



CITY OF RICHMOND

ECONOMIC INDICATORS

SEPTEMBER 2024

The *City of Richmond Economic Indicators* highlights indicators of economic activity in the city, region, state, and nation. It provides information on current economic conditions such as, the employment situation, retail sales, and the housing market. Supplemental indicators at the regional, state, and national level that may impact the local economy are also included. The figures reported may be subject to revision in the following month, quarter or year. In the report, it is noted for each indicator whether it is updated monthly (M), quarterly (Q), semi-annually (S) or annually (A). The report is updated monthly as new data become available, although the timing of publishing the report may coincide with release of new data. Data not updated monthly may be included in the report when the new data becomes available.

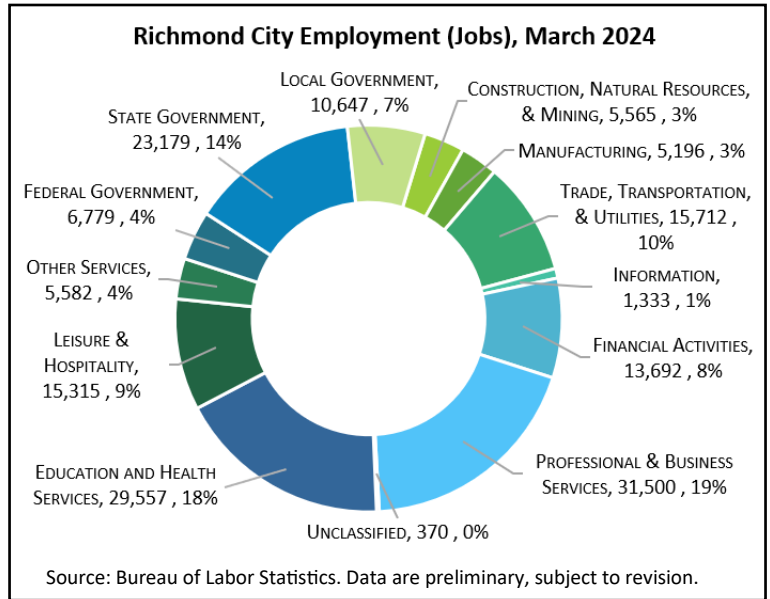
ISSUE HIGHLIGHTS:

- ❑ **National Employment:** Nationally, nonfarm payroll employment (jobs) seasonally adjusted grew by 142,000 in August from the previous month. (See Page 3)
- ❑ **National and State Economy:** In the second quarter of 2024, real GDP rose at an annual rate of 3.0 percent (third estimate). In comparison, Virginia's real GDP rose at an annual rate of 3.1 percent, ahead of the nation's growth (See Page 6)
- ❑ **State and Regional Employment:** Virginia's nonfarm payroll employment (jobs) seasonally adjusted declined 0.1 percent (5,800 jobs) in August from last month, while the Richmond metro area saw a 0.1 percent increase (700 jobs) from last month. (See Page 3)
- ❑ **Richmond Employment:** Jobs in Richmond city rose 2.7 percent (adjusted) from March 2023 to March 2024, as measured by the Bureau of Labor Statistics' (BLS) Quarterly Census of Employment and Wages (QCEW). Among Virginia's largest counties and cities, Prince William County (2.8 percent), Richmond (2.7 percent), and Loudoun County (2.6 percent) had the largest job growth (adjusted). BLS updates QCEW data with a six-month lag. (See Page 2)
- ❑ **Regional Housing Market:** Year-to-date (YTD) through August, single-family home sales in the region were down 1.7 percent from the same period last year, while condo/townhome sales were up 5.1 percent. In August, pending sales, a leading indicator of future sales, were up from last year for both single-family homes and condo/townhomes. (See Page 4)
- ❑ **Richmond Housing Market:** Through August, single-family home and condo/townhome sales in Richmond rose YTD by 5.0 percent and 9.6 percent, respectively, from the same period last year. Pending sales also rose for the month of August from the previous year. (See Page 4)
- ❑ **Local Sales Tax:** Through July, Richmond's sales tax revenue grew by 0.9 percent from the same period last year. (See Page 5)

