Monthly Economic Report

Office of Management and Budget
May 2026

Henrico County

Finance

Overview

The purpose of this report is to provide an overview of economic indicators for the month of May that may impact Henrico County's ability to provide its services with data received between May 1st and May 31st, 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 recently reintroduced as a metric observed in this report.**

OMB Summary

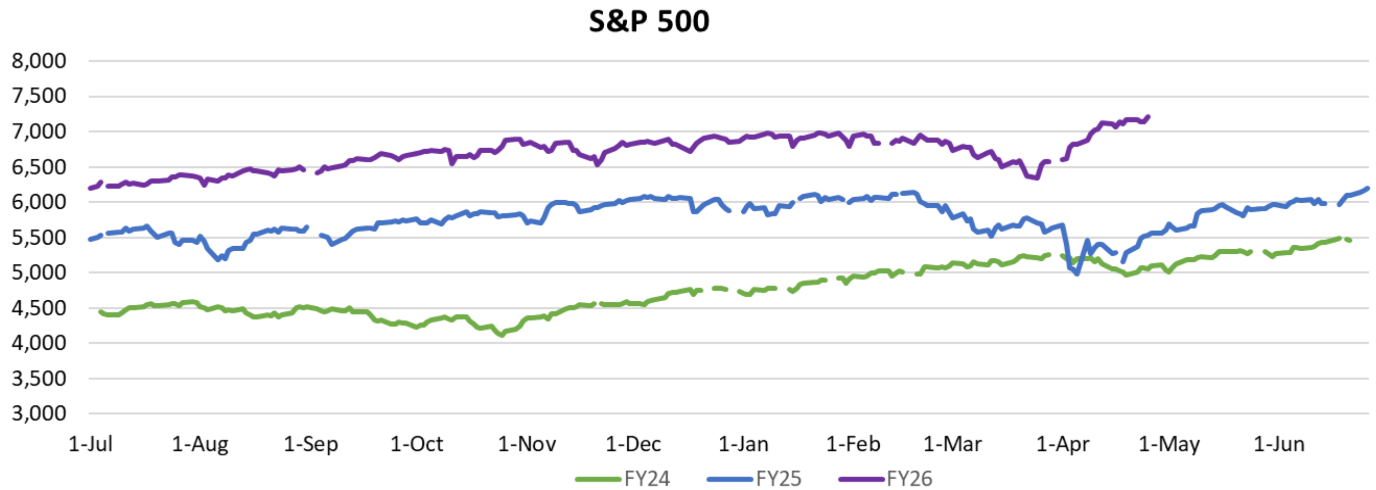
May produced mixed-to-positive economic indicators, partly driven by consumer optimism that tensions in the Middle East may ease in the near future. The S&P 500 climbed more than 300 points to reach a record high, while crude oil prices decreased 16% compared to the end of April. Over May, the Consumer Confidence Index softened 0.7 points, reflecting inflationary impacts from the war in the Middle East. National unemployment rates held steady, and the average 30-year fixed mortgage rate increased by 0.2%. The Median Home Sales Price remained unchanged at $419,900, while the Average Number of Days homes stayed on the market increased to 38 days from 35 in April. Real Property Tax collections through May increased by $32 million, while Personal Property Tax collections increased by $14 million compared to the previous fiscal year, driven in part by several large new taxpayers. New Residential Construction activity remains robust, with 114 permits issued in April, 40 more than in the same period last year. Although broader macroeconomic challenges persist, Henrico County continues to show financial resilience, with Sales Tax, Meals Tax, and year-to-date tax collections all outperforming levels from FY25.

Metrics Considered

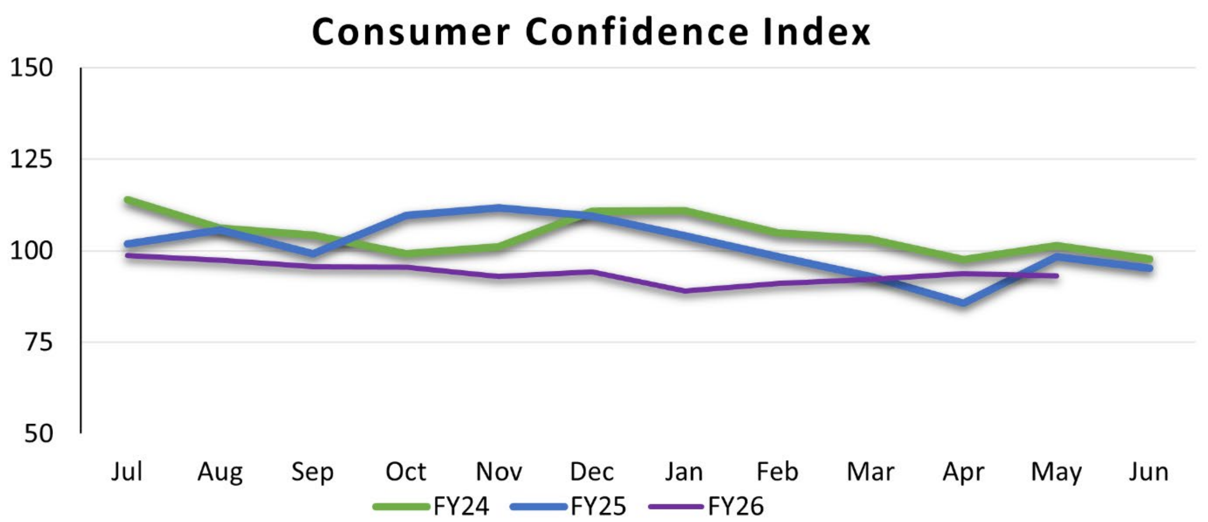
- **National:** S&P 500, Consumer Confidence Index, Real GDP, Wages, 30-Year Fixed Mortgage Rate, Crude Oil Prices
- **Virginia:** Unemployment Rate
- **Henrico:** Local Sales & Use Tax, Meals Tax, Real Property Tax, Personal Property Tax, Vehicle Registrations, Occupancy Tax, New Residential Construction, Average Days on the Housing Market & Median Sales Price, Residential Transactions & Foreclosures
- **Area:** Richmond Aviation Activity

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.



