Monthly Economic Report

Office of Management and Budget
February 2026

Henrico County

Finance

Overview

The purpose of this report is to provide an overview of economic indicators for the month of February that may impact Henrico County's ability to provide its services with data received between February 1st and February 28th, 2026. 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. **Due to the Federal Government Shutdown, Bureau of Labor Statistics data was not collected for October 2025. Some of the statistics were also not collected for November 2025. Consumer Price Index, Hourly Wage Changes against Changes in the Consumer Price Index, and Unemployment numbers are impacted by these omissions. There will be continued monitoring of the middle east conflict that commenced on February 28th and subsequent global market impacts, particularly crude oil prices which has been reintroduced as a metric observed in this report.**

OMB Summary

The month of February yielded mixed economic results. At the national level, while the S&P 500 saw a slight decrease, the Consumer Confidence Index for the first time in six months saw an increase. Wages, when accounting for CPI, saw an increase. Unemployment at the national and local level saw decreases. Average 30-year fixed mortgage rates decreased slightly, while the housing market exhibited mixed results with an increase in Median Sales Price, a decrease in days on the market, an increase in residential transactions, but decrease in New Residential Construction permits. Car registrations, both new and used, were lower than February in the prior fiscal year. Year-to-date tax collections remain strong across all sectors.

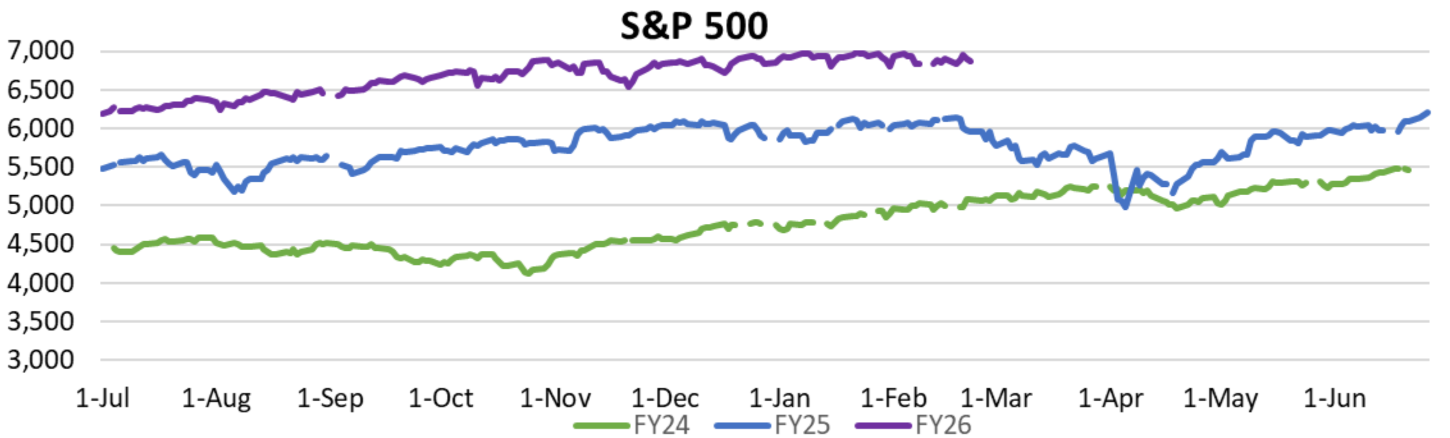
Metrics Considered

- **National:** S&P 500, Consumer Confidence Index, Real GDP, Wages, 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

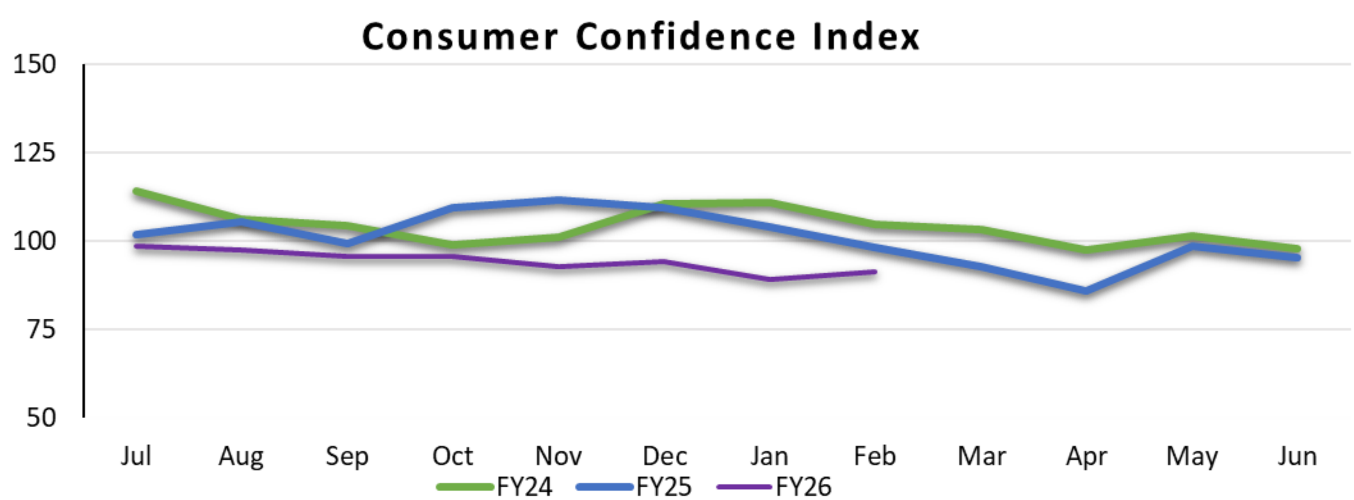
This report is not intended to provide investment advice.

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.



