Monthly Economic Report

Office of Management and Budget
July 2026

Henrico County

Finance

Overview

The purpose of this report is to provide an overview of economic indicators for the month of July that may impact Henrico County's ability to provide its services with data received between July 1st and July 31st, 2026. This report compiles National, State, and Local data that measures current economic conditions from National Financial Markets to Local Car Registrations. Most data will provide complete information for at least the previous fiscal year (FY26) and compare it to the current year (FY27). Data for FY27 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.**

OMB Summary

At the national level, economic indicators are showing mixed results in the month of July. Both the S&P 500 and Consumer Confidence Index saw drops. Wages vs CPI, a measure on a month delay, saw a positive outcome for consumer buying power as wages increased and CPI decreased; however, July saw Crude Oil increase in price by 22.1%, an outcome that will likely contribute to consumer buying power negatively in next month's report. At the local level, July had many positive signs. Tax revenue has exceeded prior revenues year to date. New residential construction increased. Overall vehicle registrations remained consistent with prior year to date, with a marked shift from used to new car registrations. In July, the Federal Reserve left the target federal funds rate unchanged at 3 ½ to 3 ¾ percent.[1]

Metrics Considered

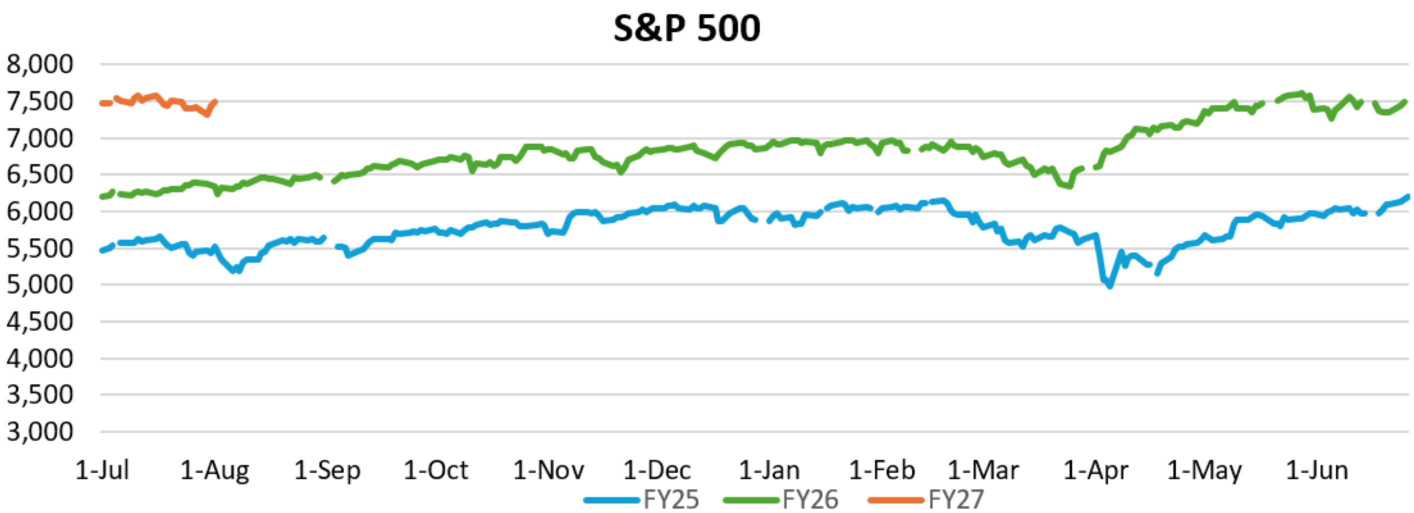
- **National:** S&P 500, Consumer Confidence Index, Real GDP, Wages, 30-Year Fixed Mortgage Rate, Crude Oil Prices
- **Virginia:** Unemployment Rate
- **Henrico:** Local Sales & Use Tax, Meals Tax, Real Property Tax, Personal Property Tax, Vehicle Registrations, Occupancy Tax, New Residential Construction, 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.

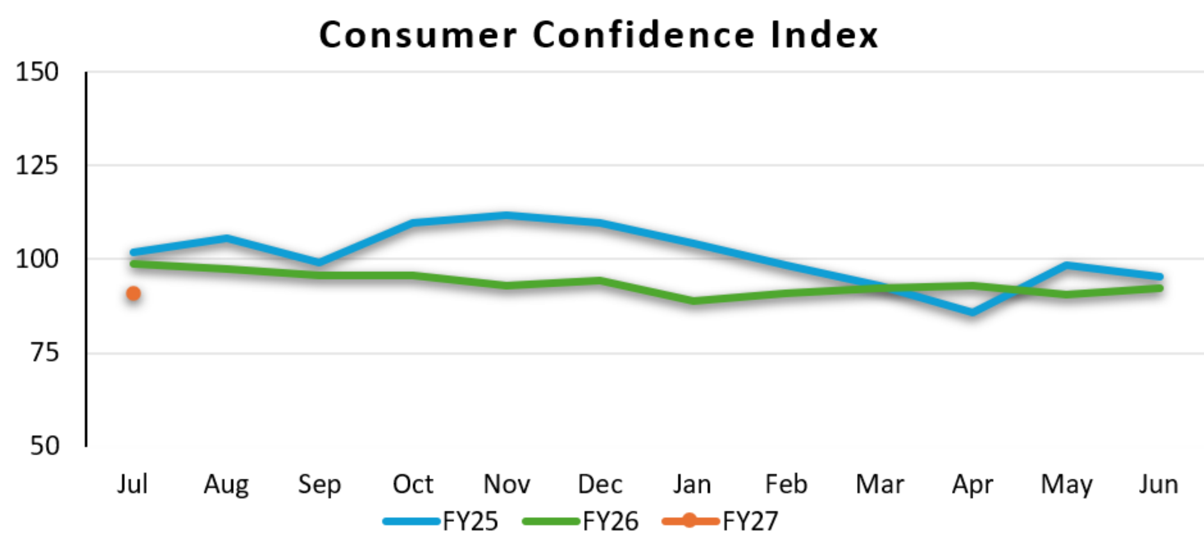
[1] The Federal Reserve https://www.federalreserve.gov/newsevents/pressreleases/monetary20260729a.htm

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.

