GDP data is published quarterly.

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



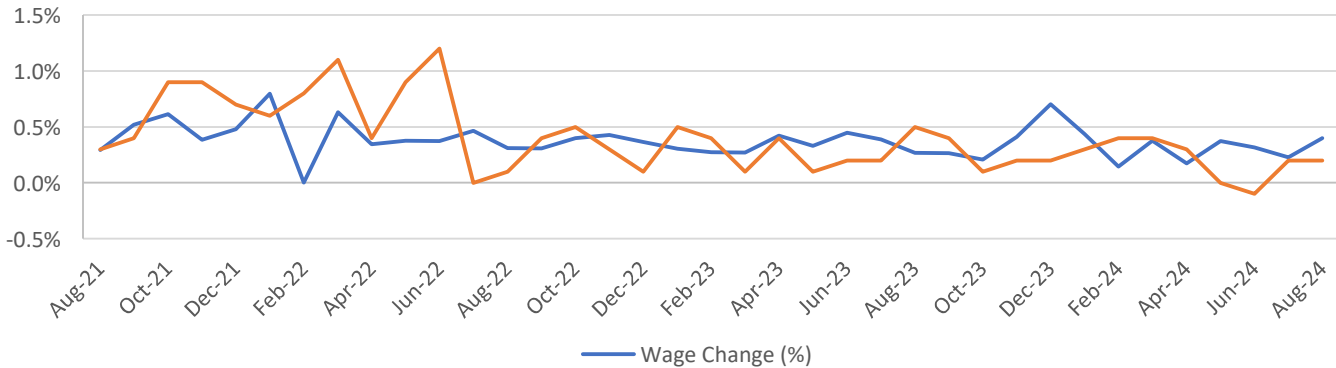
National Metrics

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 August 2024, the consumer price index increased 0.2%**⁵. The current 12-month CPI growth is 3.14% (unadjusted) as reported by the Bureau of Labor Statistics. This is 0.206% less than the trailing 12-month average of 3.35%, indicating continued inflation less than that of last year.

Average Hourly Wage Changes against Changes in CPI



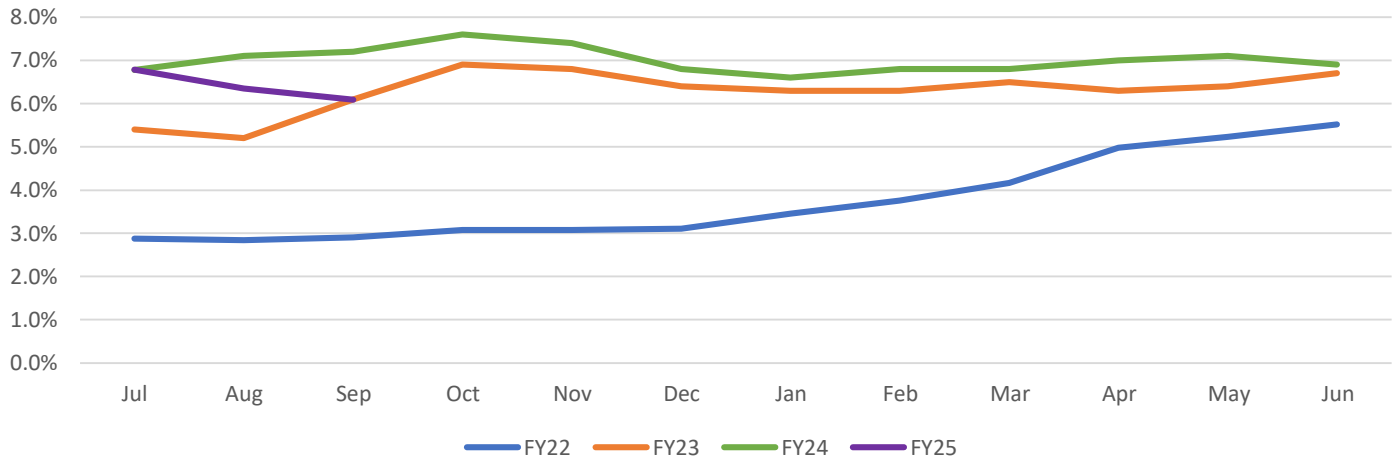
Average Hourly Wage Changes against Changes in the Consumer Price Index analyzes the relationship between national wages and consumer pricing, and more loosely, its affiliate inflation. It should be noted that this graph encompasses month over month changes, with both metrics demonstrating continuous upward growth over the past 2 years of recorded data. **August had a monthly wage growth of 0.4% while the CPI increased 0.2%, 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