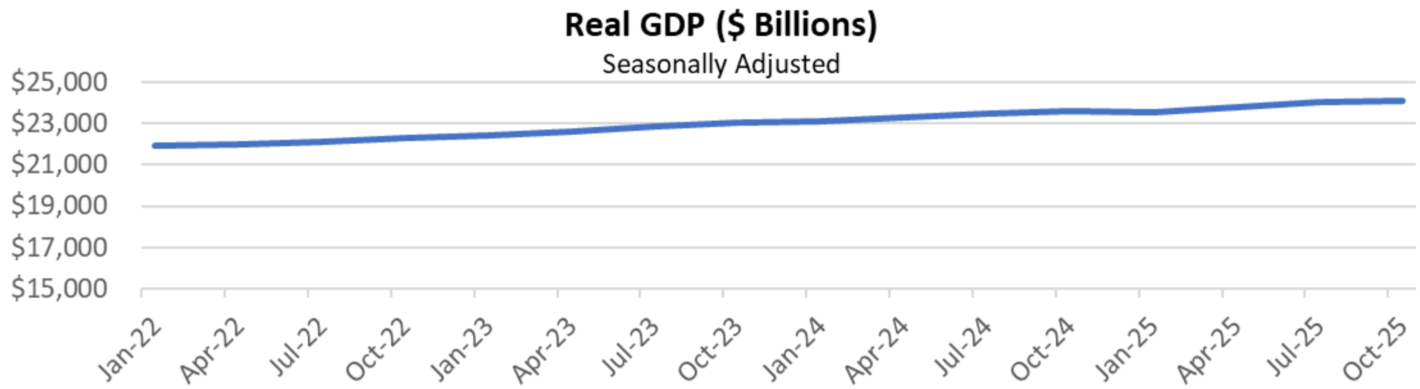
The **S&P 500** is a stock market index measuring the performance of 500 large U.S. companies on stock exchanges and is considered one of the best representations of the U.S. economy. **The S&P 500 decreased in the month of February, closing 60.15 points lower than January.**



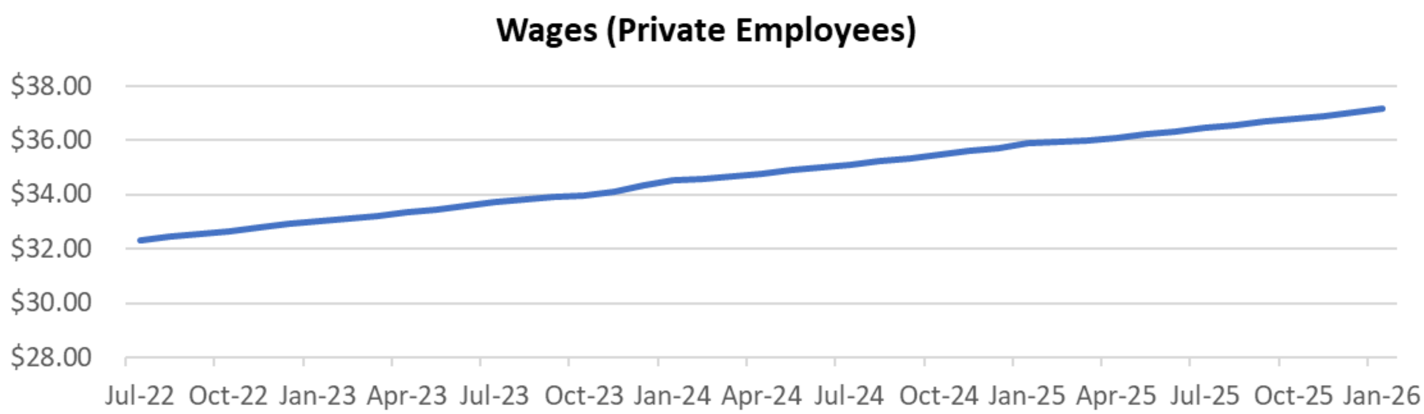
The **Consumer Confidence Index** is a monthly survey given to 5,000 randomly selected households gathering opinions on present situations and future expectations. It is benchmarked to 1985 (100) and best compared by reviewing month-over-month changes. **Over February the index rose 2.2 points from a revised 89 in January. Consumers cited more positive expectations for income and labor market conditions. This breaks a six-month downward trend in non-revised reports from the index.[1]**

[1]The Conference Board; US Consumer Confidence (conference-board.org)

National Metrics



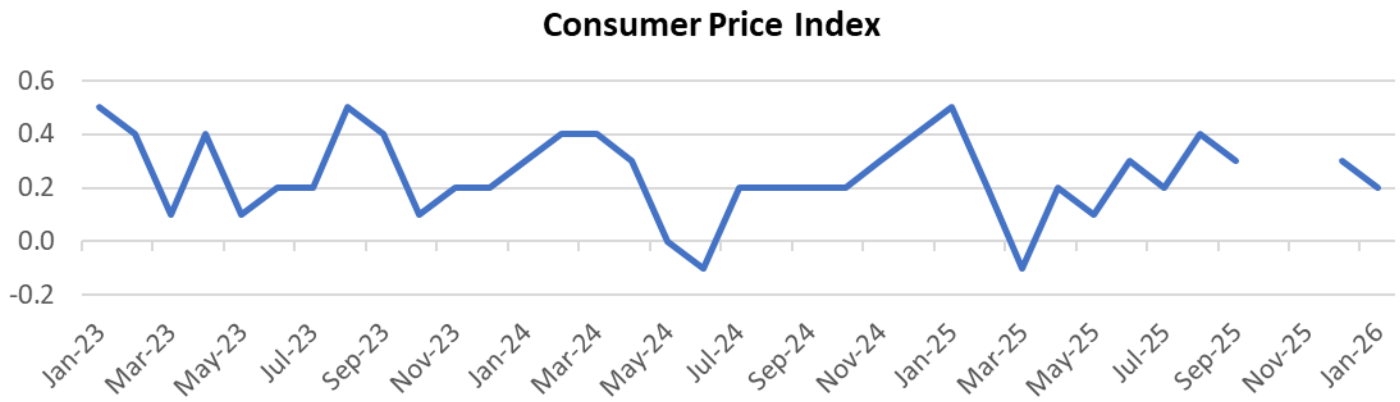
The **Real Gross Domestic Product (GDP)** is an inflation adjusted standard measure of all goods and services produced by labor and property located in the United States in a given period. Gross domestic products can be calculated on a nominal or real (adjusted for inflation) basis. Since rising prices influence GDP, removing inflation related price changes isolates changes in production quantity. **In Q4 2025, real GDP increased by 0.35%[2] over Q3 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 January, the average hourly wage increased to $37.17. This rise of $0.15 from December represents an increase of 0.4%.**

[2] Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/GDP; GDP data is published quarterly.

