



National Metrics

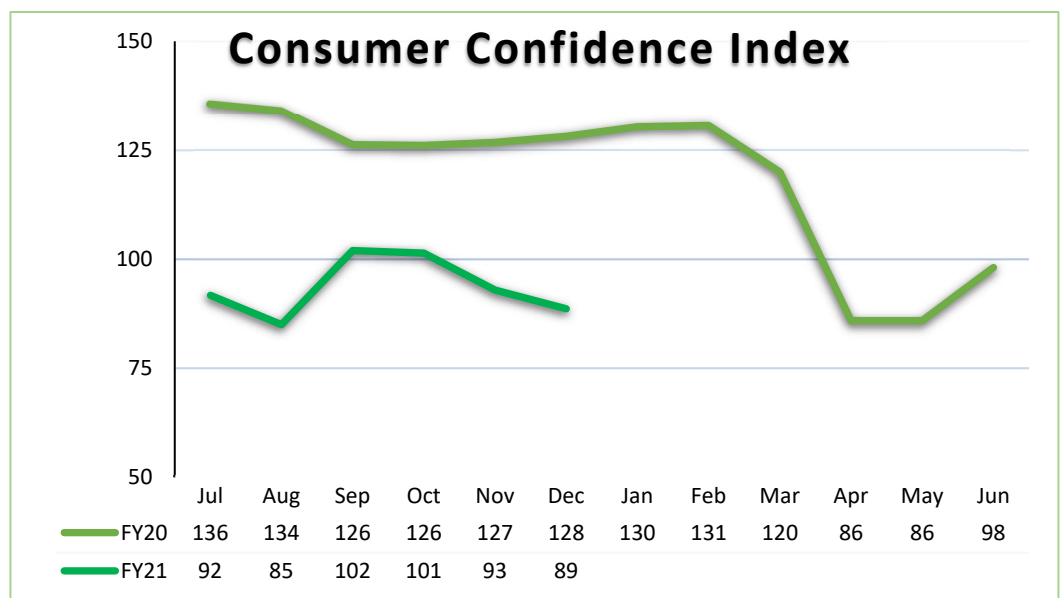
These indicators provide a mix of hard financial data as well as consumer consensus surveys to provide a macroeconomic and microeconomic view of the United States.



The S&P 500 is a stock market index measuring the performance of 500 large companies on stock exchanges in the United States and is considered one of the best representations of the U.S. stock market and of the U.S. economy. **U.S. stock markets have reached new highs of 3,736 points at the end of December after experiencing levels of**

volatility in September and October. Levels are well above the major trough experienced between March and May 2020. Markets depend on an economic recovery but are still subject to volatility from ongoing events related to COVID-19. Several vaccination efforts have spurred continued upward movement.

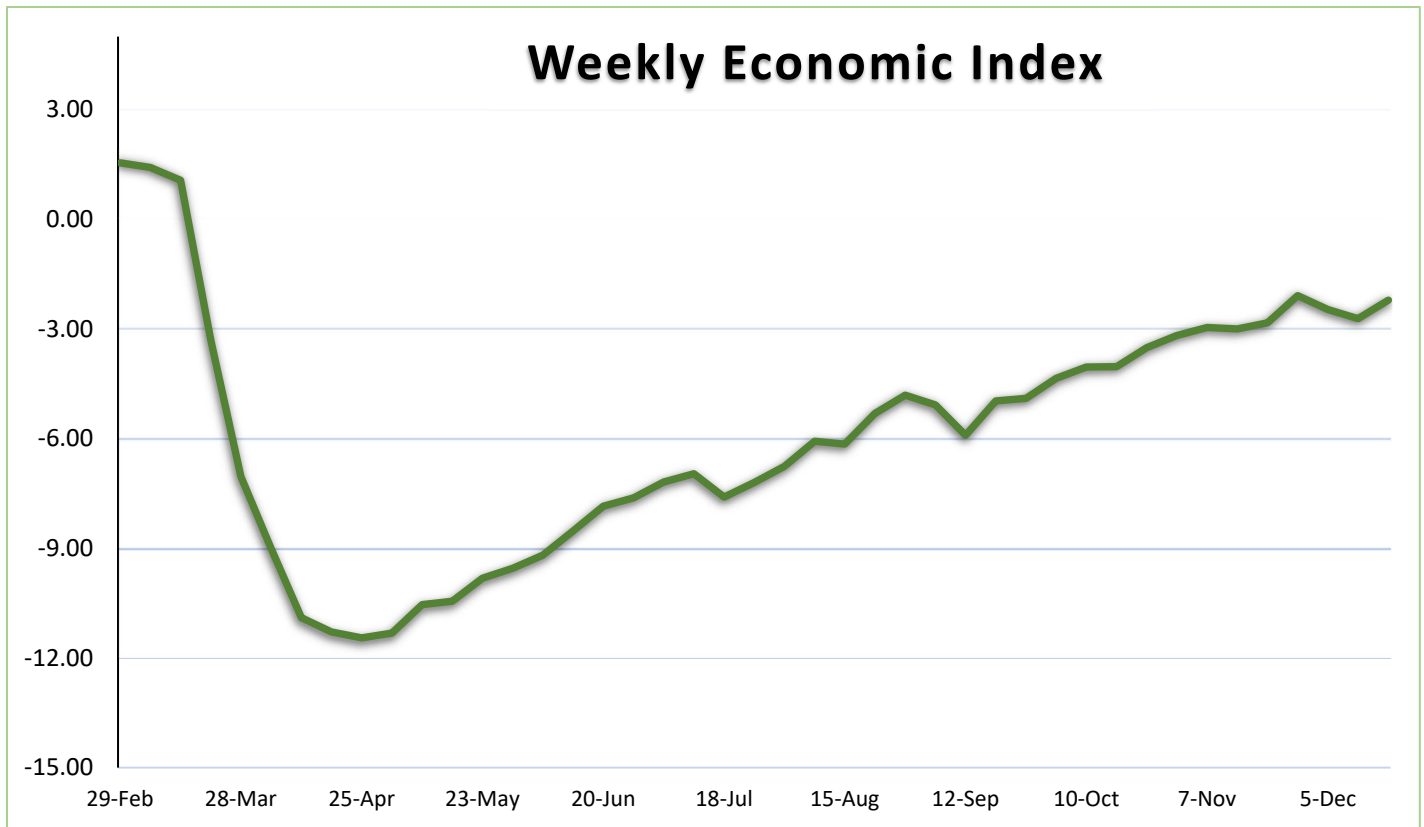
The **Consumer Confidence Index** is a monthly survey given to 5,000 random households regarding opinions on present situations and future expectations. It is benchmarked (100) to 1985 and best compared by reviewing month over month changes. **The index fell from 93 in November to 89 in December.** Note: November was revised from 96, as