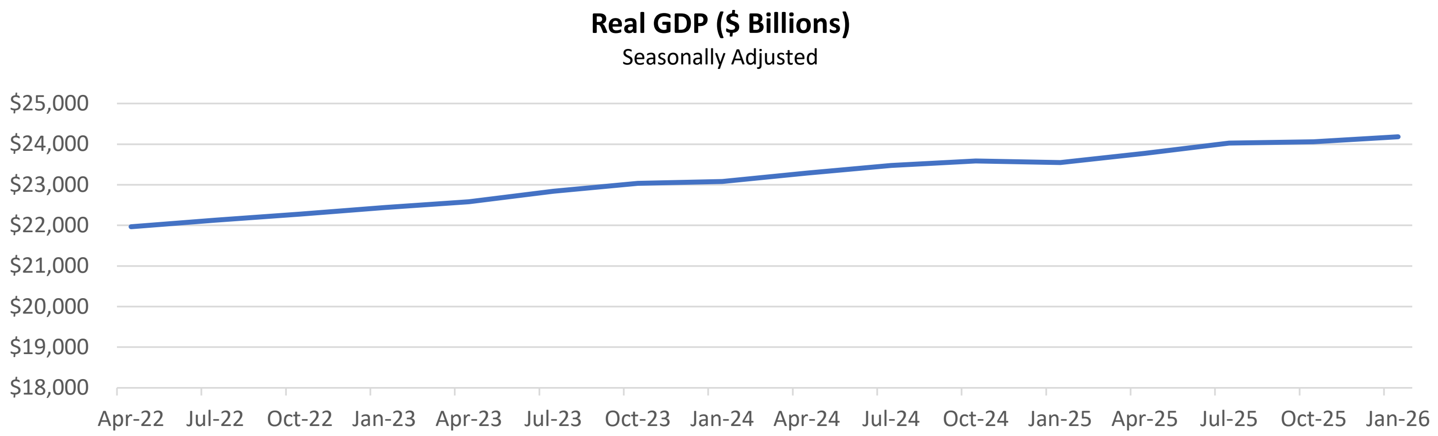


The **S&P 500** is a stock market index measuring the performance of 500 large U.S. companies on stock exchanges and is considered one of the best representations of the U.S. economy. **The S&P 500 fell around 10 points during the month of July, closing at 7,490.**

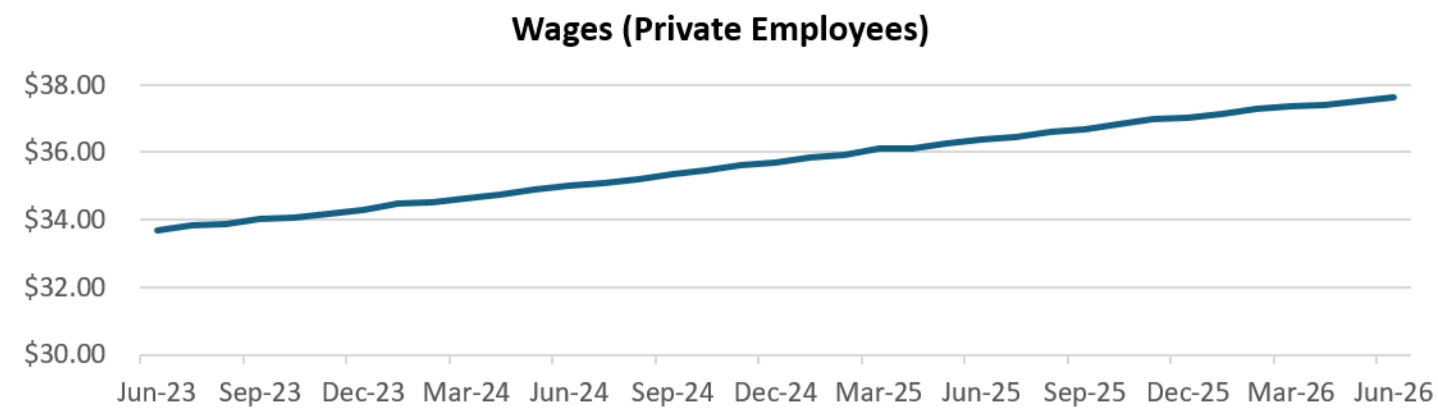


The **Consumer Confidence Index** is a monthly survey given to 5,000 randomly selected households gathering opinions on present situations and future expectations. It is benchmarked to 1985 (100) and best compared by reviewing month-over-month changes. **Over July the index decreased 1.4 points from a revised 92.2 in June. Consumers cited poor expectations for future business conditions and increases in grocery prices.**[2]

National Metrics



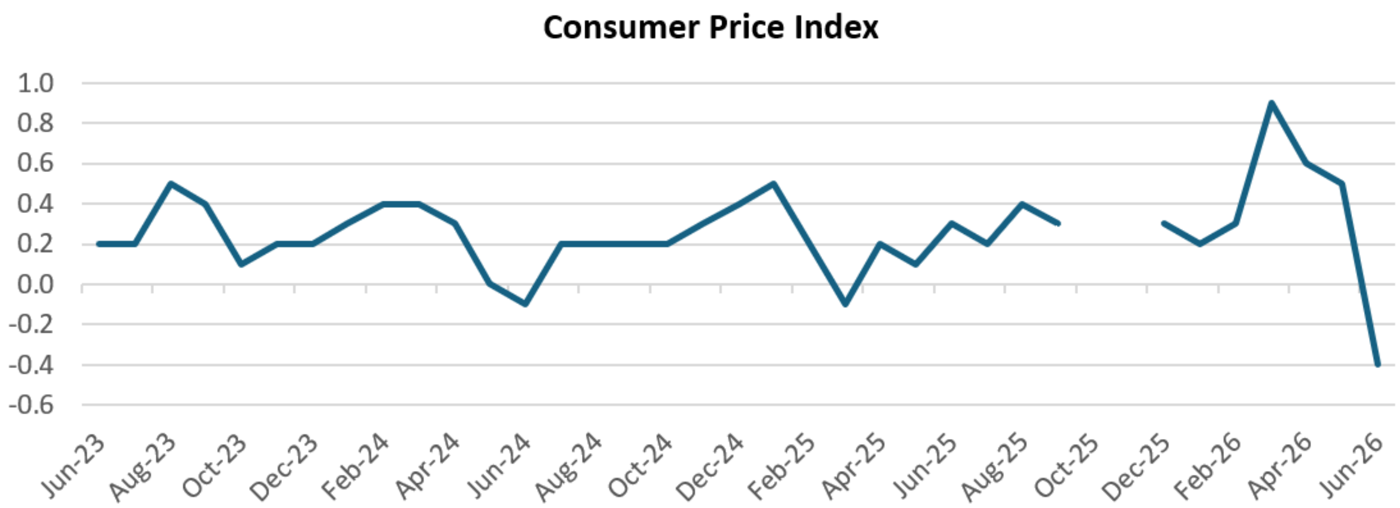
The **Real Gross Domestic Product (GDP)** is an inflation adjusted standard measure of all goods and services produced by labor and property located in the United States in a given period. Gross domestic products can be calculated on a nominal or real (adjusted for inflation) basis. Since rising prices influence GDP, removing inflation related price changes isolates changes in production quantity. **In Q1 2026, real GDP increased by 0.52%[3] over a revised Q4 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 June the average hourly wage increased to $37.64. This rise of $0.13 from May represents an increase of 0.3%.**

