



Overview

The purpose of this report is to provide an overview of different economic indicators that may impact Henrico County's ability to perform 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 (FY23) and compare it to the current year (FY24). Data for FY24 is updated monthly as it becomes available. Some data is collected more frequently. Figures with dollar values will be in the millions unless indicated otherwise. Forward-looking statements should not be relied upon for investment decisions.

OMB Summary

The month of December yielded largely optimistic economic results with minimal negative indicators across the National, State, and Local levels. The S&P 500 continued its upward swing, surpassing the previous record set in December 2021, to reach a new all-time-high. Consumers reported the lowest recessionary concerns all year, causing a notable gain in the Consumer Confidence Index. Unemployment decreased slightly at the National level but rose marginally at the State level. The Median Sales Price of homes in the County increased by \$5,000 over November, while Average Days on the Housing Market increased from 14 to 16. 30-year fixed mortgage rates maintained the decline from October's peak. Richmond International Airport reported a record high for passenger activity in November following a multi-month trend expected to continue into December as holiday travel ensues.

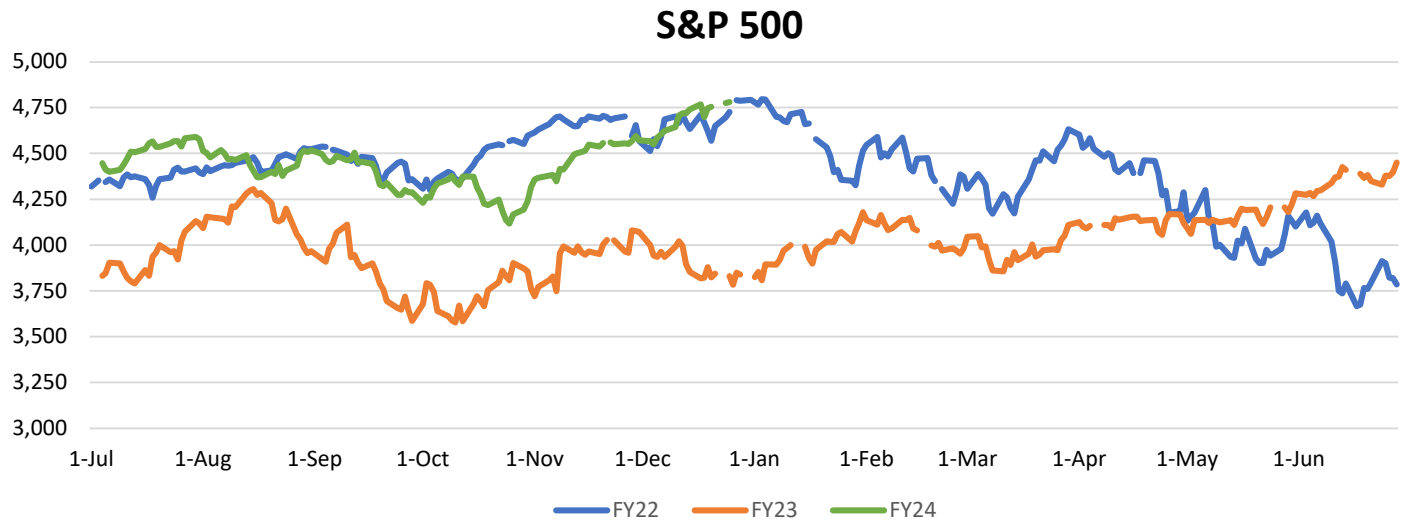
Metrics Considered

- **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, Crude Oil Prices
- **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



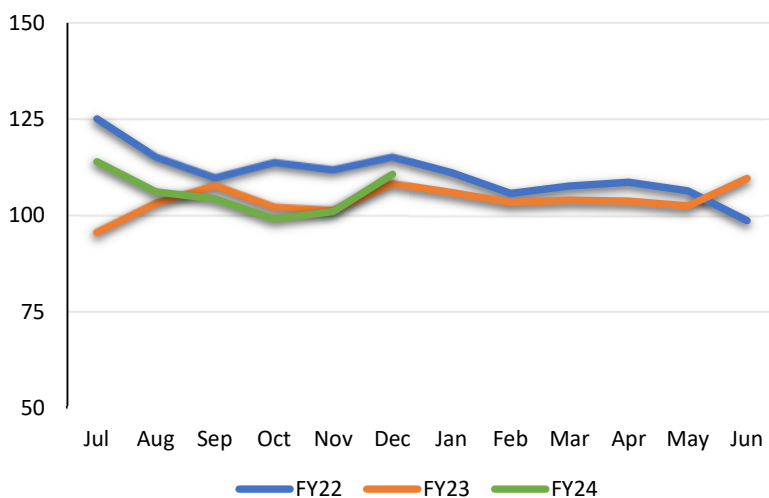
National Metrics

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. **The index experienced a sharp rise in December, coming in approximately 214 points, or 4.7%, over the close of November¹.**

Consumer Confidence Index



The **Consumer Confidence Index** is a monthly survey given to 5,000 random 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 rose from a revised 101 to 110.7. This is due in part to the lowest perceived recessionary concerns seen this year, however two-thirds of consumers are still wary of a possible economic downturn in 2024².**