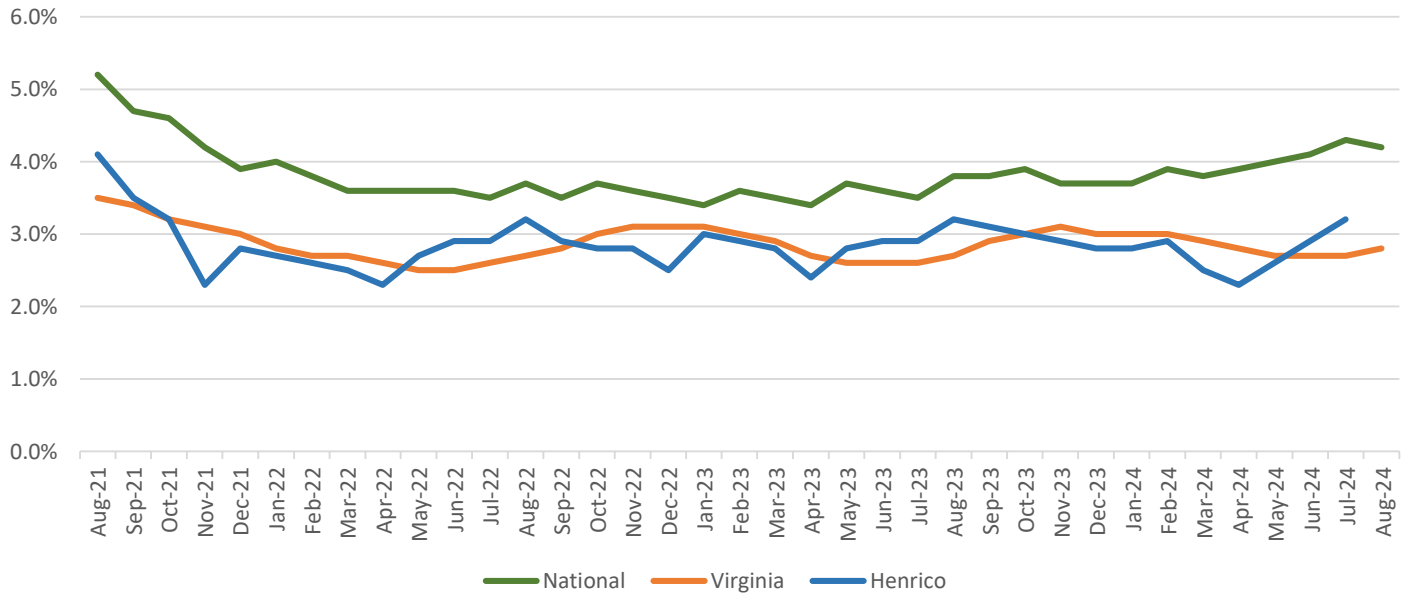
The **30-Year Fixed Mortgage Rate** is the most common financing mechanism used by residential home buyers. The interest rate represents the amount a qualified borrower will be charged by a lender over the loan term. **In September, the 30-year fixed mortgage interest rate decreased from 6.4% to 6.1%, the lowest point in two years⁶. This drop follows a 50-point rate cut from the Federal Reserve in an effort to stimulate the economy and may have implications for residential real estate transactions sales volume in the months to follow.**