indicated in last month's report, to 93. The index has been between 90 and 100 after reaching a low of 85 in August 2020. It is important to note, for comparison, that this index reached a low of about 25 during the Great Recession in 2008. Uncertainty regarding government stimulus may account for some of the recent decreases.



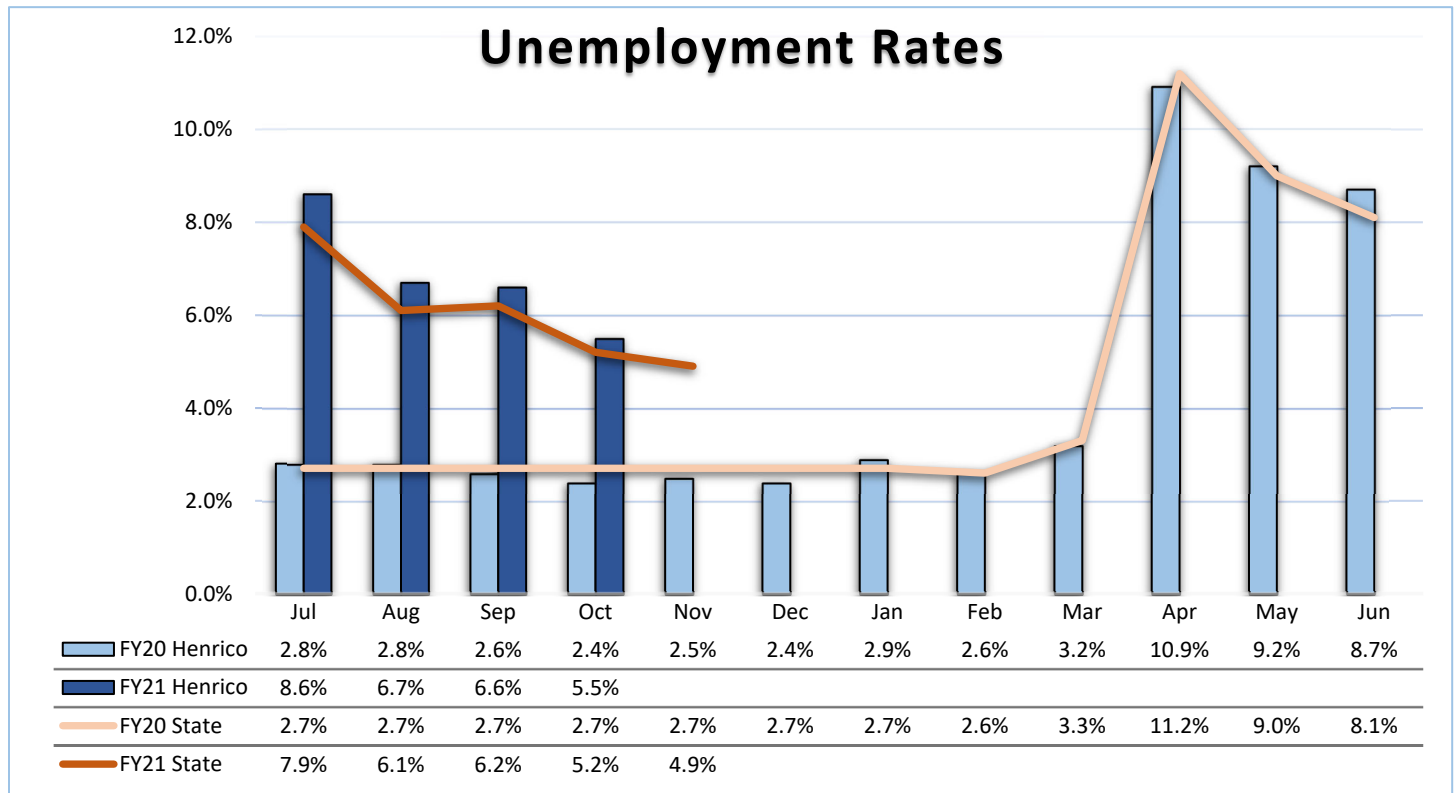
National Metrics



The Weekly Economic Index (WEI) provides an indication of real economic activity on a weekly basis and was developed by an economist at the FED of New York. The index covers consumer behavior, the general labor market, and production. The index has averaged between 2 and 3 for much of the last decade. Exceptions include the great recession in 2007 and the minor pullback in 2015. Since the country first quarantined, this index has seen a drop to a low of -11.48 for the week of April 25th. **This figure continues to steadily trend upwards towards levels prior to the pandemic. Recent weeks have seen some stagnation as the U.S. economy awaits news on government stimulus.** Confirmation on stimulus and continued vaccination efforts may positively influence this measure.



