



### 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 November yielded strong results at the macroeconomic level with record highs on the S&P 500, the strongest Consumer Confidence Index scores since July FY24, with consumers citing positive employment conditions, and another consecutive quarter of positive GDP growth. Within the County, unemployment rates dropped from 3.4% to 3.1%. Year-to-date tax collections remain strong across all bases and used and new car registrations for the month of October strongly exceed prior month and prior fiscal year equivalents. As 30-year fixed mortgage rates rose, the average number of days on the housing market increased; residential transactions lag FY24 year-to-date with higher days on the market and sustained median sales price.

### Metrics Considered

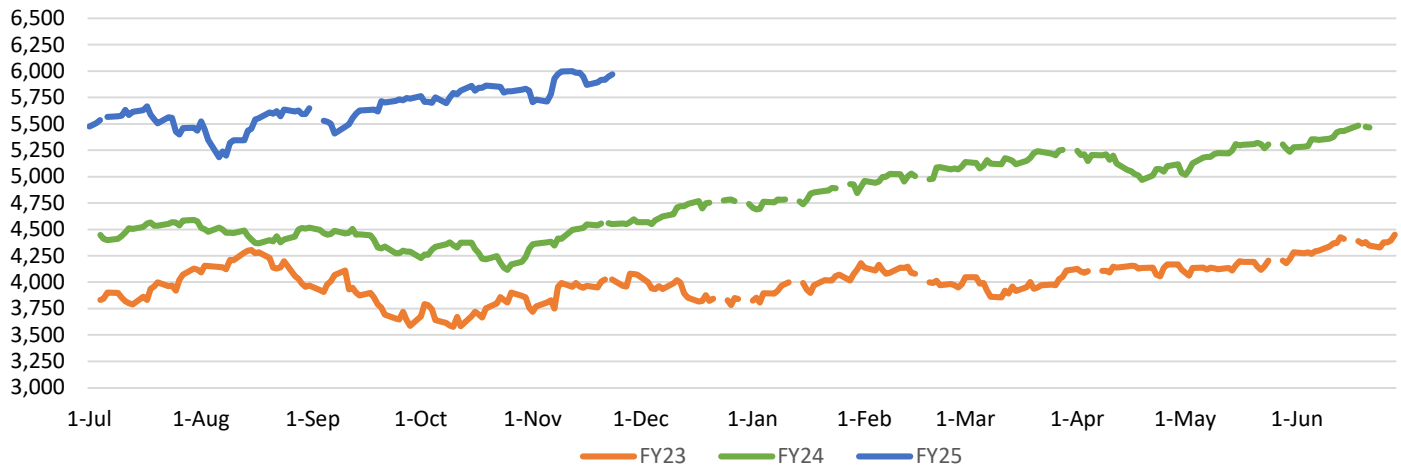
- **National:** S&P 500, Consumer Confidence Index, Real GDP, Wages, Consumer Price Index, Average Hourly Wage Changes against Changes in the Consumer Price Index, 30-Year Fixed Mortgage Rate
- **Virginia:** Unemployment Rate
- **Henrico:** Local Sales & Use Tax, Meals Tax, Real Property Tax, Personal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

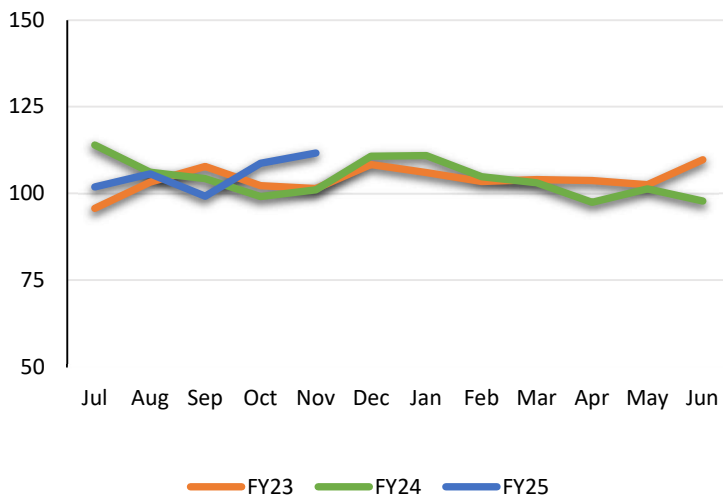
These indicators provide a mix of hard financial data as well as consumer consensus surveys to provide a macroeconomic and microeconomic view of the United States.