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

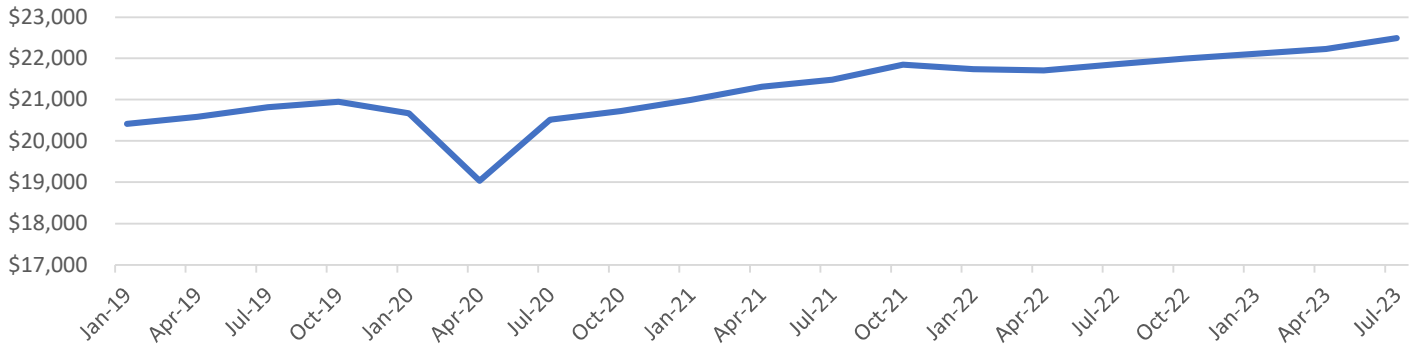
² The Conference Board; [US Consumer Confidence \(conference-board.org\)](https://www.conference-board.org/data/consumer-confidence/)



National Metrics

Real GDP (\$B)

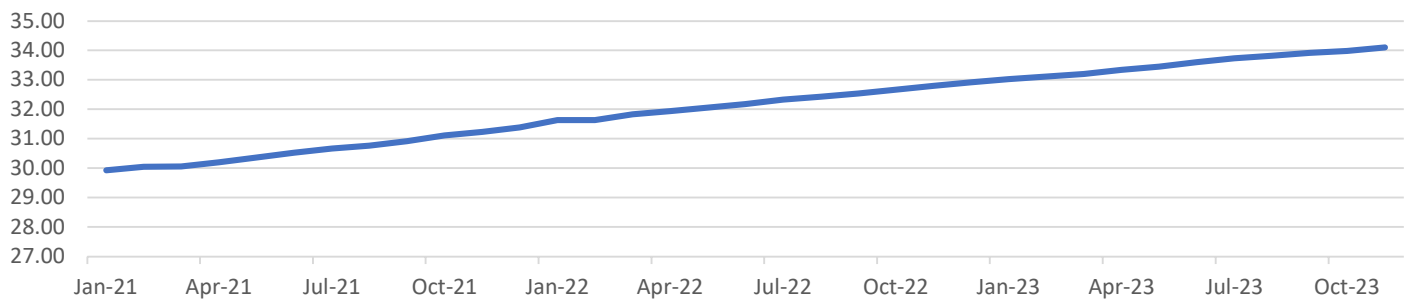
Seasonally Adjusted



The **Real Gross Domestic Product** 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 the third quarter of 2023, real GDP increased by 1.2%³ when compared to Q2 2023, continuing to reverse the decline experienced in the first two quarters of last calendar year.**

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 November, the average hourly wage increased to \$34.10. This rise of \$0.12 from October represents a 0.4% increase⁴.** The last time wages decreased from the prior month was in June 2020 reflecting impacts of the pandemic.

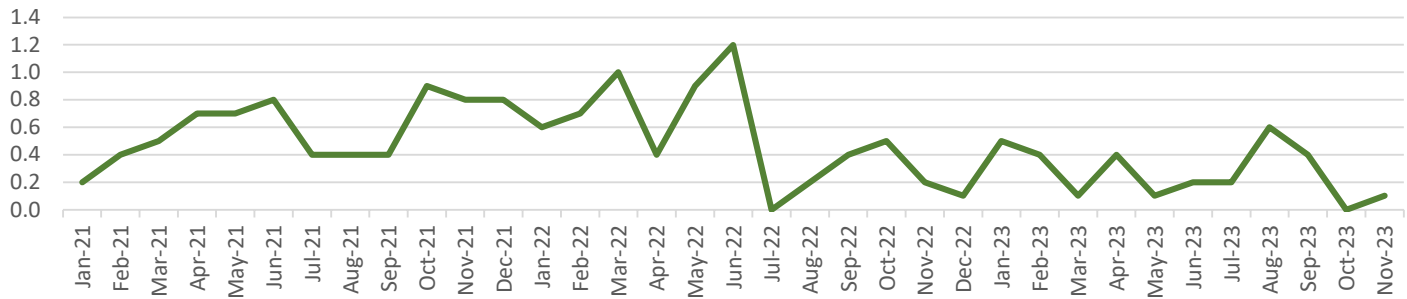
³ Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/GDP>; GDP data is published quarterly.

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



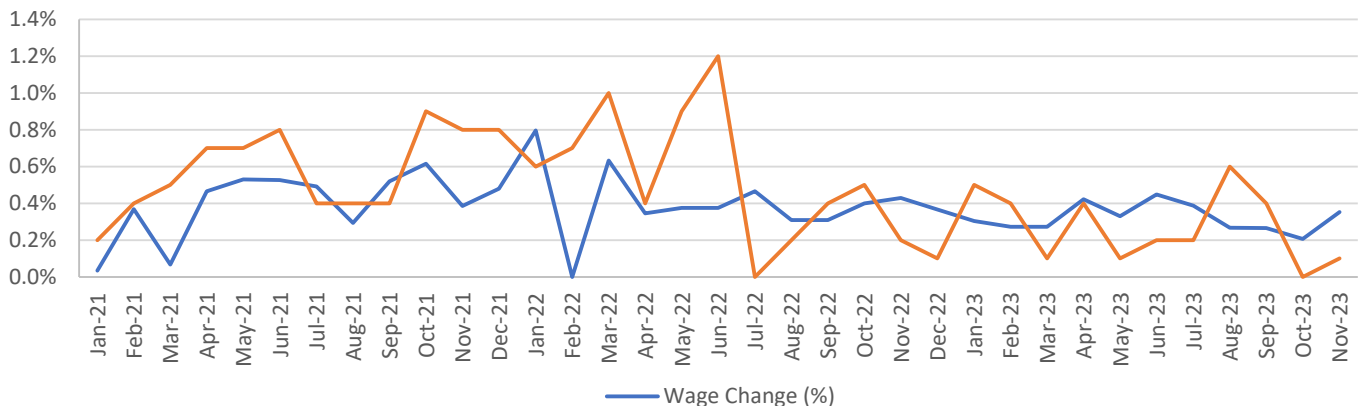
National Metrics

Consumer Price Index



The **Consumer Price Index** 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 November 2023, the consumer price index rose by 0.1%⁵.** The current 12-month CPI growth is 3.4% (unadjusted) as reported by the Bureau of Labor Statistics. This is 4.6% less than the trailing 12-month average of 8.0%, indicating continued inflation less than that of last year.