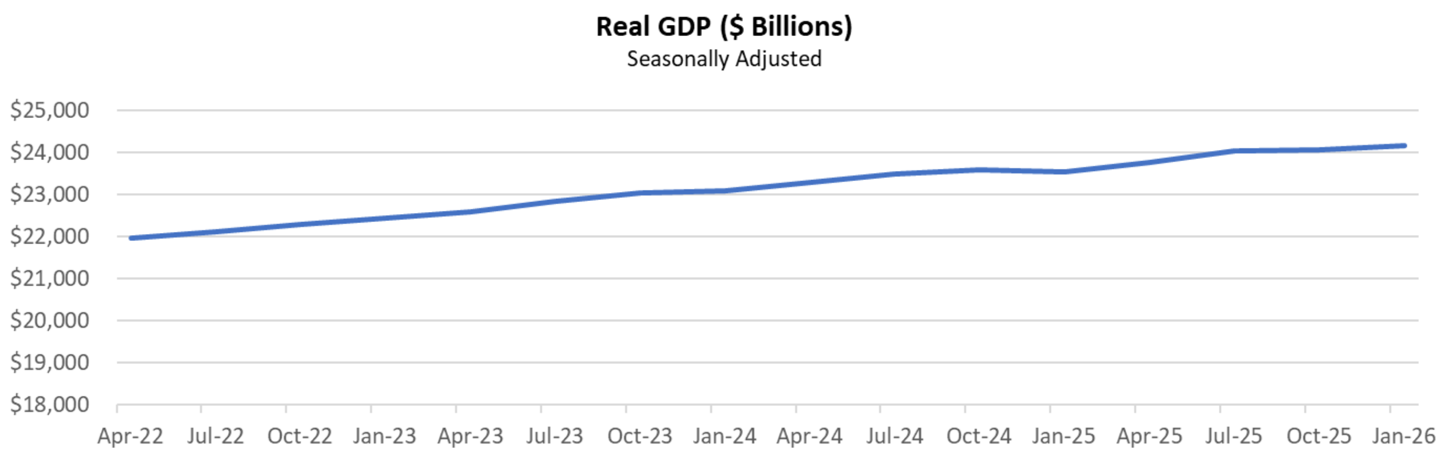
The **S&P 500** is a stock market index measuring the performance of 500 large U.S. companies on stock exchanges and is considered one of the best representations of the U.S. economy. **The S&P 500 grew over 300 points during the month of May, closing at a record high of 7,580.**



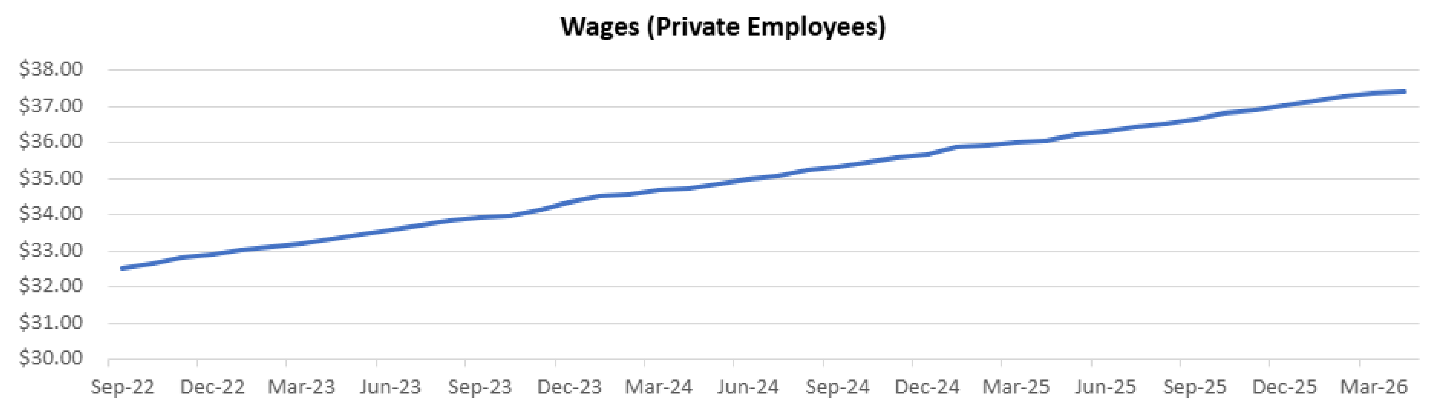
The **Consumer Confidence Index** is a monthly survey given to 5,000 randomly selected households gathering opinions on present situations and future expectations. It is benchmarked to 1985 (100) and best compared by reviewing month-over-month changes. **Over May the index dipped 0.7 points from an upwardly revised 93.8 in April. Consumer confidence edged downward in May as the inflationary impacts of the war in the Middle East intensified.**[1]

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

National Metrics



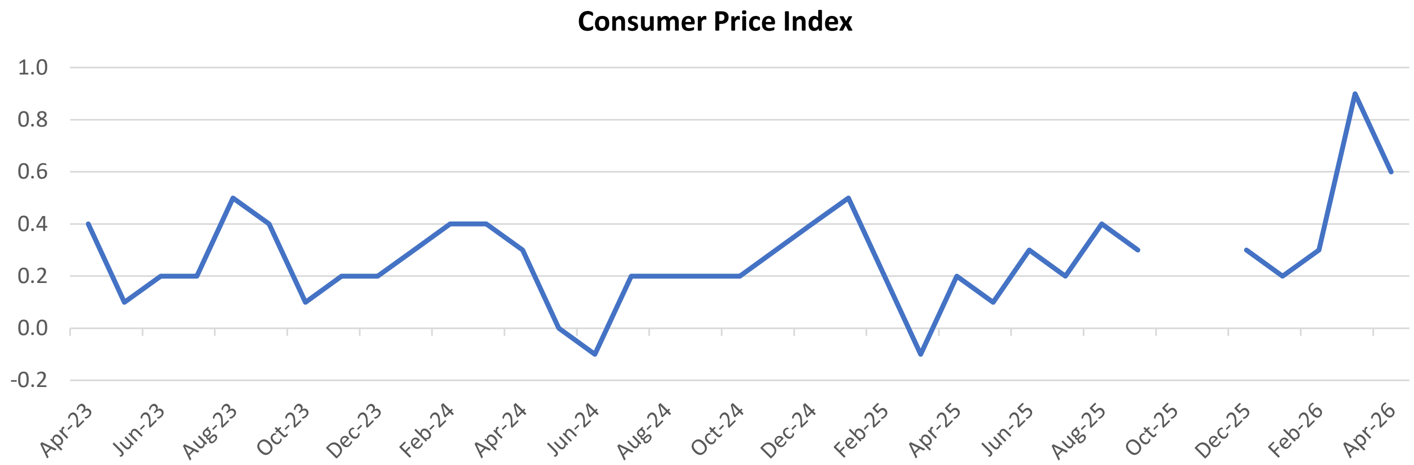
The **Real Gross Domestic Product (GDP)** is an inflation adjusted standard measure of all goods and services produced by labor and property located in the United States in a given period. Gross domestic products can be calculated on a nominal or real (adjusted for inflation) basis. Since rising prices influence GDP, removing inflation related price changes isolates changes in production quantity. **In Q1 2026, real GDP increased by 0.49%[2] 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 April, the average hourly wage increased to $37.41. This rise of $0.03 from March represents an increase of 0.1%.**