### 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. economy. **During the month of November, the index climbed steadily hitting an all-time high in the recorded dataset<sup>1</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 November, the index rose 2.1 points from October, with consumers citing positive labor market data and job creation as drivers of their favorable outlooks<sup>2</sup>.**

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

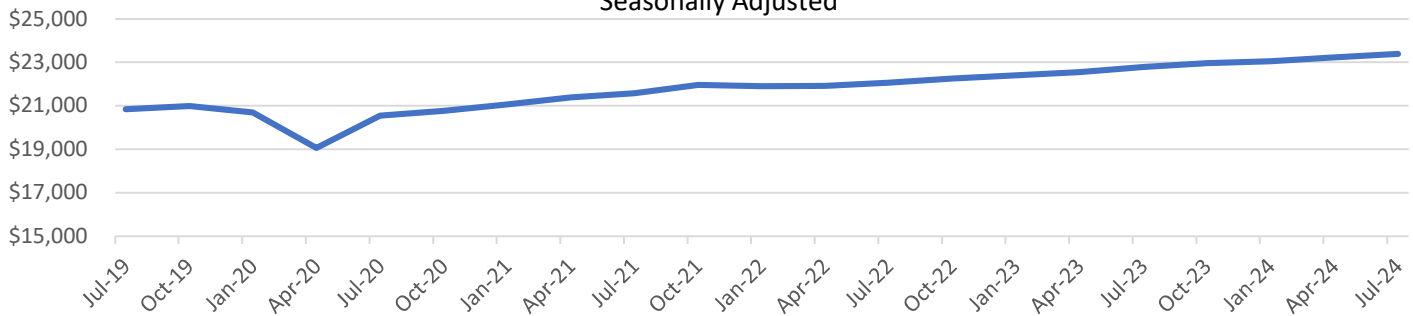
<sup>2</sup> The Conference Board; [US Consumer Confidence \(conference-board.org\)](https://www.conference-board.org/US-Consumer-Confidence)



## National Metrics

### Real GDP (\$ Billions)

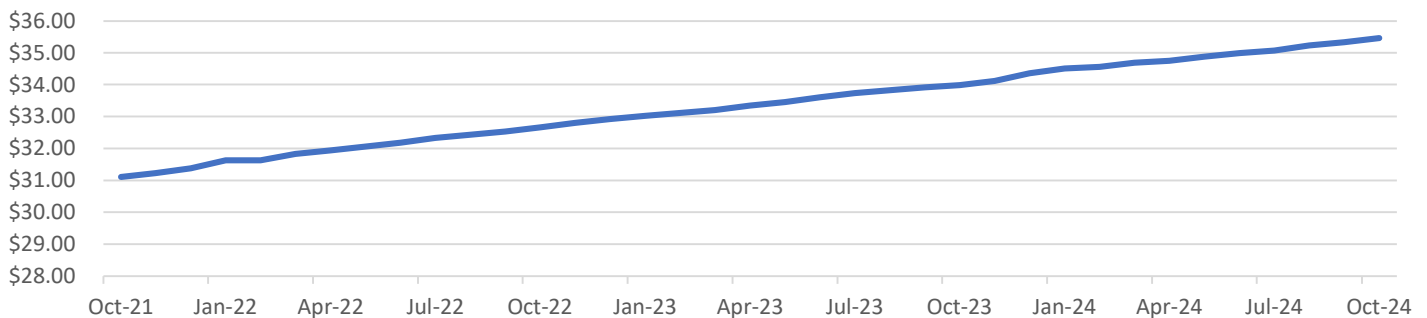
Seasonally Adjusted



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 Q3 2024, real GDP increased by 0.70%<sup>3</sup> over Q2 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 October, the average hourly wage increased to \$35.46. This rise of \$0.13 from September represents an increase of 0.4%<sup>4</sup>.**

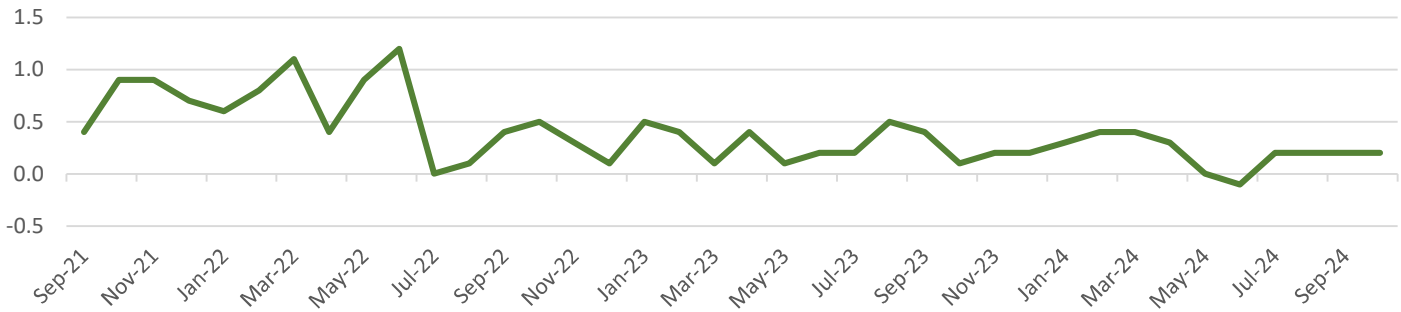
<sup>3</sup> Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/GDP>; GDP data is published quarterly.

