



CITY OF RICHMOND

ECONOMIC INDICATORS

DECEMBER 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:

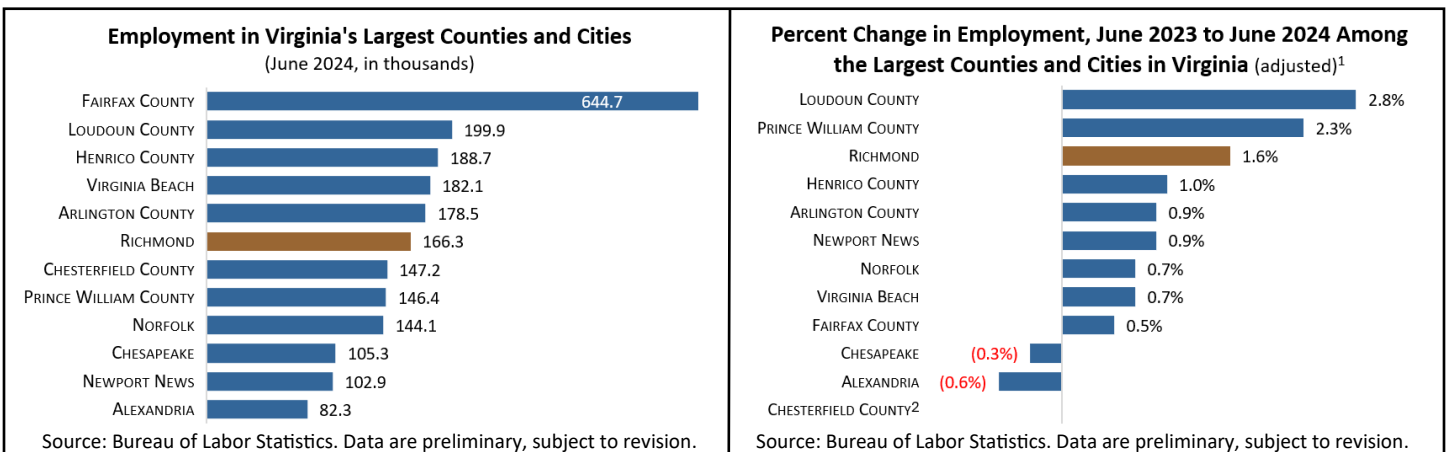
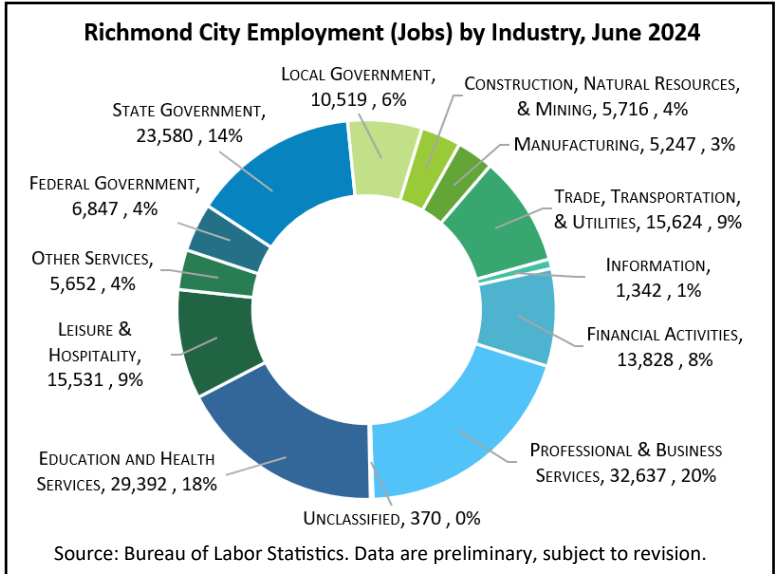
- ❑ **National Employment:** Nationally, nonfarm payroll employment (jobs) seasonally adjusted grew by 227,000 in November from the previous month. (See Page 2)
- ❑ **National and State Economy:** In the third quarter of 2024, real GDP rose at an annual rate of 3.1 percent (third estimate). In comparison, Virginia's real GDP rose at an annual rate of 3.2 percent in the third quarter, ahead of the nation's growth. (See Page 6)
- ❑ **State and Regional Employment:** Virginia's nonfarm payroll employment (jobs) seasonally adjusted increased by 5,300 (0.1 percent) in November from last month, while the Richmond metro area saw an increase of 2,900 jobs (0.4 percent). (See Page 3)
- ❑ **Richmond Employment:** Jobs in Richmond city rose 1.6 percent (adjusted) from June 2023 to June 2024, as measured by the Bureau of Labor Statistics' (BLS) Quarterly Census of Employment and Wages (QCEW). Among Virginia's largest counties and cities, Loudoun County (2.8 percent), Prince William County (2.3 percent), and Richmond (1.6 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 through November, single-family home sales in the region rose 0.3 percent from last year. For the month of November alone, single-family home sales increased for the second straight month from last year by 7.5 percent. (See Page 4)
- ❑ **Richmond Housing Market:** Through November, single-family home and condo/townhome sales rose 3.9 percent and 6.8 percent, respectively, from last year. The inventory of single-family homes for sale remains tight at a 1.4 months supply, which will be a constraint for future sales. (See Page 4)
- ❑ **Local Sales Tax:** Through November, Richmond's sales and use tax revenue grew by 0.7 percent from the same period last year. (See Page 5)