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

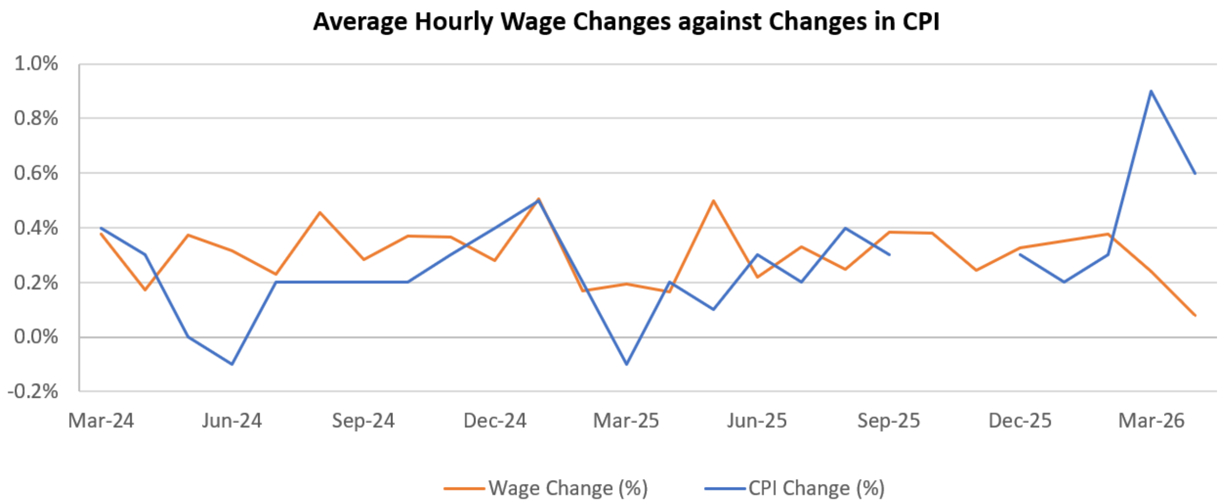
National Metrics



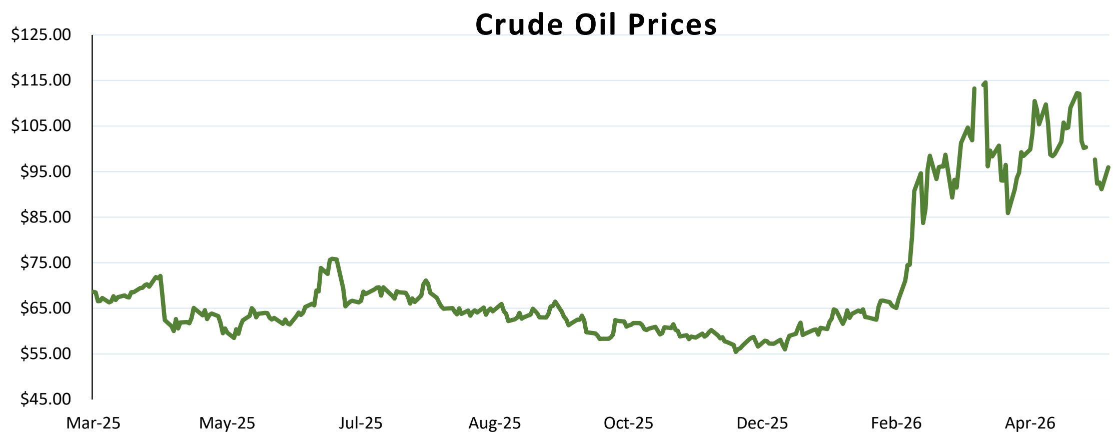
The **Consumer Price Index** (CPI) is a weighted average of the prices of an identified basket of consumer goods and services used to help monitor inflation. The index measures the average change in price that consumers pay over time. The data is presented as a 1-month percent change, which means that anything shown greater than zero is indicative of inflation (prices increasing) while anything below zero is indicative of deflation (prices decreasing). Due to the 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 April, the Consumer Price Index increased by 0.6%, likely the residual impact of heightened oil prices[3].** The current 12-month CPI growth is 3.04% (unadjusted) as reported by the Bureau of Labor Statistics. This is 0.31% greater than the trailing 12-month average of 2.73%, indicating slightly increased inflation compared to that of last year.