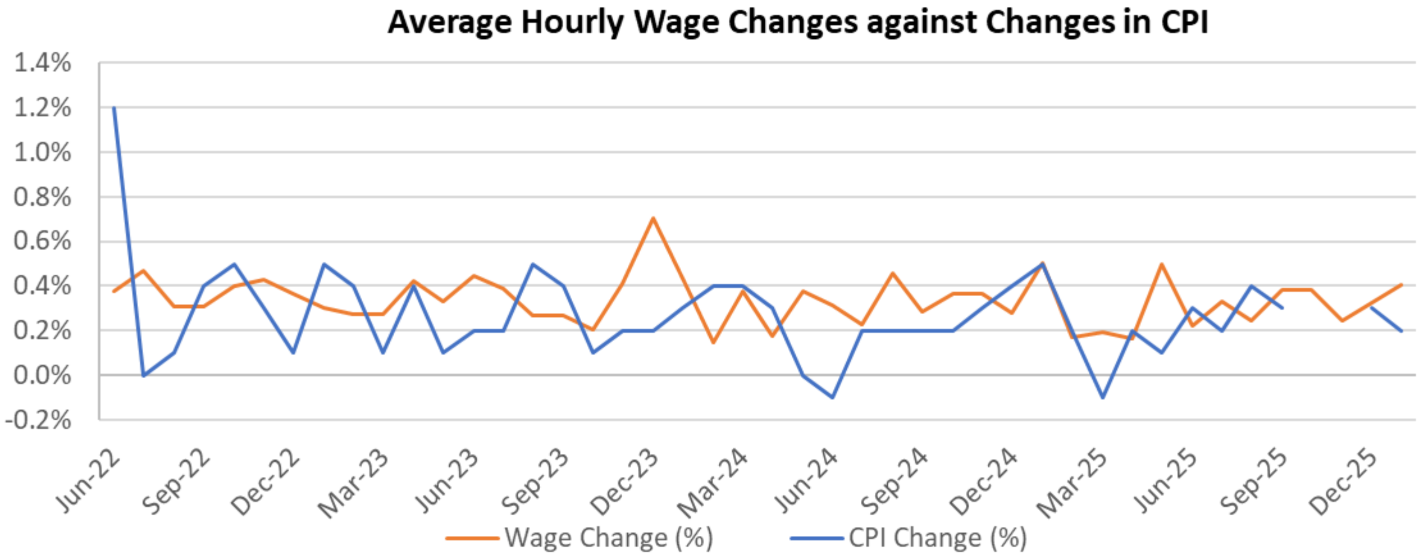
National Metrics



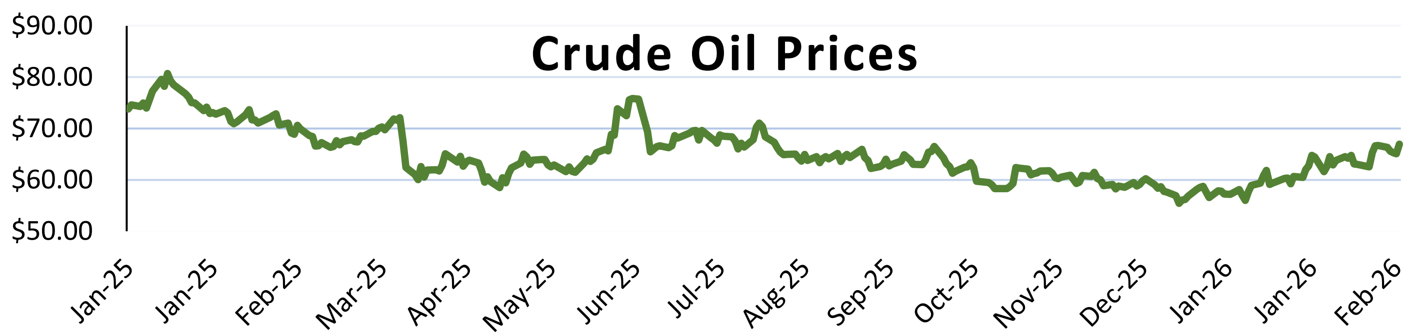
The **Consumer Price Index** (CPI) is a weighted average of the prices of an identified basket of consumer goods and services used to help monitor inflation. The index measures the average change in price that consumers pay over time. The data is presented as a 1-month percent change, which means that anything shown greater than zero is indicative of inflation (prices increasing) while anything below zero is indicative of deflation (prices decreasing). **Due to the previous Government Shutdown, Consumer Price Index data is unavailable for October and November 2025. For the trailing 12-month inflation calculation October and November 2025 are treated as 0.0%, however it is very likely this 12-month inflation number is not completely reflective of actual trends seen by consumers. During the month of January, the consumer price index rose by 0.2%[3].** The current 12-month CPI growth is 2.53% (unadjusted) as reported by the Bureau of Labor Statistics. This is 0.719% less than the trailing 12-month average of 3.25%, indicating continued inflation more than that of last year.

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

National Metrics



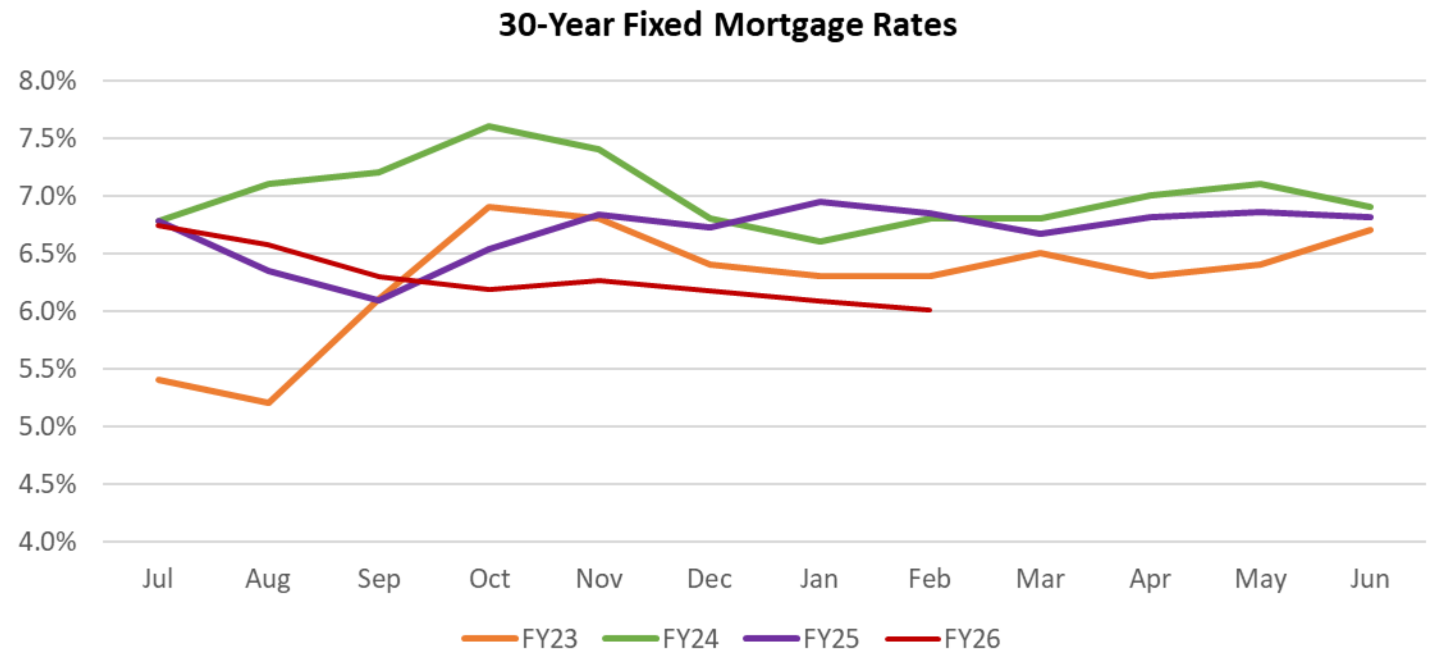
Average Hourly Wage Changes against Changes in the Consumer Price Index analyzes the relationship between national wages and consumer pricing, and more loosely, its affiliate inflation. It should be noted that this graph encompasses month over month changes, with both metrics demonstrating continuous upward growth over the past 2 years of recorded data. **Due to the previous Government Shutdown, Consumer Price Index data is unavailable for October and November 2025. January had a monthly wage growth of 0.4% while the CPI increased by 0.2%, a positive outcome for consumer buying power.**