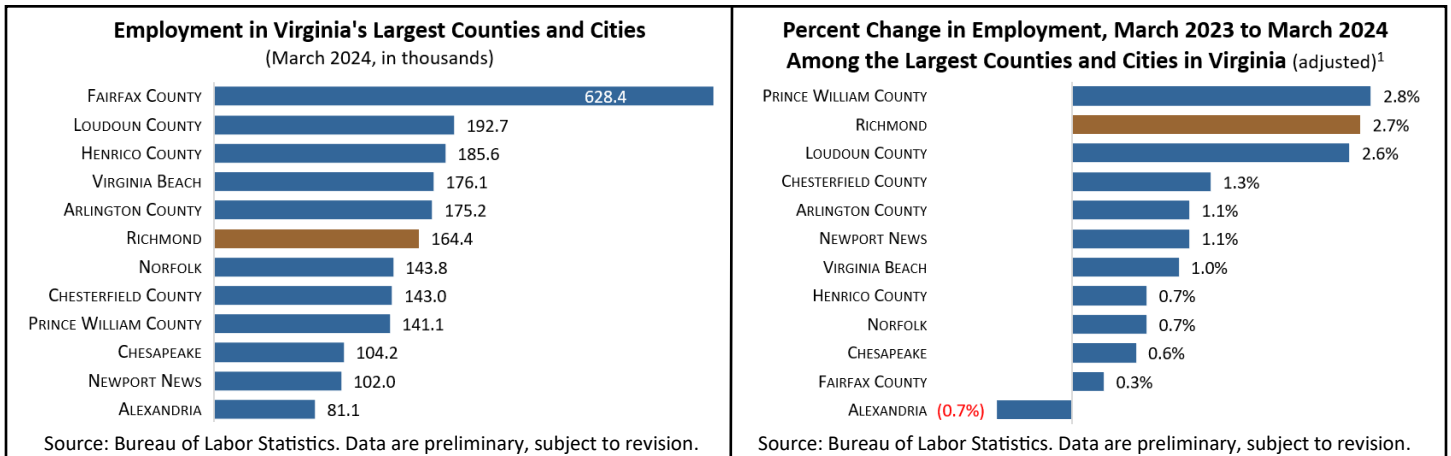
Richmond Employment (Jobs) (Q)

Employment (jobs) in Richmond city increased from March 2023 to March 2024 by 2.7 percent (adjusted)¹ to 164,427, as measured by the Bureau of Labor Statistics' (BLS) Quarterly Census of Employment and Wages (QCEW). BLS typically releases updated QCEW data six months after the end of the quarter.

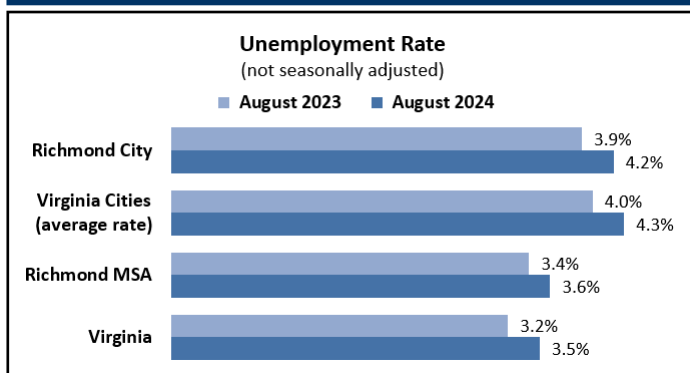
For Richmond, overall and within the private sector, professional and business services accounted for the largest employment, while in the public sector, state government accounted for the largest employment. Not all jobs are included in the QCEW such as, those of self-employed workers, all members of the armed forces, and elected officials in most states. Jobs included generally, are those covered by state unemployment insurance (UI) laws and unemployment compensation for federal civilian employees.



Among Virginia's largest counties and cities, Prince William County (2.8 percent), Richmond (2.7 percent), and Loudoun County (2.6 percent) had the largest job growth (adjusted)¹ from March 2023 to March 2024, as measured by the QCEW. Large counties and county equivalents (such as, cities in Virginia) are defined by BLS as having annual average employment levels of 75,000 or more in 2023. Richmond's employment ranked 6th among Virginia cities and counties.