Average Hourly Wage Changes against Changes in CPI



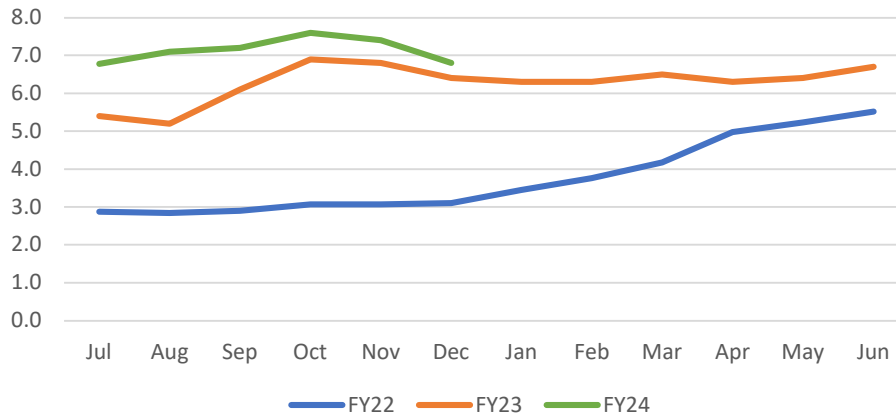
Average Hourly Wage Changes against Changes in the Consumer Price Index analyzes the relationship between national wages and consumer pricing, and more loosely, its affiliate inflation. It should be noted that this graph encompasses month over month changes, with both metrics demonstrating continuous upwards growth over the past 2 years of recorded data. **November’s monthly wage growth of 0.4% was higher than the CPI’s growth of 0.1%, 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)



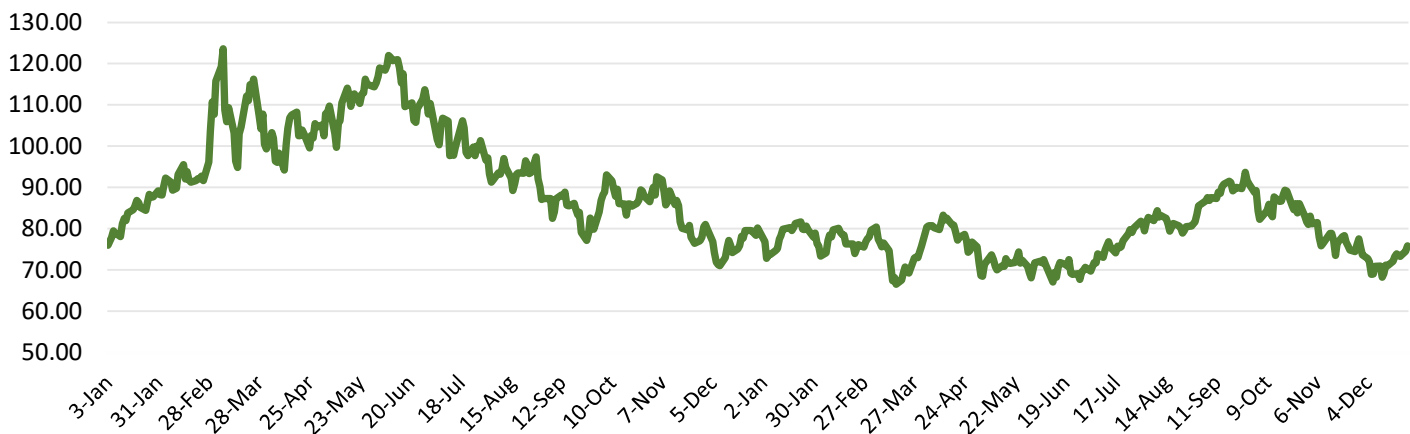
National Metrics

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 December 2023, the 30-year fixed mortgage interest rate decreased to 6.8%, down from 7.4% in November⁶.**

Crude Oil Prices



Crude Oil Prices are the daily rate received for a barrel of unrefined oil produced in Texas and Southern Oklahoma – among the easiest to refine oils in the world and therefore a standard for oil prices worldwide. When crude oil prices change, the price at the pump paid by consumers changes in harmony. **During the month of March 2022, prices reached a high of \$123.64; latest December 2023 pricing was recorded at \$75.84, a 38.7% decline from March’s peak, but a reversal to the decreasing prices seen in recent months⁷.** The volatility seen throughout 2022 illustrated exactly how impactful world events are on the price of crude, which subsequently impacted consumer spending and other economic inputs.