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. Directly influencing transportation costs, Crude Oil Prices not only influence price at the pump but are also a major factor in the prices of goods across the greater economy. **Crude Oil Prices increased to $66.96 a barrel in the month of February, a $2.46 increase.[4]**

[4] Federal Reserve Bank of St. Louis https://fred.stlouisfed.org/series/DCOILWTICO

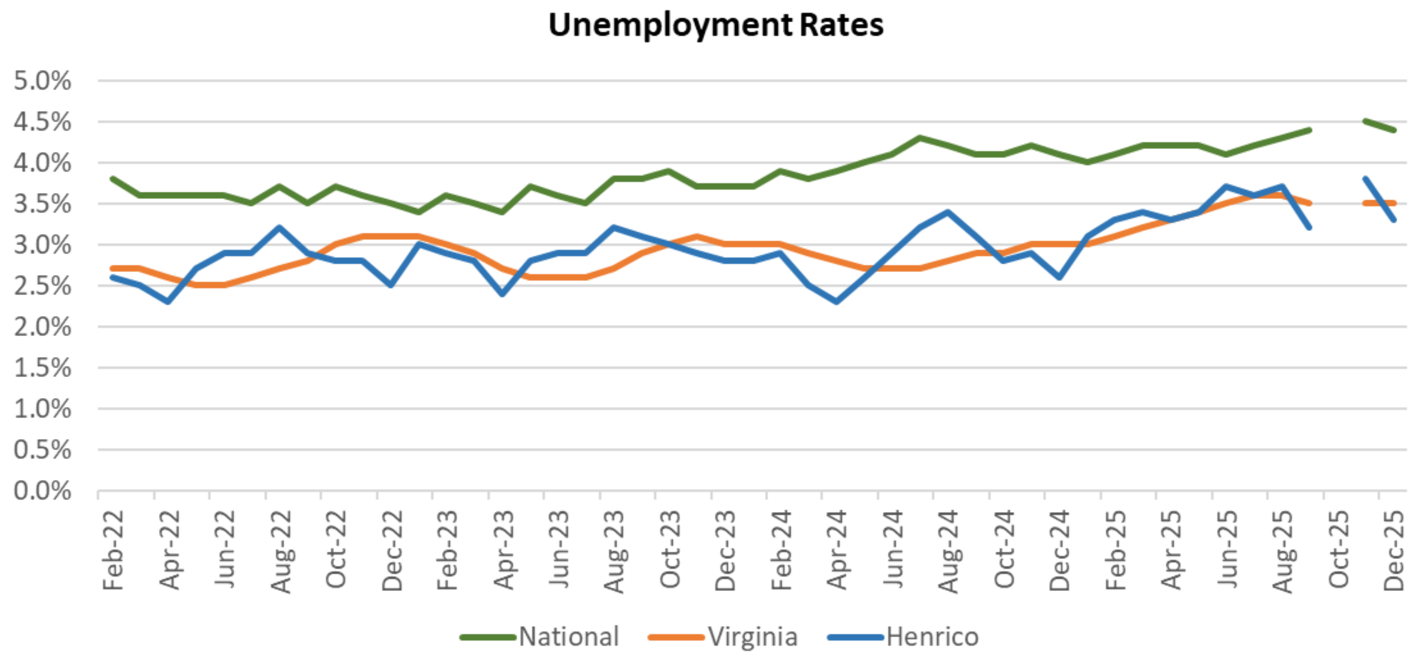
National Metrics



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 February, the 30-year fixed mortgage interest rate decreased from 6.1%[5] to 6.0%.**

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

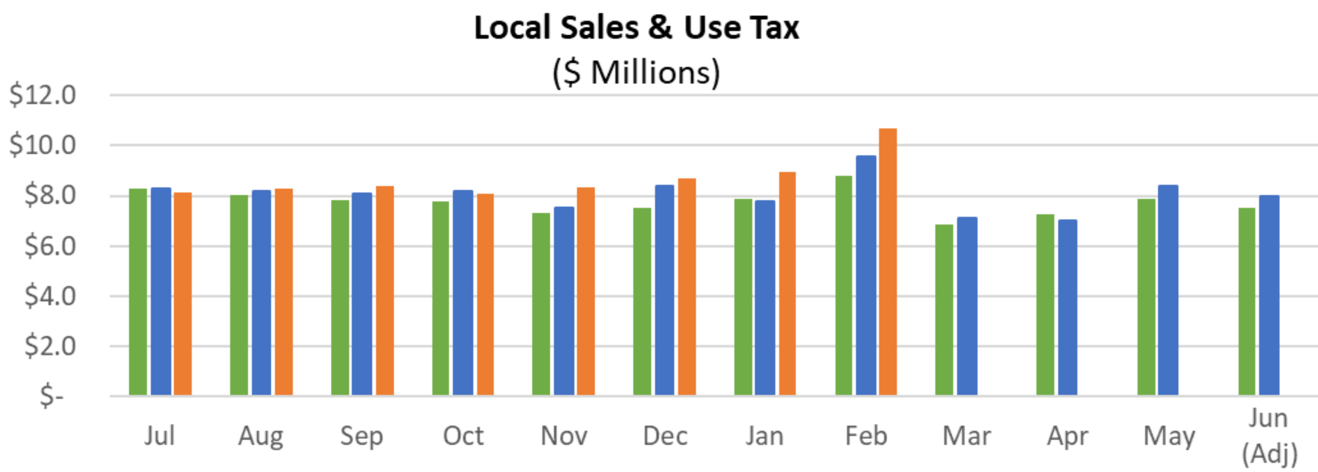
Combined Metrics



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 nine weeks. **Due to the previous Government Shutdown, unemployment data is unavailable for October 2025. In the month of January, the unemployment rate decreased by 0.1% at the National level while increasing by 0.1% at the State level when compared to the month of December. The County unemployment rate in December saw a 0.5% decrease from the month of November[6].** Historically, Henrico unemployment rates have trended closely with the National and State levels.