Richmond Employment (Jobs) (Q)

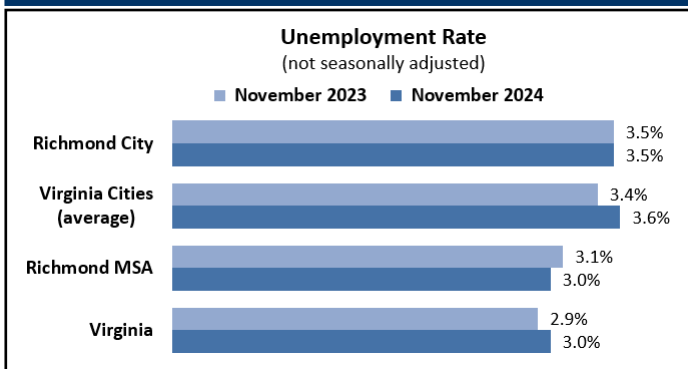
Employment (jobs) in Richmond city increased from June 2023 to June 2024 by 1.6 percent (adjusted)¹ to 166,251, as measured by the Bureau of Labor Statistics' (BLS) Quarterly Census of Employment and Wages (QCEW). Professional and business services accounted for the largest private sector employment, followed by education and health services, while state government accounted for the largest public sector employment, followed by local government.

BLS typically releases updated QCEW data six months after the end of the quarter. However, not all jobs are included in the QCEW such as, those of self-employed workers, all members of the Armed Forces, elected officials in most states, and most student workers at schools. 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, Loudoun County (2.8 percent), Prince William County (2.3 percent), and Richmond (1.6 percent), had the top 3 job growth (adjusted)¹ from June 2023 to June 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 November rose year-over-year in 74 of Virginia's 133 cities and counties, declined in 28, and was unchanged in 31. In Richmond city, the unemployment rate (not seasonally adjusted) was unchanged at 3.5 percent. The Richmond metro area's not seasonally adjusted unemployment rate fell 0.1 percentage point to 3.0 percent from 3.1 percent last year. Virginia's not seasonally adjusted unemployment rate and seasonally adjusted rate both stood at 3.0 percent in November.

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 are not published by BLS and do not match the unadjusted data published on the BLS Web site. Percent changes calculated using BLS unadjusted data may differ. For Richmond, the employment increase was 3.0 percent from June 2023 to June 2024 using unadjusted data. Also, BLS noted QCEW data reported by BLS may differ from QCEW data reported by individual states. More information is in the [QCEW Technical Note](#).

