



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 August with data received between August 1st and August 31st, 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 (FY25) and compare it to the current year (FY26). Data for FY26 is updated monthly as it becomes available. Some data is collected more frequently throughout the month.

OMB Summary

The month of August yielded mixed economic results. At the national level, indicators for the health of the overall economy such as the S&P 500, and Wages Against CPI both saw increases. However, as shown in the drop in Consumer Confidence Index, there are concerns from the general public about the future from factors like prices and employment opportunities. As for the County of Henrico, while there have been fewer cars registered year to date in FY26 compared to FY25, the County's tax revenue is healthy and exceeds FY25 year-to-date. The County's unemployment rate remains below the national average.

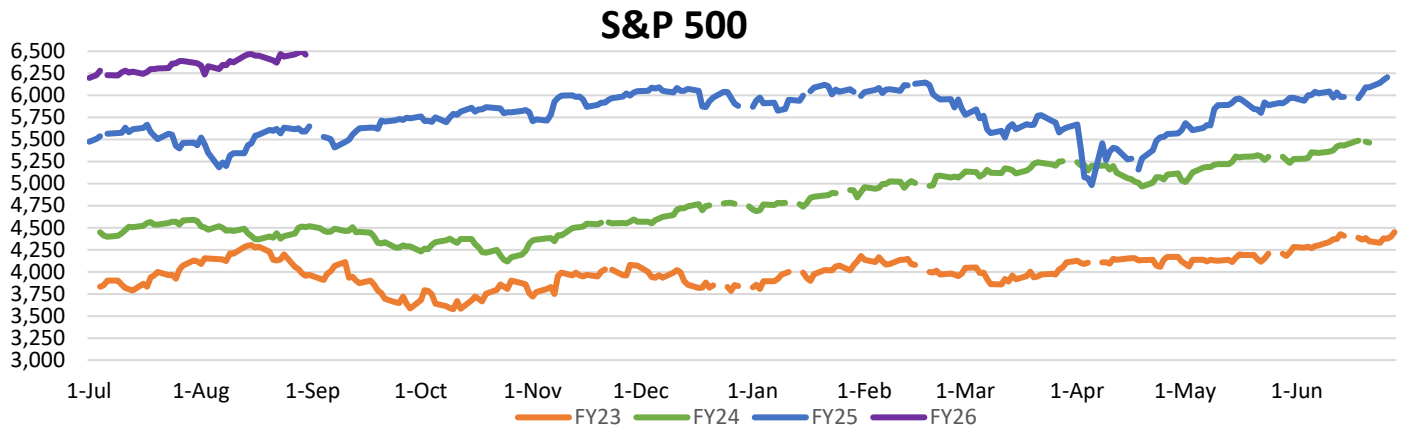
Metrics Considered

- **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

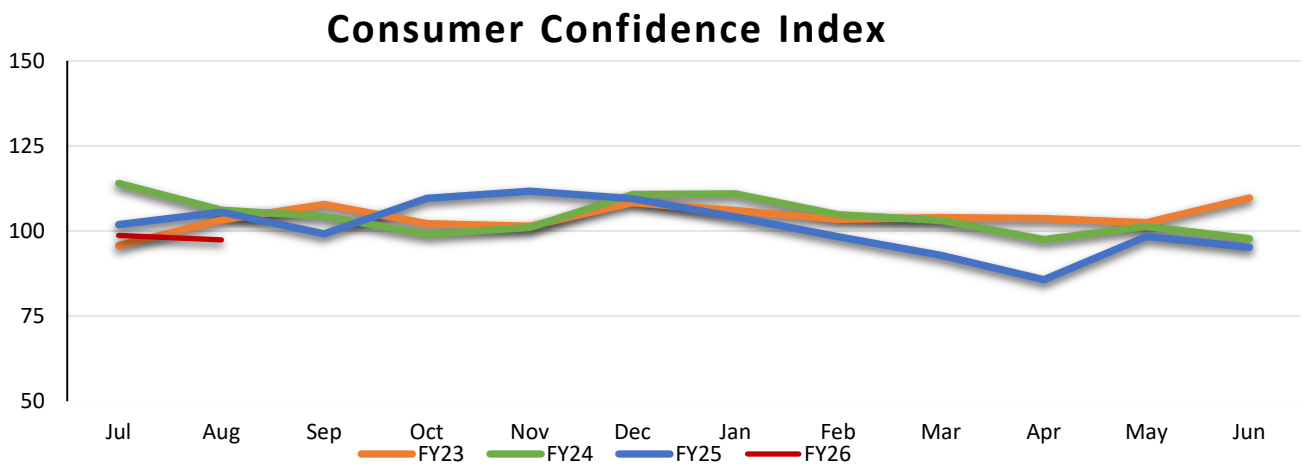


National Metrics

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.



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 experienced strong and steady growth throughout August, reaching a record high closing on August 28th of 6501.86.¹**