[2] The Conference Board; US Consumer Confidence (conference-board.org)
[3] Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/GDP; GDP data is published quarterly.

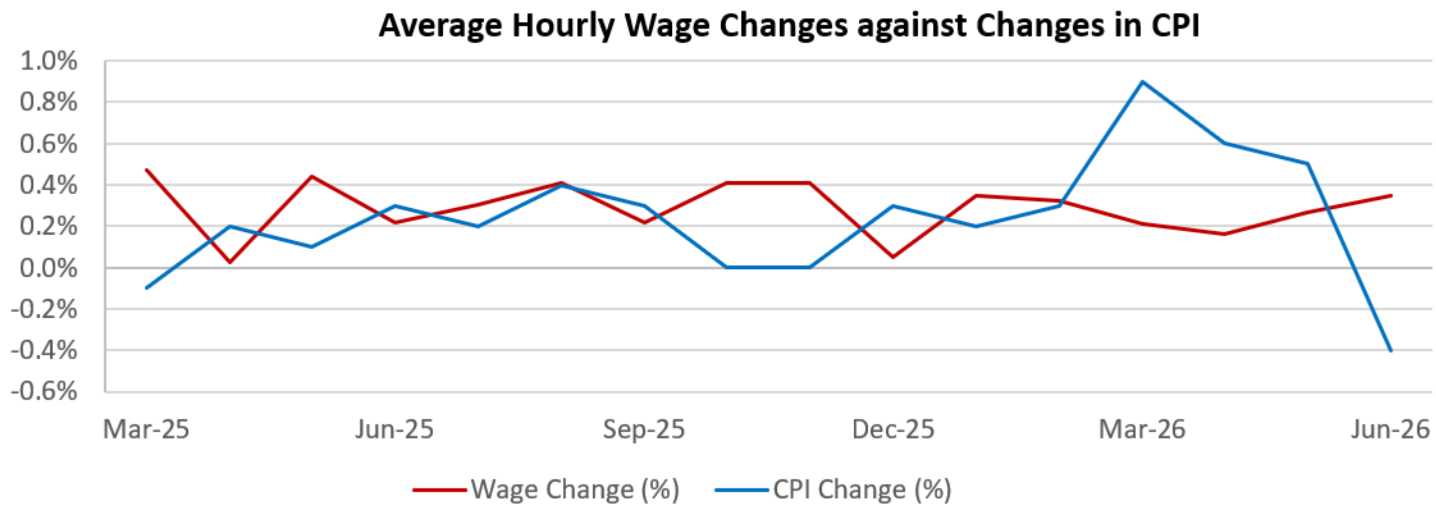
National Metrics



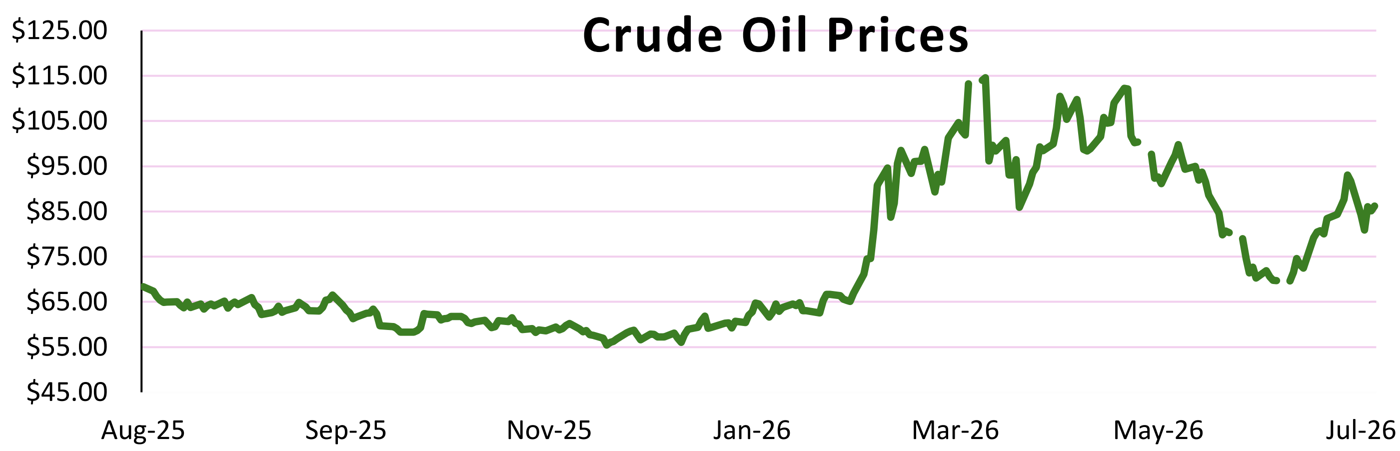
The **Consumer Price Index** (CPI) is a weighted average of the prices of an identified basket of consumer goods and services used to help monitor inflation. The index measures the average change in price that consumers pay over time. The data is presented as a 1-month percent change, which means that anything shown greater than zero is indicative of inflation (prices increasing) while anything below zero is indicative of deflation (prices decreasing). **Due to the 2025 Federal 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%. During the month of May, the Consumer Price Index decreased by 0.4%[4].** The current 12-month CPI growth is 3.34% (unadjusted) as reported by the Bureau of Labor Statistics. This is 0.72% greater than the trailing 12-month average of 2.63%, indicating increased inflation compared to that of last year.