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



Combined Metrics

Unemployment Rates



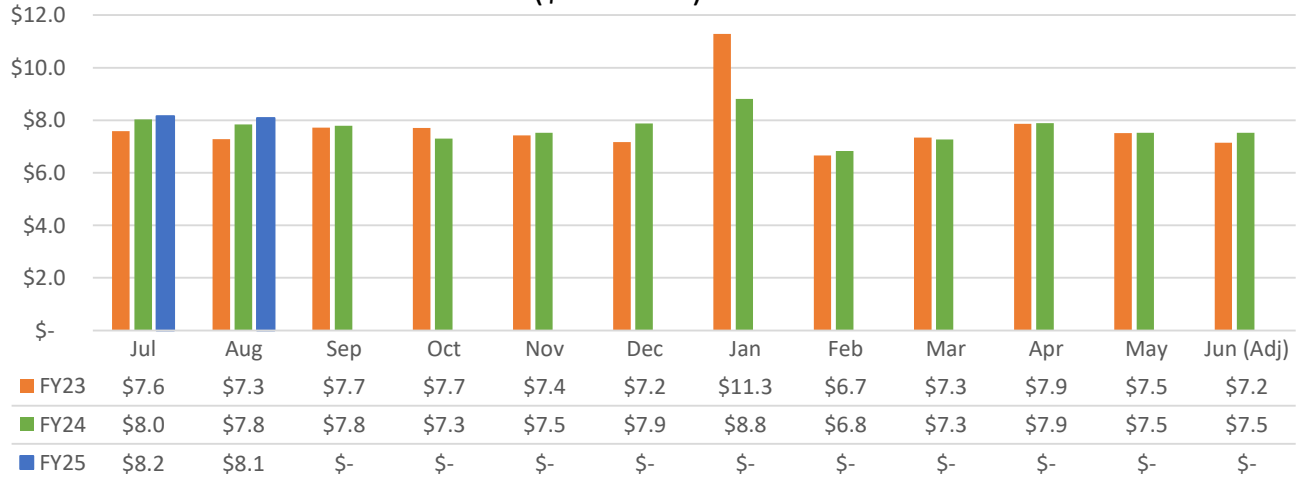
The **Unemployment Rate** shows the number of unemployed people as a percentage of the workforce. Known as the U-3 unemployment rate, an individual must be actively seeking work or laid off to be included. State unemployment data lags roughly six weeks while local unemployment data lags nine weeks. **In the month of August, the unemployment rate decreased from 4.3% to 4.2% at the national level and increased 0.1% to 2.8% at the state level. Henrico County’s unemployment rate increased from 2.9% to 3.2%, the third consecutive month of increases⁷.** 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>



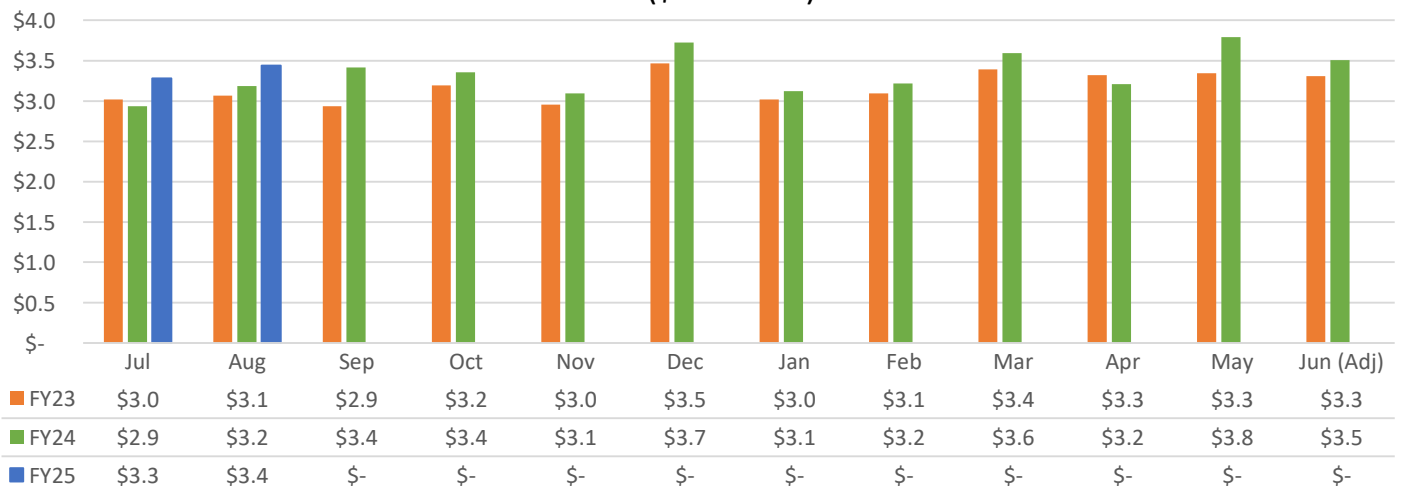
Henrico Metrics

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. **August FY25 recorded collections of \$8.1 million, \$0.3 million higher than August FY23 collections.**

Meals Tax (\$ Millions)