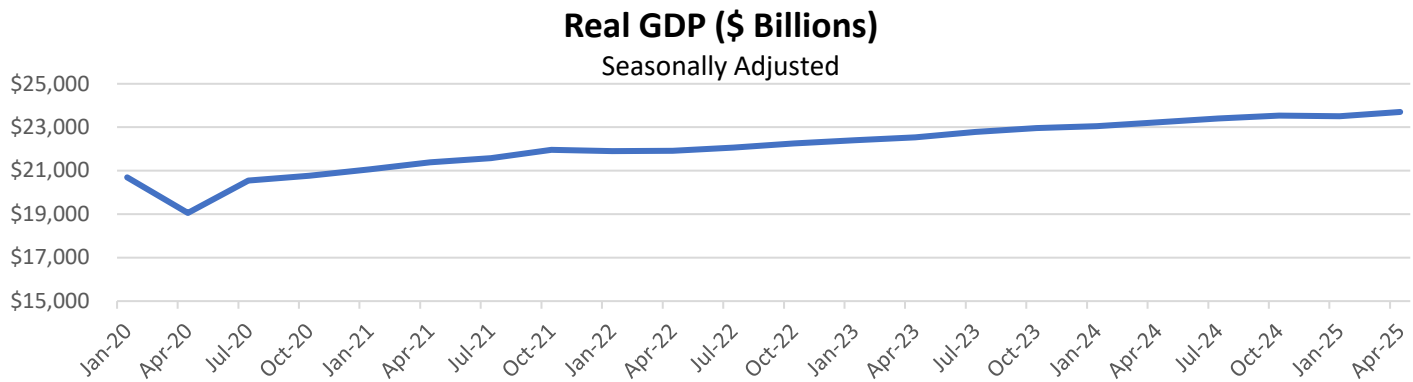
The **Consumer Confidence Index** is a monthly survey given to 5,000 randomly selected households gathering opinions on present situations and future expectations. It is benchmarked to 1985 (100) and best compared by reviewing month-over-month changes. **In August, the index fell by 1.3 points from July. Consumers cited concerns over rising prices, future income, and current and future job availability. The overall drop in confidence was driven by the under age 35 demographic, the average for those aged 35-to-55 remained relatively stable, and those over age 55 saw average confidence rise².**

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



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 products 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 Q2 2025, real GDP increased by 0.813%³ over Q1 2025, continuing a consistent increase over the past five years.**



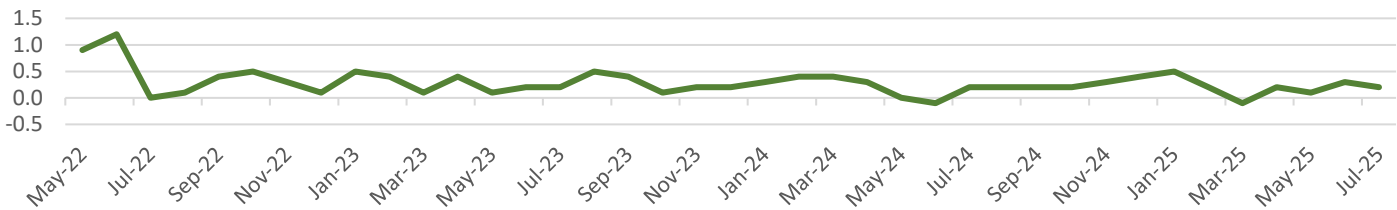
The **Average Hourly Earnings of All Private Employees** measures average hourly earnings employers pay that include overtime and shift differentials but excludes benefits, bonuses, retroactive pay, or employer payroll taxes. While earnings data changes capture wage rate adjustments, they can also include changes in the mix of employment. **In July, the average hourly wage increased to \$36.44. This rise of \$0.12 from June (\$36.32) represents an increase of 0.3%.**

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



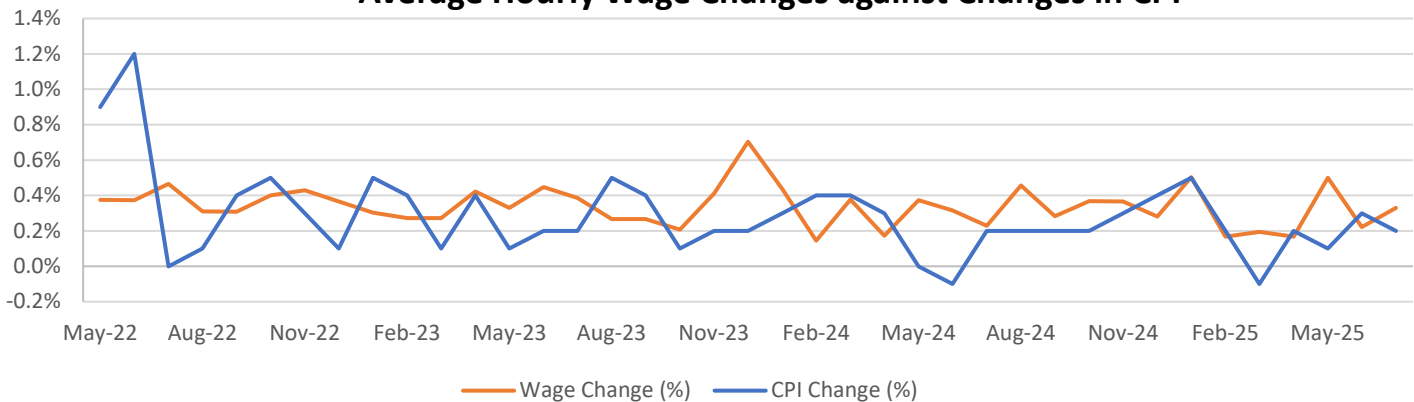
National Metrics

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 July, the consumer price index rose by 0.2%⁴.** The current 12-month CPI growth is 2.84% (unadjusted) as reported by the Bureau of Labor Statistics. This is 0.3% less than the trailing 12-month average of 3.14%, indicating continued inflation less than that of last year.