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

National Metrics



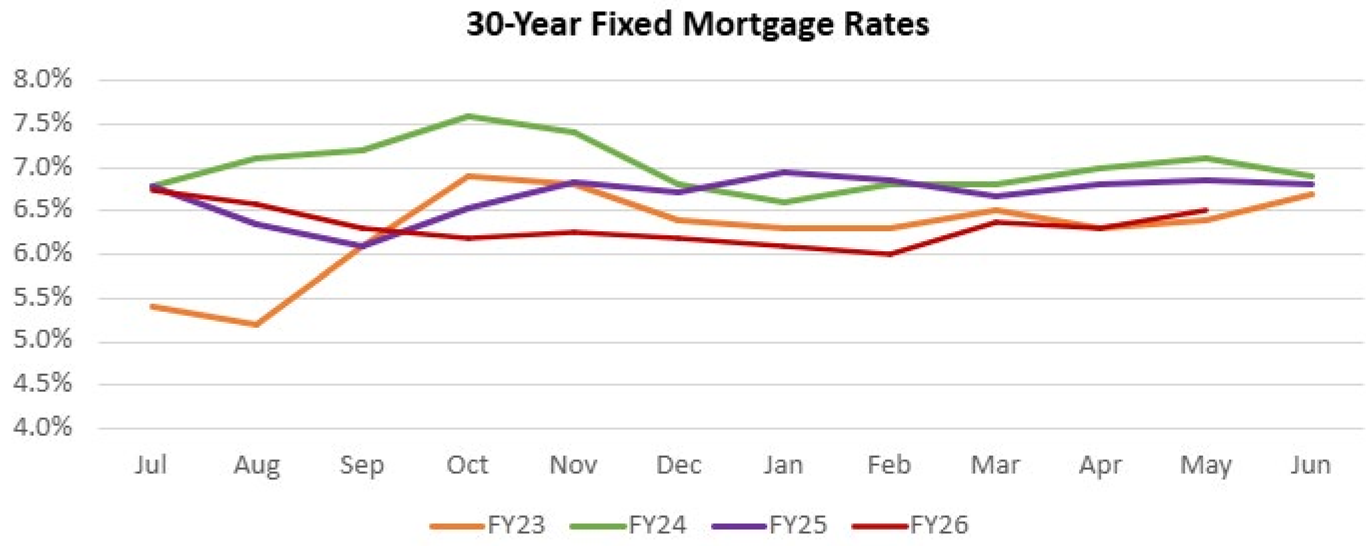
Average Hourly Wage Changes against Changes in the Consumer Price Index analyzes the relationship between national wages and consumer pricing, and more loosely, its affiliate inflation. It should be noted that this graph encompasses month-over-month changes, with both metrics demonstrating continuous 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. April had a monthly wage growth of 0.1% while the CPI increased by 0.6%, a negative 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 decreased to $91.16 a barrel in the month of May, a $17.48, or 16% decrease.**[4]

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

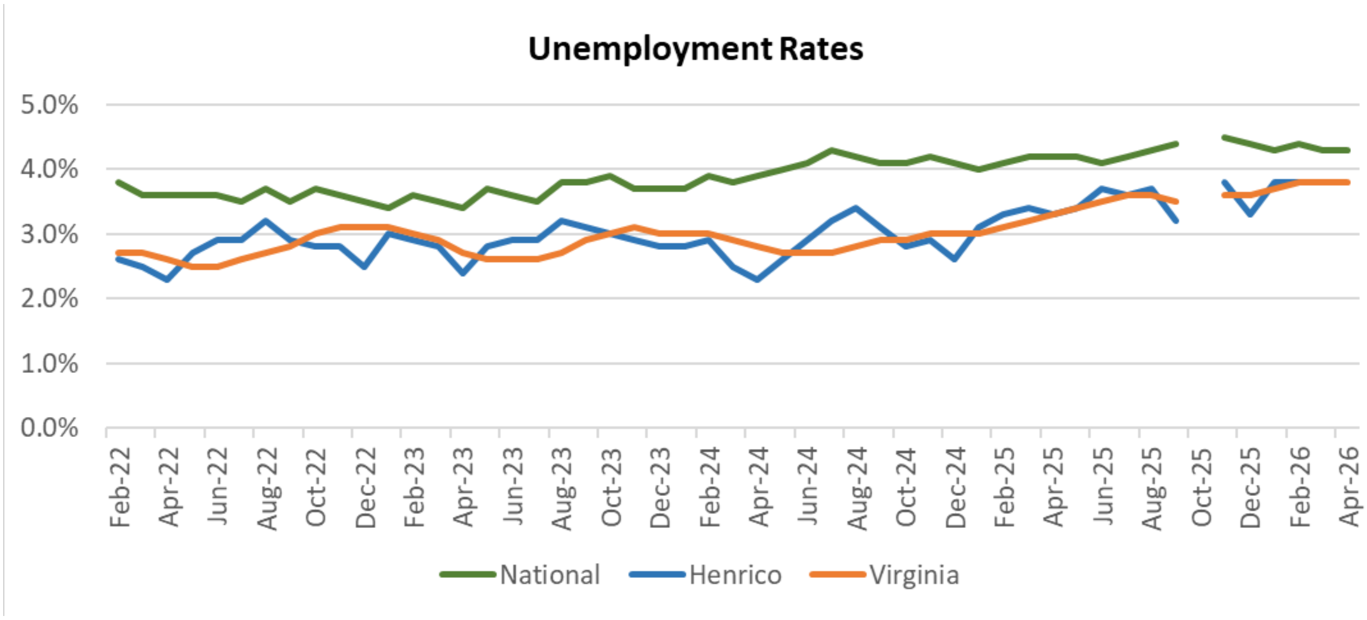
National Metrics



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 May, the 30-year fixed mortgage interest rate increased from 6.3%[5] to 6.5%.**

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

Combined Metrics

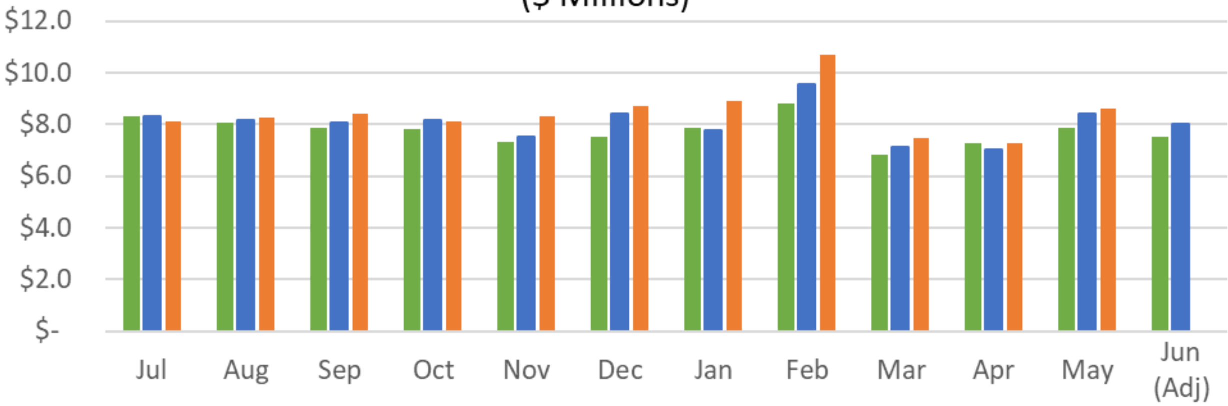


The **Unemployment Rate** shows the number of unemployed people as a percentage of the workforce. Known as the U-3 unemployment rate, an individual must be actively seeking work or laid off to be included. State unemployment data lags roughly six weeks while local unemployment data lags nine weeks. **Due to the 2025 Federal Government Shutdown, unemployment data is unavailable for October 2025. In the month of April, unemployment rates at the National and State levels remained unchanged at 4.3% and 3.8% respectively. The County unemployment rate in March was 3.7%, which is a 0.1% decrease compared to February[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