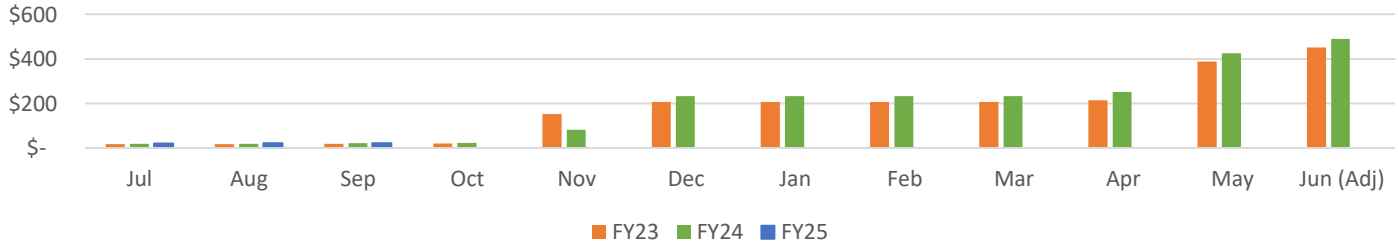


Henrico’s **Meals Tax** establishes a 4% tax on prepared food and beverages. Revenue generated by the Meals Tax is dedicated to the operational and capital project needs of Henrico’s Public Schools. Collections are backdated two months and compared as year-over-year monthly collections. **August FY25 collections of \$3.4 million exceed August FY24 collections by \$0.2 million.**



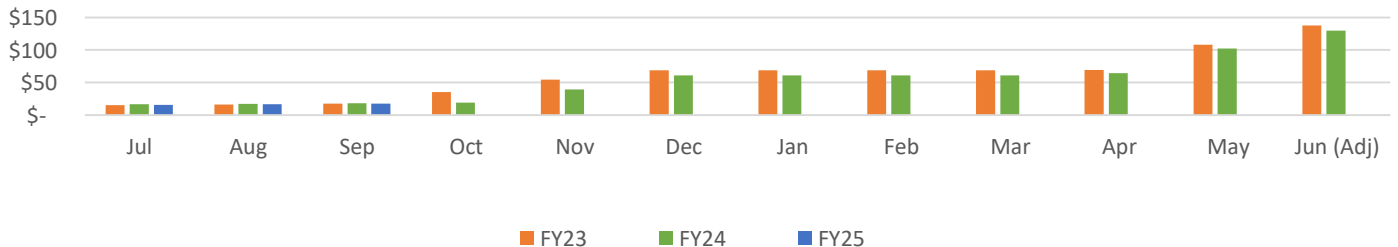
Henrico Metrics

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 September FY25 are \$21.9 million, largely reflecting full tax-year payments made in June and deferred into FY25.**

Personal Property Taxes (\$ Millions)