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

National Metrics



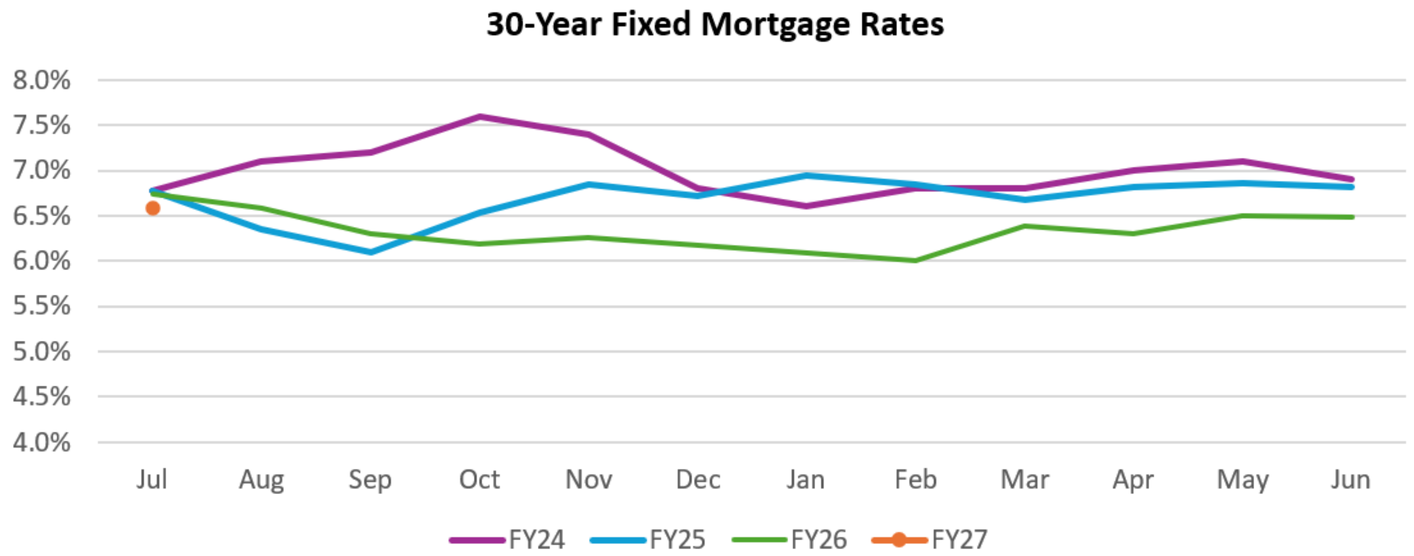
Average Hourly Wage Changes against Changes in the Consumer Price Index analyzes the relationship between national wages and consumer pricing, and more loosely, its affiliate inflation. It should be noted that this graph encompasses month-over-month changes, with both metrics demonstrating continuous upward growth over the past 2 years of recorded data. **Due to the 2025 Federal Government Shutdown, Consumer Price Index data is unavailable for October and November 2025. June had a monthly wage growth of 0.3% while the CPI decreased by 0.4%, 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 the price at the pump but are also a major factor in the prices of goods across the greater economy. **Crude Oil Prices increased to $86.16**

a barrel in the month of July, a $15.60, or 22.1% increase.[5]

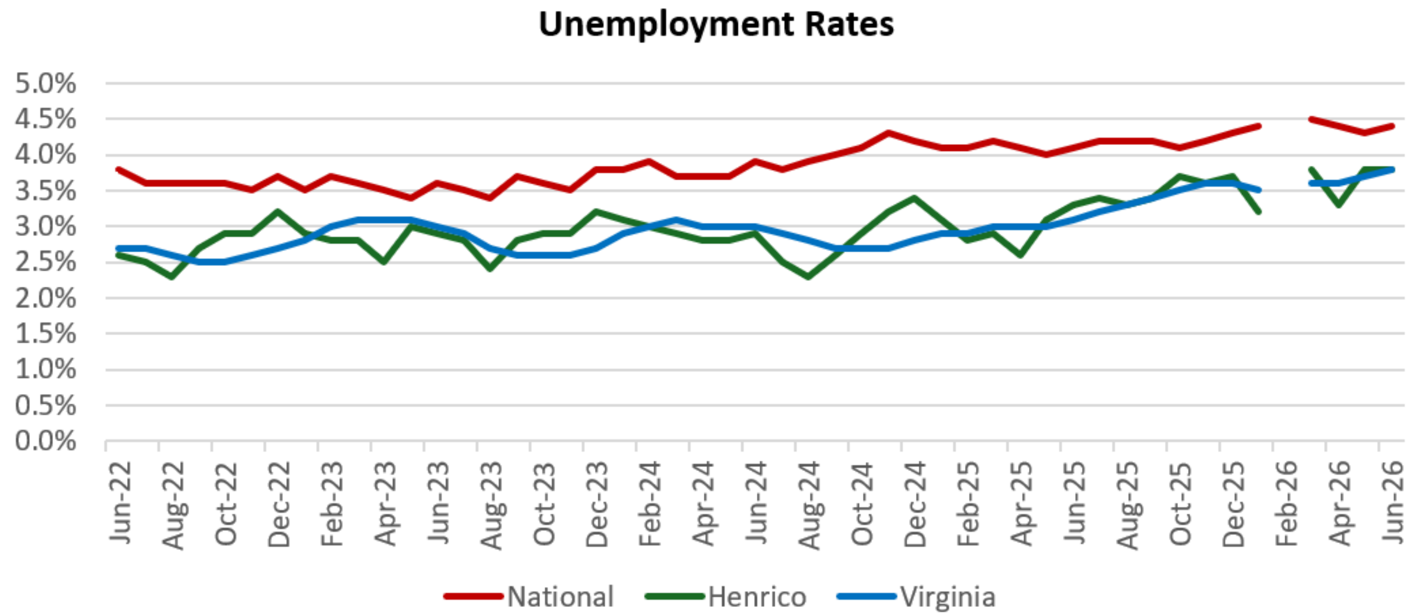
National Metrics



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 July, the 30-year fixed mortgage interest rate increased by 0.1% to 6.6%[6] .**

[5] Federal Reserve Bank of St. Louis https://fred.stlouisfed.org/series/DCOILWTICO
[6] Freddie Mac; 30-Year Fixed-Rate Mortgages Since 1971 - Freddie Mac