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



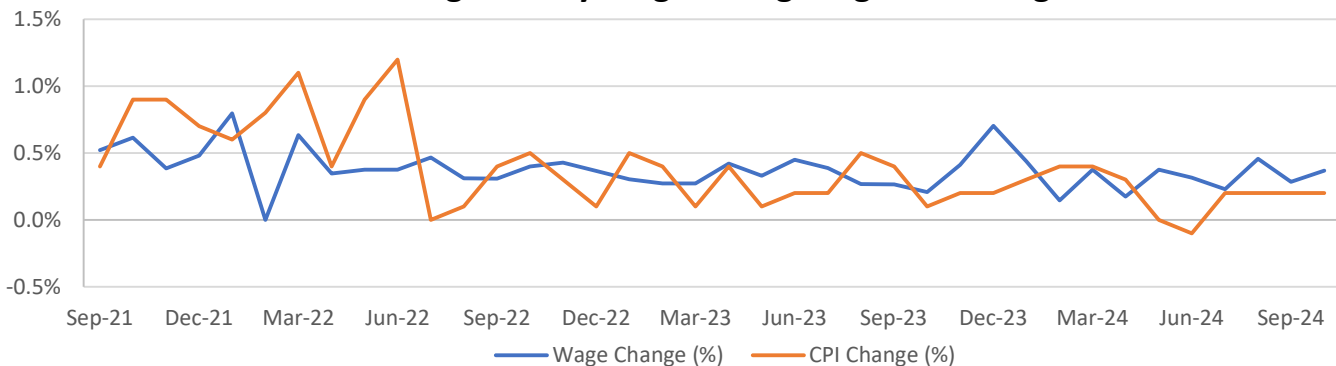
## National Metrics

### 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 October 2024, the consumer price index rose by 0.2%<sup>5</sup>.** The current 12-month CPI growth is 2.63% (unadjusted) as reported by the Bureau of Labor Statistics. This is 1.24% less than the trailing 12-month average of 3.87%, indicating continued inflation less than that of last year.

### Average Hourly Wage Changes against Changes in CPI



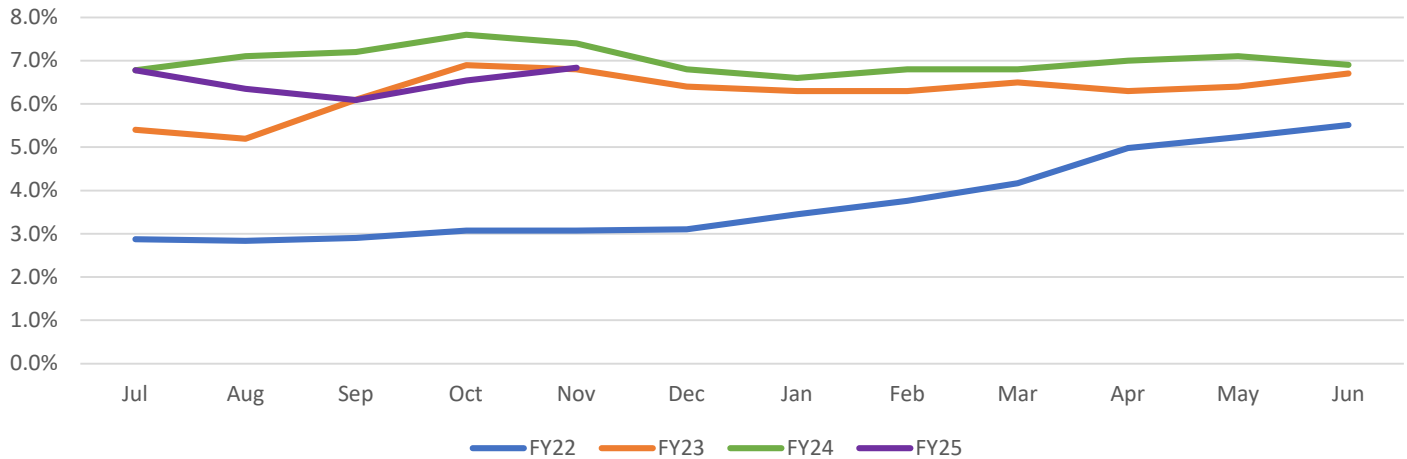
**Average Hourly Wage Changes against Changes in the Consumer Price Index** analyzes the relationship between national wages and consumer pricing, and more loosely, its affiliate inflation. It should be noted that this graph encompasses month over month changes, with both metrics demonstrating continuous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