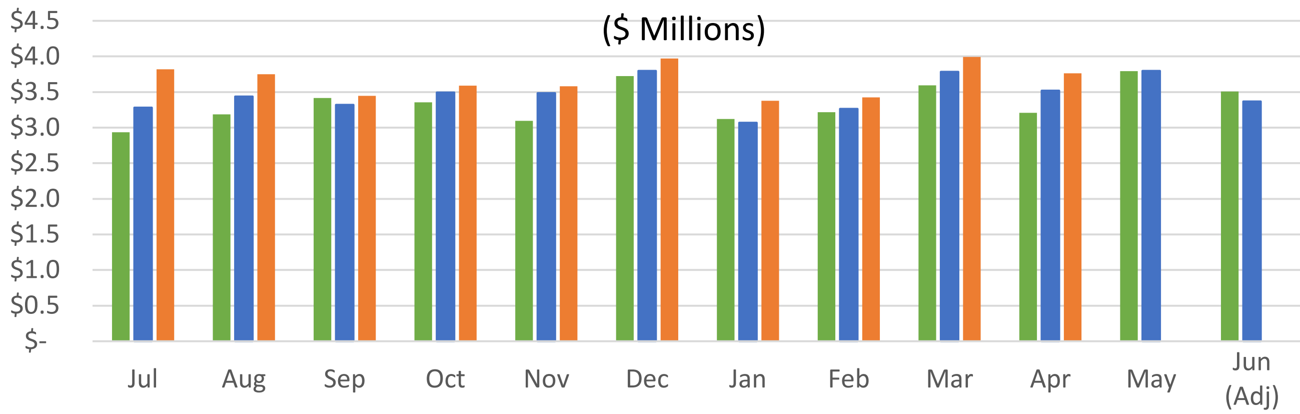
Local Sales & Use Tax
($ Millions)



	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	$7.5	$7.3	$8.6	

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. **May FY26 recorded collections of $8.6 million, $0.2 million higher than May FY25 collections.**

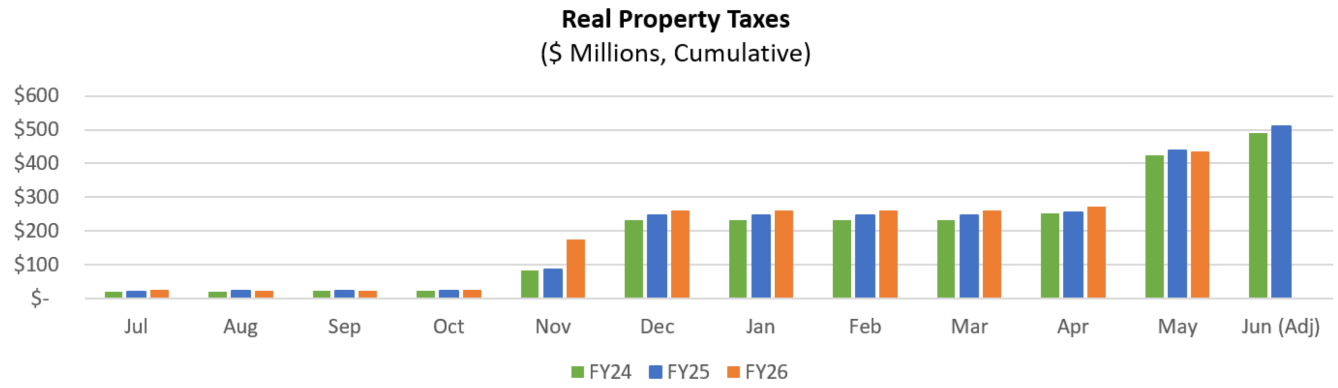
Meals Tax
($ Millions)



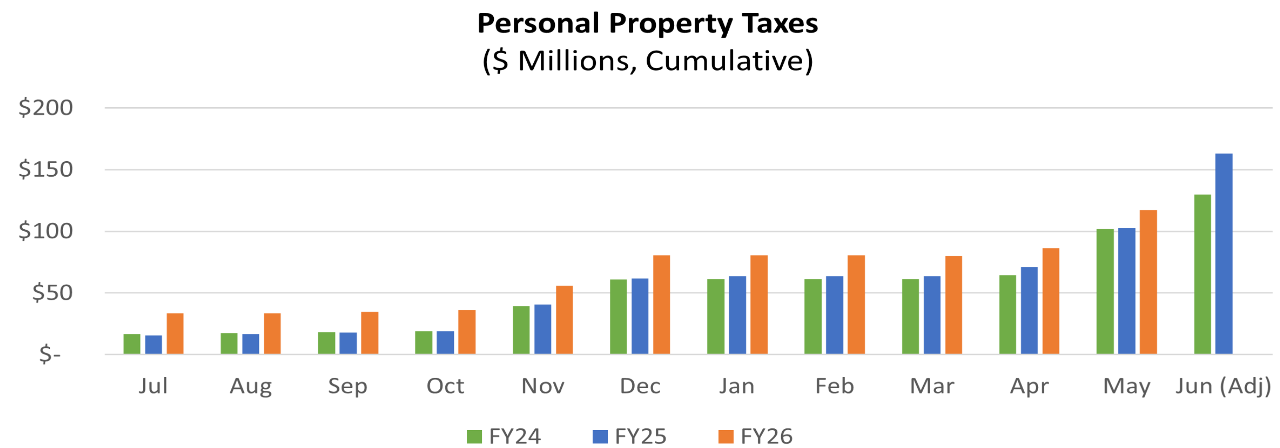
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun (Adj)
FY24	$2.9	$3.2	$3.4	$3.4	$3.1	$3.7	$3.1	$3.2	$3.6	$3.2	$3.8	$3.5
FY25	$3.3	$3.4	$3.3	$3.5	$3.5	$3.8	$3.1	$3.3	$3.8	$3.5	$3.8	$3.4
FY26	$3.8	$3.8	$3.4	$3.6	$3.6	$4.0	$3.4	$3.4	$4.0	$3.8		