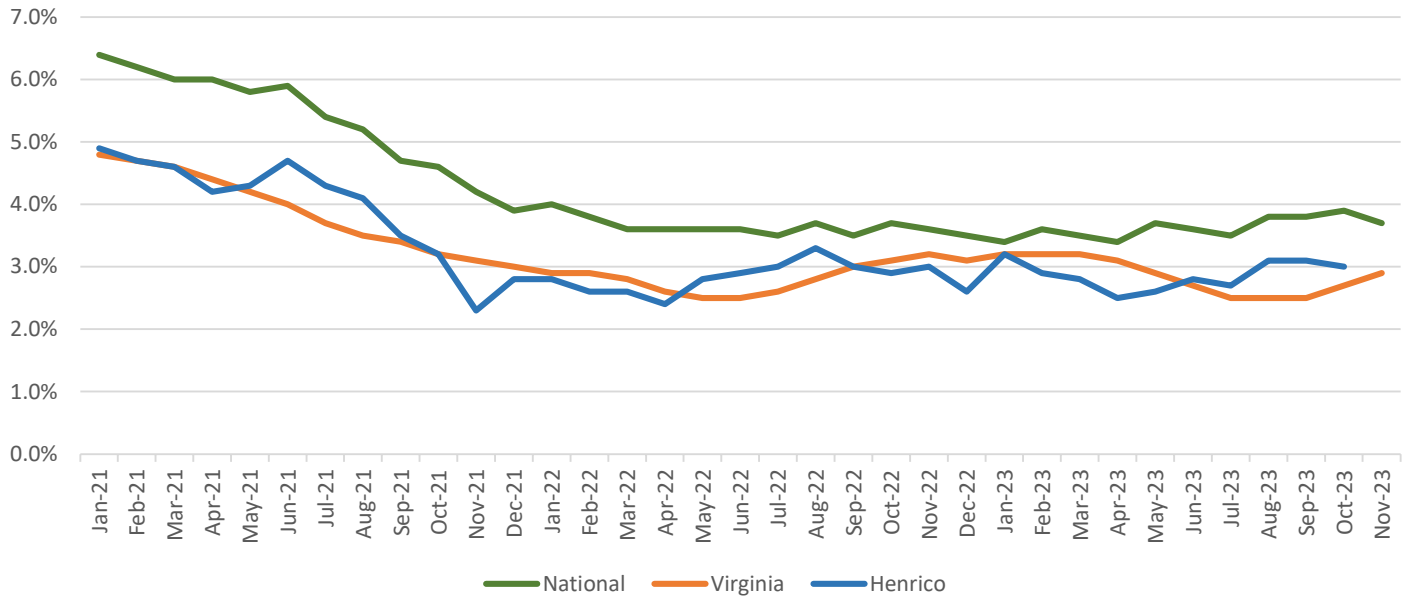
⁶ Freddie Mac; [30-Year Fixed-Rate Mortgages Since 1971 - Freddie Mac](#)

⁷ Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/DCOILWTICO>



Combined Metrics

Unemployment Rates



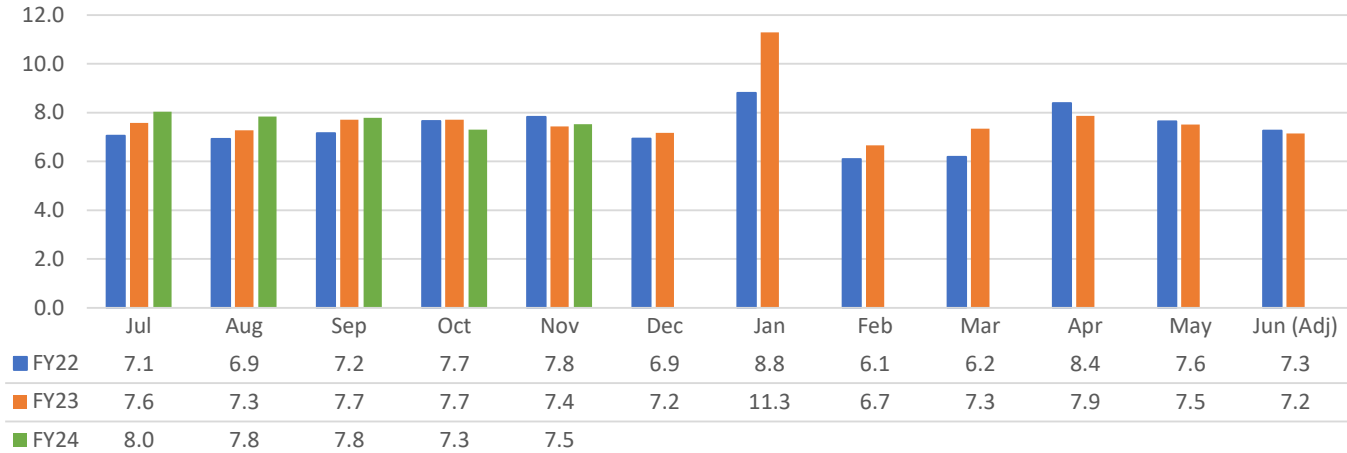
The **Unemployment Rate** shows the number of unemployed people as a percentage of the workforce. Known as the U-3 unemployment rate, an individual must be actively seeking work or laid off to be included. State unemployment data lags roughly six weeks while local unemployment data lags 9 weeks. **In the month of November, the unemployment rate decreased from 3.9% to 3.7% at the National level and rose from 2.7% to 2.9% at the State level⁸.** Historically, Henrico unemployment rates have trended closely with the National and State levels.