Local Unemployment Rate (M)



Virginia Works (VW) reported the unemployment rate (not seasonally adjusted) in August rose year-over-year in 120 of Virginia's 133 cities and counties, declined in eight, and was unchanged in five. In Richmond city, the unemployment rate (not seasonally adjusted) rose by 0.3 percentage point to 4.2 percent from 3.9 percent in August 2023. The Richmond metro area and Virginia's *not* seasonally adjusted unemployment rate also saw similar increases. Virginia's seasonally adjusted rate rose 0.1 percentage point to 2.8 percent from 2.7 percent in August 2023.

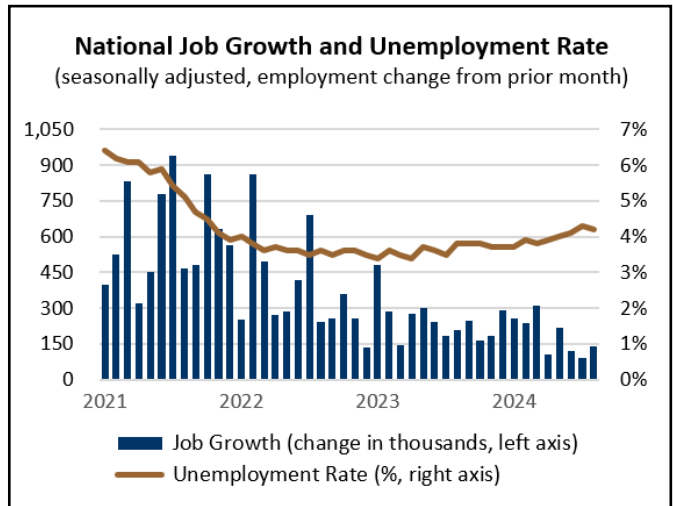
Source: Bureau of Labor Statistics and Virginia Works (Dept. of Workforce Development and Advancement).

¹BLS noted that their reported percent change in employment was calculated using adjusted prior-year data, which do not match the unadjusted data maintained on the BLS Web site and are not published by BLS. As a result, calculated percent changes using BLS unadjusted data may differ. For Richmond, the employment increase was 3.7 percent from March 2023 to March 2024 using unadjusted data. BLS also noted that QCEW data reported by BLS may differ from data reported by individual states. The potential differences result from states' continuing receipt of UI data over time and ongoing review and editing. Individual states determine their data release timing. More information is in the [QCEW Technical Note](#).

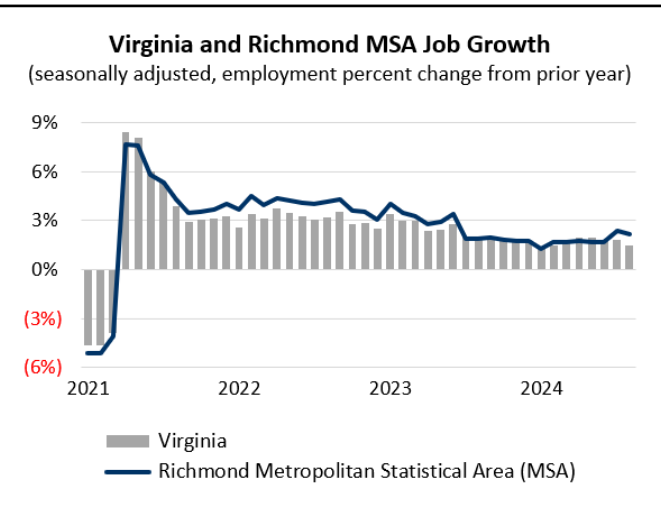
National Employment (M)

The Bureau of Labor Statistics (BLS) reported the nation’s nonfarm payroll employment (seasonally adjusted) rose in August from last month by 142,000. Most of the growth were in leisure and hospitality, construction, and healthcare and social assistance. June and July job growth were revised down by 61,000 and 25,000, respectively. With this second revision, June’s job growth is 88,000 lower than first reported. The unemployment rate (seasonally adjusted) edged down to 4.2 percent from 4.3 percent last month after four straight monthly increases but was above last year’s 3.8 percent rate.