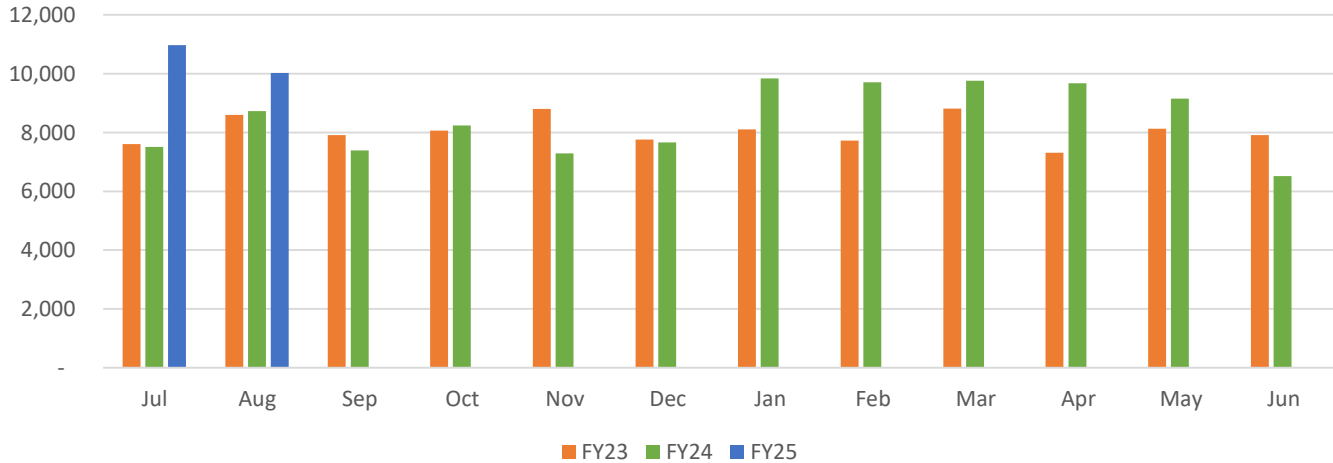


Personal Property Taxes are collected on all vehicles including cars, trucks, trailers, motorcycles, motor homes, aircraft, and watercraft. Personal property is collected in the locality where it is normally garaged, docked, or parked. Henrico County uses the J.D. Power Official Used Car Guide as of January 1st of each year to establish valuations. Collections are due twice a year in December and June. **Personal Property Tax Collections through September FY25 recorded \$17.9 million, largely reflecting full tax-year payments made in June and deferred into FY25. The Personal Property Tax rate was lowered to \$3.40 in FY24 and that impacted 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.