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. **April FY26 collections totaled $3.8 million, $0.3 million more than April FY25.**

Henrico Metrics

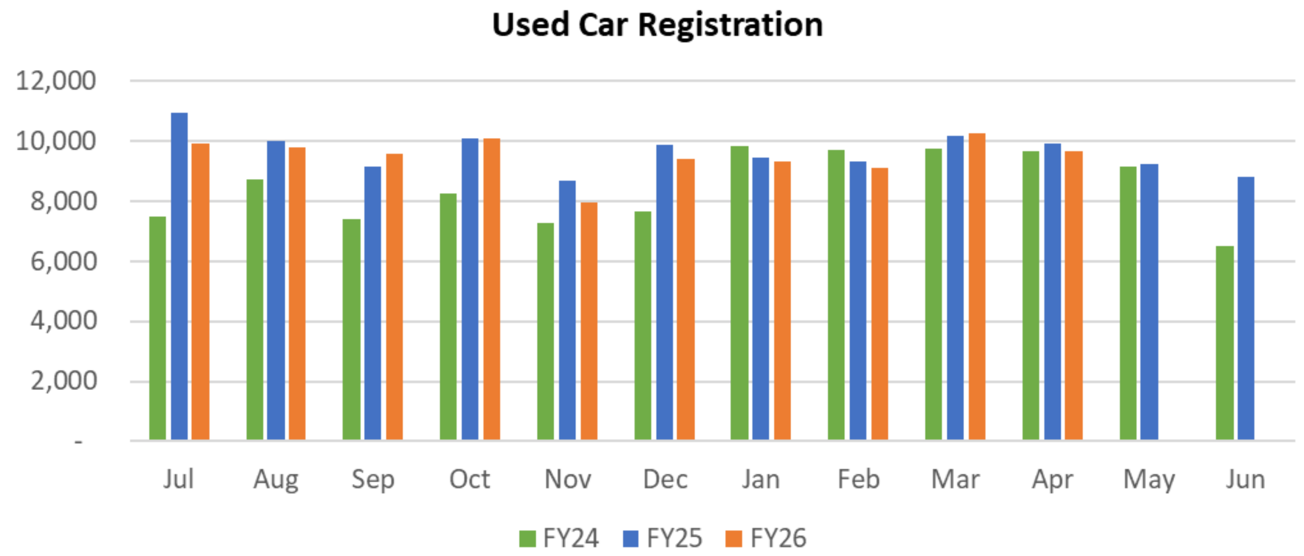


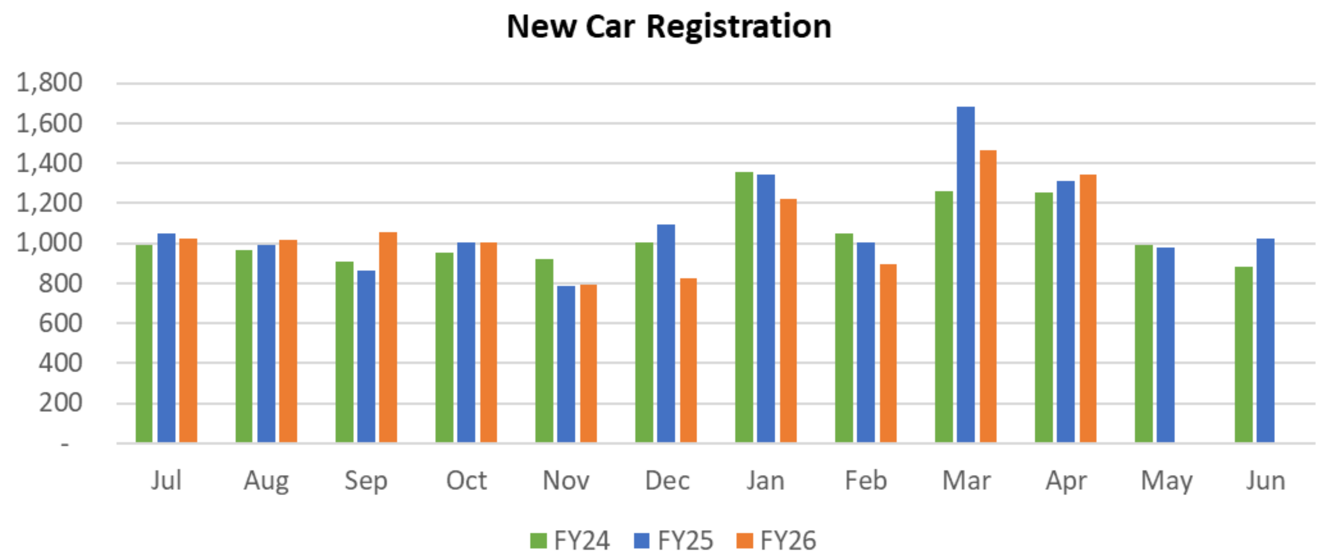
Real Property Taxes are collected on property used for residential and nonresidential purposes. The Code of Virginia provides for assessment of real property at 100% of fair market value, which is the probable amount a property would sell for today if exposed to the market for a reasonable period. Collections are due twice a year in December and June**. At the time of publication, Real Property Tax Collections through May FY26 totaled $435 million, representing an increase of $32 million compared to $403 million collected through May 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 May FY26 totaled $117 million, an increase of $14 million compared to $103 million collected through May FY25. The increase is primarily attributable to several large new taxpayers.**