	July-24 ^R	Aug.-24 ^P	Avg. YTD ^P	Total YTD ^P
Job Growth	89,000	142,000	184,000	1,475,000
Unemployment Rate	4.3%	4.2%	4.0%	n/a



State and Regional Employment (M)

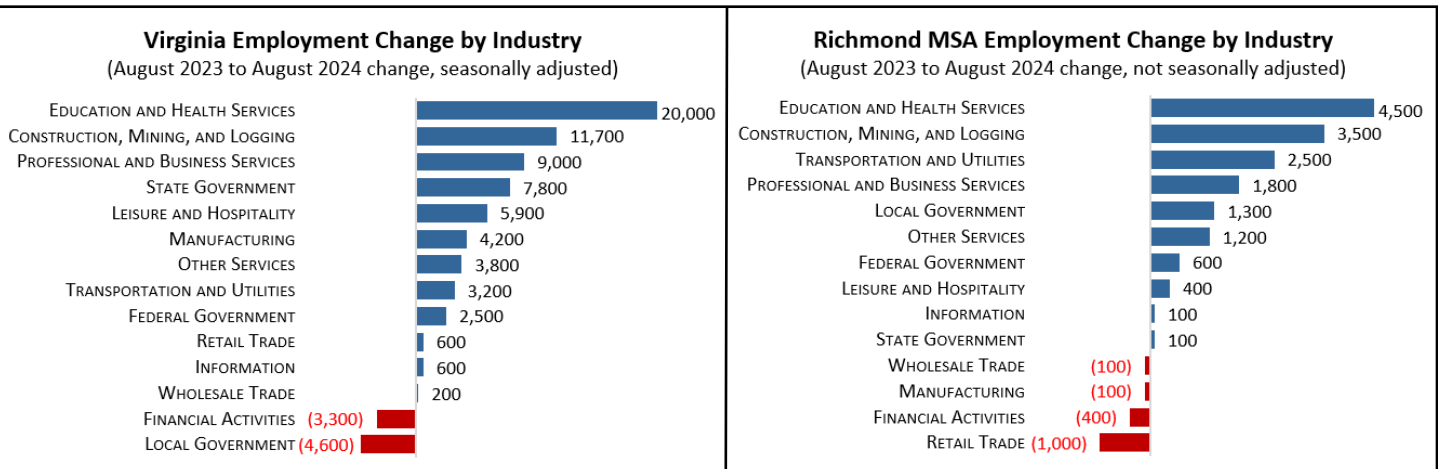


Virginia Works (VW) reported Virginia’s nonfarm payroll employment (seasonally adjusted) declined 0.1 percent (5,800 jobs) in August from last month, while Richmond MSA saw a 0.1 percent growth (700 jobs). However, BLS determined that the decline in Virginia’s employment in August was not statistically significant². Compared to last year, Virginia and Richmond MSA both saw job growth of 1.5 percent and 2.2 percent, respectively. Among Virginia MSAs, Richmond had the largest growth (700 jobs) from the prior month. From the prior year, Northern Virginia led the growth with 15,600 jobs.

Job Growth by Area	July-24 ^R	Aug.-24 ^P	Avg. YTD ^P	Total YTD ^P
Virginia	-4,500	-5,800	6,200	49,800
Richmond MSA	900	700	1,600	12,600

State and Regional Employment by Industry (M)

The following charts show the change in employment by industry from August 2023 to August 2024 in Virginia and in the Richmond MSA. The Virginia figures are seasonally adjusted. The Richmond MSA’s figures are not seasonally adjusted, since seasonally adjusted employment by industry data are not available at the MSA level.



Source: Bureau of Labor Statistics and Virginia Works (Dept. of Workforce Development and Advancement)

Notes: R = Revised data. Avg. YTD = Average employment change year-to-date from January 2024 to current month of data.

Total YTD = Total employment change year-to-date from January 2024 to current month of data.

²More information is in the BLS news release of [State Employment and Unemployment—August 2024](#).