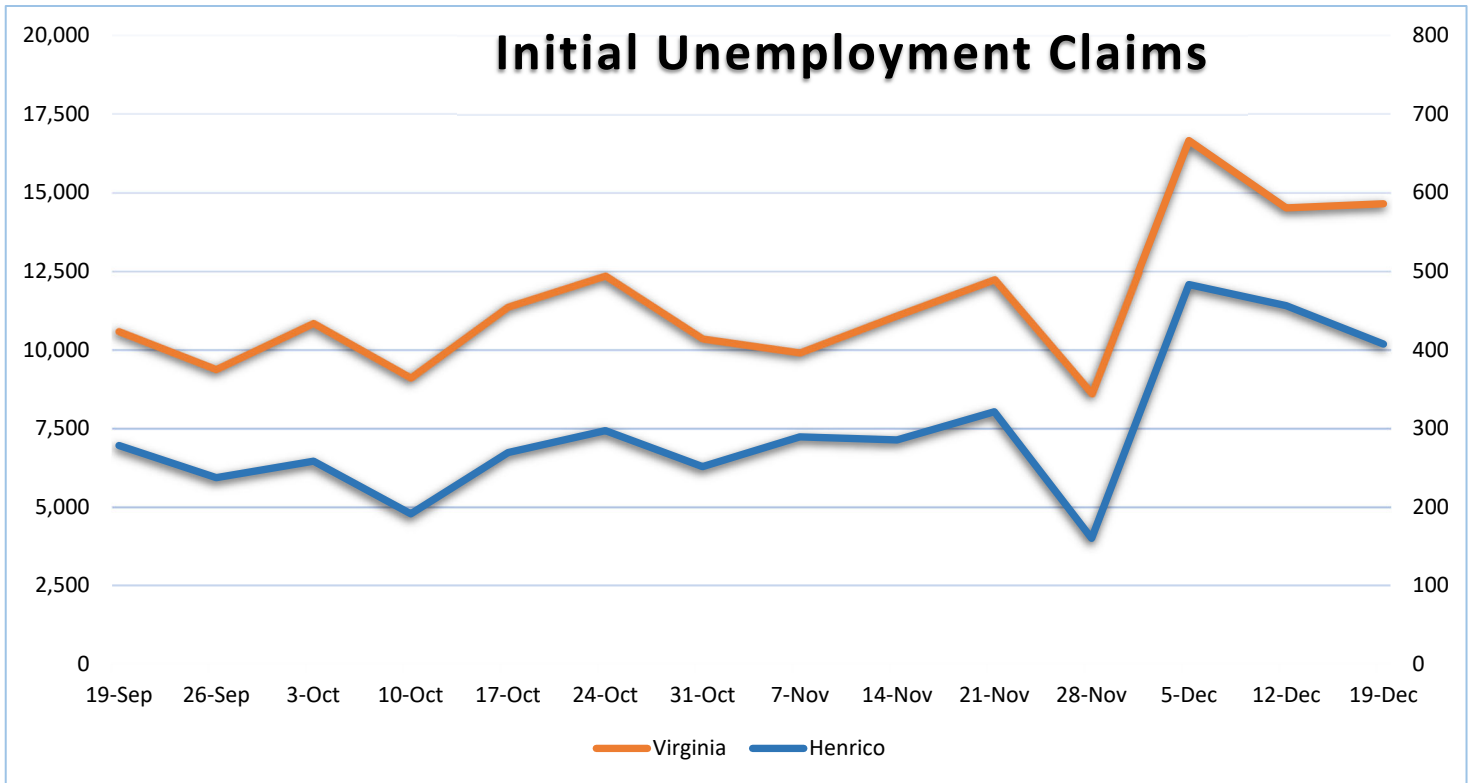
Virginia Metrics



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. Note: The most recent data available for State and Local rates are preliminary and may slightly change in future reports. It is important to note that the national unemployment rate decreased from 6.9 percent in October to 6.7 percent in November. **Virginia’s unemployment rate has decreased from 5.2 percent in October to 4.9 percent in November. Henrico’s October value is reported at 5.5 percent from 6.6 percent in September. If Virginia’s measure translates to Henrico, Henrico should also expect its November rate to slightly drop to around 5.2 percent. Henrico’s November unemployment rate will be available in January’s report.** Initial and continuing unemployment claims data indicate mixed progression for Virginia and Henrico. In this measure, workers who are unable to work due to temporary layoffs are included. Temporary layoffs include voluntary layoffs by firms as well as mandated closures during quarantines.



Virginia & Henrico Metrics



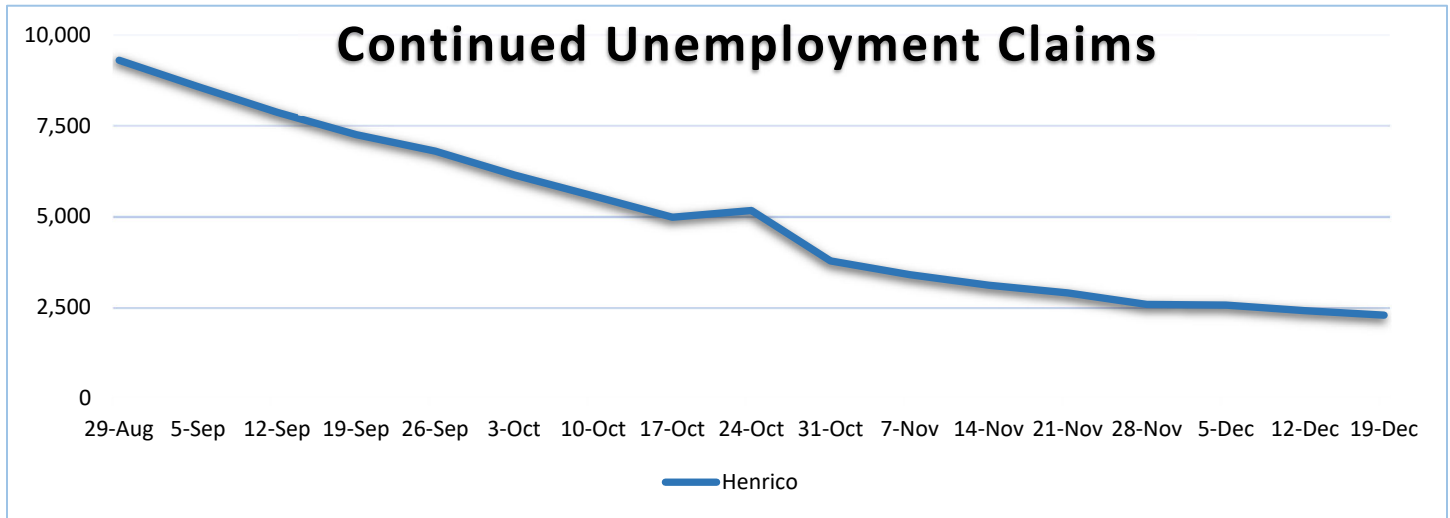
	Henrico	Virginia
25-Jul	1,281	42,966
1-Aug	666	23,918
8-Aug	379	13,265
15-Aug	370	15,151
22-Aug	274	11,436
29-Aug	239	10,305
5-Sep	257	11,135
12-Sep	263	10,100
19-Sep	278	10,582
26-Sep	237	9,377
3-Oct	258	10,843