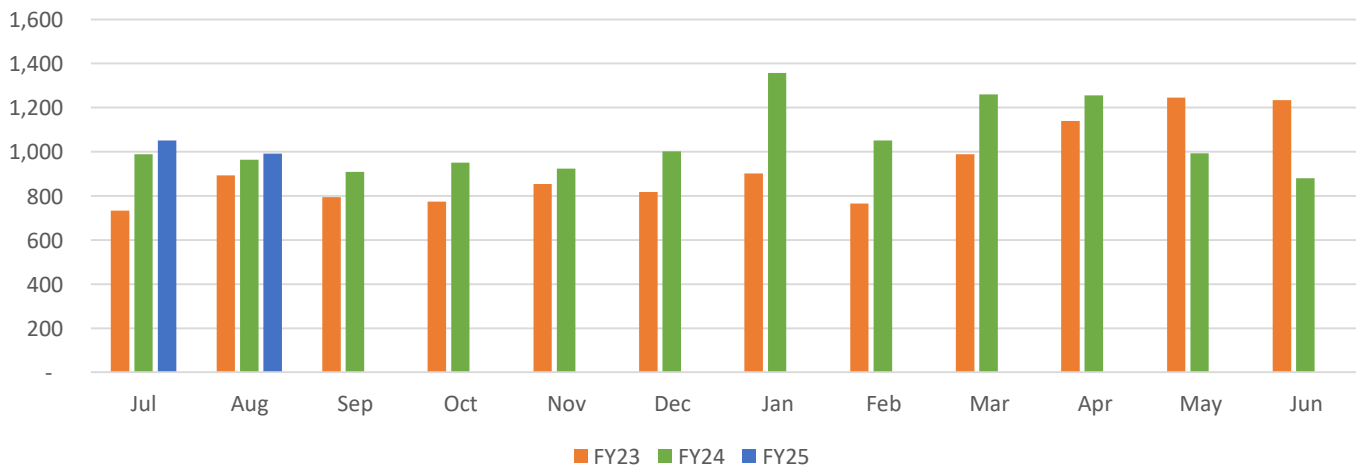


Henrico Metrics

Used Car Registration



New Car Registration

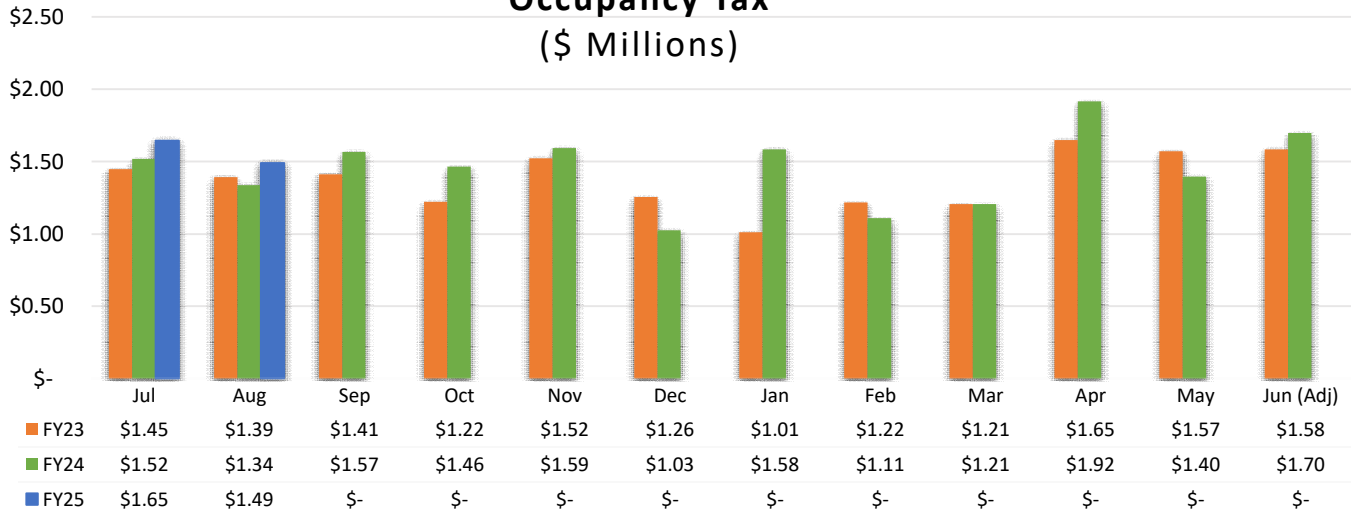


Vehicle Registration data is acquired from the Virginia Department of Transportation and is comprised of both new and used vehicles; the metric strongly correlates to vehicle sales. **Used Car Registrations in August recorded 10,016. New Car Registrations in August recorded 991. Both Used and New Car Registrations exceed August FY24 values, signaling a growing and resilient local economy.**



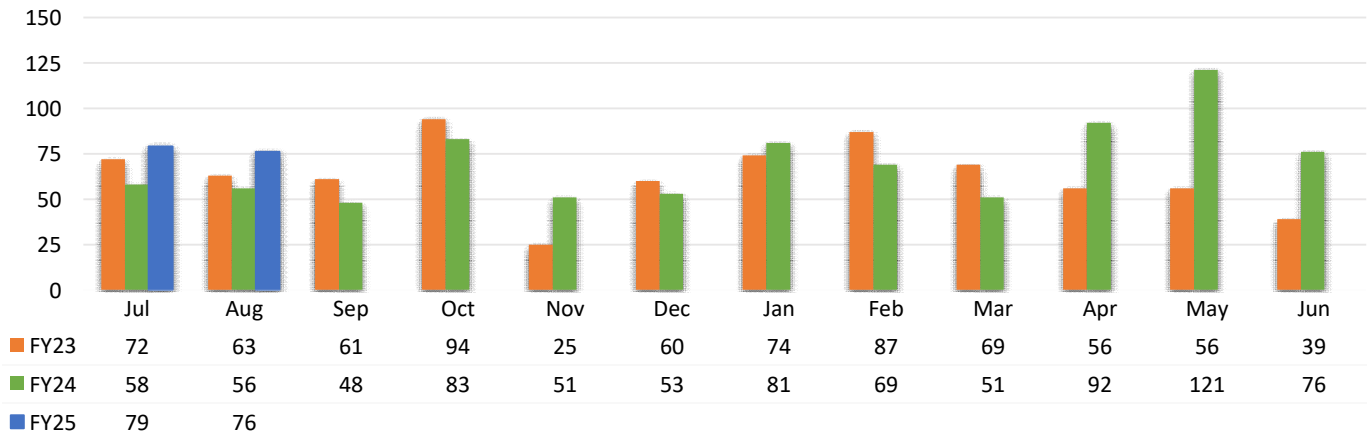
Henrico Metrics

Occupancy Tax (\$ Millions)



Henrico’s **Occupancy Tax** is collected on lodging for overnight stays. **Occupancy Tax collections in August FY25 totaled \$1.49 million, \$0.15 million higher than August FY24.**