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



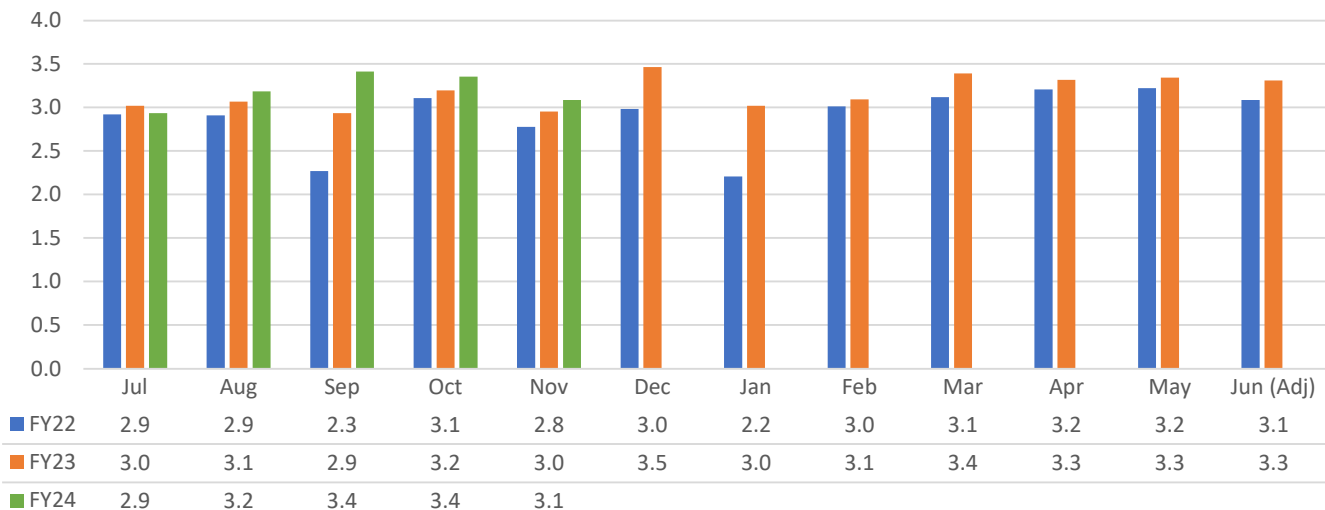
Henrico Metrics

Local Sales & Use Tax



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 FY24 recorded collections of \$7.5 million, 1.3% higher than the same period in FY23.**

Meals Tax

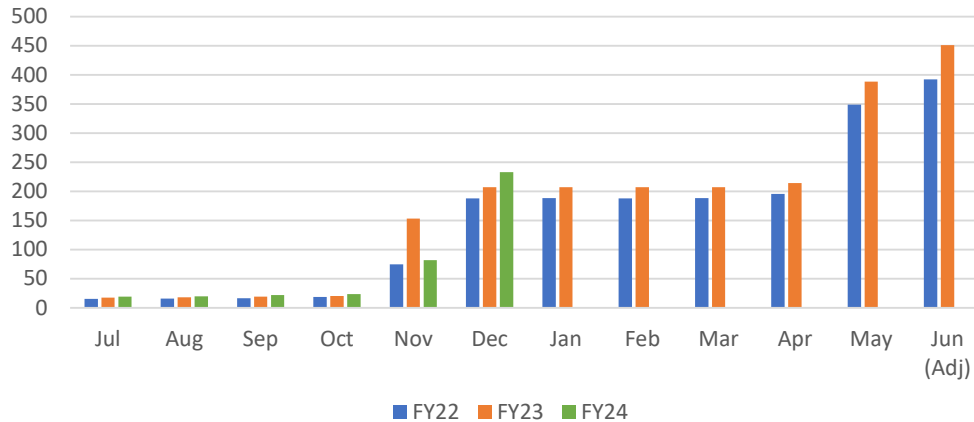


Henrico's **Meals Tax** establishes a 4% tax on prepared food and beverages. Revenue generated by the Meals Tax is dedicated to the operational and capital project needs of Henrico's Public Schools. Collections are backdated two months and compared as year-over-year monthly collections. **November FY24 collections of \$3.1 million represent an increase of 4.5% over November FY23 collections.** FY23 collections of \$38.1 million far exceeded pandemic and pre-pandemic levels reflecting an overwhelming resurgence in dining out.



Henrico Metrics

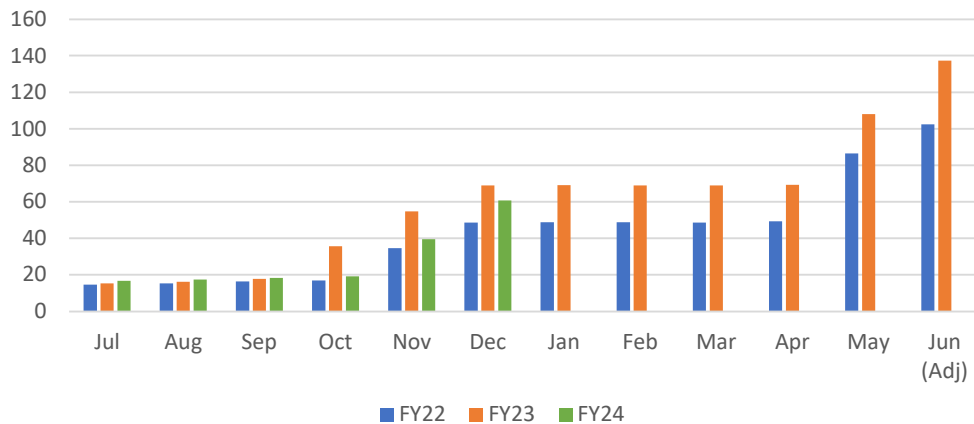
Real Property Taxes (\$ Millions)



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 for December FY24 year-to-date recorded \$233 million.** The graph above represents cumulative collections through the fiscal years.

Personal Property Taxes (\$ Millions)



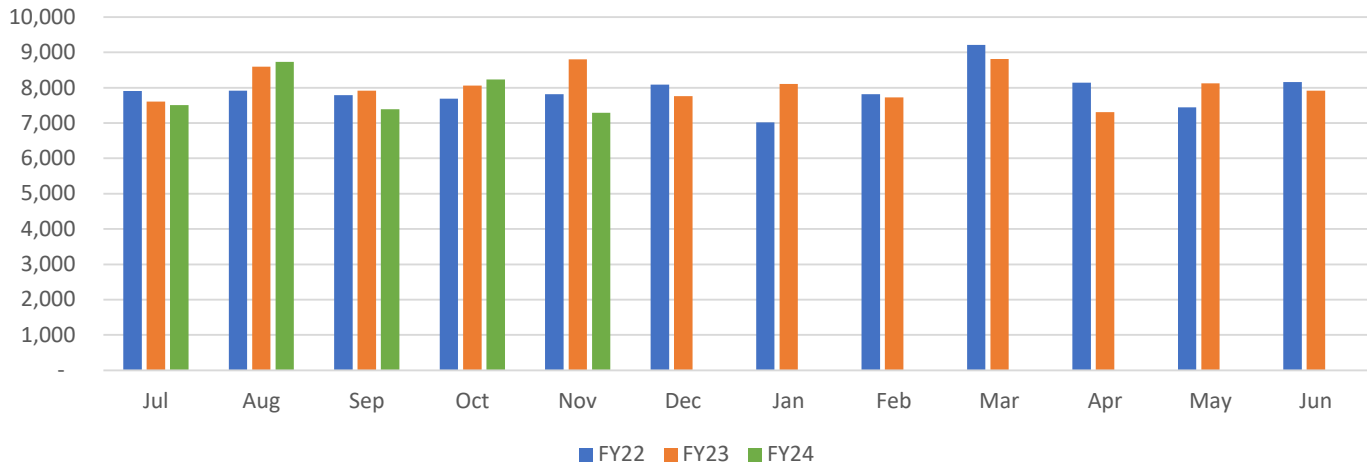
Personal Property Taxes are collected on all vehicles including cars, trucks, trailers, motorcycles, motor homes, aircraft, and watercraft. Personal property is collected in the locality where it is normally garaged, docked, or parked. Henrico County uses the J.D. Power Official Used Car Guide as of January 1st of each year to establish valuations. Collections are due