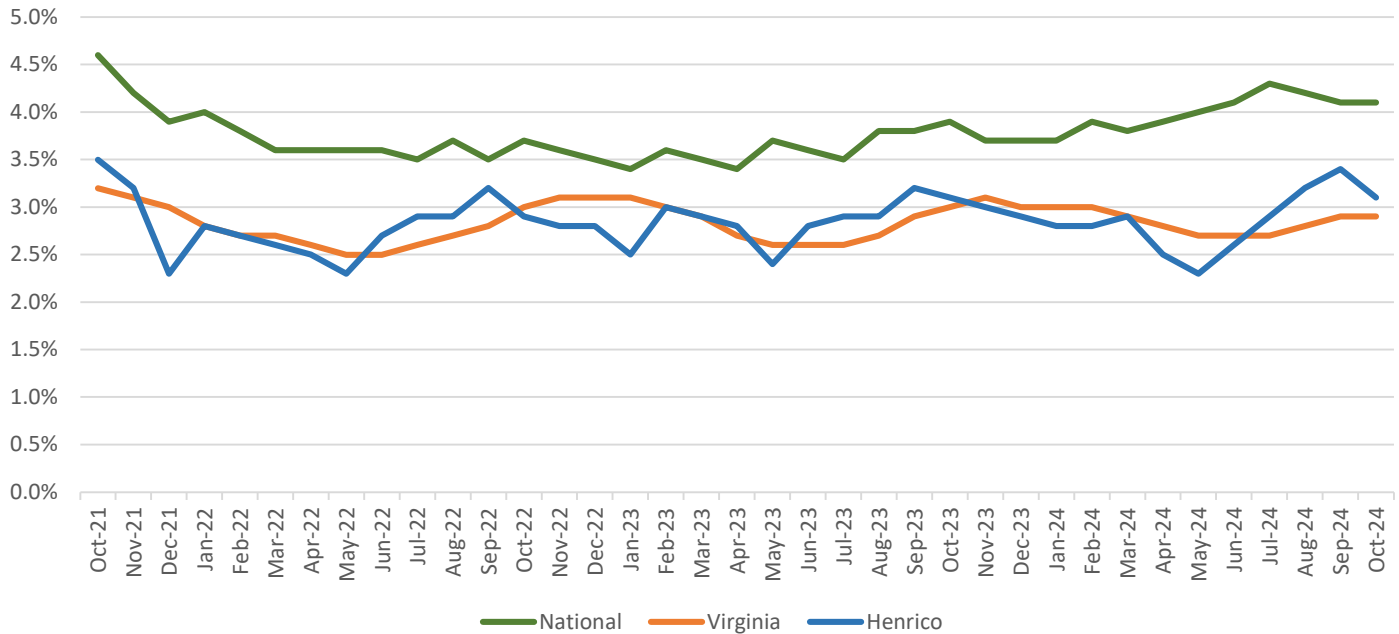
The **30-Year Fixed Mortgage Rate** is the most common financing mechanism used by residential home buyers. The interest rate represents the amount a qualified borrower will be charged by a lender over the loan term. **In October, the 30-year fixed mortgage interest rate increased from 6.5% to 6.8%, a steady reversal after reaching its lowest point in two years in September<sup>6</sup>. This increase 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.** Though it may seem counterintuitive for mortgage rates to increase when the Federal Reserve cut the rate for banks to borrow funds, this is generally understood to suggest investor concern for an expanding money supply with possible underlying inflation fears. Continued monitoring is warranted.

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



## Combined Metrics

### Unemployment Rates



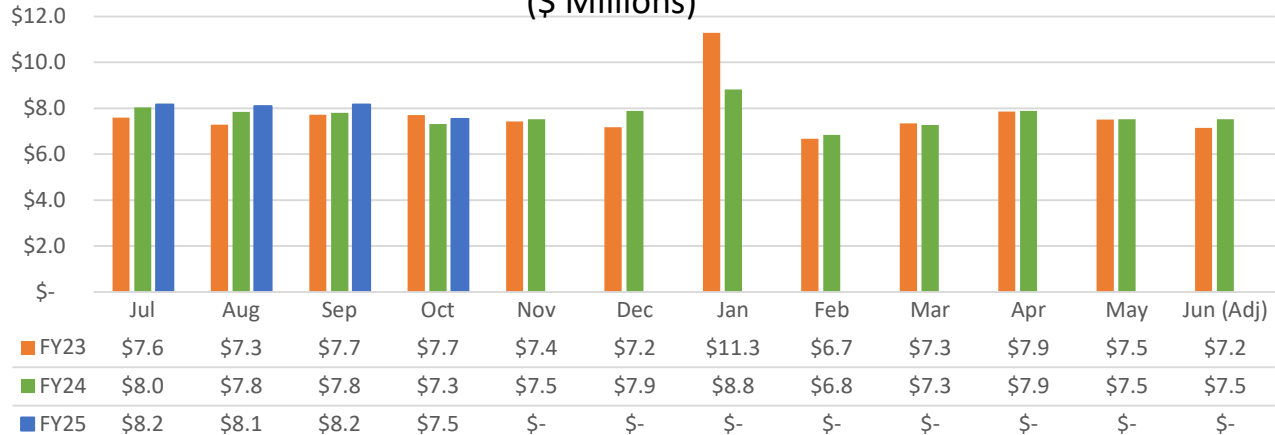
The **Unemployment Rate** shows the number of unemployed people as a percentage of the workforce. Known as the U-3 unemployment rate, an individual must be actively seeking work or laid off to be included. State unemployment data lags roughly six weeks while local unemployment data lags nine weeks. **In the month of October, the unemployment rate remained constant over September at 4.1% and 2.9% at the National and State levels respectively. In September, Henrico County’s unemployment rate decreased from 3.4% to 3.1% following four months of consecutive increases<sup>7</sup>.** Historically, Henrico unemployment rates have trended closely with the National and State levels.