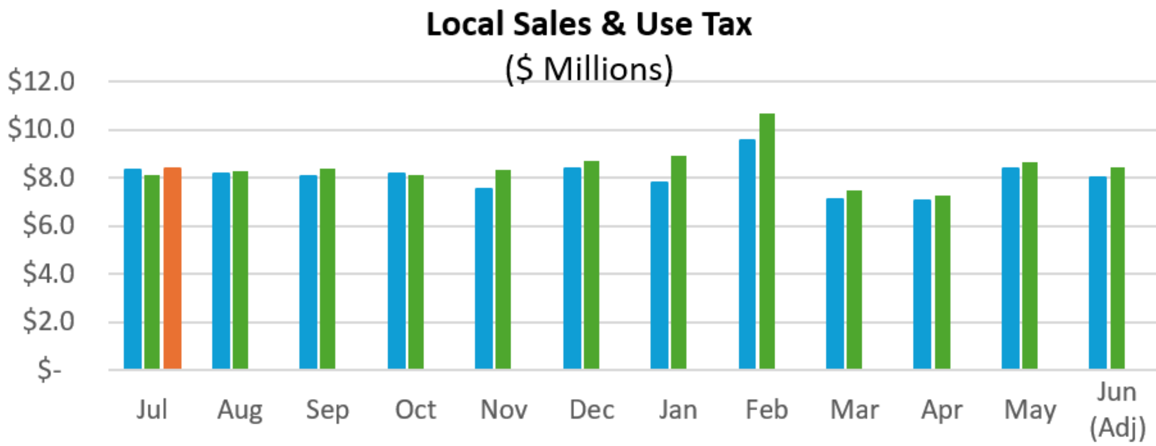
Combined Metrics



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 2025 Federal Government Shutdown, unemployment data is unavailable for October 2025. In the month of June, unemployment rates at the National and State level both decreased by 0.1%, landing at 4.2% and 3.7% respectively. Henrico in the Month of June increased by 0.3%, landing at 3.7%, matching the State unemployment rate.**[7] Historically, Henrico unemployment rates have trended closely with the National and State levels.

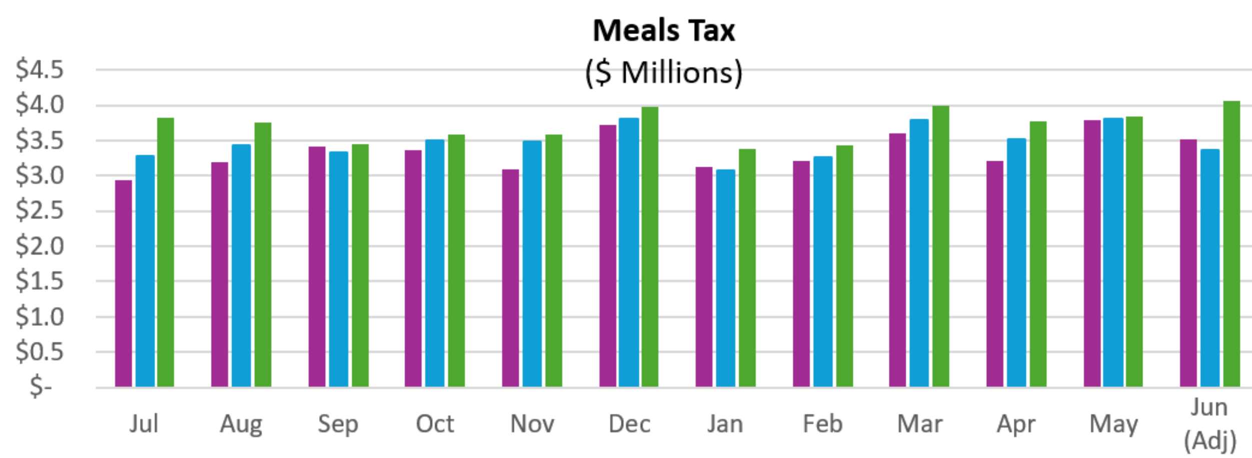
[7] US Bureau of Labor Statistics; https://data.bls.gov/lausmap/showMap.jsp

Henrico Metrics



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun (Adj)
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.	$7.5	$7.3	$8.6	$8.4
FY27	$8.4											

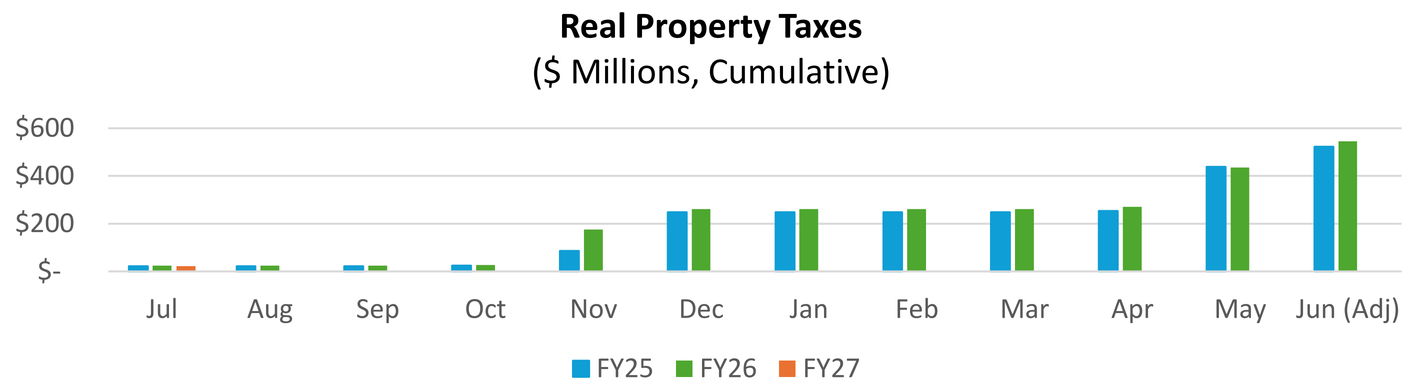
Henrico County **Sales & Use Tax** amounts to 6% of each purchase collected by the Commonwealth. By law, 1% is then remitted back to the County from the State. **July FY27 recorded collections of $8.4 million, $0.3 million higher than July FY26 collections.**