Local Housing Market (M)

Area	Closed Sales January - August		Pending Sales in August		Months Supply in Aug.				
	2023	2024	2023	2024	2023	2024			
SINGLE-FAMILY HOMES									
Region ¹	9,163	9,006	↓	1,101	1,198	↑	1.6	1.8	↑
Richmond	1,435	1,507	↑	161	192	↑	1.4	1.4	↔
Chesterfield	2,798	2,827	↑	367	396	↑	1.6	1.7	↑
Hanover	800	739	↓	96	107	↑	2.4	2.6	↑
Henrico	1,888	1,807	↓	217	216	↓	1.0	1.2	↑
CONDO/TOWNHOMES									
Region ¹	1,711	1,799	↑	234	255	↑	1.8	2.1	↑
Richmond	229	251	↑	29	39	↑	2.7	3.2	↑
Chesterfield	561	633	↑	82	85	↑	1.8	1.9	↑
Hanover	92	95	↑	15	23	↑	1.7	3.0	↑
Henrico	732	727	↓	100	95	↓	1.5	1.7	↑

Median Sales Price of Single-Family Homes			% Change
	January - August 2023	January - August 2024	
Region	\$371,000	\$400,000	7.8%
Richmond	\$355,000	\$390,000	9.9%
Chesterfield	\$396,000	\$430,000	8.6%
Hanover	\$455,000	\$494,975	8.8%
Henrico	\$375,000	\$402,500	7.3%

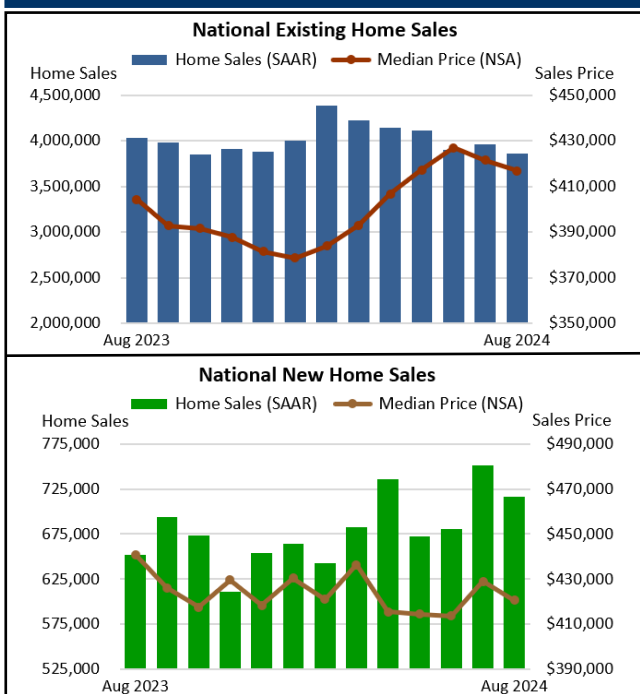
Median Sales Price of Condos/Townhomes			% Change
	January - August 2023	January - August 2024	
Region	\$345,000	\$370,380	7.4%
Richmond	\$325,000	\$345,000	6.2%
Chesterfield	\$351,510	\$377,280	7.3%
Hanover	\$347,500	\$379,950	9.3%
Henrico	\$349,263	\$366,500	4.9%

(1) Region consists of Amelia, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King & Queen, King William, New Kent, Powhatan, and Prince George counties and Colonial Heights, Hopewell, Petersburg, and Richmond cities.

Year-to-date (YTD) through August, single-family home sales in the region fell 1.7 percent from the same period last year, while condo/townhome sales YTD rose 5.1 percent. However, the region's pending sales of single-family homes and condo/townhomes both rose year-over-year in August, although the inventory of single-family homes and condo/townhomes for sale in the region remains tight at 1.8 and 2.1 months supply, respectively. In Richmond, single-family home and condo/townhome sales YTD were up 5.0 percent and 9.6 percent, respectively, from the same period last year. Like the region, pending sales of single-family homes and condo/townhomes were both up year-over-year, although Richmond's inventory of single-family homes for sale remains tighter than the region at 1.4 months supply.

The median home sale price YTD for single-family homes continued to rise and was up 7.8 percent (region) and 9.9 percent (Richmond). However, for the month of August alone, the median sales price of single-family homes in Richmond was virtually unchanged. This was the first month in 2024 when there was no significant increase year-over-year. For condo/townhome sales, the median sales price YTD was up 7.4 percent (region) and 6.2 percent (Richmond).