New Residential Construction

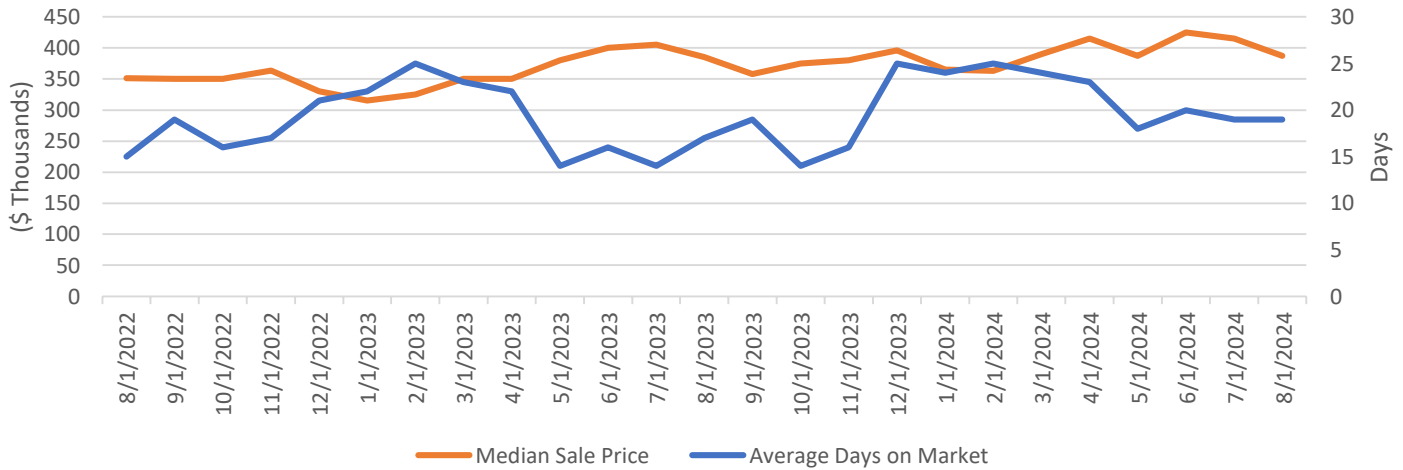


New Residential Construction is comprised of new single-family houses that were issued building permits. A slowdown may indicate worsening economic conditions, increased competition from neighboring localities, or a lack of expansion capabilities. **August FY25 construction totaled 76 permits, 20 more than August FY24.**



Henrico Metrics

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

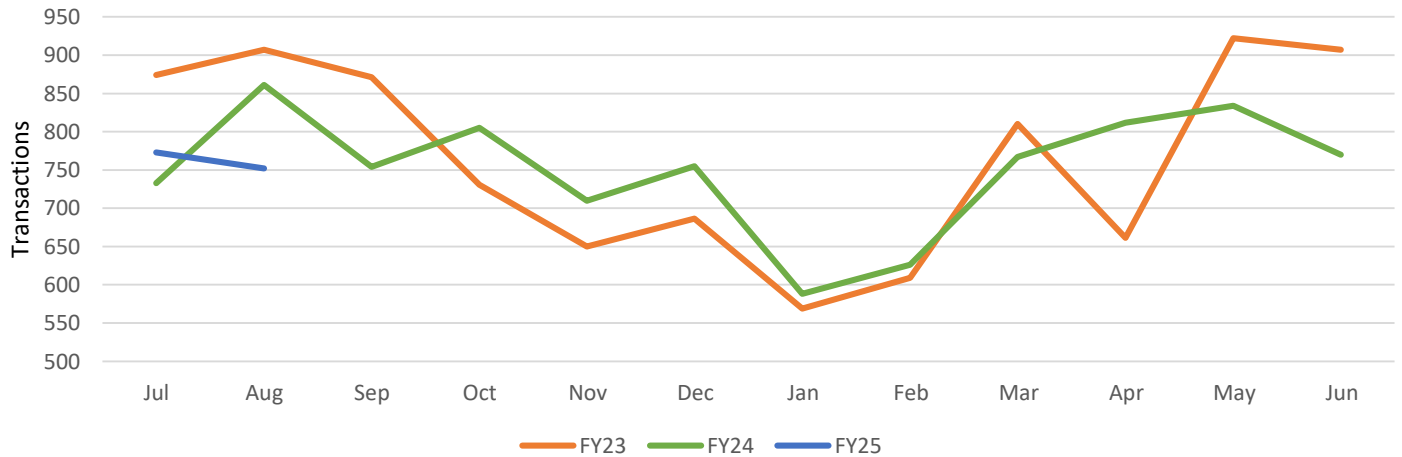


Average Days on the Housing Market and Median Sale Price provides a benchmark of the state of the housing market in Henrico. An increase in the time spent on market may indicate a slowing of the housing market, while a decrease may indicate acceleration. Median Sales Price tracks the middle value of 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 August totaled \$387,000. Average Days on the Housing Market remained constant from July at 19.**