Average Hourly Wage Changes against Changes in CPI



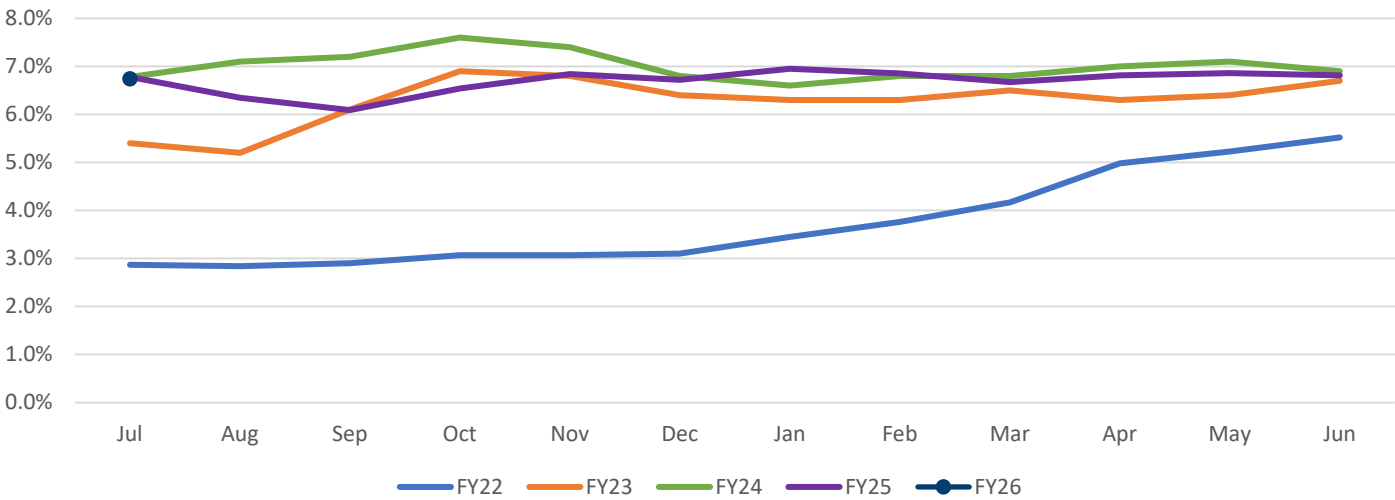
Average Hourly Wage Changes against Changes in the Consumer Price Index analyzes the relationship between national wages and consumer pricing, and more loosely, its affiliate inflation. It should be noted that this graph encompasses month over month changes, with both metrics demonstrating continuous upward growth over the past 2 years of recorded data. **July had a monthly wage growth of 0.3% while the CPI increased by 0.2%, a positive outcome for consumer buying power.**

⁴ U.S. Bureau of Labor Statistics; [Bureau of Labor Statistics Data \(bls.gov\)](https://www.bls.gov)



National Metrics

30-Year Fixed Mortgage Rates



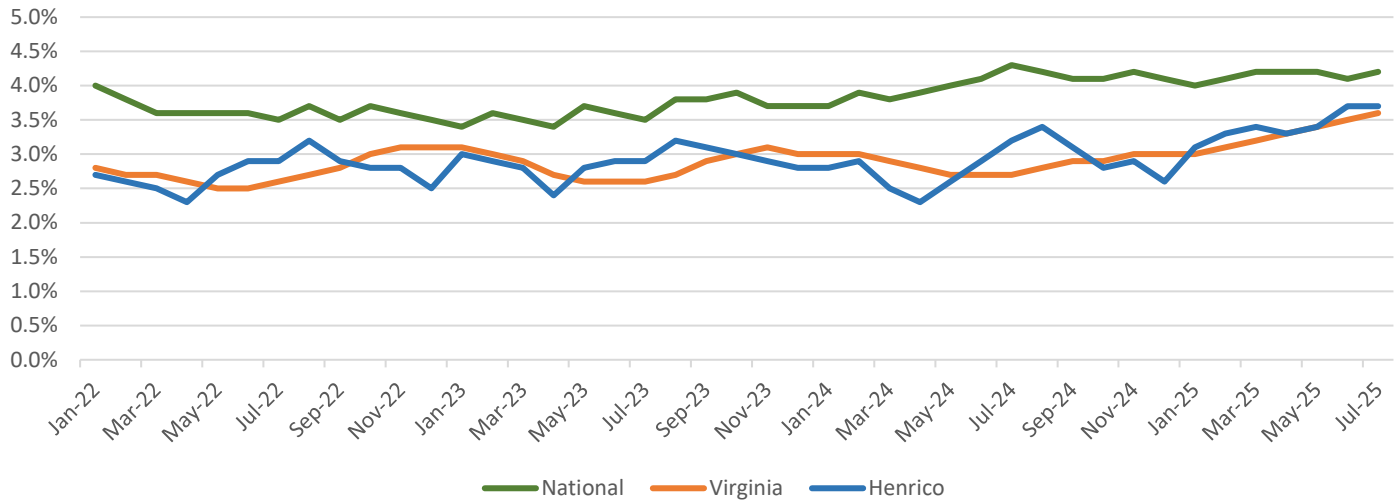
The **30-Year Fixed Mortgage Rate** is the most common financing mechanism used by residential home buyers. The interest rate represents the amount a qualified borrower will be charged by a lender over the loan term. **In August, the 30-year fixed mortgage interest rate decreased from 6.74%⁵ to 6.6%, a 10-month low.**

⁵ Freddie Mac; [30-Year Fixed-Rate Mortgages Since 1971 - Freddie Mac](#)