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



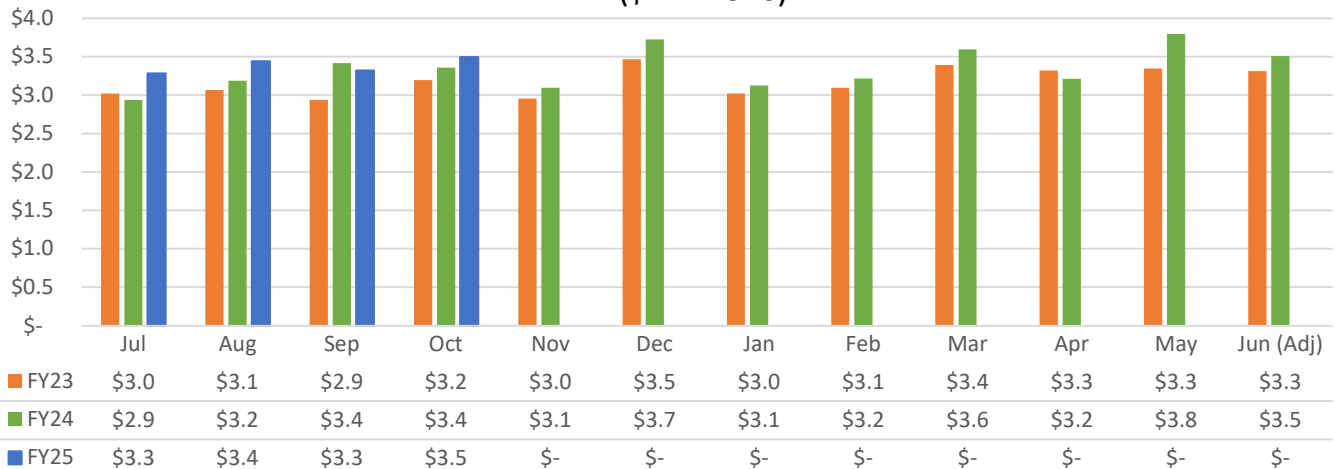
## Henrico Metrics

### 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. **October FY25 recorded collections of \$7.5 million, \$0.2 million higher than October 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 lag by two months and are compared as year-over-year monthly collections. **October FY25 collections totaled \$3.5 million, with year-to-date collections exceeding FY24 by \$0.6 million.**