National Housing Market (M)



The National Association of Realtors (NAR) reported *existing* home sales (condo/townhomes included) fell 2.5 percent in August from last month to a seasonally adjusted annual rate (SAAR) of 3,860,000 and was 4.2 percent below last year's 4,030,000 SAAR. For *new* homes (condos excluded), the Census Bureau reported sales fell 4.7 percent in August from last month to 716,000 SAAR, which were up 9.8 percent from last year's 652,000 SAAR. The inventory of *existing* homes for sale rose to a 4.2 months supply from a 3.3 months supply last year, while inventory of *new* homes for sale fell slightly to a 7.8 months supply from a 7.9 months supply. NAR Chief Economist noted: "recent development of lower mortgage rates coupled with increasing inventory...will provide the environment for sales to move higher in future months".

Home sale prices (not seasonally adjusted "NSA") were mixed. For *existing* homes, the median sales price rose 3.1 percent to \$416,700 from \$404,200 in August last year, while *new* homes saw a 4.6 percent decline to \$420,600 from \$440,900 last year.

Source: Central Virginia Regional Multiple Listing Services (CVR MLS), National Association of Realtors, and Census Bureau

Local Sales and Use Tax (M)

Sales tax revenue in Richmond for the month of July rose by 5.7 percent from last year after four straight months of year-over-year decline. Hanover and Henrico also saw an increase year-over-year in July, while Chesterfield saw a decline. Through July, Richmond's sales tax revenue increased by 0.9 percent from the same period last year.

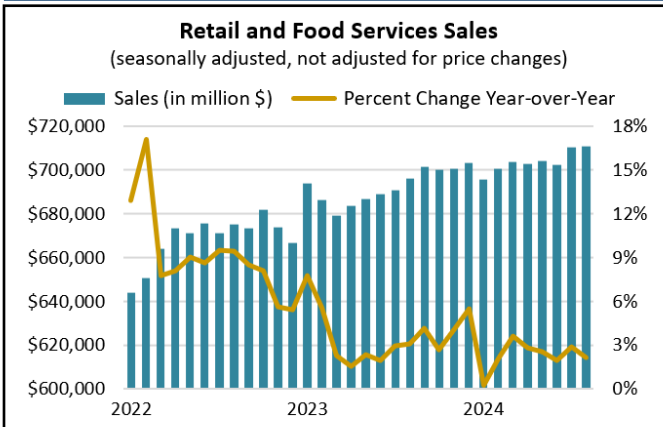
	Sales Tax YTD % Change			
	2021	2022	2023	2024
Richmond	10.7%	15.7%	7.5%	0.9%
Chesterfield	15.6%	7.3%	5.8%	3.4%
Hanover	14.5%	12.0%	5.3%	4.8%
Henrico	18.8%	10.2%	3.9%	3.1%

Sales Tax Revenue Year-to-Date (YTD) through July

	January - July 2023	January - July 2024	% Change
Richmond	\$29,671,923	\$29,947,080	0.9%
Chesterfield	\$42,372,848	\$43,801,254	3.4%
Hanover	\$19,938,586	\$20,892,614	4.8%
Henrico	\$52,416,239	\$54,064,461	3.1%

Source: Virginia Department of Taxation and Weldon Cooper Center for Public Service
Note: Sales tax revenues reflect timing of sales activity and not timing of collection.

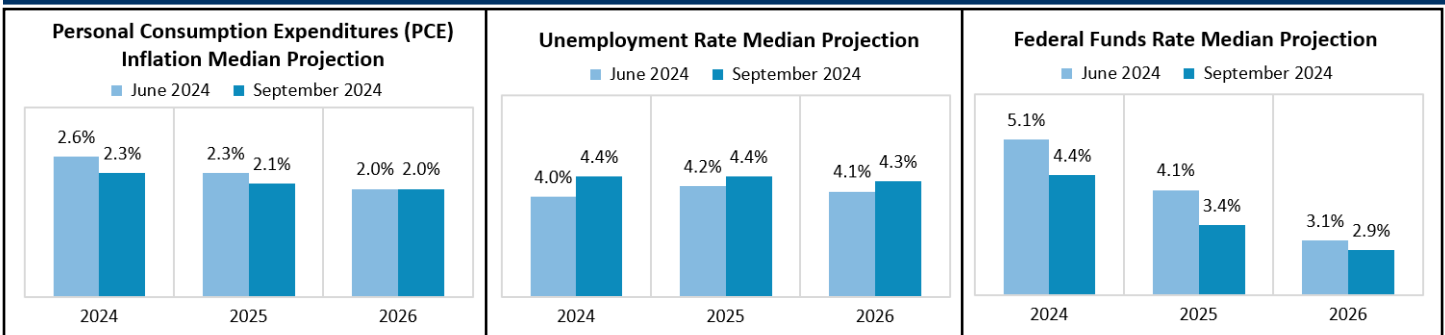
National Retail and Food Services Sales (M)