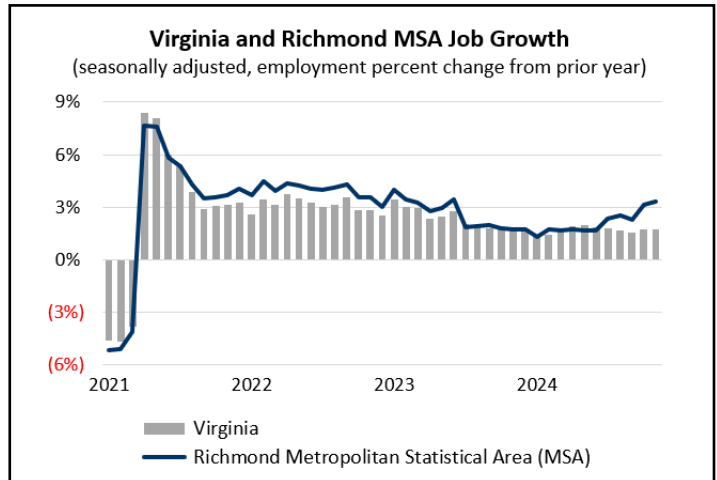
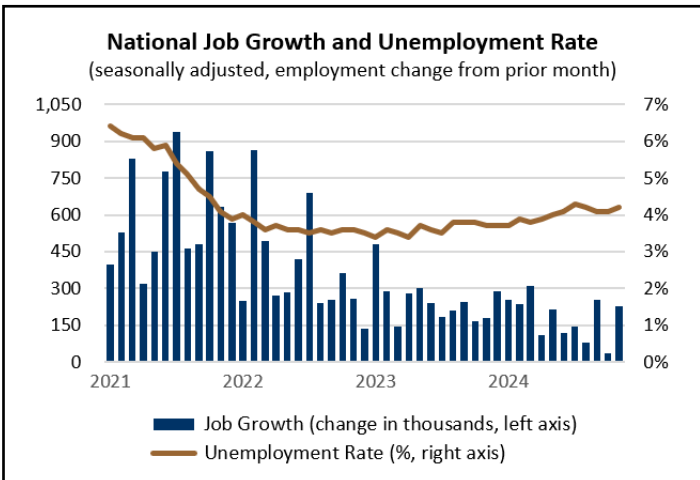
²Data do not meet Bureau of Labor Statistics or state agency disclosure or data quality standards.

National Employment (M)

The Bureau of Labor Statistics (BLS) reported the nation's nonfarm payroll employment (seasonally adjusted) grew by 227,000 in November from last month. September and October's job growth were also revised up by 32,000 and 24,000, respectively. Although the November job growth was broad-based with most major industries adding jobs, the majority were in healthcare and social assistance (72,300), leisure and hospitality (53,000), and state and local government (35,000). Year-to-date, nearly 2.0 million jobs have been added, with most of the growth also in healthcare and social assistance, leisure and hospitality, and state and local government. In November, the unemployment rate (seasonally adjusted) edged up to 4.2 percent from last month's 4.1 percent rate.

State and Regional Employment (M)

Virginia Works (VW) reported Virginia's nonfarm payroll employment (seasonally adjusted) increased by 5,300 in November from last month, while Richmond MSA saw an increase of 2,900. The monthly change in employment in October for Virginia and Richmond MSA was also revised to an increase of 1,500 and 4,200, respectively, from the previous reported decline of 3,000 and 1,700. Compared to last year, Virginia and Richmond MSA employment grew by 72,800 (1.7 percent) and 23,800 (3.3 percent), respectively. Among Virginia MSAs, Richmond MSA had the largest job growth (2,900) from last month, while Northern Virginia had the largest job growth (24,900) from last year. However, on a percentage basis, Richmond MSA saw the largest growth (3.3 percent) from last year.