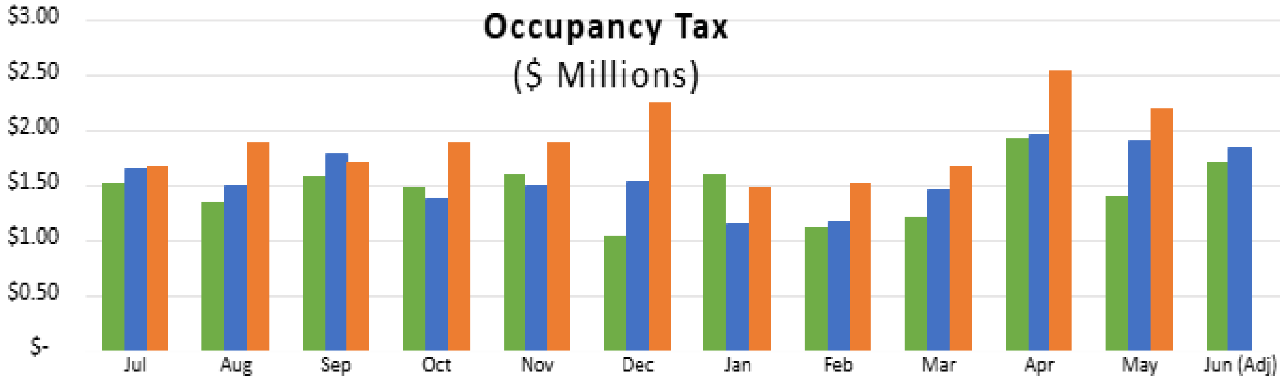
Henrico Metrics





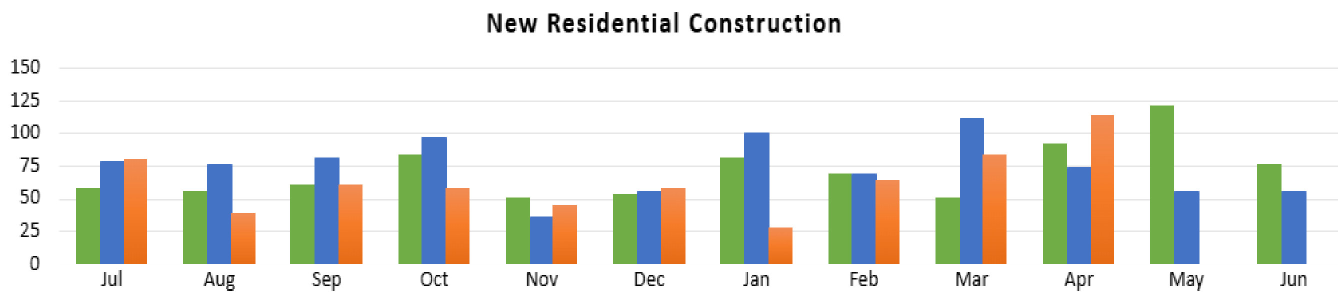
Vehicle Registration data is acquired from the Virginia Department of Transportation and is comprised of both new and used vehicles; the metric strongly correlates to vehicle sales. **Used Car Registrations in April FY26 recorded 9,647, or 2.7% lower than April FY25. New Car Registrations recorded 1,340, or 2.5% higher than April 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	$1.66	$2.53	$2.19	

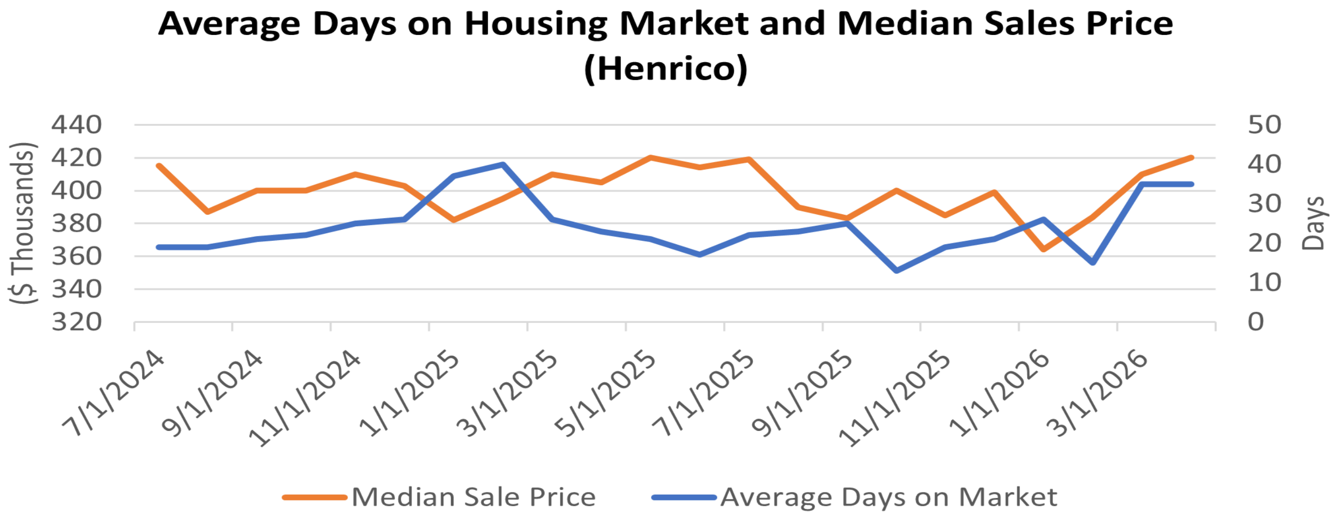
Henrico's **Occupancy Tax** is collected at an 8% rate on lodging for overnight stays. **Occupancy Tax collections in May FY26 totaled $2.19 million, $0.30 million greater than May FY25. Year-to-date collections total $20.62 million, which is $3.68 million higher than year-to-date FY25.**



	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	64	83	114		

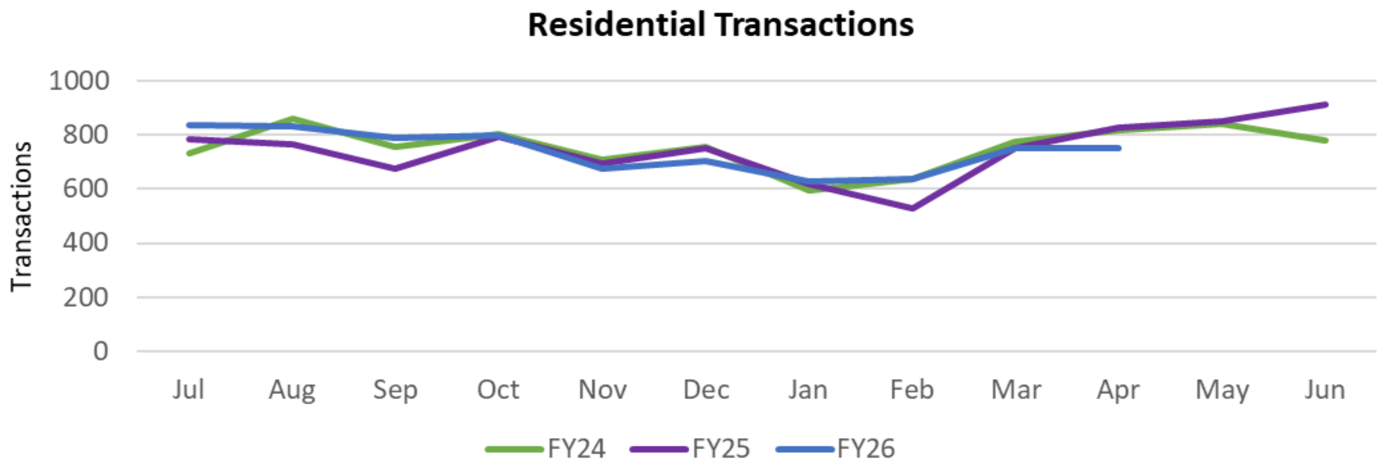
New Residential Construction is comprised of new single-family houses that were issued building permits. A slowdown may indicate worsening economic conditions, increased competition from neighboring localities, or a lack of expansion capabilities. **April FY26 construction activity totaled 114 permits, 40 more than the 74 permits issued in April FY25, and the highest recorded activity since May FY24.**