twice a year in December and June. **Personal Property Tax Collections for December FY24 totaled \$61 million.** Personal Property tax collections will reflect significant increases in used vehicle assessments. These increases are the result of price volatility in the used vehicle market due to supply chain shortages.

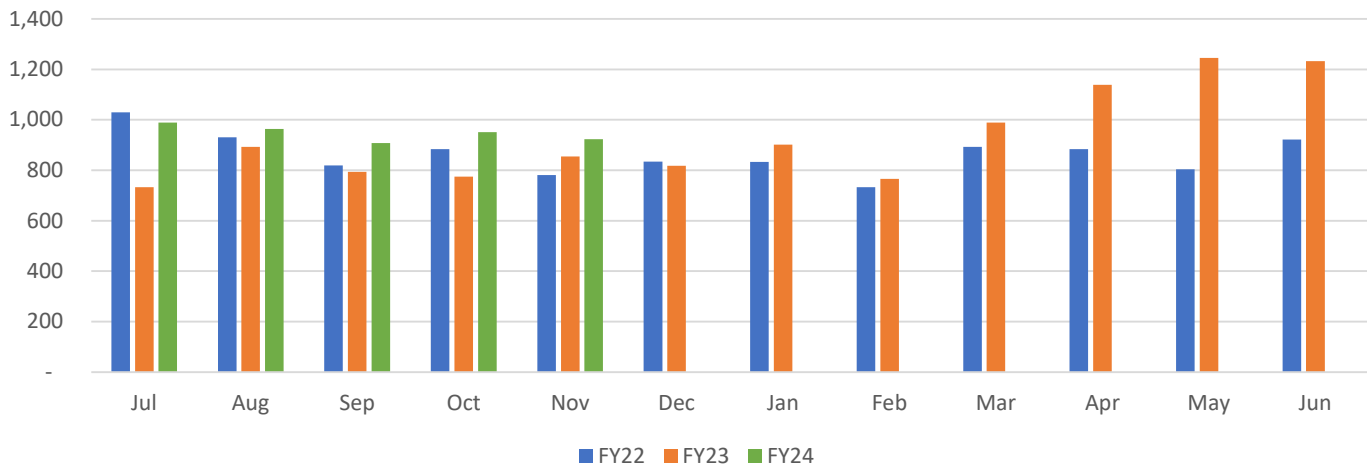


Henrico Metrics

Used Car Registration



New Car Registration

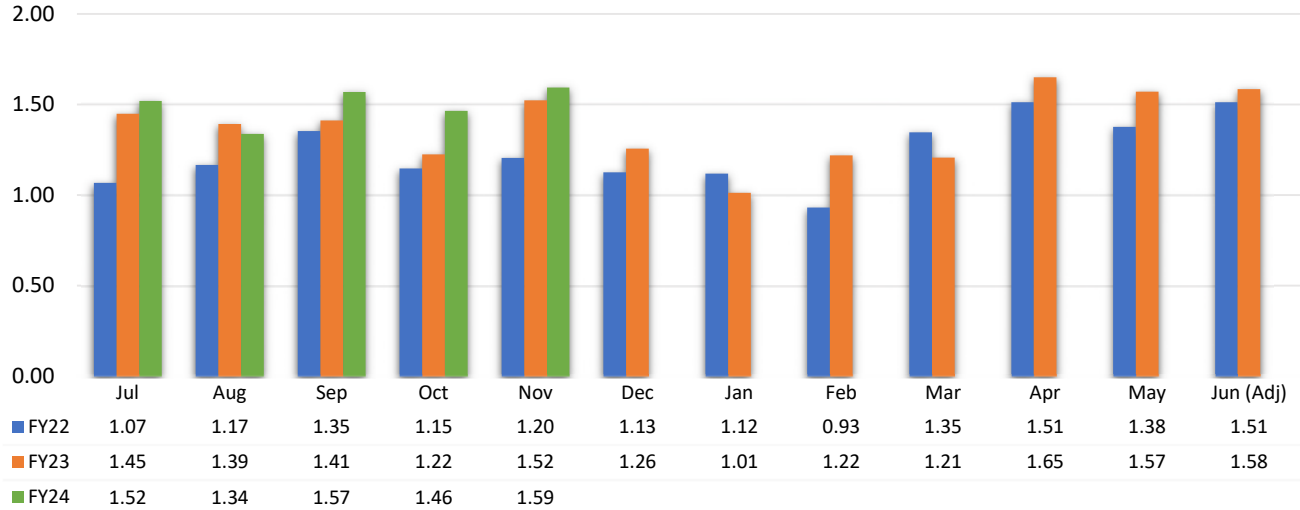


Vehicle Registration data is acquired from the Virginia Department of Transportation and is comprised of both new and used vehicles; the metric strongly correlates to vehicle sales. **Used Car Registrations in November recorded 7,291. New Car Registrations in November recorded 923.**