	Henrico	Virginia
10-Oct	191	9,110
17-Oct	269	11,365
24-Oct	297	12,352
31-Oct	251	10,350
7-Nov	289	9,909
14-Nov	285	11,088
21-Nov	321	12,234
28-Nov	160	8,606
5-Dec	483	16,654
12-Dec	456	14,509
19-Dec	407	14,640

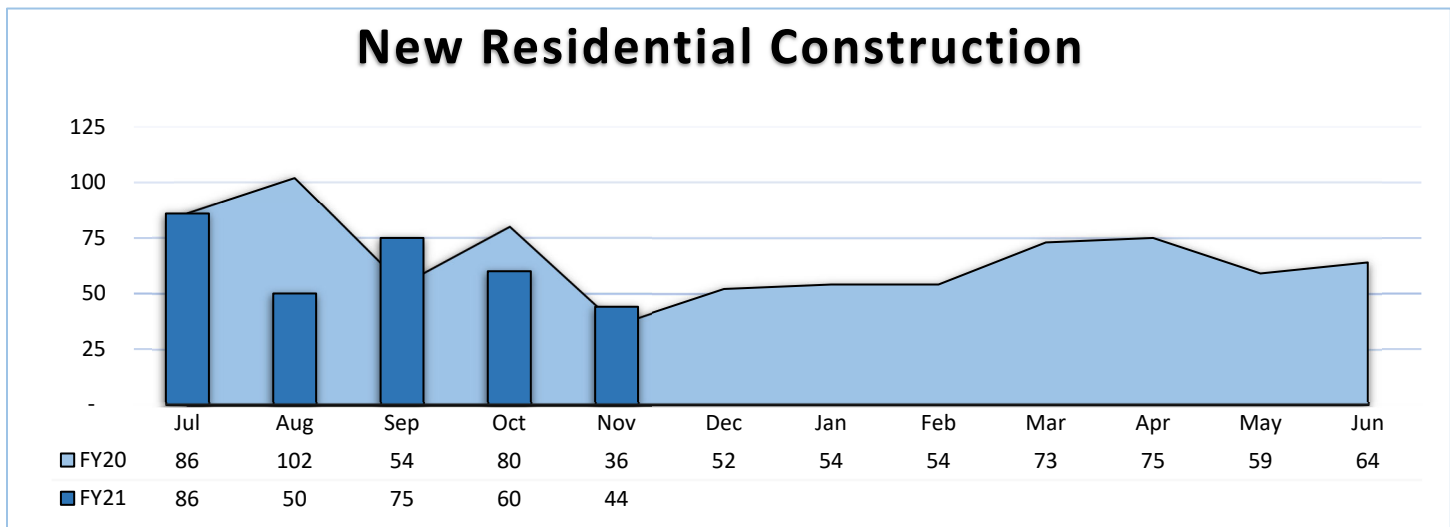
Virginia & Henrico’s Initial Unemployment Claims act as a measure of recent job loss. Claims remained steady prior to March of 2020 at under 100 for Henrico and under 3,000 for Virginia. Unlike the Great Recession, COVID-19’s effects on our local economy were immediately apparent and in-line with national figures. **Virginia’s Initial Unemployment Claims** have experienced a recent spike for the month of December. This figure is **14,640** as of the week ending December 19th. **Henrico’s Initial Unemployment Claims** follows a similar trend with a figure of **407** claims for the week ending December 19th. This period coincides with new COVID-19 related restrictions that began this month. Like previous reports, continued claims may provide a more substantive outlook on the nature of unemployment rather than recent job loss.



Henrico Metrics



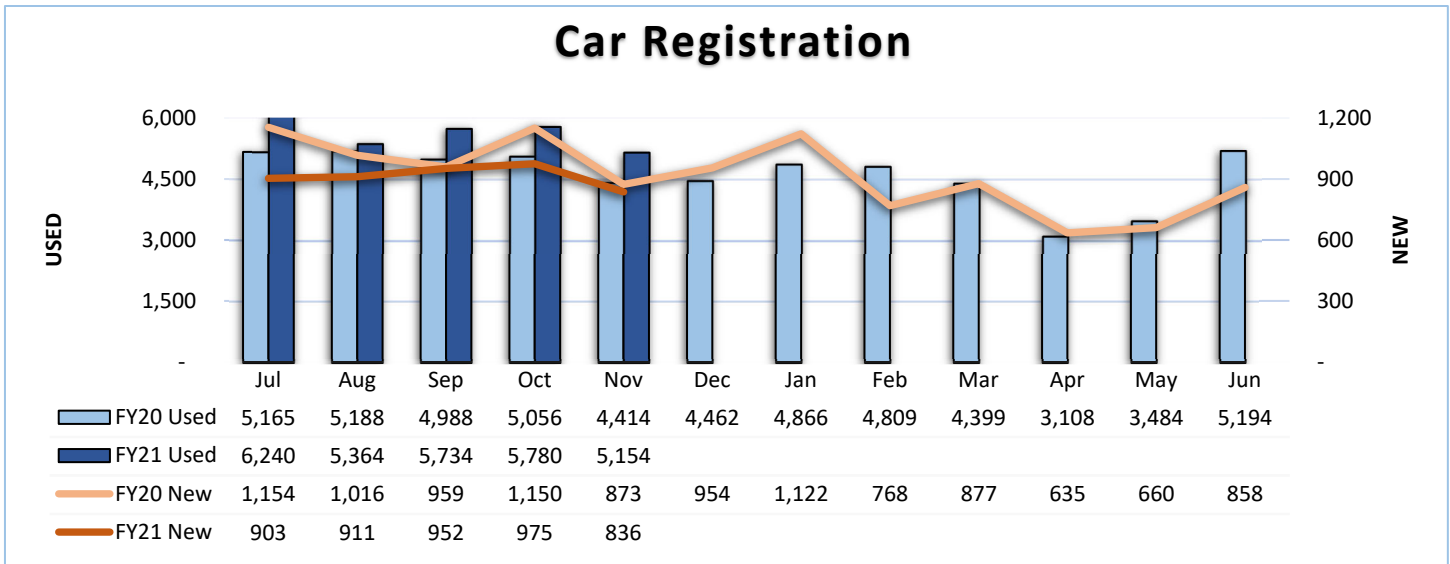
Henrico’s Continued Unemployment Claims act as a measure of continued unemployment. Claims remained steady prior to March of 2020. **Henrico’s Continued Claims reached a high of 16,005 at the end of May. Since then, Continued Claims has had a downward trend, a difference to the increasing Initial Claims. Continued Claims decreased to a post peak low of 2,277 for the week ending December 19th.** Note: Continued Claims only measure the number of individuals that have filed an initial claim and continue to file each week. It is the lower bound for an unemployment rate.