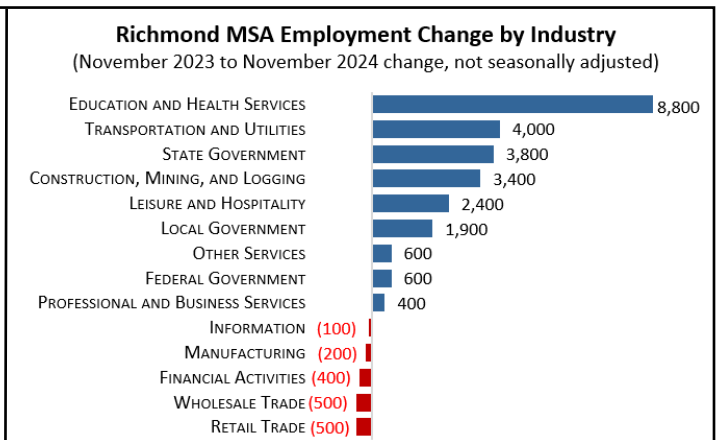
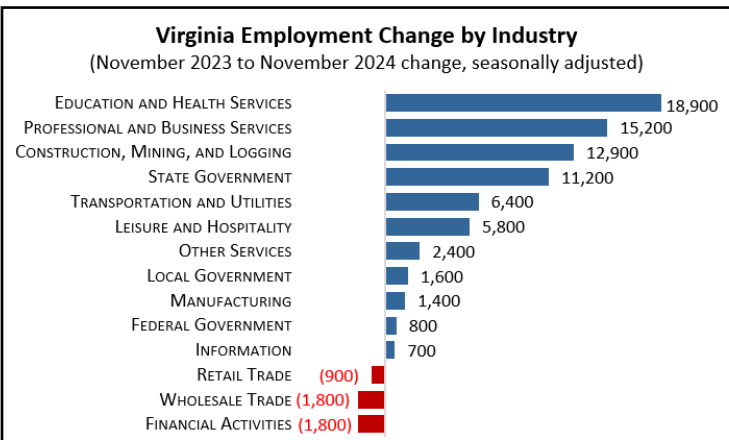


	Oct.-24 ^R	Nov.-24 ^P	Avg. YTD ^P	Total YTD ^P
National Job Growth	36,000	227,000	180,000	1,984,000
Unemployment Rate	4.1%	4.2%	4.0%	n/a

	Oct.-24 ^R	Nov.-24 ^P	Avg. YTD ^P	Total YTD ^P
Virginia	1,500	5,300	6,300	68,800
Richmond MSA	4,200	2,900	2,100	22,600

State and Regional Employment by Industry (M)

The following charts show the change in employment by industry from November 2023 to November 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.



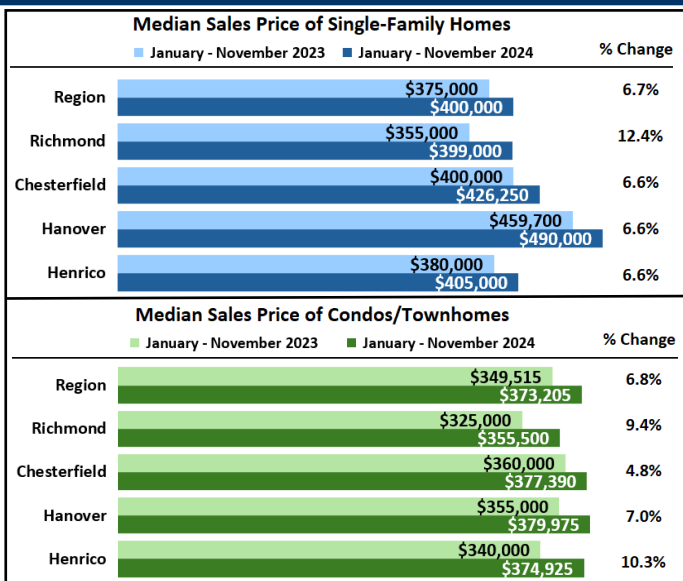
Source: Bureau of Labor Statistics and Virginia Works (Dept. of Workforce Development and Advancement)

Notes: R = Revised. P = Preliminary. 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. Amounts are rounded.