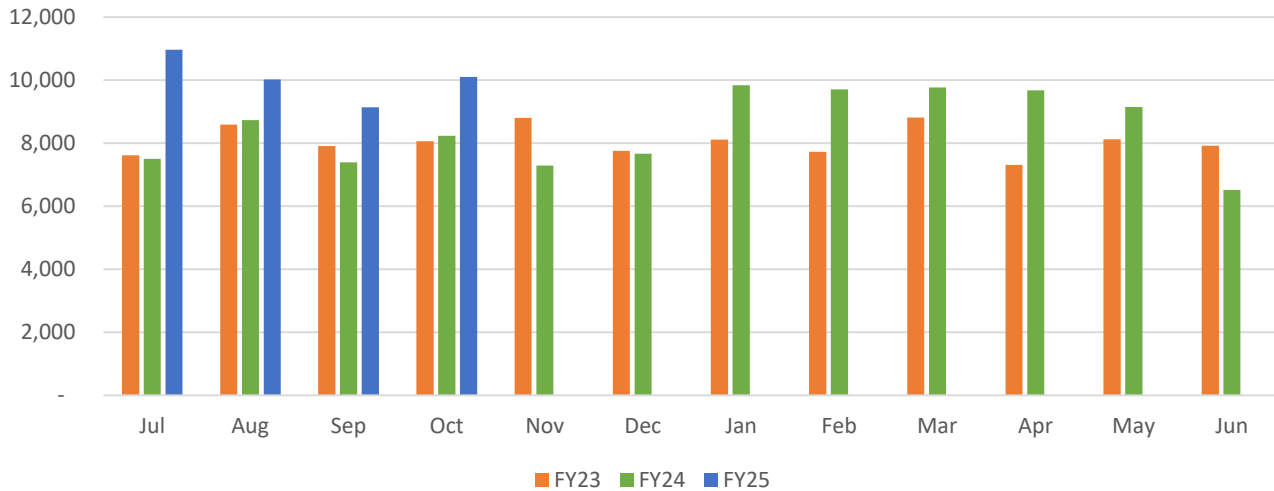




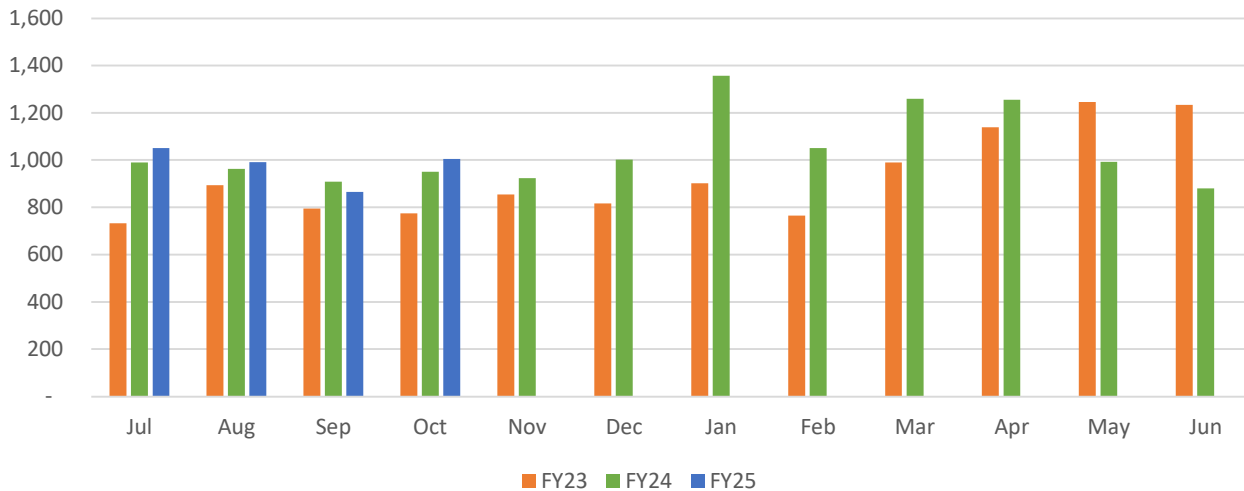


## Henrico Metrics

### Used Car Registration



### New Car Registration

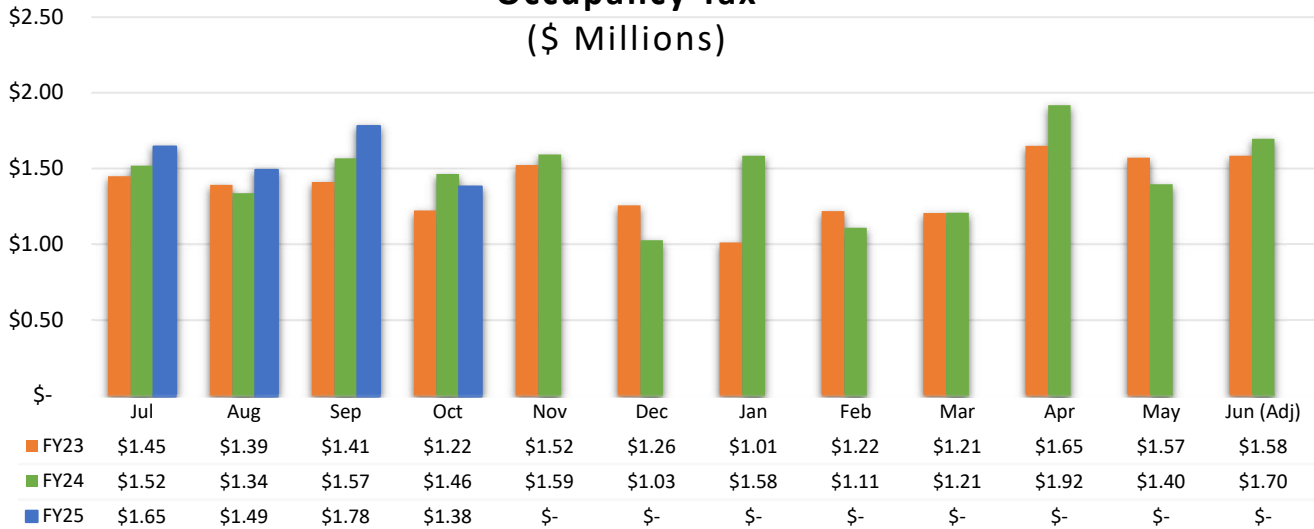


**Vehicle Registration** data is acquired from the Virginia Department of Transportation and is comprised of both new and used vehicles; the metric strongly correlates to vehicle sales. **Used Car Registrations in October recorded 10,101. New Car Registrations in October recorded 1,005. Used Car Registrations in FY25 strongly exceed FY24 values, signaling a growing and resilient local economy. New Car Registrations in FY25 have remained close to FY24 levels; both Used and New Car Registrations for the month of October strongly exceed prior month and prior fiscal year equivalents.**