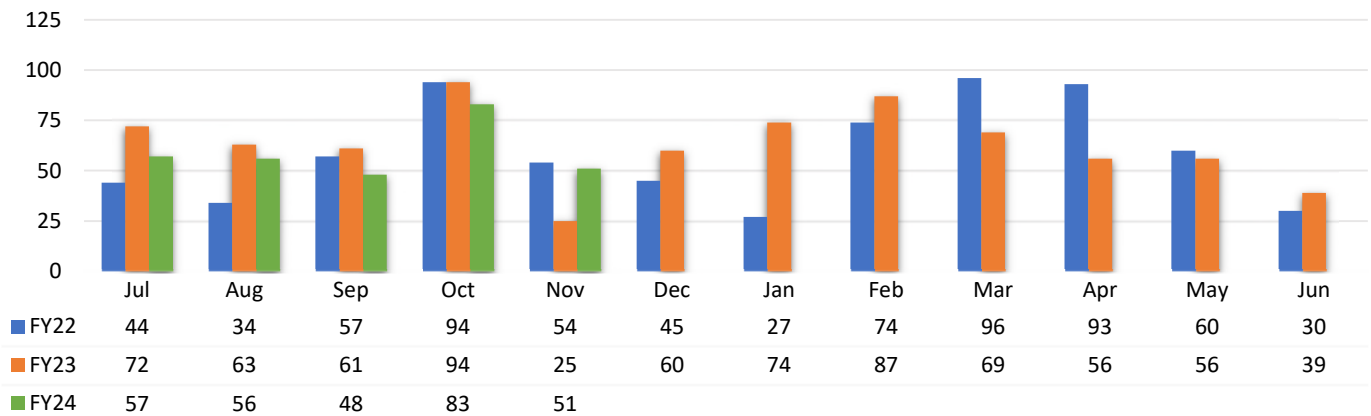
Henrico Metrics

Occupancy Tax



Henrico’s **Occupancy Tax** is collected on lodging for overnight stays. **Occupancy Tax collections in November were \$0.07 million more than those of November FY23.**

New Residential Construction

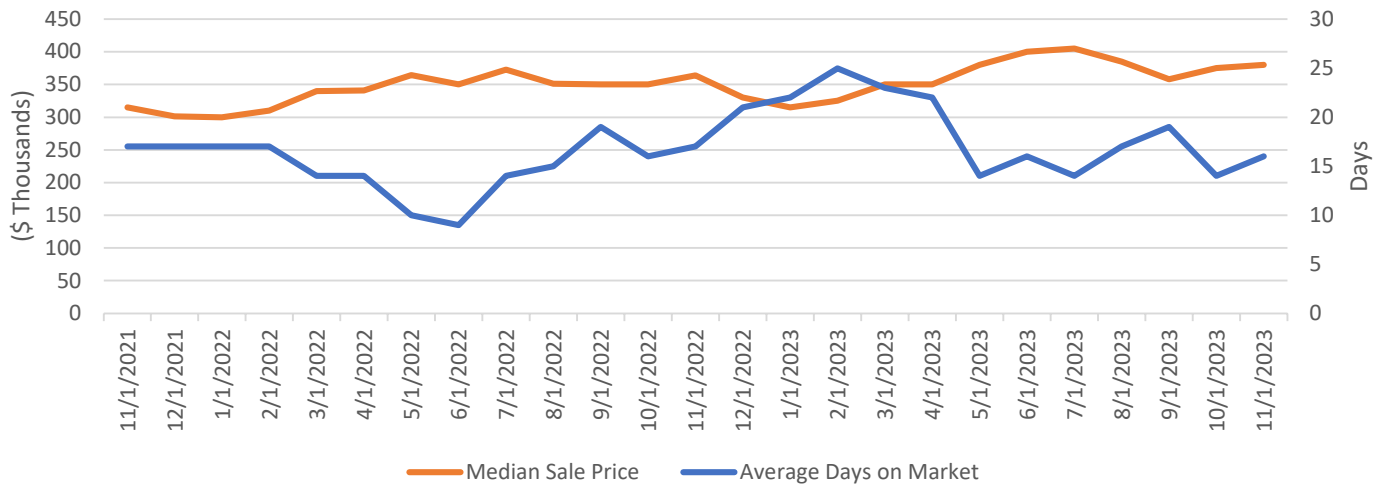


New Residential Construction is comprised of new single-family houses that were issued building permits. A slowdown may indicate worsening economic conditions, increased competition from neighboring localities, or a lack of expansion capabilities. **November FY24 construction recorded 51 permits, 26 more than November FY23.**



Henrico Metrics

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



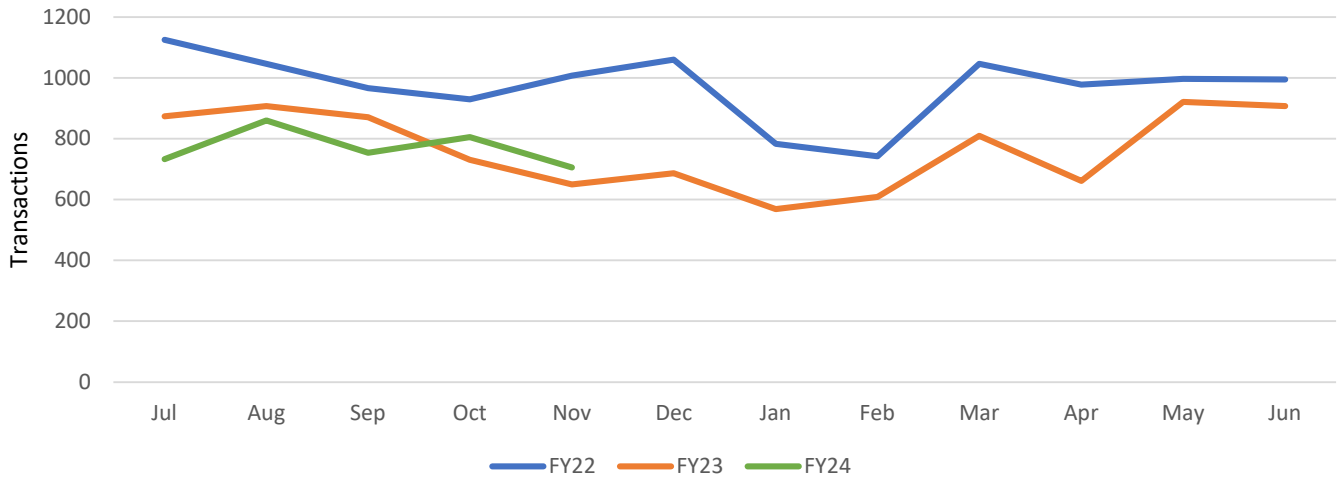
Average Days on the Housing Market and Median Sale Price provides a benchmark of the state of the housing market in Henrico. An increase in the time spent on market may indicate a slowing of the housing market, while a decrease may indicate acceleration. Median Sale Price tracks the middle value of homes sold in the County that month and can provide insight into the general direction of the market. **In November 2023, the Median Sale Price rose \$5,000 to \$380,000; this is 4.5% higher than the median of November 2022, and 20.6% higher than November 2021⁹.** Average Days on the Housing Market increased from 14 in October to 16 in November.