Local Housing Market (M)

Area	Closed Sales		Pending Sales		Months Supply		
	January - November		in November		in November		
	2023	2024	2023	2024	2023	2024	
SINGLE-FAMILY HOMES							
Region ¹	12,248	12,280	↑ 963	1,027	↑ 1.8	1.7	↓
Richmond	1,942	2,018	↑ 178	155	↓ 1.6	1.4	↓
Chesterfield	3,722	3,884	↑ 279	353	↑ 1.8	1.6	↓
Hanover	1,077	1,065	↓ 59	98	↑ 2.4	1.8	↓
Henrico	2,561	2,451	↓ 220	199	↓ 1.1	1.2	↑
CONDO/TOWNHOMES							
Region ¹	2,414	2,491	↑ 206	239	↑ 2.1	2.4	↑
Richmond	323	345	↑ 38	37	↓ 3.1	3.0	↓
Chesterfield	819	850	↑ 63	70	↑ 2.4	2.3	↓
Hanover	129	146	↑ 5	11	↑ 2.0	3.4	↑
Henrico	1,001	1,010	↑ 88	103	↑ 1.7	2.0	↑

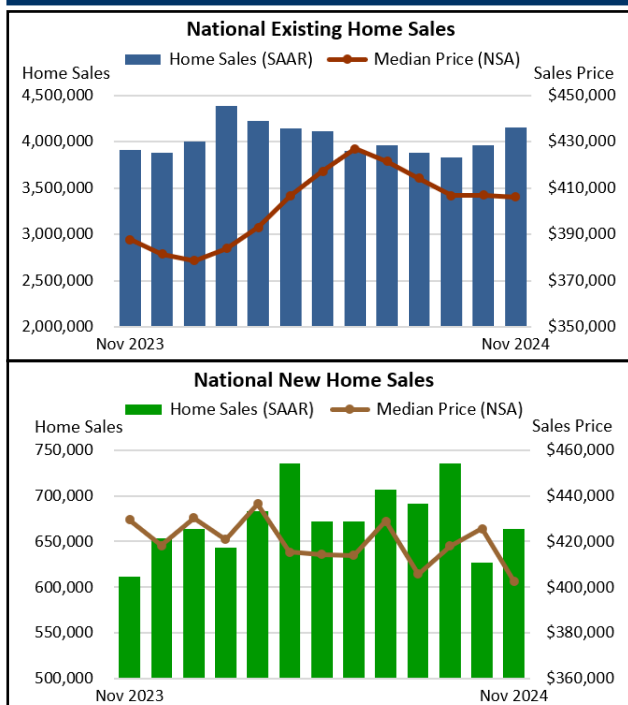


Source: Central Virginia Regional Multiple Listing Service. Note: (1) Region consists of Amelia, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King & Queen, King William, New Kent, Powhatan, and Prince George counties and Colonial Heights, Hopewell, Petersburg, and Richmond cities.

Year-to-date (YTD) through November, single-family home sales in the region were up 0.3 percent from the same period last year, while for the month of November alone, single-family home sales rose 7.5 percent from last year. This was the second straight month of year-over-year increase. In Richmond, single-family home sales were also up by 3.9 percent through November. Condo/townhome sales through November were up 3.2 percent and 6.8 percent from the same period last year in the region and in Richmond, respectively. Pending sales, a leading indicator of future sales, were mixed, as they were up for the region but were down for Richmond year-over-year in November. The inventory of single-family homes for sale in November remains tight in the region and in Richmond at a 1.7 months and 1.4 months supply, respectively, which will be a constraint for future sales.

For homes sold through November, the median sales price of single-family homes was up year-over-year by 6.7 percent in the region and 12.4 percent in Richmond, and for condo/townhomes, the median sales price was up 6.8 percent in the region and 9.4 percent in Richmond. For the month of November alone, the median sales price of single-family homes and condo/townhomes in Richmond rose year-over-year by 26.8 percent and 43.1 percent, respectively.