The Census Bureau reported national retail and food services sales (seasonally adjusted) in August rose 0.1 percent from July. Most of the monthly increase was due to nonstore retailers (which include online retailers), health and personal care stores, and miscellaneous store retailers. However, more major business categories saw a monthly decline than an increase in August.

Compared to last year, retail and food services sales rose 2.1 percent, which was largely due to nonstore retailers, food services and drinking places, motor vehicles and parts dealers, general merchandise stores, and miscellaneous store retailers.

Federal Funds Rate (M)



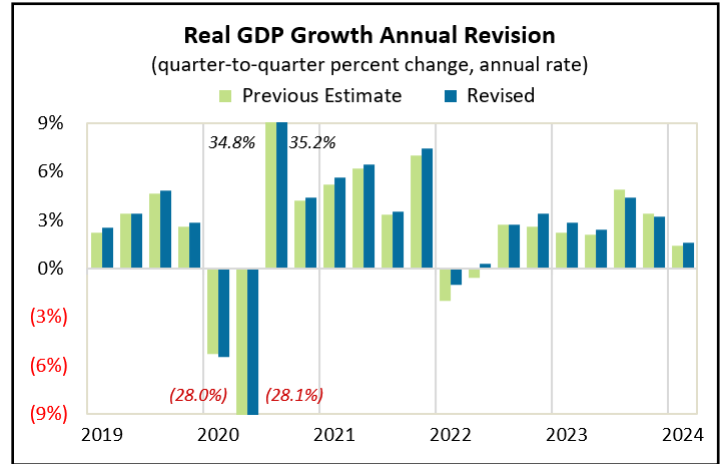
Source: Summary of Economic Projections from FOMC meetings in June 11-12 2024 and September 17-18, 2024.

At its September meeting, the Federal Open Market Committee (FOMC) lowered the target range for the federal funds rate by 1/2 percentage point to 4.75 to 5.00 percent from 5.00 to 5.50 percent. At this meeting, the FOMC surveyed its members on their projection of GDP growth, unemployment rate, inflation, and where the federal funds rate would be. Concurrent with the projection of inflation easing and labor market cooling faster than the projection in June, the median projection for the federal funds rate was lower than the projection in June and suggested additional rate cuts before the end of the year. At the press conference following the meeting, Fed Chair Powell cautioned that the projections are "not a Committee plan or decision" and indicated that further rate adjustments will continue to depend on how the economy, labor market, and inflation progresses: "We are not on a preset course...We know that reducing policy restraint too quickly could hinder progress on inflation...reducing restraint too slowly could unduly weaken economic activity and employment...If the economy remains solid and inflation persists, we can dial back policy restraint more slowly. If the labor market were to weaken unexpectedly or inflation were to fall more quickly than anticipated, we are prepared to respond."