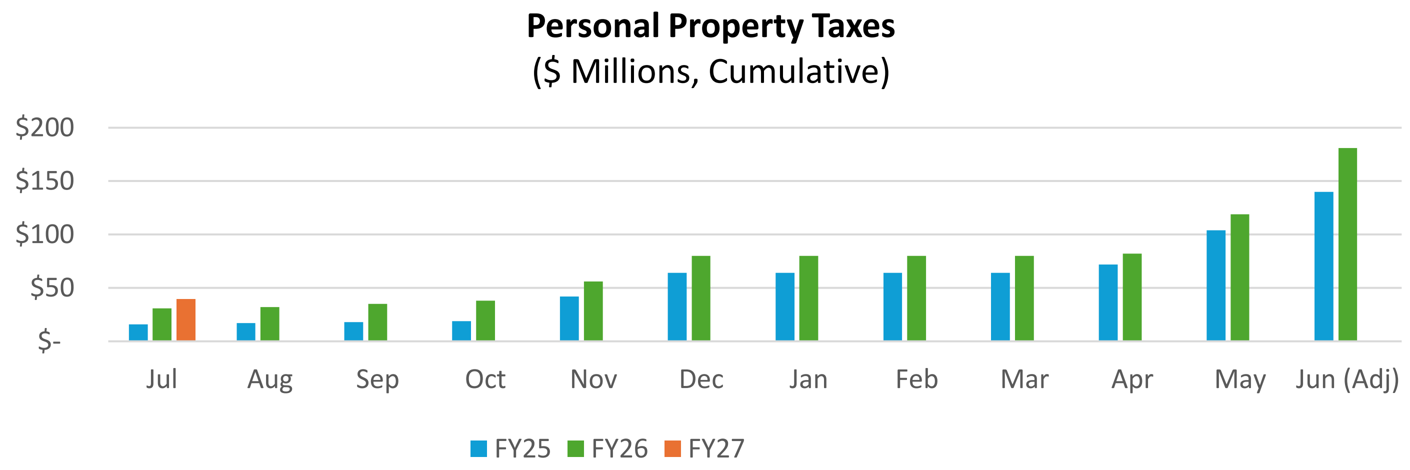
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun (Adj)
FY24	$2.9	$3.2	$3.4	$3.4	$3.1	$3.7	$3.1	$3.2	$3.6	$3.2	$3.8	$3.5
FY25	$3.3	$3.4	$3.3	$3.5	$3.5	$3.8	$3.1	$3.3	$3.8	$3.5	$3.8	$3.4
FY26	$3.8	$3.8	$3.4	$3.6	$3.6	$4.0	$3.4	$3.4	$4.0	$3.8	$3.8	$4.1

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. **June FY26 collections totaled $4.1 million, an increase of 7.2% from June FY25.**

Henrico Metrics



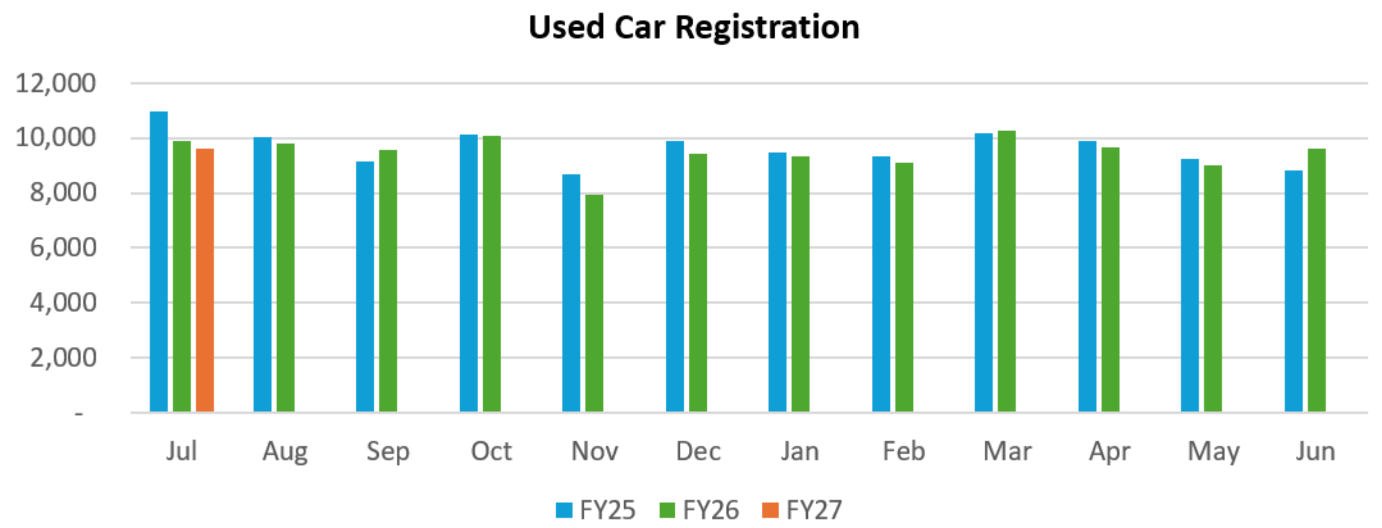
Real Property Taxes are collected on property used for residential and nonresidential purposes. The Code of Virginia provides for assessment of real property at 100% of fair market value, which is the probable amount a property would sell for today if exposed to the market for a reasonable period. Collections are due twice a year in December and June**. At the time of publication, Real Property Tax Collections through July FY27 totaled $23 million, representing a decrease of $1 million compared to $24 million collected through July FY26. Early collections can have some variance, as the year develops this difference is expected to even out.** The graph above represents cumulative collections throughout each fiscal year.