Henrico Metrics

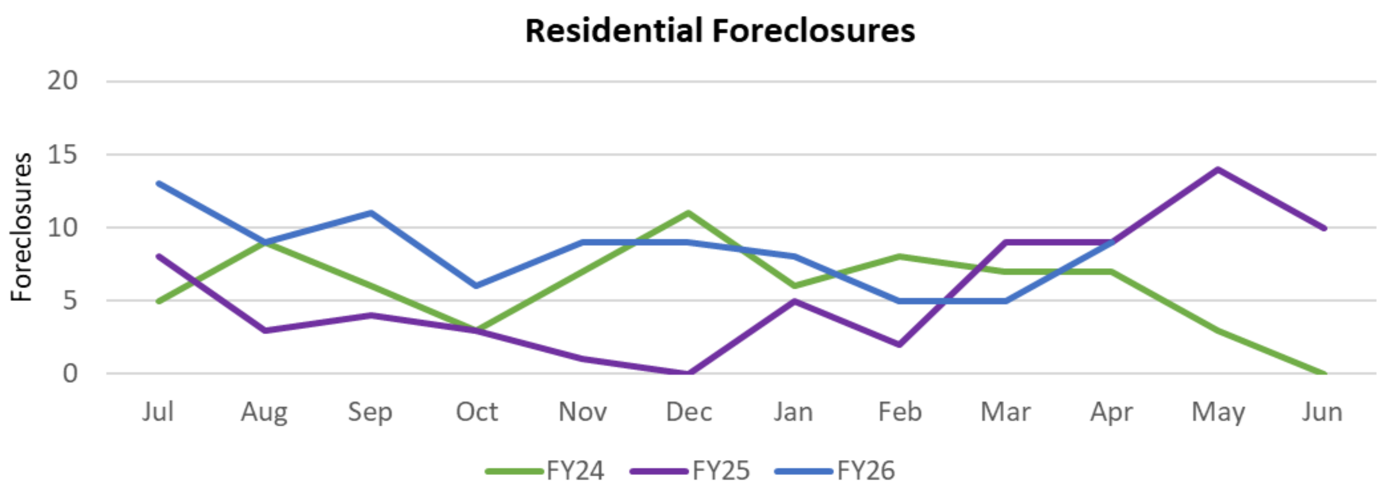


Average Days on the Housing Market and Median Sale Price provides a benchmark of the state of the housing market in Henrico. An increase in the time spent on market may indicate a slowing of the housing market, while a decrease may indicate acceleration. Median Sales Price tracks the middle value of 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 May totaled $419,900, remaining essentially unchanged from April. Average Days on the Housing Market increased slightly to 38 days from 35 days in April.**

Henrico Metrics

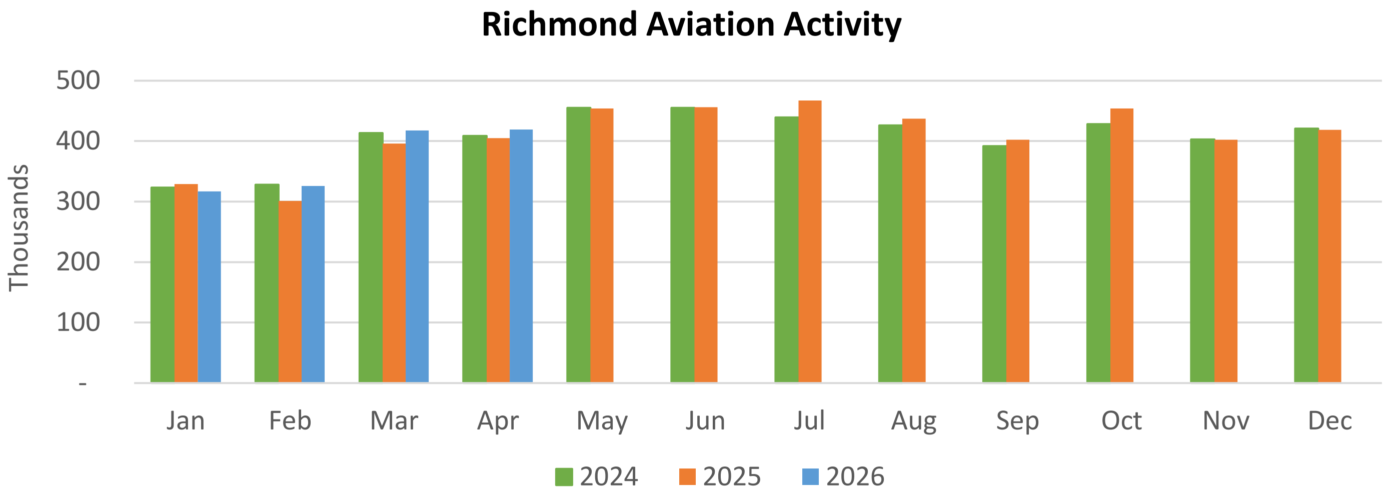


Transactions & Foreclosures data represents Henrico's completed residential sales and reports residential foreclosures. These provide a snapshot of Henrico's housing market. Consistency in transactions represents a healthy and growing market. **A total of 752 residential transactions were recorded in April FY26, 73 less than April FY25.**



Nine foreclosures were reported in April 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. **April 2026 recorded a total passenger count of 419,181, a 3.5% increase compared to April 2025. This trend will continue to be monitored closely after Spirit Airlines announced they will be ceasing operations on May 2nd.**