Combined Metrics

Unemployment Rates



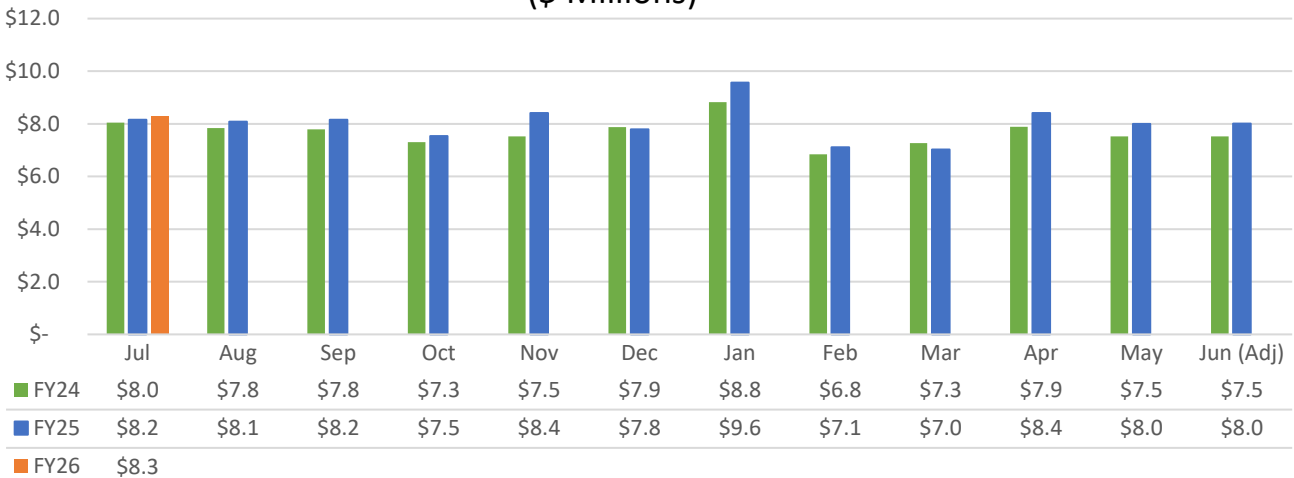
The **Unemployment Rate** shows the number of unemployed people as a percentage of the workforce. Known as the U-3 unemployment rate, an individual must be actively seeking work or laid off to be included. State unemployment data lags roughly six weeks while local unemployment data lags nine weeks. **In the month of July, unemployment rates increased by 0.1% at the National and State levels. The County unemployment rate remains unchanged at 3.7%⁶.** Historically, Henrico unemployment rates have trended closely with the National and State levels.

⁶ US Bureau of Labor Statistics; <https://data.bls.gov/lausmap/showMap.jsp>



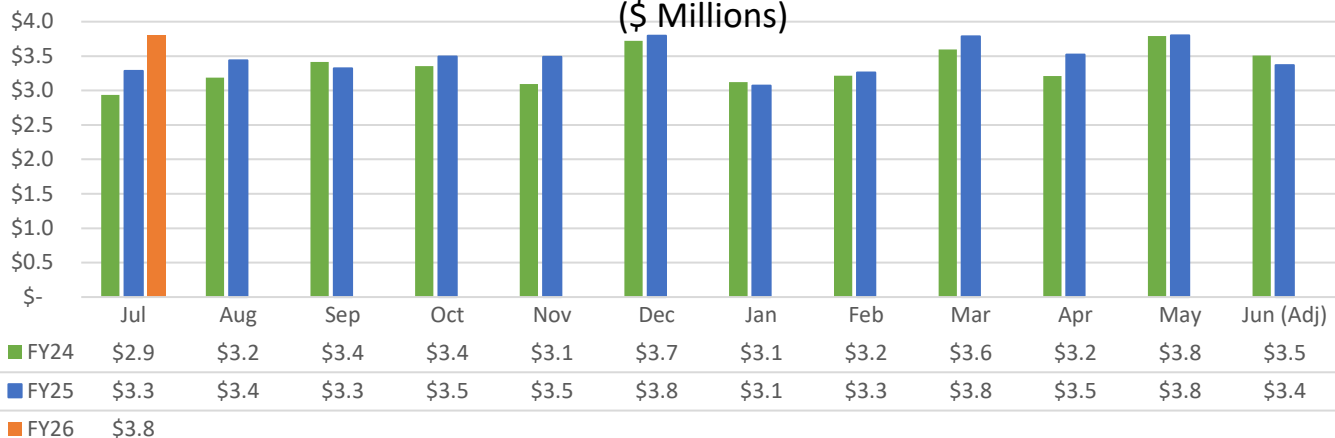
Henrico Metrics

Local Sales & Use Tax (\$ Millions)



Henrico County **Sales & Use Tax** amounts to 6% of each purchase collected by the Commonwealth. By law, 1% is then remitted back to the County from the State. **July FY26 recorded collections of \$8.3 million, which is 1.4% more than July FY25 collections.**

Meals Tax (\$ Millions)

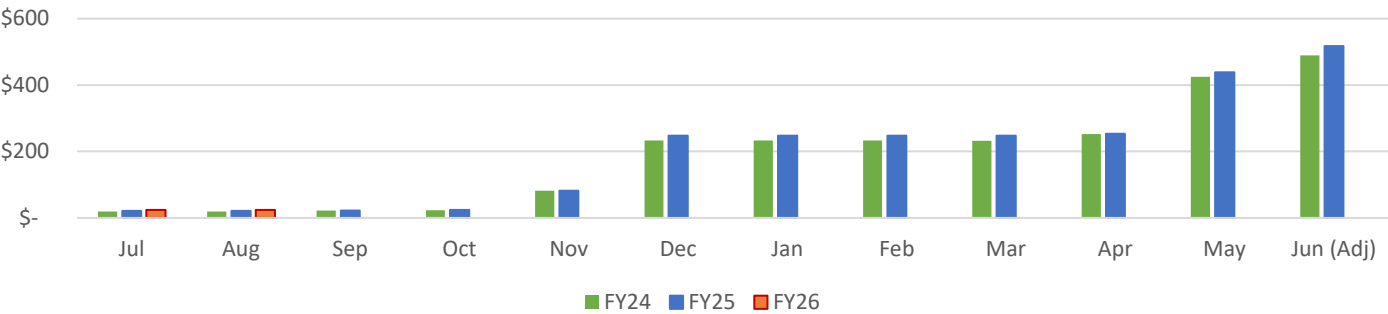


Henrico's **Meals Tax** establishes a 4% tax on prepared food and beverages. Revenue generated by the Meals Tax is dedicated to the operational and capital project needs of Henrico's Public Schools. Collections lag by two months and are compared as year-over-year monthly collections. **July FY26 collections totaled \$3.8 million, 0.4 million more than July FY25.**