⁹ Long & Foster; <https://marketminute.longandfoster.com/market-minute/va/henrico-county.htm>



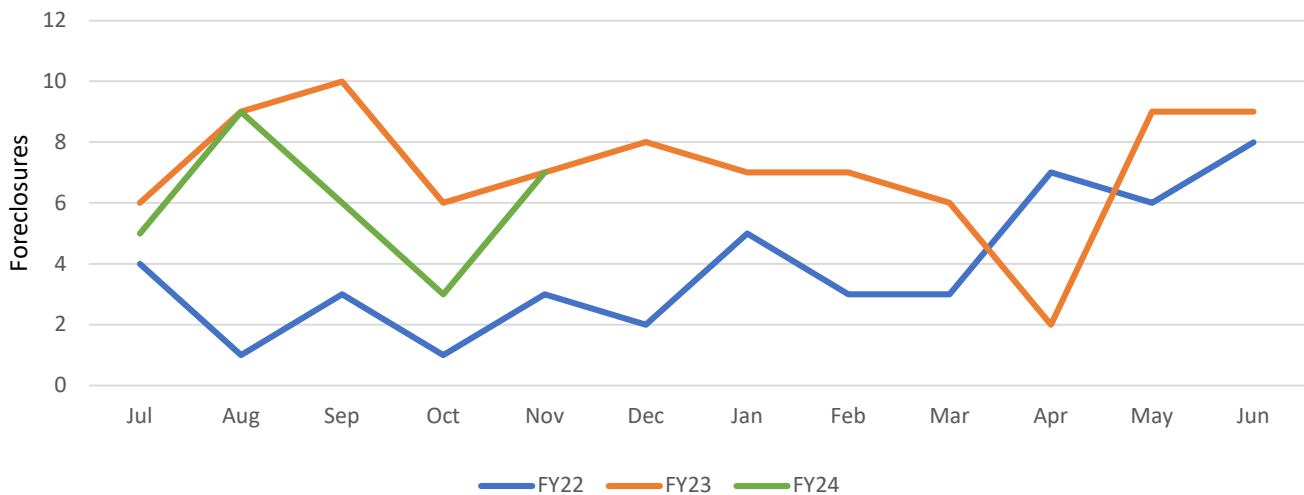
Henrico Metrics

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. **706 total residential transactions were recorded in November. This marks an increase of 56 from November 2022 and continues the trend seen last month of surpassing the prior year’s recordation.**

Residential Foreclosures

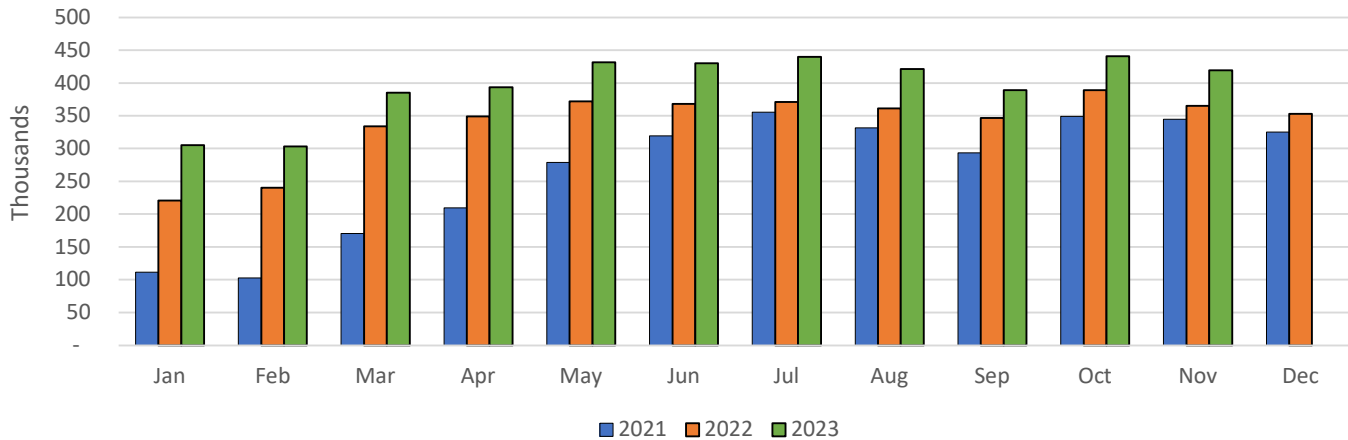


There were 7 foreclosures reported in November, an increase of 4 from October.



Area Metric

Richmond Aviation Activity



Richmond Aviation Activity represents passenger activity in and out of the 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 to Occupancy Tax collections. **November 2023 continues the trend of record-breaking passenger activity, up 14.9% from November of 2022¹⁰.**

¹⁰ Richmond International Airport; <https://flyrichmond.com/airport-information/>