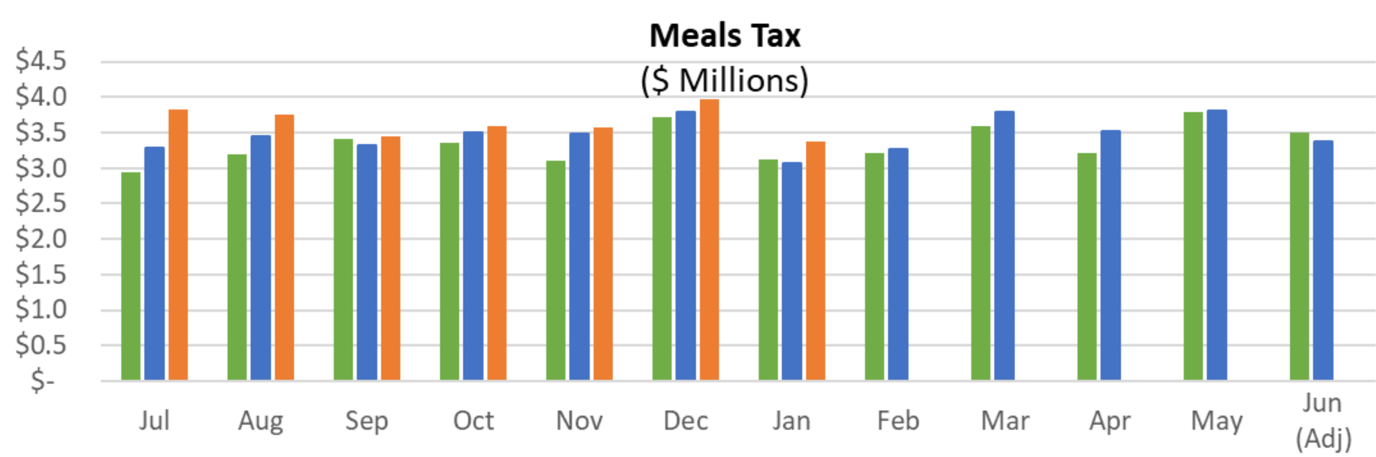
[6] US Bureau of Labor Statistics; https://data.bls.gov/lausmap/showMap.jsp

Henrico Metric



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun (Adj)
FY24	$8.3	$8.0	$7.8	$7.8	$7.3	$7.5	$7.9	$8.8	$6.8	$7.3	$7.9	$7.5
FY25	$8.3	$8.2	$8.1	$8.2	$7.5	$8.4	$7.8	$9.6	$7.1	$7.0	$8.4	$8.0
FY26	$8.1	$8.3	$8.4	$8.1	$8.3	$8.7	$8.9	$10.7				

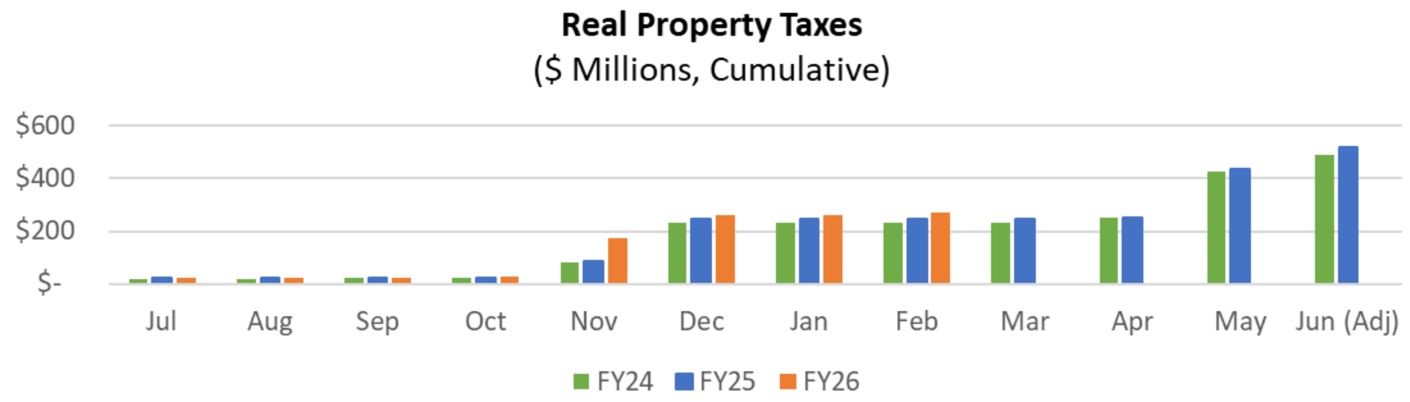
Henrico County **Sales & Use Tax** amounts to 6% of each purchase collected by the Commonwealth. By law, 1% is then remitted back to the County from the State. **February FY26 recorded collections of $10.7 million, $1.1 million more than February FY25 collections.**



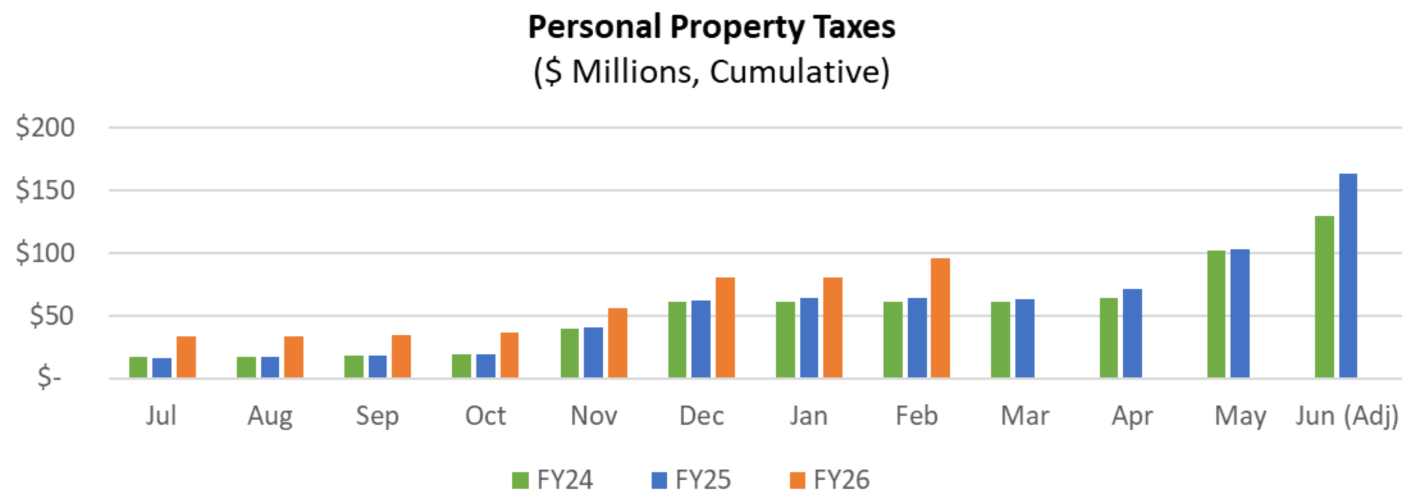
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun (Adj)
FY24	$2.9	$3.2	$3.4	$3.4	$3.1	$3.7	$3.1	$3.2	$3.6	$3.2	$3.8	$3.5
FY25	$3.3	$3.4	$3.3	$3.5	$3.5	$3.8	$3.1	$3.3	$3.8	$3.5	$3.8	$3.4
FY26	$3.8	$3.8	$3.4	$3.6	$3.6	$4.0	$3.4					