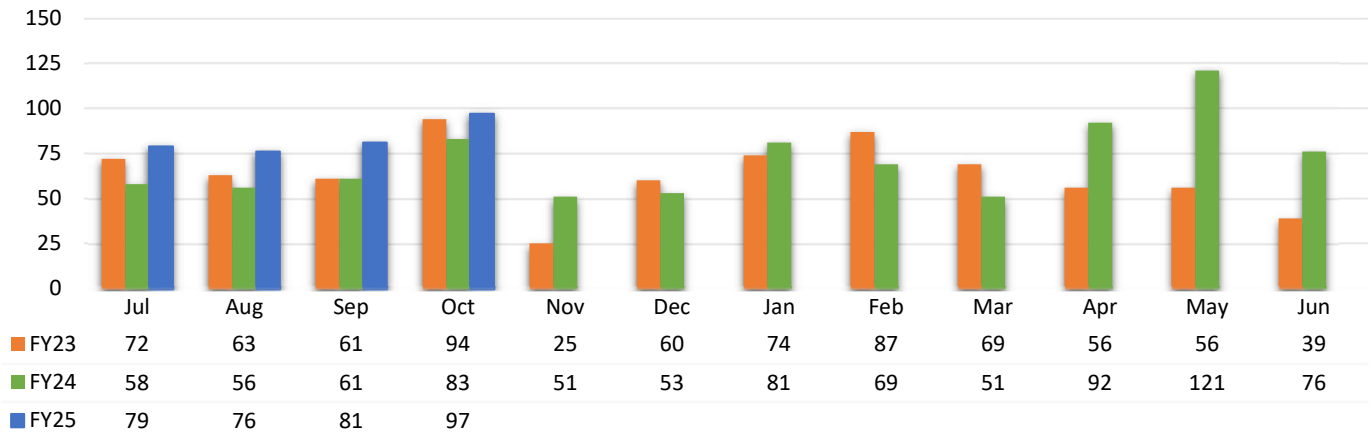
### Henrico Metrics

#### Occupancy Tax (\$ Millions)



Henrico’s **Occupancy Tax** is collected on lodging for overnight stays. **Occupancy Tax collections in October FY25 totaled \$1.38 million, \$0.08 million lower than October FY24.**

#### New Residential Construction

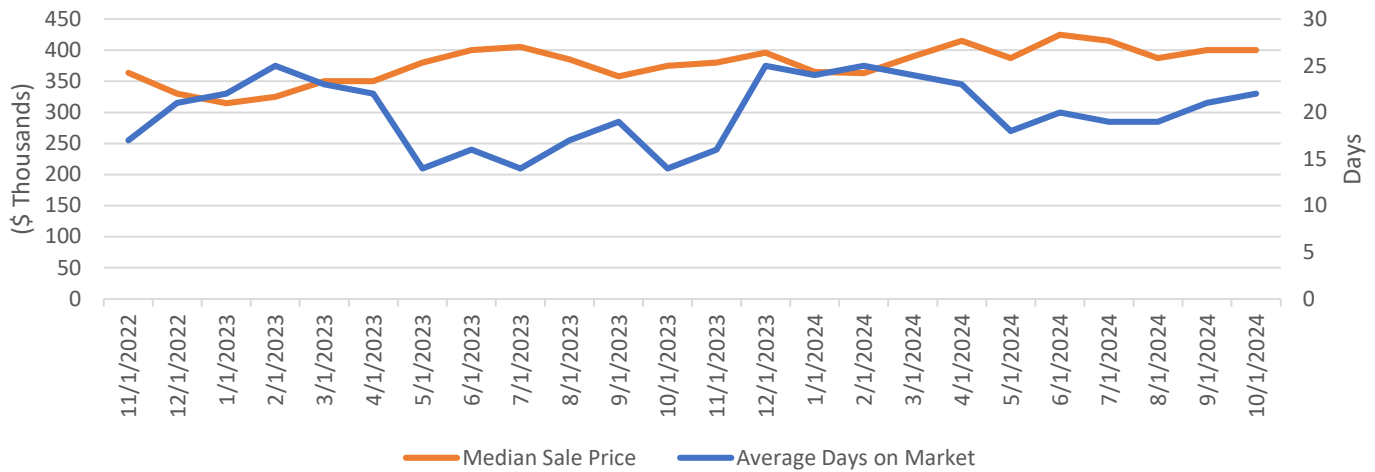


**New Residential Construction** is comprised of new single-family houses that were issued building permits. A slowdown may indicate worsening economic conditions, increased competition from neighboring localities, or a lack of expansion capabilities. **October FY25 construction totaled 97 permits, 14 more than October FY24.**



## Henrico Metrics

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

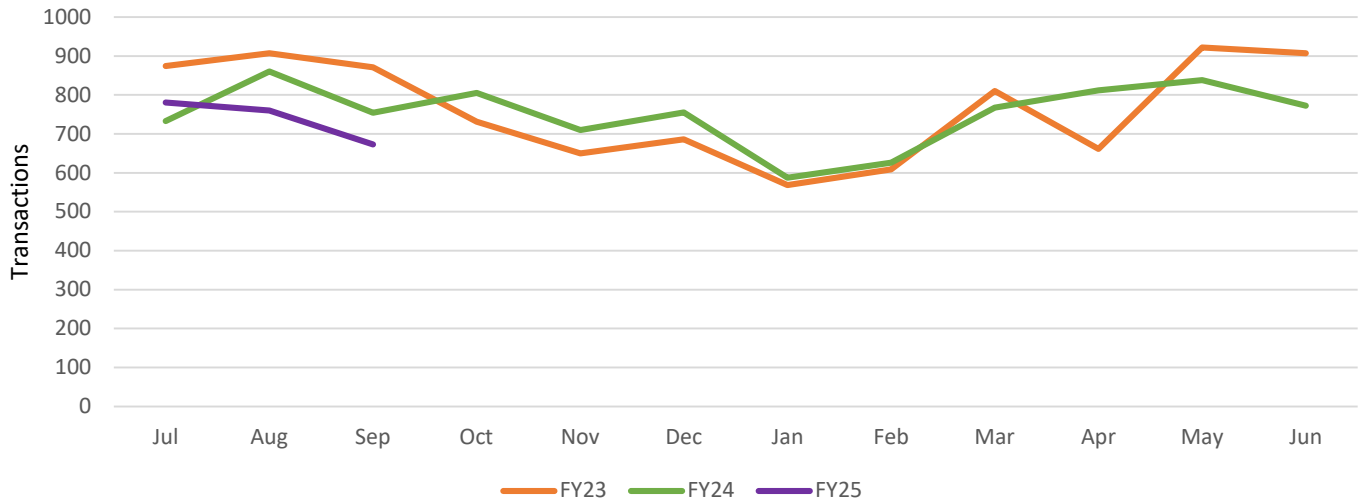


**Average Days on the Housing Market and Median Sale Price** provides a benchmark of the state of the housing market in Henrico. An increase in the time spent on market may indicate a slowing of the housing market, while a decrease may indicate acceleration. Median Sales Price tracks the middle value 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 October totaled \$400,000, flat from September. Average Days on the Housing Market increased from 21 in September to 22.**