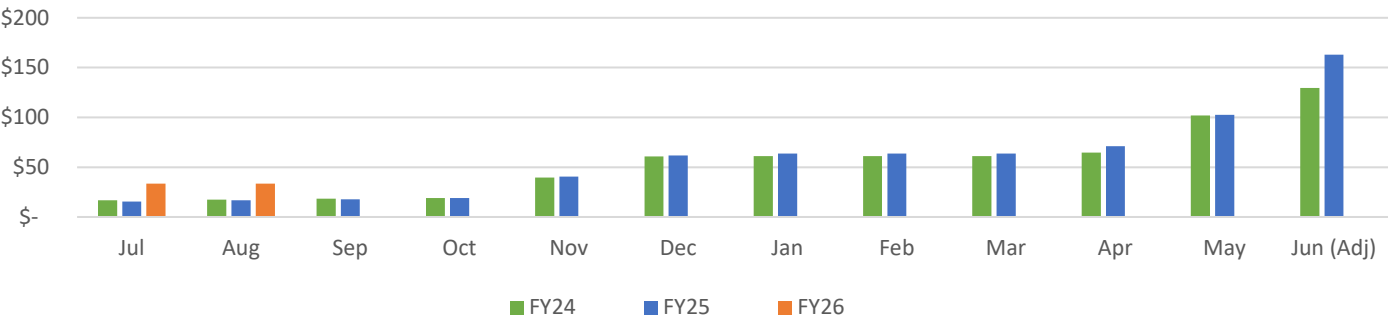
Henrico Metrics

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 August FY26 are \$24 million, a 12.93% increase over FY25 year-to-date.** The graph above represents cumulative collections throughout each fiscal year.

Personal Property Taxes
(\$ Millions, Cumulative)

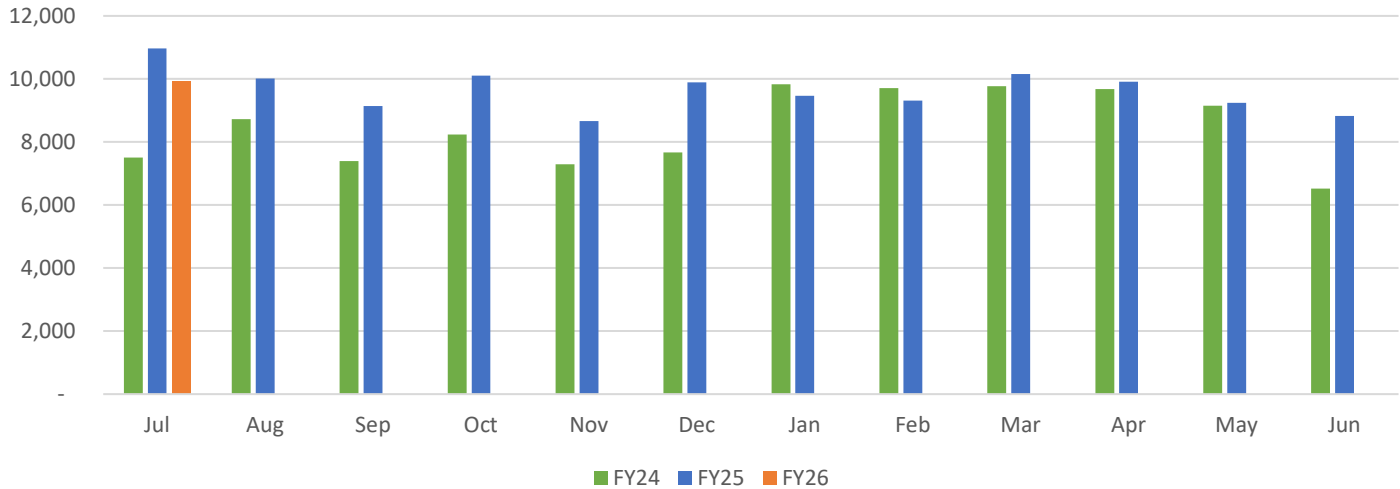


Personal Property Taxes are collected on all vehicles including cars, trucks, trailers, motorcycles, motor homes, aircraft, and watercraft. Personal property is collected in the locality where it is normally garaged, docked, or parked. Henrico County uses the J.D. Power Official Used Car Guide as of January 1st of each year to establish valuations. Collections are due twice a year in December and June. **Personal Property Tax Collections through August FY26 recorded \$34 million, which is \$17 million more than August FY25 due to several large new taxpayers.**