National Housing Market (M)



The National Association of Realtors (NAR) reported *existing* home sales (condo/townhomes included) nationwide rose for the second straight month in November by 4.8 percent from last month to a seasonally adjusted annual rate (SAAR) of 4.15 million. Compared to last year, *existing* home sales were up 6.1 percent from last year for the second straight month, which was the largest year-over-year increase since June 2021. Similarly, the Census Bureau reported *new* home sales (condos excluded) in November rose from last month and from last year by 5.9 percent and 8.7 percent, respectively, to 664,000 SAAR. The inventory of *existing* and *new* homes for sale edged up to a 3.8 and 8.9 months supply, respectively, from a 3.5 and 8.8 months supply last year.

Home sale prices (not seasonally adjusted “NSA”) were mixed. For *existing* homes, the median sales price rose 4.7 percent to \$406,100 from \$387,800 in November last year. In contrast, the median sales price of *new* homes fell 6.3 percent to \$402,600 from \$429,600 last year.

Source: National Association of Realtors and Census Bureau

Local Sales and Use Tax (M)

Sales tax revenue in Richmond for the month of October rose 2.9 percent from last year. Through October, Richmond's sales tax revenue grew by 0.7 percent from the same period last year, which was below last year's 6.5 percent growth over the same period. Sales tax revenue growth through October have also decelerated in Chesterfield and Hanover.

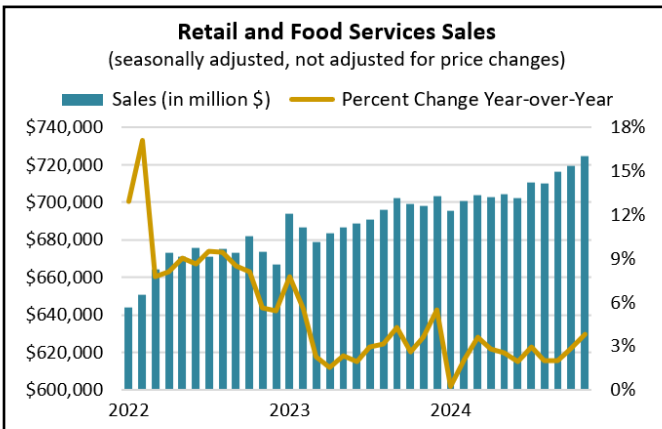
	Sales Tax YTD % Change			
	2021	2022	2023	2024
Richmond	10.1%	18.1%	6.5%	0.7%
Chesterfield	14.7%	7.4%	5.3%	3.3%
Hanover	14.8%	10.9%	5.5%	4.2%
Henrico	20.4%	7.1%	2.4%	4.2%

Sales and Use Tax Revenue Year-to-Date (YTD) through October

	January - October 2023	January - October 2024	% Change
Richmond	\$42,956,561	\$43,243,385	0.7%
Chesterfield	\$61,261,475	\$63,276,043	3.3%
Hanover	\$28,907,525	\$30,125,460	4.2%
Henrico	\$75,043,452	\$78,165,807	4.2%

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.

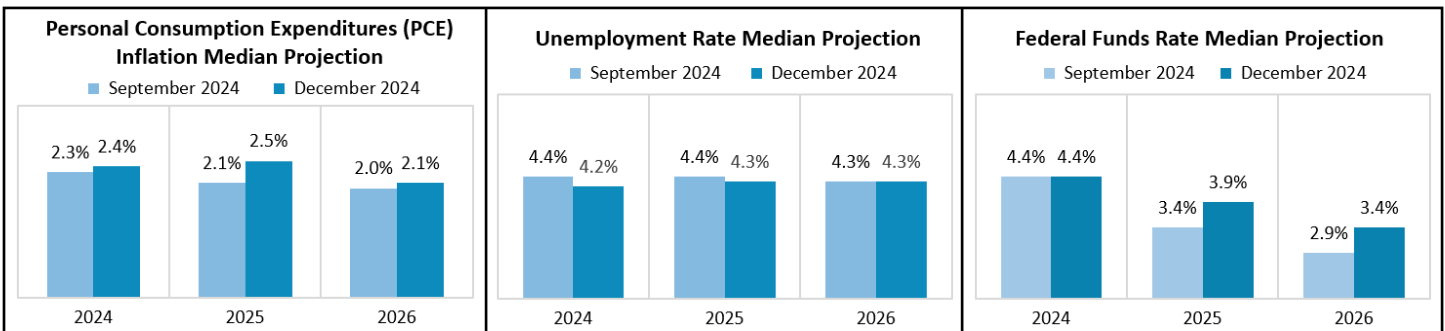
National Retail and Food Services Sales (M)