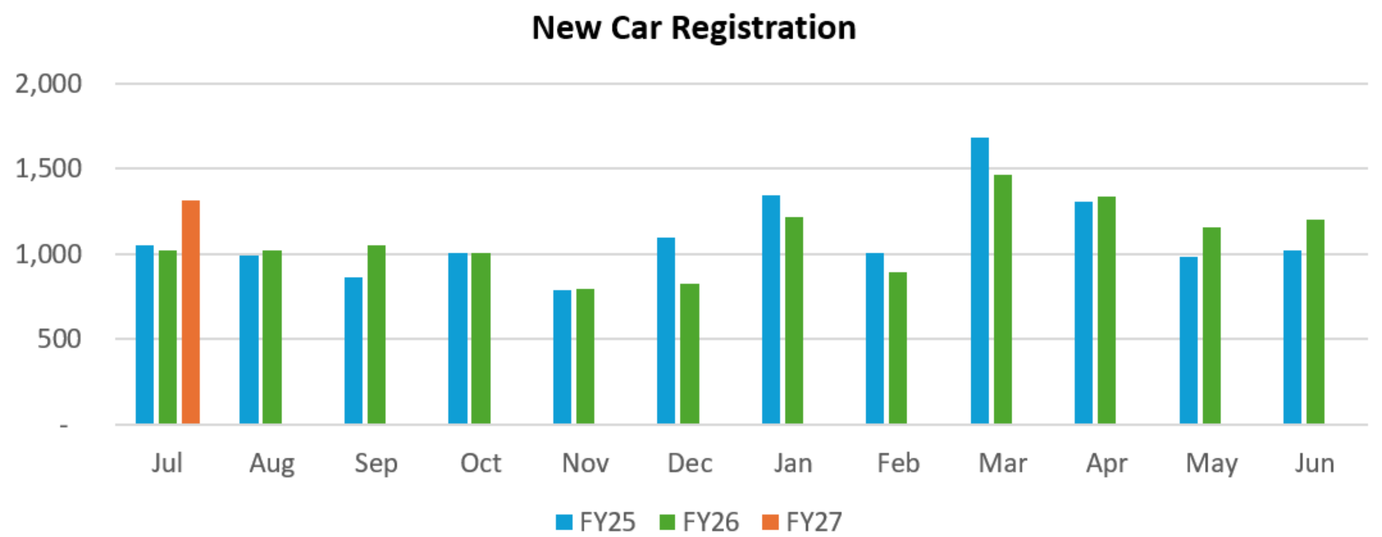


Personal Property Taxes are collected on all vehicles including cars, trucks, trailers, motorcycles, motor homes, aircraft, and watercraft. Personal property is collected in the locality where it is normally garaged, docked, or parked. Henrico County uses the J.D. Power Official Used Car Guide as of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

Collections through July FY27 totaled $40 million, an increase of $9 million compared to $31 million collected through July FY26.

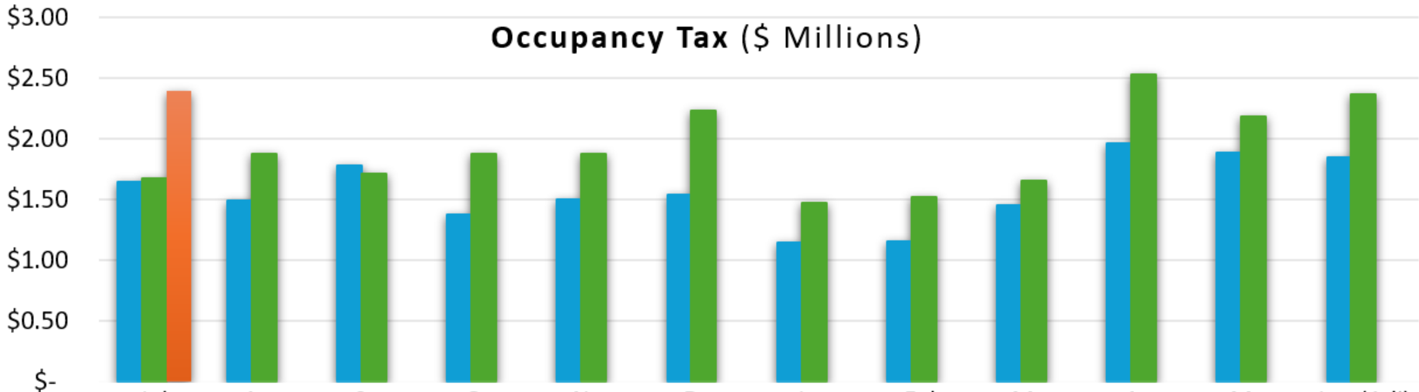
Henrico Metrics





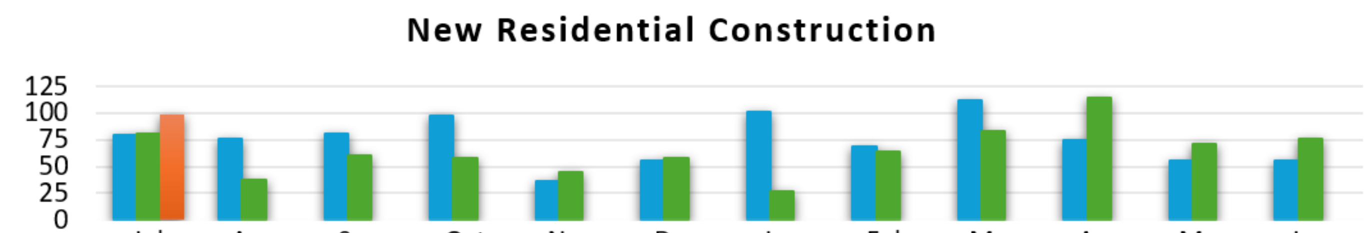
Vehicle Registration data is acquired from the Virginia Department of Transportation and is comprised of both new and used vehicles, the metric strongly correlates to vehicle sales. **Used Car Registrations in July FY27 recorded 9,621, or 2.92% lower than July FY26. New Car Registrations recorded 1,315 or 28.67% higher than July FY26.**

Henrico Metrics



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun (Adj)
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	$1.66	$2.53	$2.19	$2.36
FY27	$2.40											