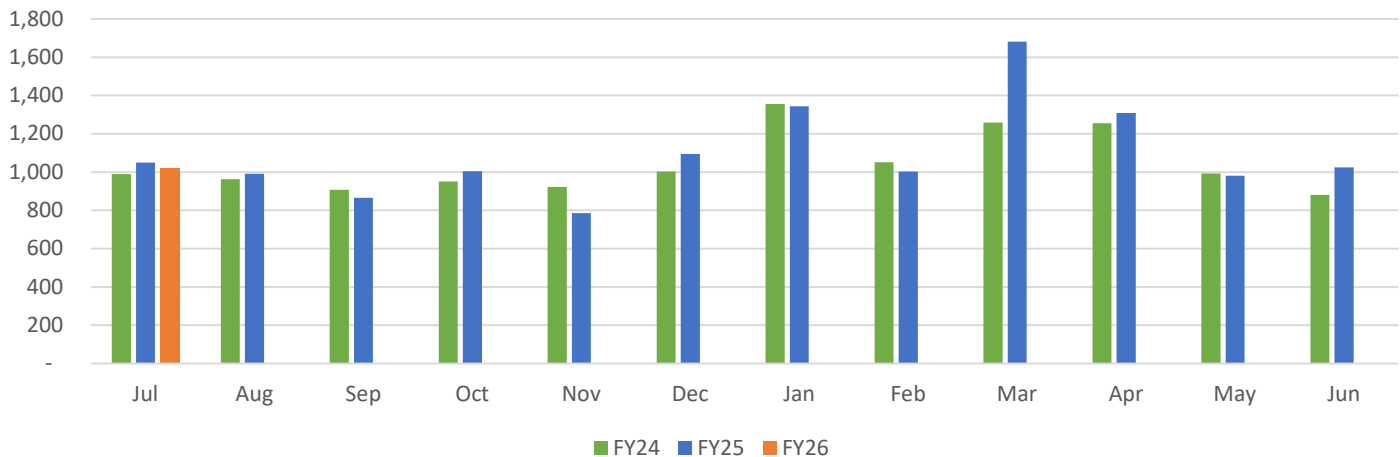


Henrico Metrics

Used Car Registration



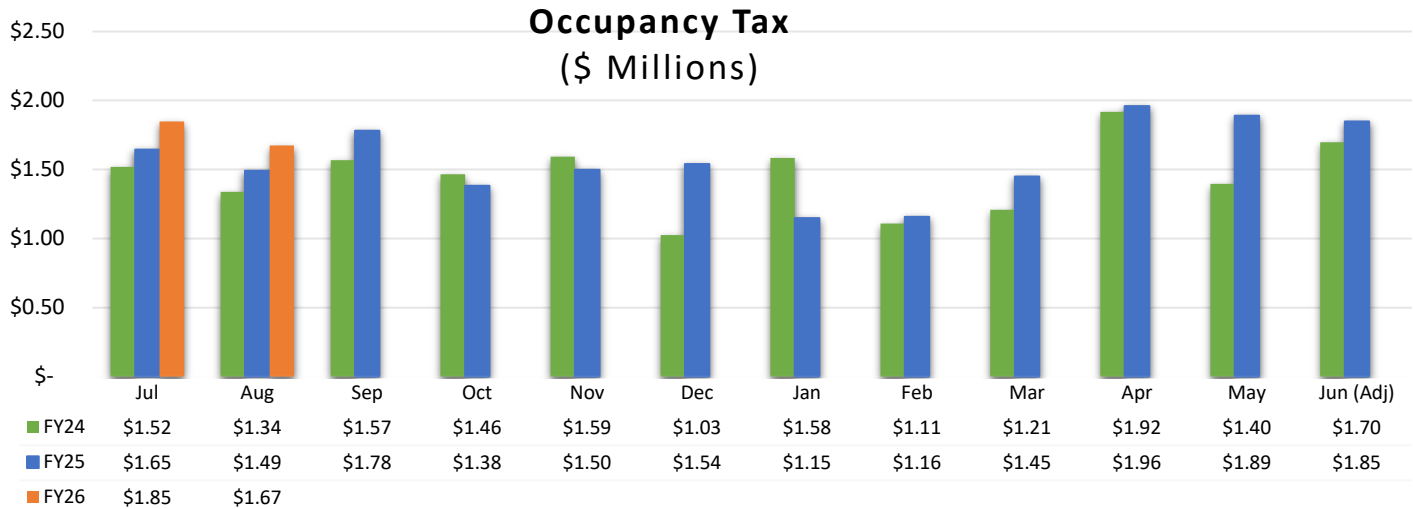
New Car Registration



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 July FY26** recorded 9,910, which is 9.61% lower than July FY25, but 12.3% more than the prior month. **New Car Registrations** recorded 1,022, or 2.67% lower than July FY25, but relatively flat compared to the prior month.