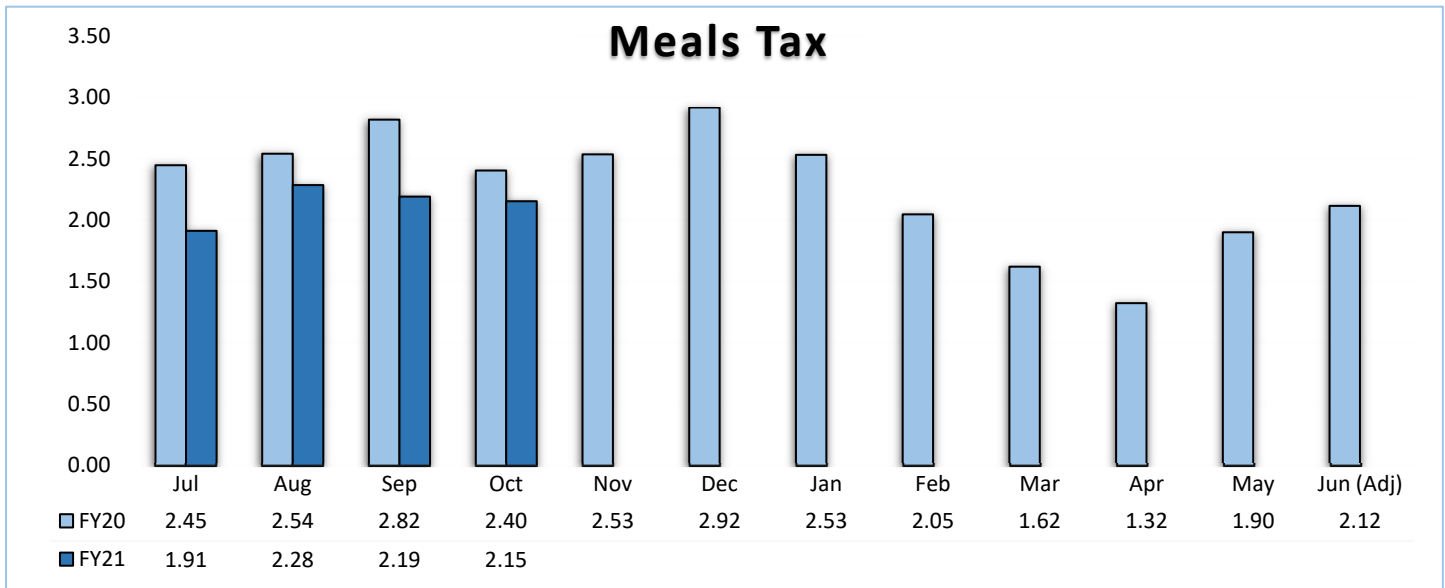
New Residential Construction is comprised of new single-family houses that were issued building permits. A slowdown may indicate worsening economic conditions, increased competition from neighboring localities, or lack of expansion capabilities. **The trend has varied in this timeframe. It was noted in October’s report that decreases in August could be in part due to supply-chain related issues from heightened demand in building materials. September’s increase could be attributed to the increased supply while October’s decrease from the exhausted demand. November indicates a flattening indicator as this trend normalizes. Construction is slightly higher in November than this time last year.**



Henrico Metrics



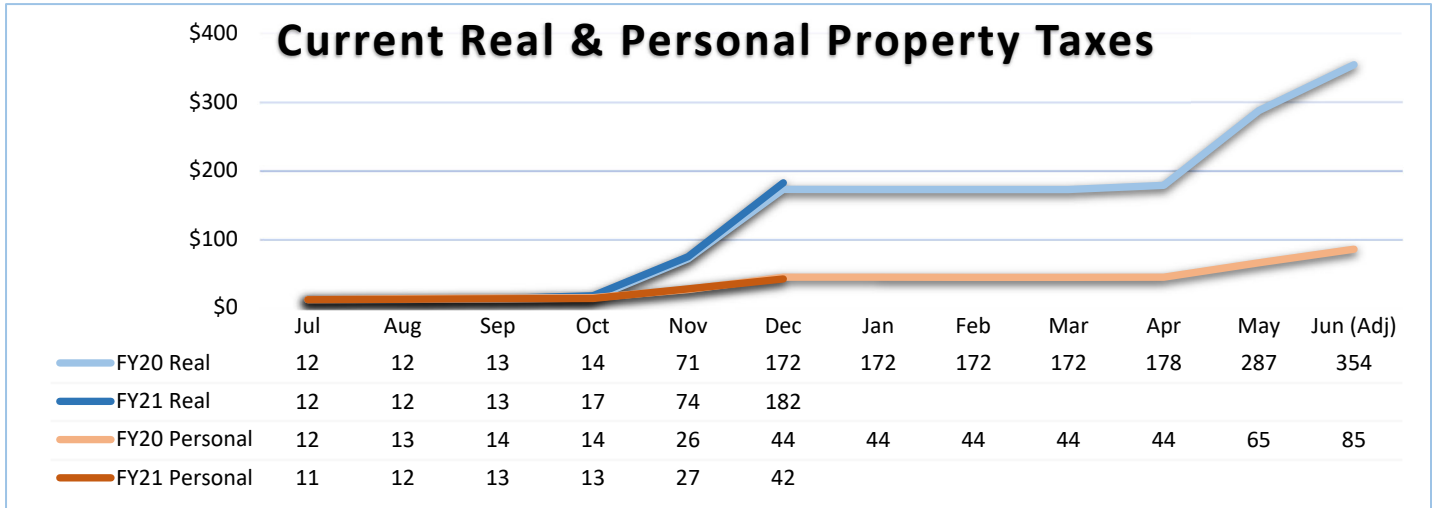
Vehicle Registration data is acquired from the Virginia Department of Transportation and is comprised of both new and used vehicles. **Car registration data remains healthy. In November, both used car registration and new car registration continue to improve towards or above last year's equivalent.**