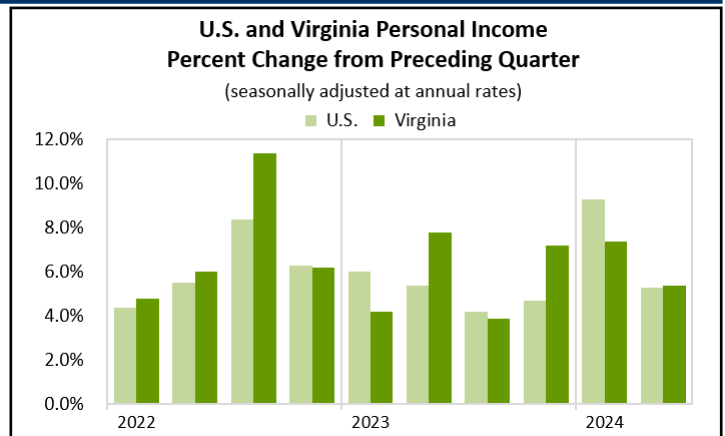
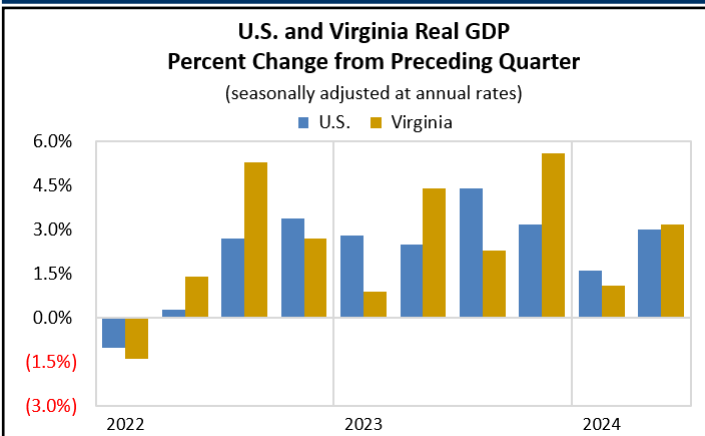
Real Gross Domestic Product (M)

Real GDP is the value of all goods and services produced within the U.S., adjusted for inflation, and is the broadest measure of economic activity. The Bureau of Economic Analysis (BEA) reported real GDP accelerated in the second quarter of 2024 at a 3.0 percent annual rate (third estimate) from 1.6 percent (revised up from 1.4 percent) in the first quarter. The acceleration in real GDP in the second quarter was largely due to: consumer spending, business investment in equipment and inventory, and federal government spending.

BEA also released the annual update of GDP statistics, which incorporated new and revised source data and improvements to estimating methodologies. The update revised figures for first quarter of 2019 through first quarter of 2024 (21 quarters) and showed real GDP growth being higher than previously estimated in 15 of the 21 quarters by 0.2 to 1.0 percentage point. In one of the 15 quarters, the previous decline in the second quarter of 2022 was revised upward to an increase instead. Real GDP growth was revised down in four of the 21 quarters by 0.2 to 0.5 percentage point, while the revised growth was virtually unchanged from the previous estimate in two of the 21 quarters.

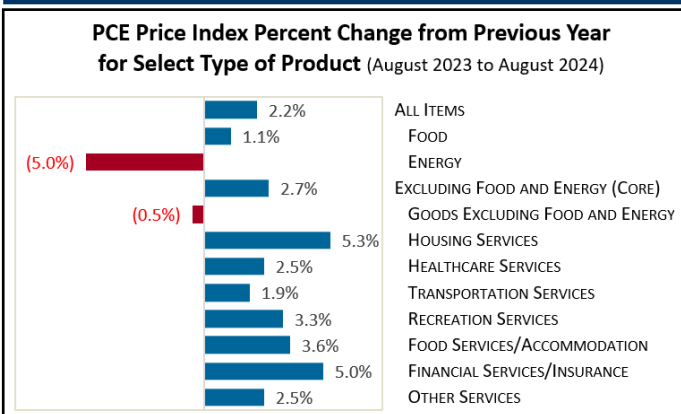


Real Gross Domestic Product by State (Q)



BEA reported Virginia's real GDP, which is the state counterpart of the nation's real GDP, grew at an annual rate of 3.2 percent in the second quarter of 2024, outpacing its first quarter 1.1 percent rate (revised down from 2.1 percent). Virginia's growth was ahead of the nation (3.0 percent rate) and ranked 21st among the 50 states. Virginia's personal income grew at an annual rate of 5.4 percent in the second quarter, below its first quarter's 7.4 percent rate (revised up from 7.3 percent). Virginia's growth was ahead of the nation's 5.3 percent rate and ranked 14th among the 50 states.

Personal Consumption Expenditures (PCE) Inflation (M)



BEA reported the PCE price index, the Federal Reserve's (Fed) preferred measure of inflation, rose 2.2 percent in August from last year. Although it is still above the Fed's 2 percent goal, this was the lowest year-over-year increase since February 2021. The core PCE price index, which excludes food and energy, rose higher at 2.7 percent from last year. Within the major product types, the price of services such as, housing, financial services and insurance, and food services and accommodation (which are not in the food category), have risen faster than goods prices overall. Goods prices excluding food and energy fell 0.5 percent.