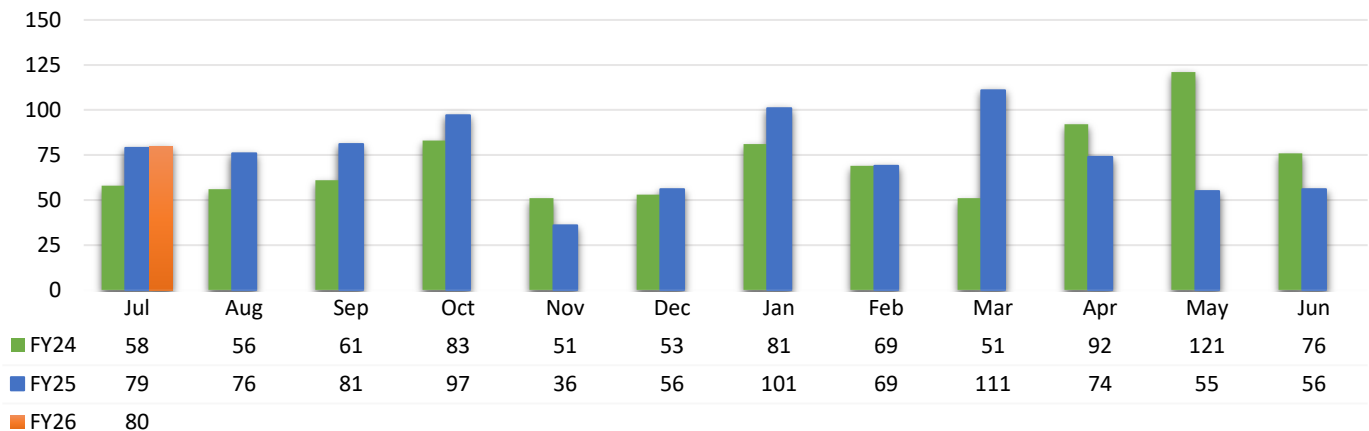


Henrico Metrics



Henrico's **Occupancy Tax** is collected at an 8% rate on lodging for overnight stays. **Occupancy Tax collections in August FY26 totaled \$1.67 million, \$0.18 million greater than August FY25. Full year collections totaled \$3.52 million, which is 12.3% higher than it was by August FY25.**

New Residential Construction

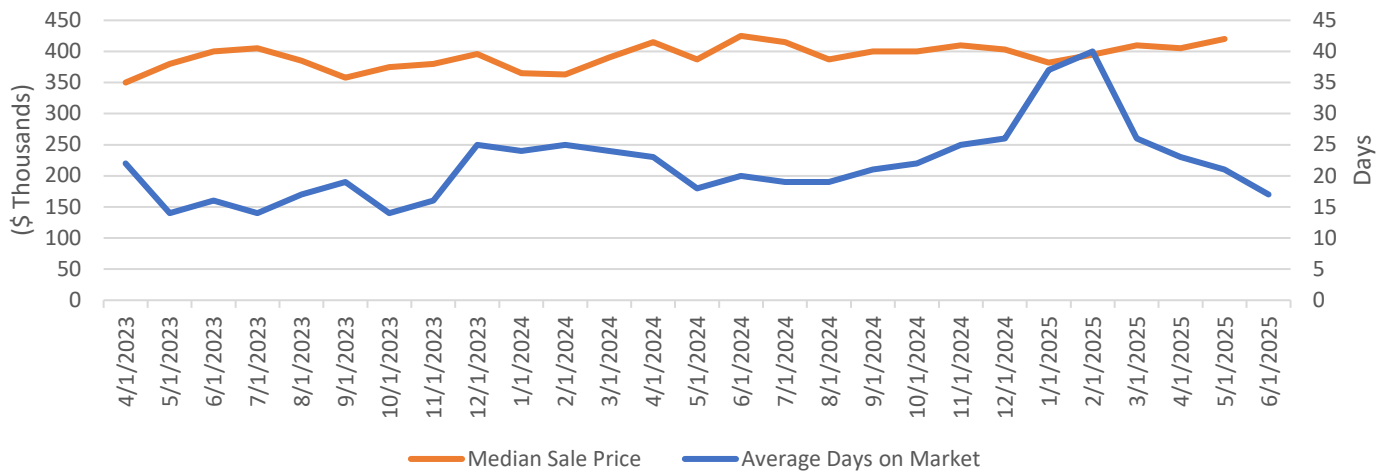


New Residential Construction is comprised of new single-family houses that were issued building permits. A slowdown may indicate worsening economic conditions, increased competition from neighboring localities, or a lack of expansion capabilities. **July FY26 construction totaled 80 permits, which is 1 more than July FY25.**



Henrico Metrics

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

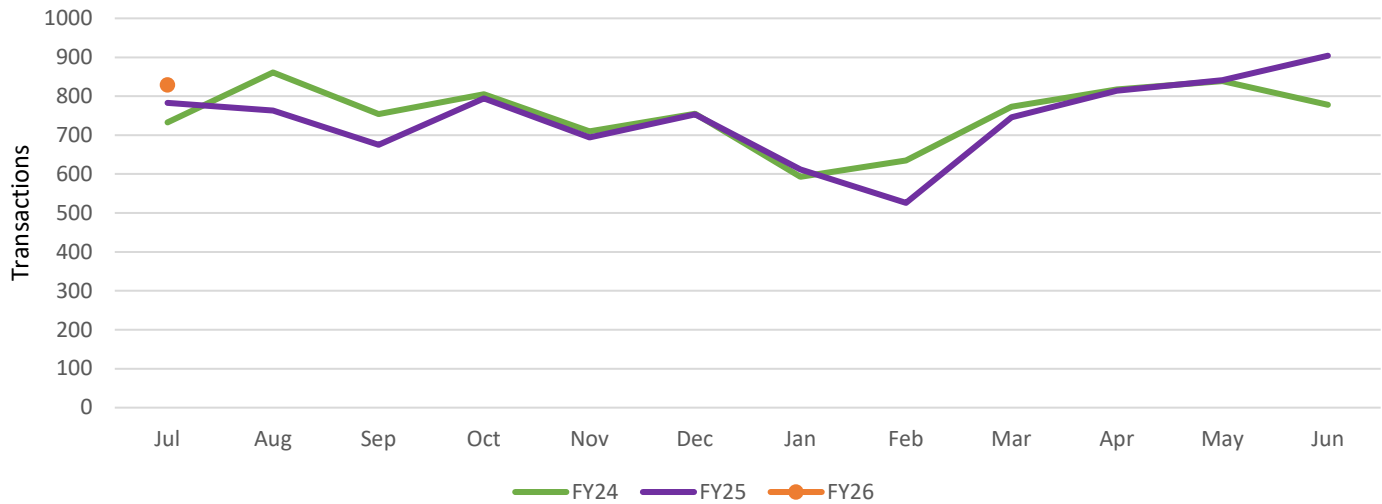


Average Days on the Housing Market and Median Sale Price provides a benchmark of the state of the housing market in Henrico. An increase in the time spent on market may indicate a slowing of the housing market, while a decrease may indicate acceleration. Median Sales Price tracks the middle value of 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 July totaled \$418,750, a \$3,750 increase from June. Average Days on the Housing Market increased from 17 in June to 22 in July.**