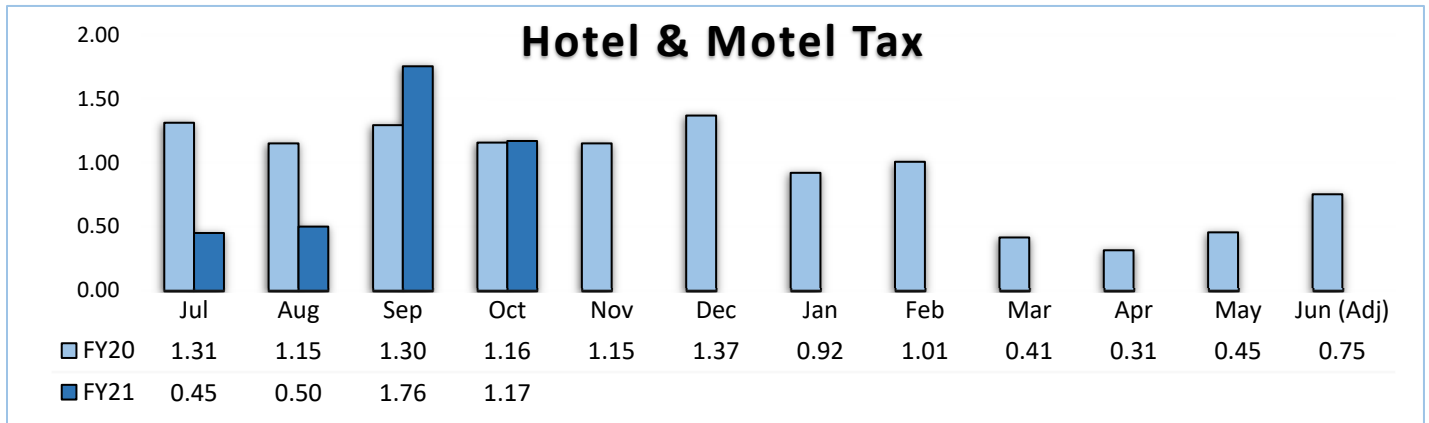
Henrico's **Meals Tax** provides a 4 percent tax revenue on prepared food and beverages. Revenue generated by the Meals Tax is dedicated to the operational and capital project needs of Henrico's Public Schools. Collections are backdated one month and compared as year-over-year monthly collections. Collections remain mixed. From July, there was a half of a million dollars gap which shortened in August. In September, that gap widened while it shortened again in October. **Collections are expected to be near flat unless appropriate trends deviate.**



Henrico Metrics



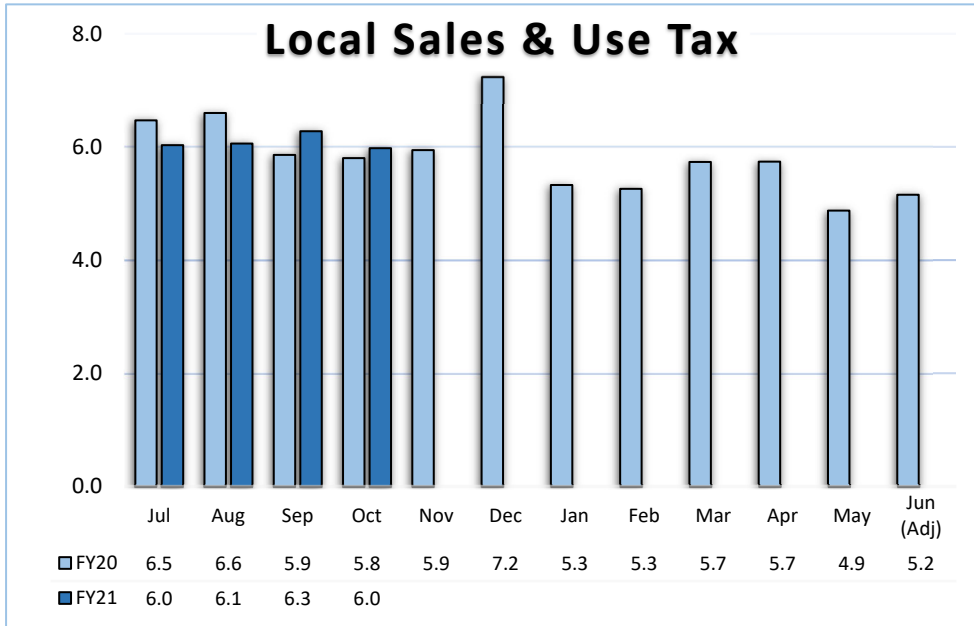
These **Current Property Taxes** include total tax collection for both Real Property and Personal Property. Collections occur twice a year in December and June. Due to the current COVID-19 outbreak, penalties and interest has been set to 0 through August 2020 to help local citizens deal with COVID-19's effect on their financial conditions. **FY21 collections are in line with or exceed last year's equivalent.**