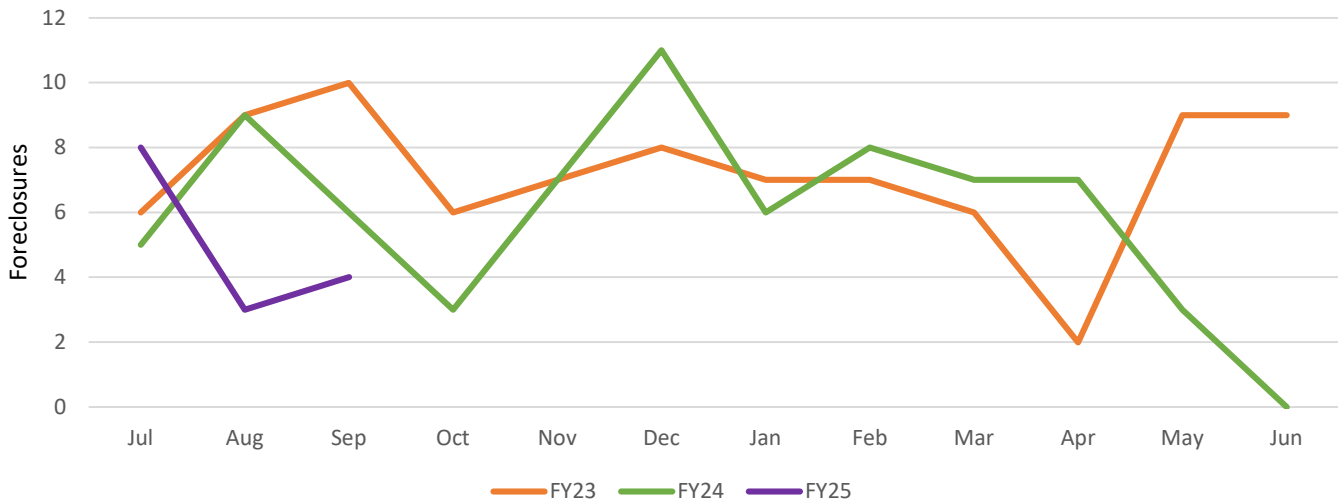
## Henrico Metrics

### 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 673 residential transactions were recorded in September FY25, 81 less than the previous fiscal year.**

### Residential Foreclosures

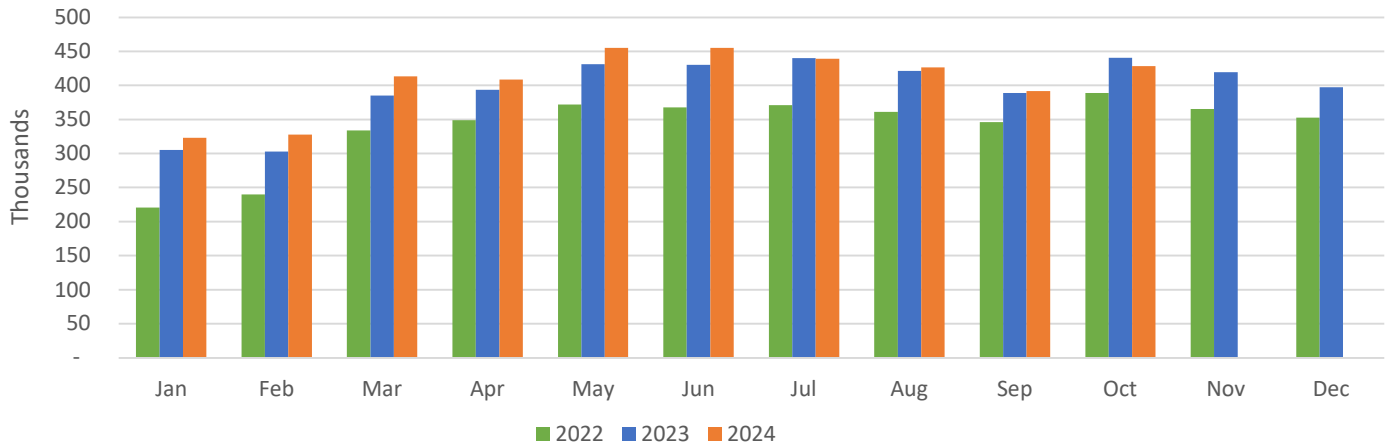


**There were 4 foreclosures reported in September FY25, up from 3 in August.**



## 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. **October 2024 captures another month of high activity with 428,441 recorded passengers, lagging October 2023 by 2.8%<sup>8</sup>.**

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