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. **January FY26 collections totaled $3.4 million, $0.3 million more than January FY25.**

Henrico Metrics

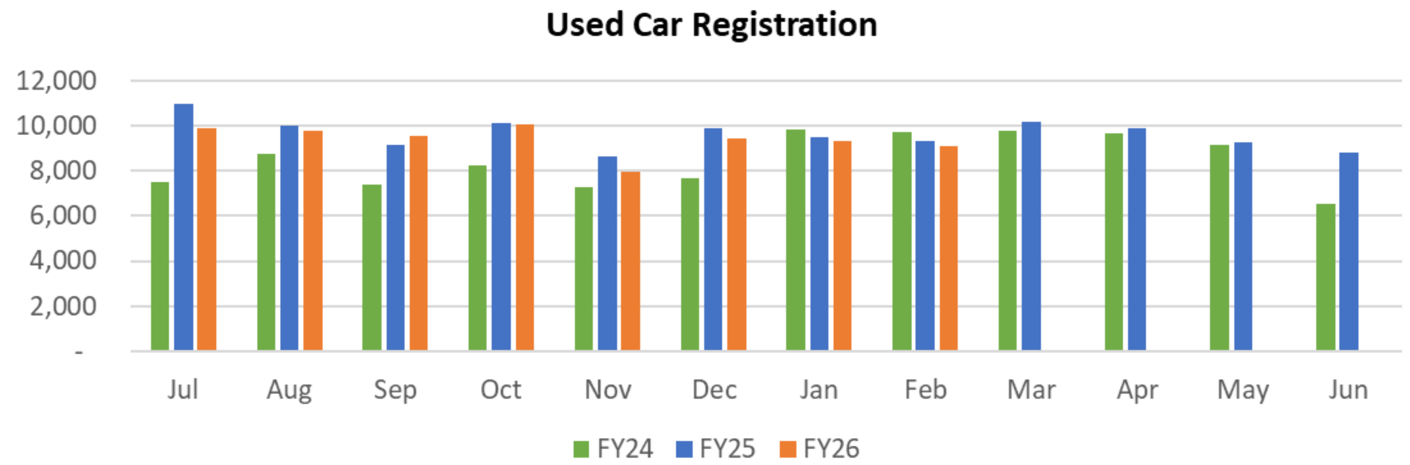


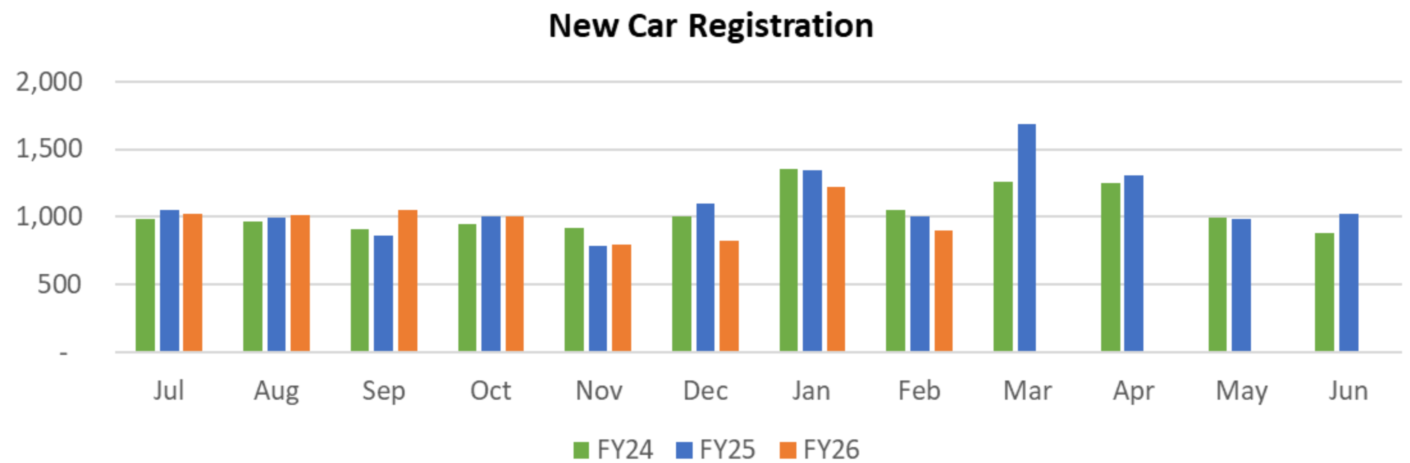
Real Property Taxes are collected on property used for residential and nonresidential purposes. The Code of Virginia provides for assessment of real property at 100% of fair market value, which is the probable amount a property would sell for today if exposed to the market for a reasonable period. Collections are due twice a year in December and June. At the time of publication, **Real Property Tax Collections through February FY26 are $271 million, $23 million higher than February FY25.** The graph above represents cumulative collections throughout each fiscal year.