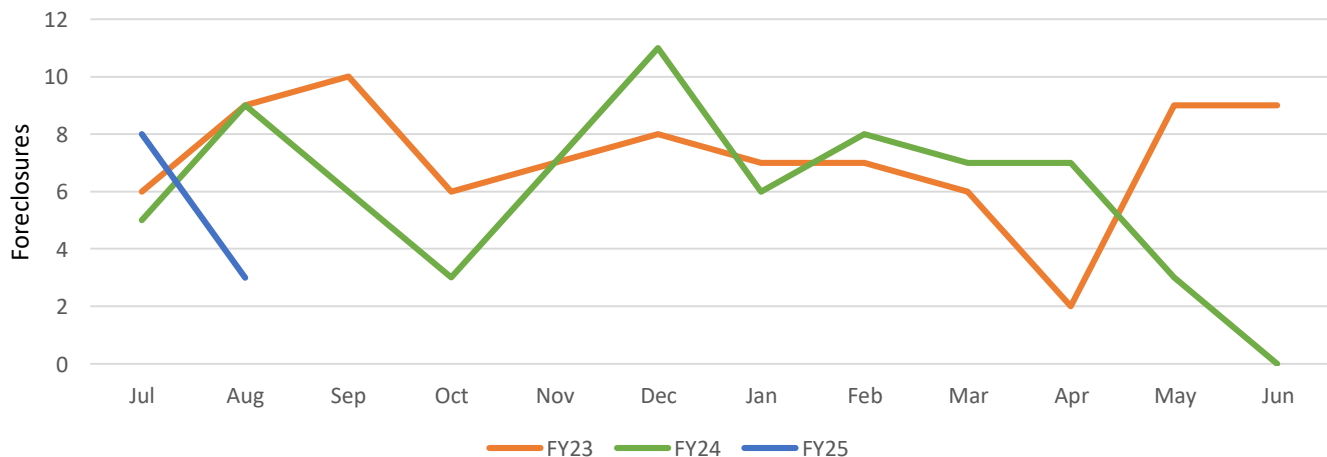
Henrico Metrics

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. **A total of 752 residential transactions were recorded in August FY25, 109 less than the previous fiscal year.**

Residential Foreclosures

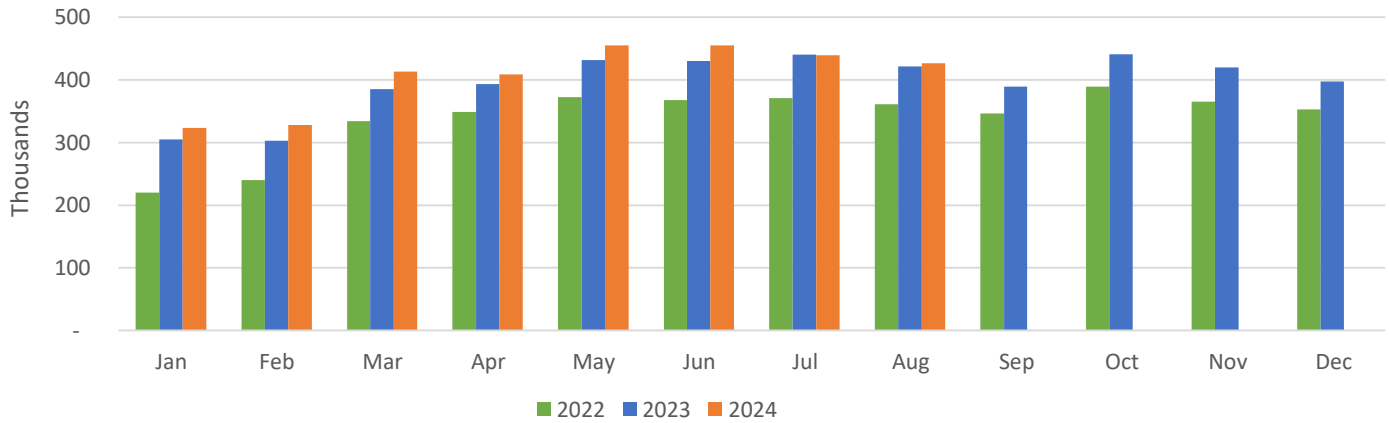


There were 3 foreclosures reported in August FY25, down from 8 in July.



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. **August 2024 captures another month of high activity with 426,278 recorded passengers, 5,068 greater than August 2023⁸.**

⁸ Richmond International Airport; <https://flyrichmond.com/airport-information/>