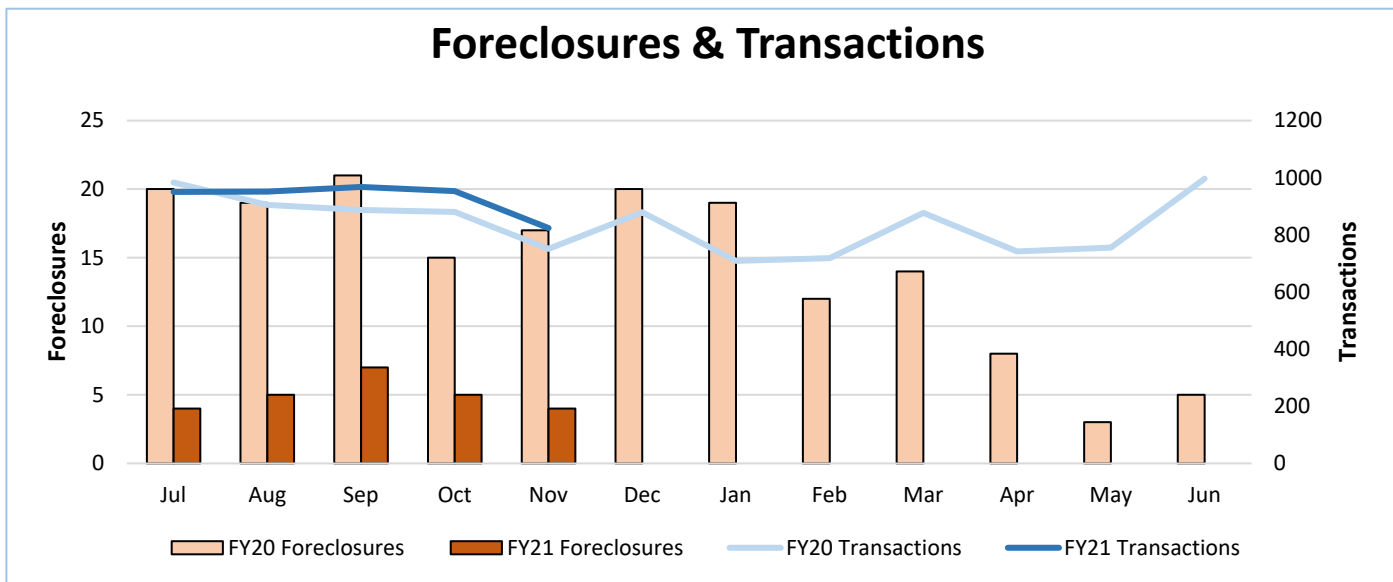
Henrico's **Hotel & Motel Tax** is a tax on lodging for overnight stays. Henrico's decision to defer penalties and interest until August and a lower than average occupancy corresponds to the decreasing level of collections for the period between February to April of fiscal year 2020. **For the first few months of the current fiscal year, it is noted that collections in July and August are well below last year's equivalent. The interest and penalty waiver caused a large portion of this decrease. In September, when the deferral ended, much of those late payments were collected resulting in a large gain for the Month. October records a slightly better than average month as well. However, total collections for the year still dwarf the receivables from up until this time last year. As of October, fiscal year 2021 has collected \$3.88 million compared to \$4.99 million in fiscal year 2020.**



Henrico Metrics



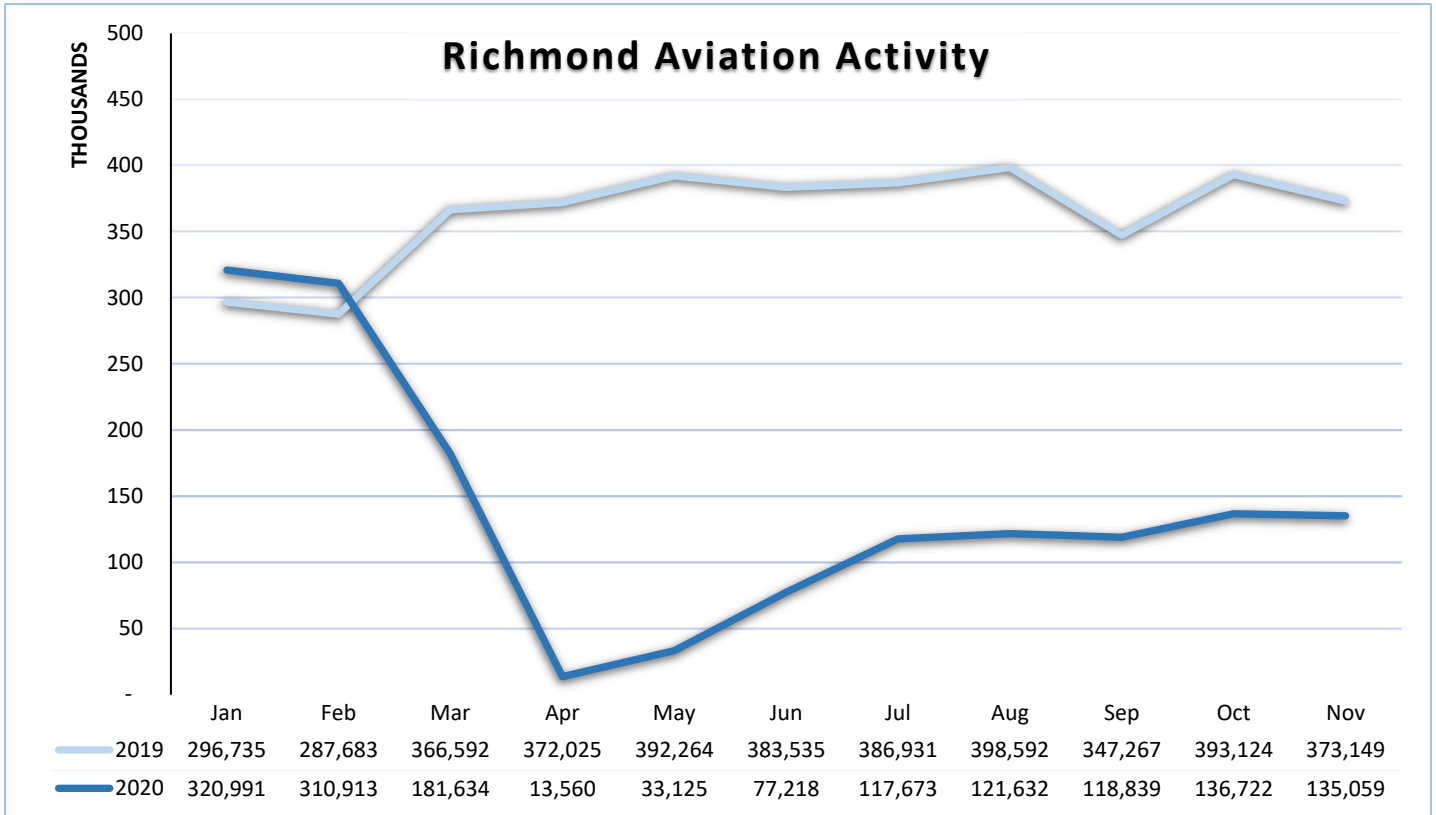
Henrico's **Local Sales & Use Tax** is a sales tax which amounts to 6.0 percent on each purchase. Of this amount, 1.0 percent is remitted back to Henrico County as displayed in the chart. **Sales tax collections continue to exceed the previous year's October value.**