The Census Bureau reported national retail and food services sales (seasonally adjusted) rose 0.7 percent in November from October. The monthly increase was not broad-based and was largely from motor vehicle dealers and nonstore retailers (which include online retailers). The Census Bureau also revised the monthly increase in retail and food services in October to 0.5 percent from the initial estimate of 0.4 percent.

Compared to last year, retail and food services sales rose 3.8 percent. Although most major retailers saw an increase, nonstore retailers (which include online retailers) and motor vehicle sales made up nearly 75 percent of the growth.

Federal Funds Rate (M)



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

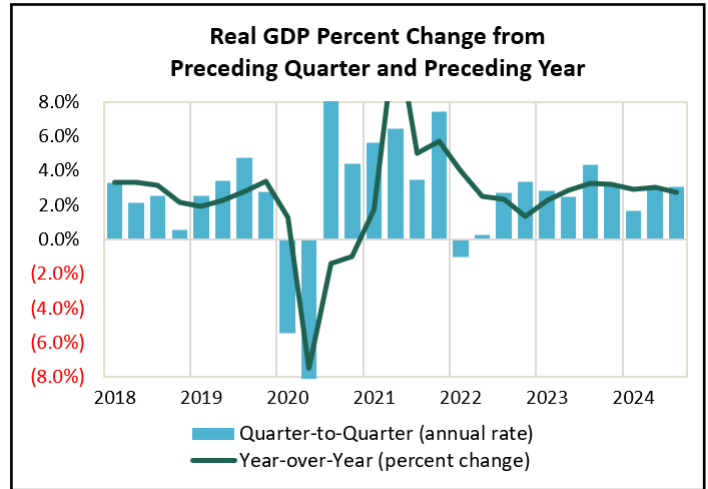
At its December meeting, the Federal Open Market Committee (FOMC) lowered the target range for the federal funds rate further by 1/4 percentage point to 4.25 to 4.50 percent from 4.50 to 4.75 percent. The target range for the federal funds rate has been reduced by a total of 1.0 percentage point since the rate cut at the September meeting. Also at the December meeting, the FOMC surveyed its members on their projection of GDP growth, unemployment rate, inflation, and where the federal funds rate would be. The FOMC members are surveyed four times each year in conjunction with its meetings in March, June, September, and December. Concurrent with the projection of inflation remaining elevated for longer and a stronger labor market in the near term than projected in September, the median projection for the federal funds rate over the next two years was higher than projected in September and suggests a more cautious pace in future rate cuts. At the press conference following the meeting, Fed Chair Powell stated, "if the economy does evolve about as anticipated, we're at a point at which it would be appropriate to slow the pace of rate cuts...we're going to be looking for further progress on inflation, as well as a strong labor market, to make those cuts".

Real Gross Domestic Product (M)