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 February FY26 recorded $96 million, which is $32 million more than February FY25 due to several large new taxpayers.**

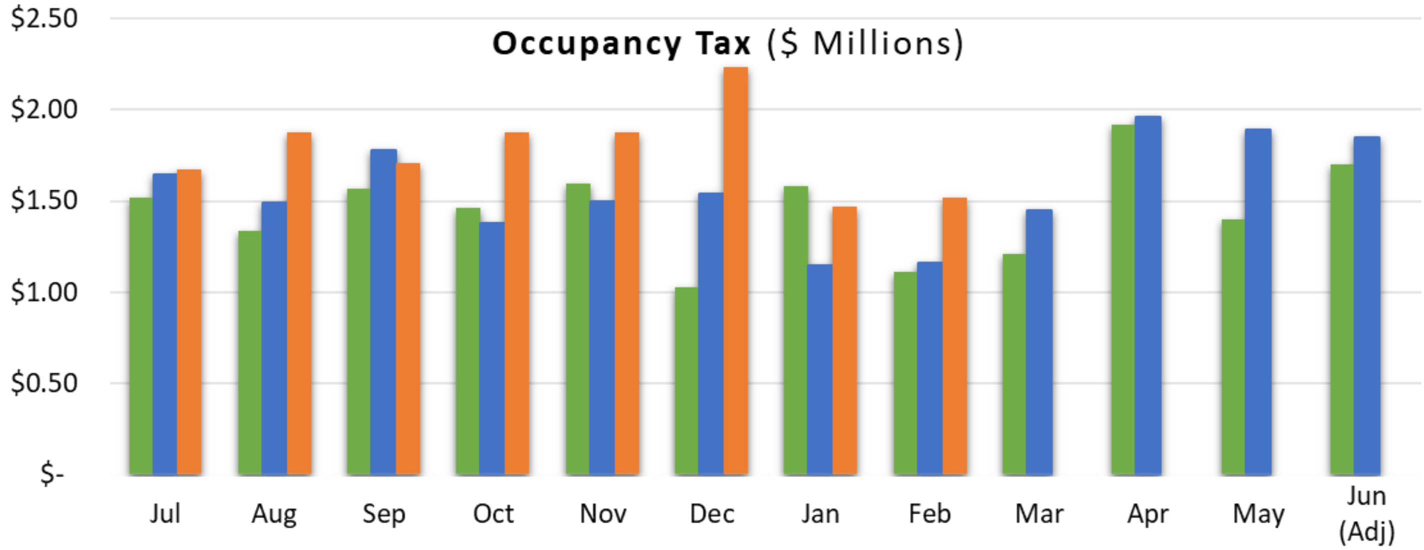
Henrico Metrics





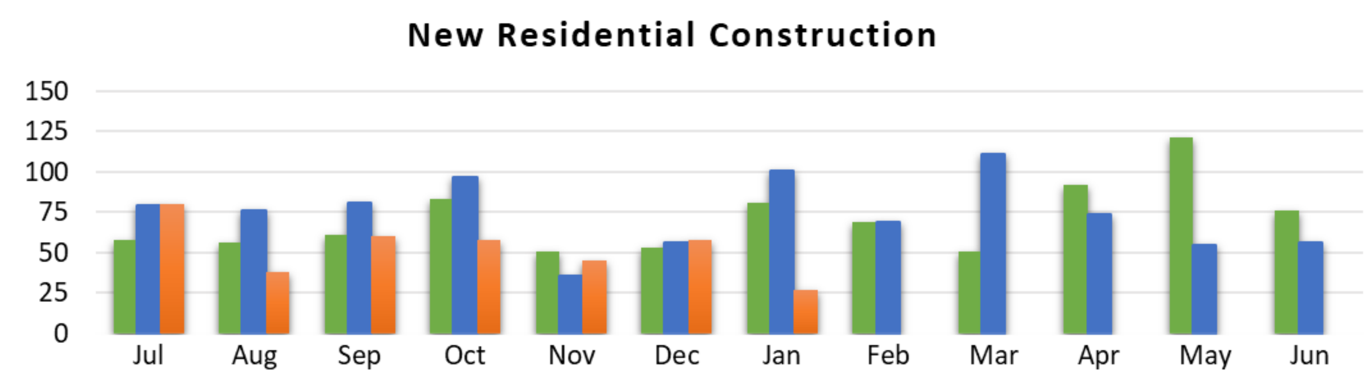
Vehicle Registration data is acquired from the Virginia Department of Transportation and is comprised of both new and used vehicles; the metric strongly correlates to vehicle sales. **Used Car Registrations in February FY26 recorded 9,091, or 2.34% lower than February FY25. New Car Registrations recorded 896, or 10.67% lower than January FY25. 2025 marked the end of an electric vehicle tax credit offered by the federal government; this credit may have influenced the increased activity observed in FY25.**

Henrico Metrics



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun (Adj)
FY24	$1.52	$1.34	$1.57	$1.46	$1.59	$1.03	$1.58	$1.11	$1.21	$1.92	$1.40	$1.70
FY25	$1.65	$1.49	$1.78	$1.38	$1.50	$1.54	$1.15	$1.16	$1.45	$1.96	$1.89	$1.85
FY26	$1.67	$1.88	$1.71	$1.88	$1.88	$2.24	1.47	$1.52				

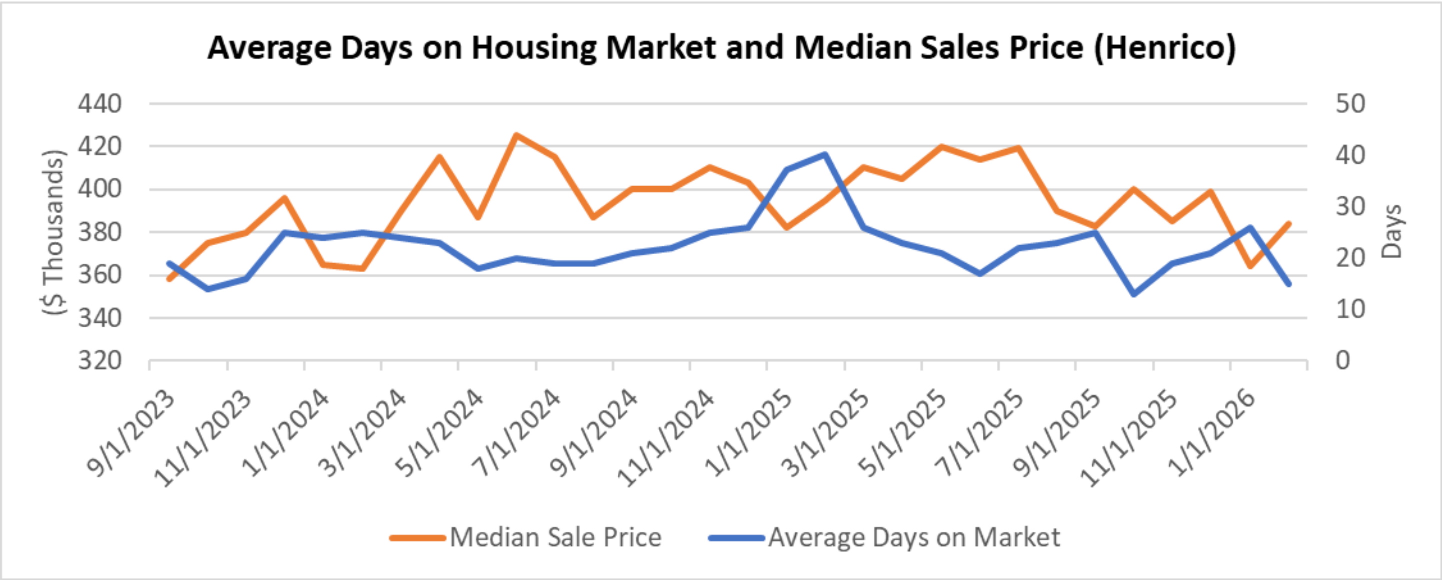
Henrico's **Occupancy Tax** is collected at an 8% rate on lodging for overnight stays. **Occupancy Tax collections in February FY26 totaled $1.52 million, $0.36 million greater than February FY25. Year-to-date collections total $14.24 million, which is $2.6 million higher than year-to-date FY25.**