The Foreclosures & Transactions data represents Henrico's completed sales and reports foreclosures. This provides a snapshot of Henrico's housing market. Consistency or increases in transactions represent a healthy and/or growing market. Consistency or decline in foreclosures also represents stable and improving market. **November's data have foreclosures at 4 and transactions at 824.** Foreclosures remain low due to the current mortgage foreclosure freeze which has been extended through the end of the year. This freeze applies to Fannie Mae, Freddie Mac, and FHA loans that account for about half of mortgage loans in the United States. Transactions continue to trend above last year's equivalent.



Area Metric



Richmond Aviation Activity data 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. It can provide a benchmark for imported economic travel and is correlated to Hotel & Motel Tax collections. COVID-19 has severely affected air travel around the country both domestically and internationally. Internationally, many countries including the United States have restricted air travel. **From February to April, the Richmond International Airport (RIC) saw a decrease from 310,913 in February to just 13,560 in April. That is a decrease of 95.6%, an unprecedented drop. Air travel has quickly recovered some of those losses in the months that follow. From April to July, air travel increased 10 fold to 116,185 in July. From July 2020 onward, trends have flattened with modest increases seen in October and November 2020. The seasonal drop from August to September did not occur for this year, however. This measure is heavily dependent on COVID-19 related issues and constraints.**



Summary of Financials Period Ended November 30, 2020

	<u>FY21 Approved Budget</u>	<u>FY21 Revised Budget</u>	<u>FY21 YTD Actuals</u>	<u>FY21 Projection Amounts</u>	<u>Projected FY21 Actual</u>	<u>Over (Under) Budget</u>
Local Revenues	661,130,700	679,630,700	147,132,323	556,827,331	703,959,655	24,328,955
State Revenues	356,022,941	362,678,880	127,689,394	262,119,295	389,808,689	27,129,809
Federal Revenues	360,000	25,980,515	25,763,800	340,000	26,103,800	123,285
Total General Fund Revenues	1,017,513,641	1,068,290,095	300,585,518	819,286,626	1,119,872,144	51,582,049
General Government Expenditures	389,195,385	425,238,448	159,251,175	262,051,194	421,302,368	3,936,080
Education Expenditures	509,905,768	521,001,575	157,998,740	350,301,259	508,299,999	12,701,576
Total General Fund Expenditures	899,101,153	946,240,023	317,249,914	612,352,453	929,602,367	16,637,656
Net before Transfers	118,412,488	122,050,072	(16,664,396)	206,934,173	190,269,777	68,219,705
Less: Interfund Transfers	121,427,247	121,427,247	121,427,247	5,044,519	126,471,766	
				Projected Addition To (Use of) Fund Balance	63,798,011	

This **Summary of Financials, Period Ended November 30, 2020**, provides an overview of projected and actual revenues and expenditures for FY2020-21. **Note: This revenue and expenditure includes CARES Act funding.** Towards the bottom of this summary contains the **projected addition of Fund Balance equaling \$63,798,011.**



December 31, 2020

Overview and Purpose

This Report compiles National, State, and Local data that measure current economic conditions from National Financial Markets to Local Car Registration. The previous month's data is usually obtainable two weeks into the current month. Most data will provide complete information for the previous fiscal year (FY2019-FY2020) and compare it to the current (FY2020-FY2021). Data for FY2020-FY2021 will be added when available. Darker colors in the indicators represent the current fiscal year while lighter colors represent the previous. Figures with dollar values will be in the millions unless indicated otherwise. Some data is collected more frequently such as on a weekly basis, but for our purposes, they are totaled as a monthly count. For sudden shocks, such as the ongoing COVID-19 pandemic, monthly totals may underplay the dramatic change but represent the overall change, nevertheless. **The purpose of this report is to provide a comprehensive overview of different economic indicators that may affect Henrico County's ability to perform its services. These indicators include local figures at greater risk of variance during this COVID-19 outbreak.**

State of Affairs

Conditions are mixed in the economy. Economic activity in October-December 2020 follow decreasing, flat, or increasing trends. Tax revenues continue to improve and other measures such as car registration and residential construction follow the same trend. Initial Unemployment Claims have increased while Continued Unemployment Claims continue to decrease. Most measures continue this narrative.

Metrics Considered

- **National:** S&P 500, Consumer Confidence Index, Weekly Economic Index
- **Virginia:** Unemployment Rate, Initial Unemployment Claims
- **Area:** Richmond Aviation Activity
- **Henrico:** Continued Unemployment Claims, New Residential Construction, Vehicle Registrations, Property Taxes, Meals Tax, Occupancy Tax, Local Sales and Use Tax, Foreclosures & Transactions