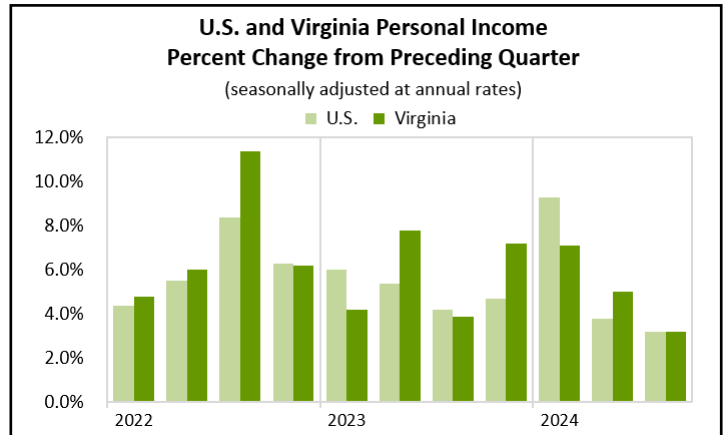
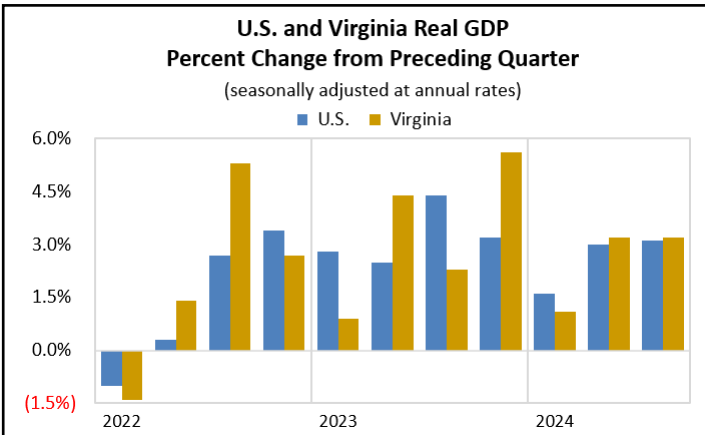
Real GDP is the value of all goods and services produced within the U.S., adjusted for inflation, and is the broadest measure of economic activity. The Bureau of Economic Analysis (BEA) reported real GDP accelerated in the third quarter of 2024 at a 3.1 percent annual rate (third estimate) from 3.0 percent in the second quarter, which was largely due to: consumer spending, business investment in equipment and intellectual property products, and federal and state and local government spending.

BEA noted that the third estimate of third quarter real GDP was based on more complete source data than were available for the second estimate. The third estimate of the increase in real GDP was higher than in the second estimate

where the increase in real GDP was 2.8 percent. BEA noted that the third estimate primarily reflected upward revisions to consumer spending and net exports that were partly offset by a downward revision to private inventory investment.

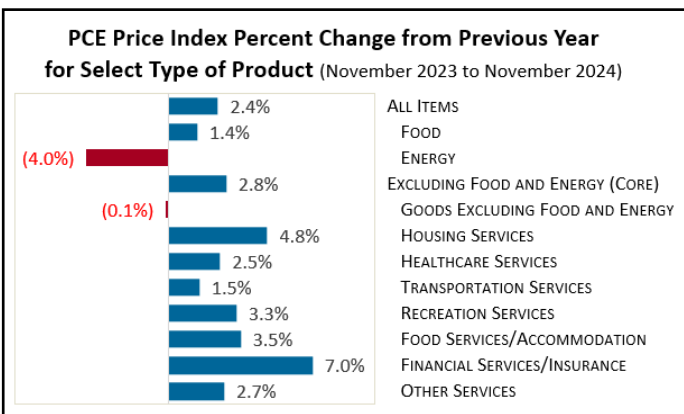


Real Gross Domestic Product by State (Q)



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 third quarter of 2024, the same pace as in the second quarter of 2024. The growth in Virginia’s real GDP has been ahead of the nation since the second quarter of 2024 and was ranked 22nd among the 50 states in the third quarter. Virginia’s personal income grew at an annual rate of 3.2 percent in the third quarter, which was below its second quarter’s increase of 5.0 percent. In the third quarter, the growth in Virginia’s personal income was the same as the nation and was ranked 23rd 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 2.4 percent in November from last year, which was above the year-over-year increase in October of 2.3 percent. In comparison, the PCE price index increased 1.5 percent in the third quarter of 2024. The core PCE price index, which excludes food and energy, rose 2.8 percent from last year, which was the same as the year-over-year increase in October, while in the third quarter, the core PCE price index rose 2.2 percent. Among the major product types, the prices for services continues to keep inflation elevated above the Fed’s 2 percent goal.