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY24	58	56	61	83	51	53	81	69	51	92	121	76
FY25	79	76	81	97	36	56	101	69	111	74	55	56
FY26	80	38	60	58	45	58	27					

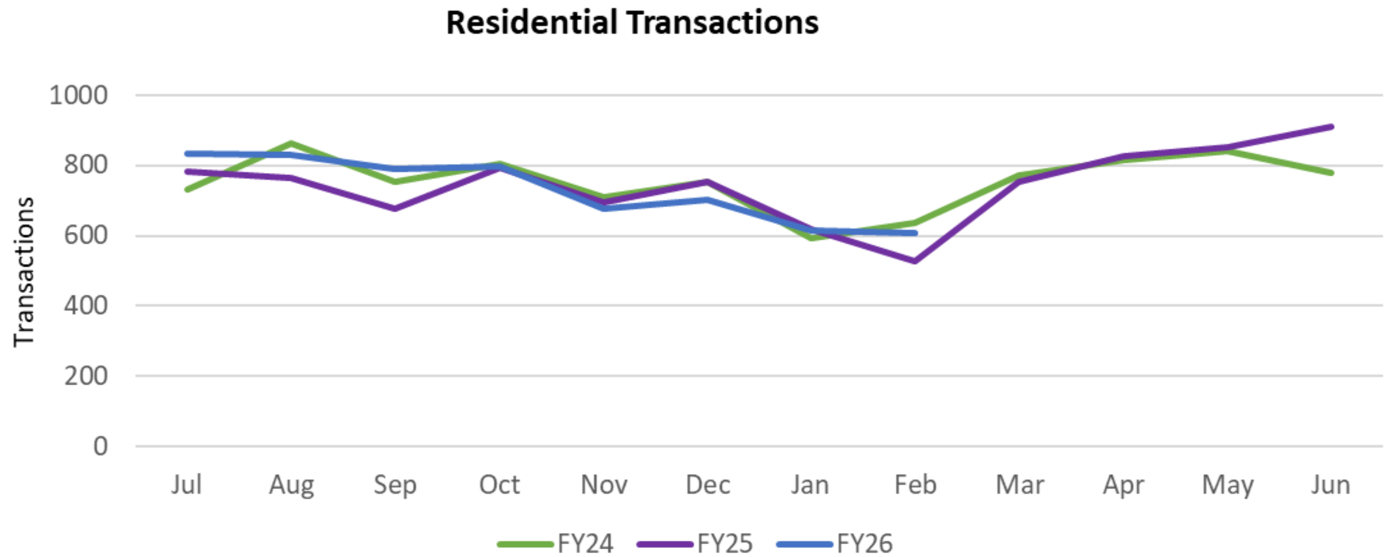
New Residential Construction is comprised of new single-family houses that were issued building permits. A slowdown may indicate worsening economic conditions, increased competition from neighboring localities, or a lack of expansion capabilities. **January FY26 construction totaled 27 permits, 74 less than January FY25.**

Henrico Metrics



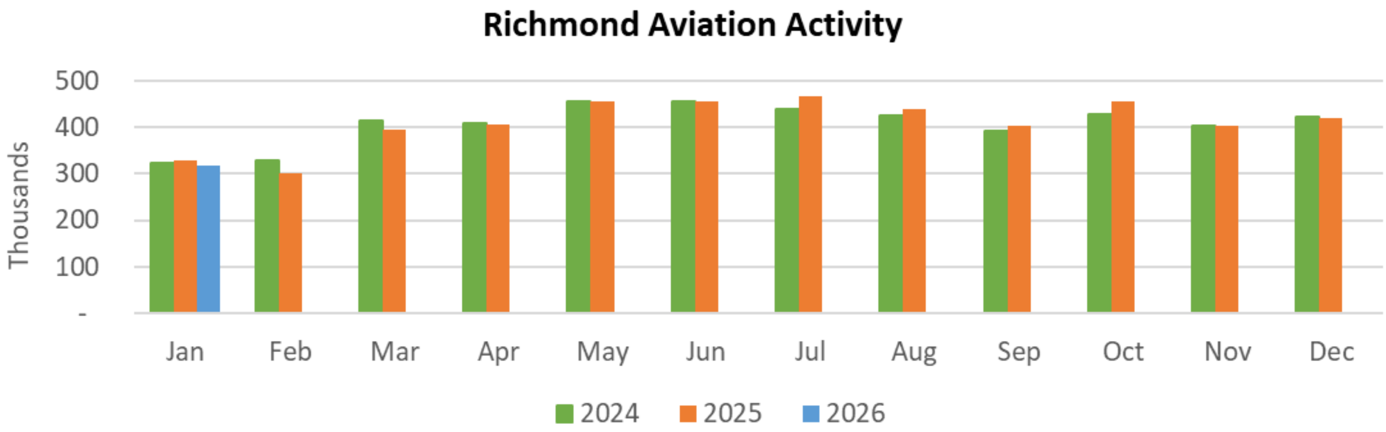
Average Days on the Housing Market and Median Sale Price provides a benchmark of the state of the housing market in Henrico. An increase in the time spent on market may indicate a slowing of the housing market, while a decrease may indicate acceleration. Median Sales Price tracks the middle value of 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 February totaled $384,000 a $20,000 increase from January. Average Days on the Housing Market decreased from 26 in January to 15 in February.**

Henrico Metrics



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 606 residential transactions were recorded in February FY26, 77 More than February FY25. There were 5 foreclosures reported in February 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. **January 2026 recorded a total passenger count of 316,765, a 3.7% decrease compared to January 2025.**