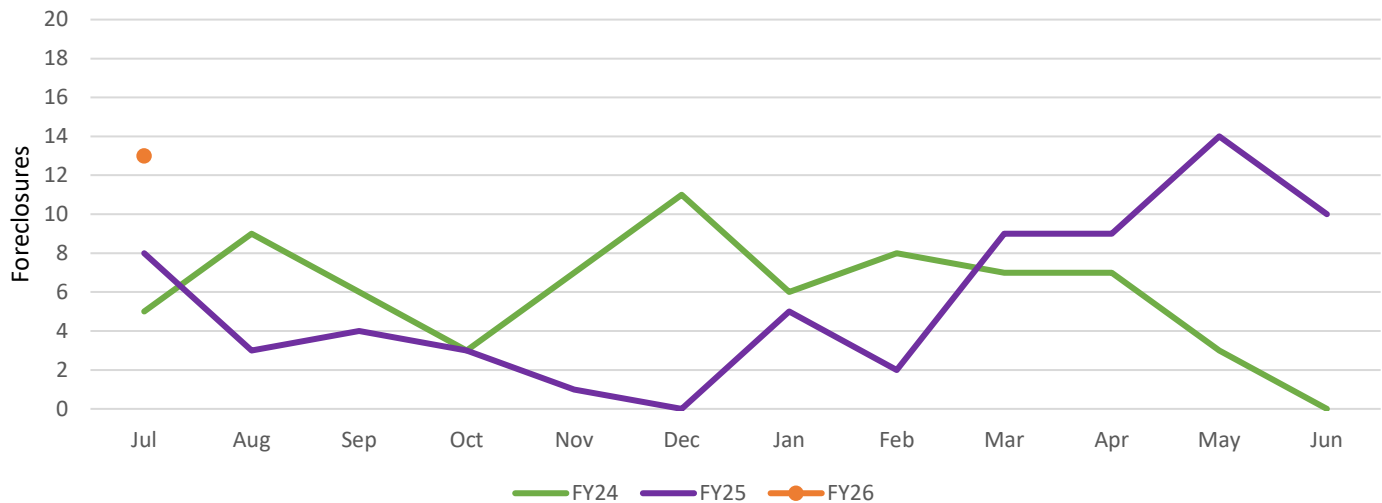


Henrico Metrics

Residential Transactions



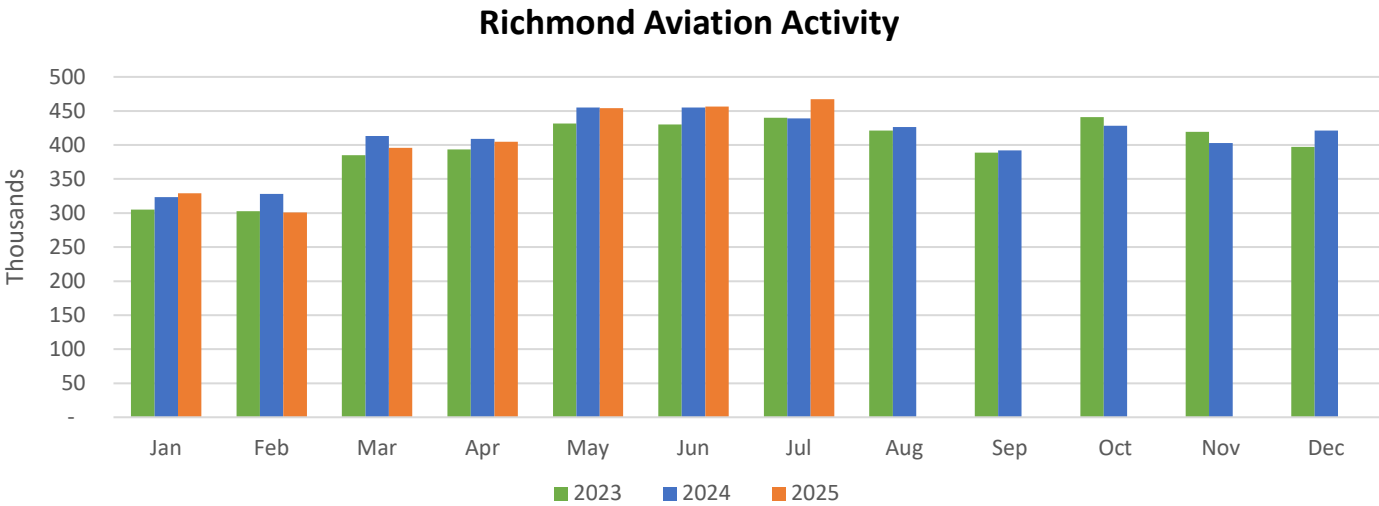
Residential Foreclosures



Transactions & Foreclosures 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 829 residential transactions were recorded in July FY26, 46 more than the previous fiscal year and 75 less than the month prior. There were 13 foreclosures reported in July FY26.**



Area Metric



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. **July 2025 recorded a total passenger count of 467,101, a 6.4% increase compared to July 2024⁷.**

⁷ Richmond International Airport; <https://flyrichmond.com/airport-information/>