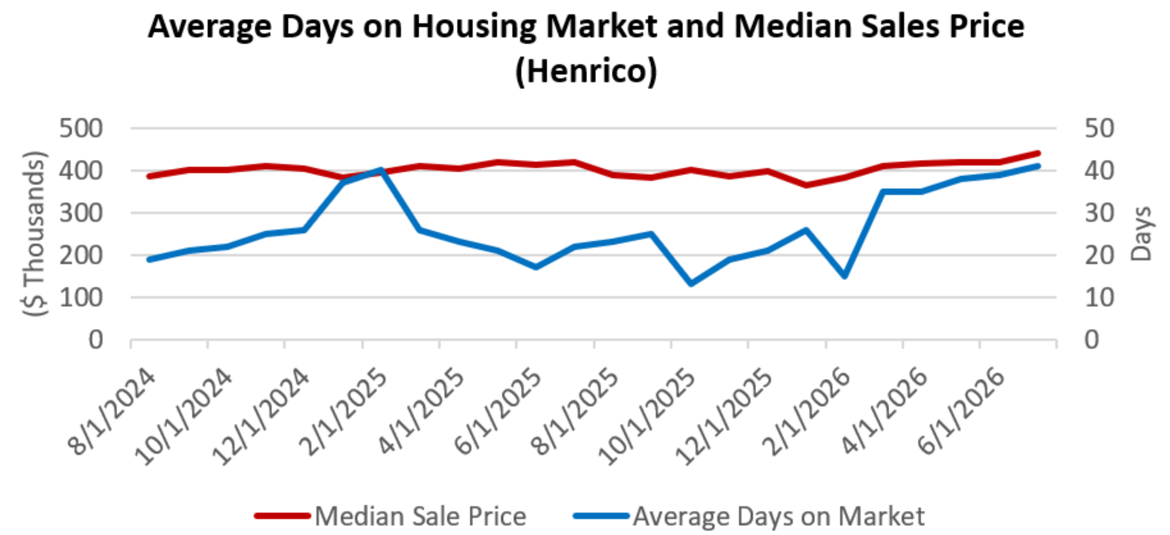
Henrico's **Occupancy Tax** is collected at an 8% rate on lodging for overnight stays. **Occupancy Tax collections in July FY27 totaled $2.40 million, $1.45 million greater than July FY26.**



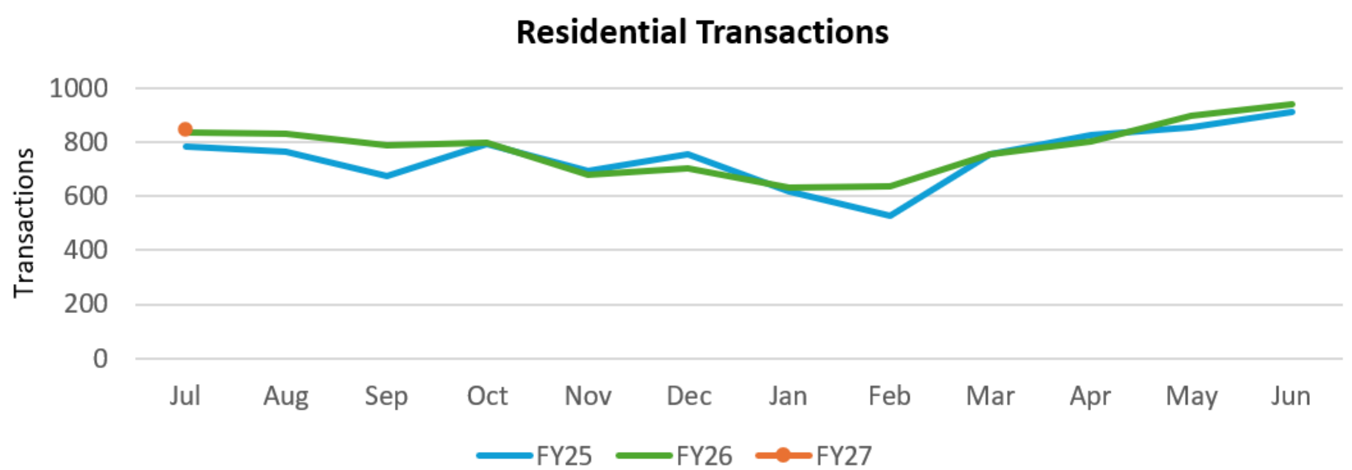
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY25	79	76	81	97	36	56	101	69	111	74	55	56
FY26	80	38	60	58	45	58	27	64	83	114	71	76
FY27	98											

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 FY27 construction activity totaled 98 permits, 18 more than the 80 permits issued in July FY26.**

Henrico Metrics

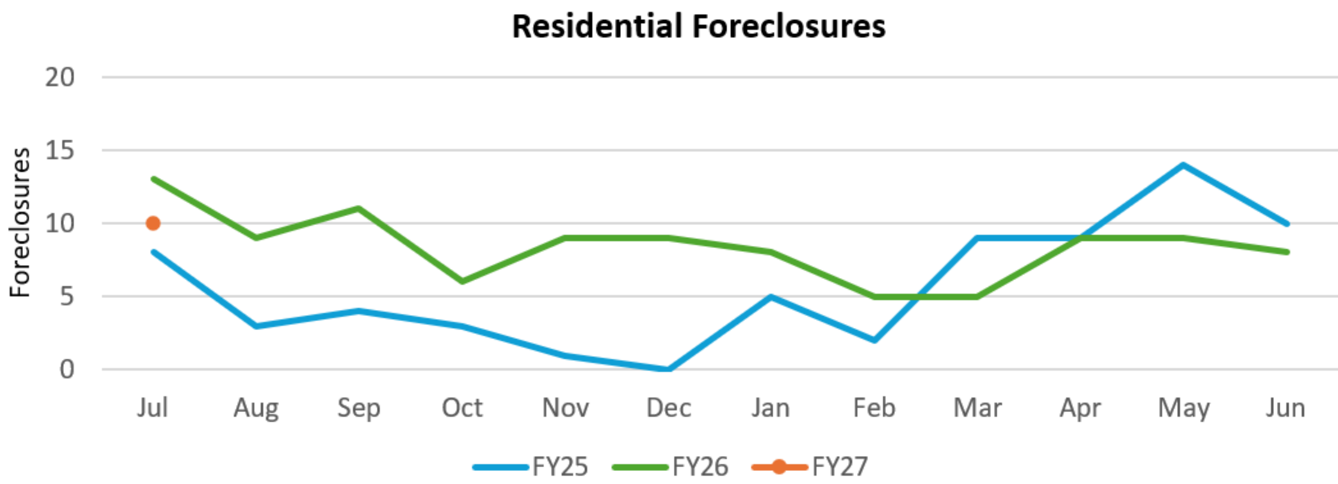


Average Days on the Housing Market and Median Sale Price provides a benchmark of the state of the housing market in Henrico. An increase in the time spent on market may indicate a slowing of the housing market, while a decrease may indicate acceleration. Median Sales Price tracks the middle value of 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 July increased to a total of $442,000. Average Days on the Housing Market increased to 42.**



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 846 residential transactions were recorded in July FY27, 11 more than July FY26.**

Henrico Metrics



Ten foreclosures were reported in July FY27.

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. **June 2026 recorded a total passenger count of 454,038, a 0.5% decrease compared to June 2025.**