



# CITY OF RICHMOND

## ECONOMIC INDICATORS

### NOVEMBER 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.

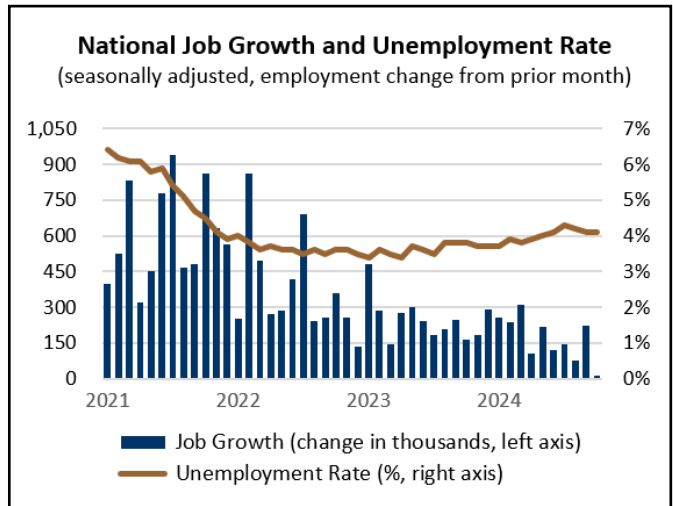
#### ISSUE HIGHLIGHTS:

- ❑ **National Employment:** Nationally, nonfarm payroll employment (jobs) seasonally adjusted grew by 12,000 in October from the previous month. (See Page 2)
- ❑ **National Economy:** In the third quarter of 2024, real GDP rose at an annual rate of 2.8 percent (second estimate). (See Page 6)
- ❑ **State and Regional Employment:** Virginia's nonfarm payroll employment (jobs) seasonally adjusted decreased by 3,000 jobs (-0.1 percent) in October from last month, while the Richmond metro area saw a decline of 1,700 jobs (-0.2 percent). Compared to last year, Virginia and Richmond metro area employment (seasonally adjusted) increased by 67,800 jobs (1.6 percent) and 16,600 jobs (2.3 percent), respectively. (See Page 2)
- ❑ **Richmond Employment:** The unemployment rate (not seasonally adjusted) in Richmond city stood at 3.5 percent in October, which was 0.2 percentage point below last year's 3.7 percent rate. The Richmond metro area's unemployment rate (not seasonally adjusted) also fell by 0.2 percentage point to 3.0 percent from last year's 3.2 percent rate. (See Page 3)
- ❑ **Regional Housing Market:** Year-to-date through October, single-family home sales in the region were down 0.4 percent from the same period last year, although for the month of October alone, single-family home sales rose 12.8 percent year-over-year after two straight months of decline. Pending sales also rose year-over-year in October. (See Page 4)
- ❑ **Richmond Housing Market:** Through October, single-family and condo/townhome sales through October were up 5.5 percent and 5.4 percent, respectively, over the same period last year. Pending sales were also up in October from last year. (See Page 4)
- ❑ **Local Sales Tax:** Through October, Richmond's sales and use tax revenue rose 0.4 percent from the same period last year. (See Page 5)

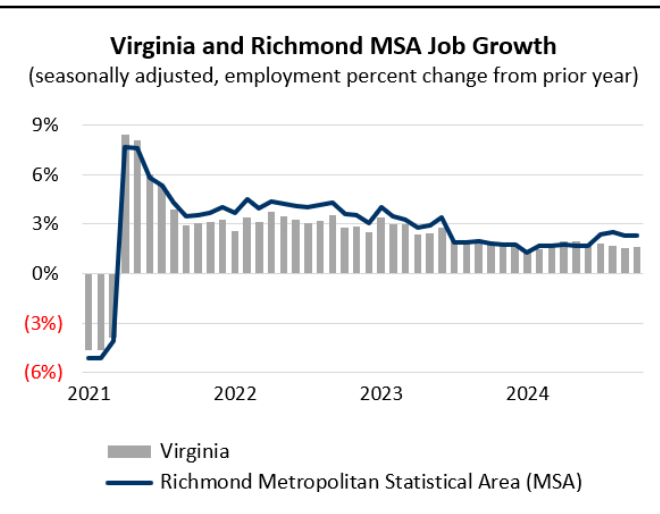
## National Employment (M)

The Bureau of Labor Statistics (BLS) reported the nation's nonfarm payroll employment (seasonally adjusted) rose in October from last month by only 12,000. BLS indicated that payroll employment estimates were likely affected by the hurricanes Helene and Milton and manufacturing employment declined due to labor strikes. BLS also revised down August and September job growth by 81,000 and 31,000, respectively. The unemployment rate (seasonally adjusted) was unchanged from the prior month at 4.1 percent, but continues to be above last year's 3.8 percent rate.

	Sep.-24 <sup>R</sup>	Oct.-24 <sup>P</sup>	Avg. YTD <sup>P</sup>	Total YTD <sup>P</sup>
<b>Job Growth</b>	<b>223,000</b>	<b>12,000</b>	<b>170,000</b>	<b>1,701,000</b>
<b>Unemployment Rate</b>	<b>4.1%</b>	<b>4.1%</b>	<b>4.0%</b>	<b>n/a</b>



## State and Regional Employment (M)

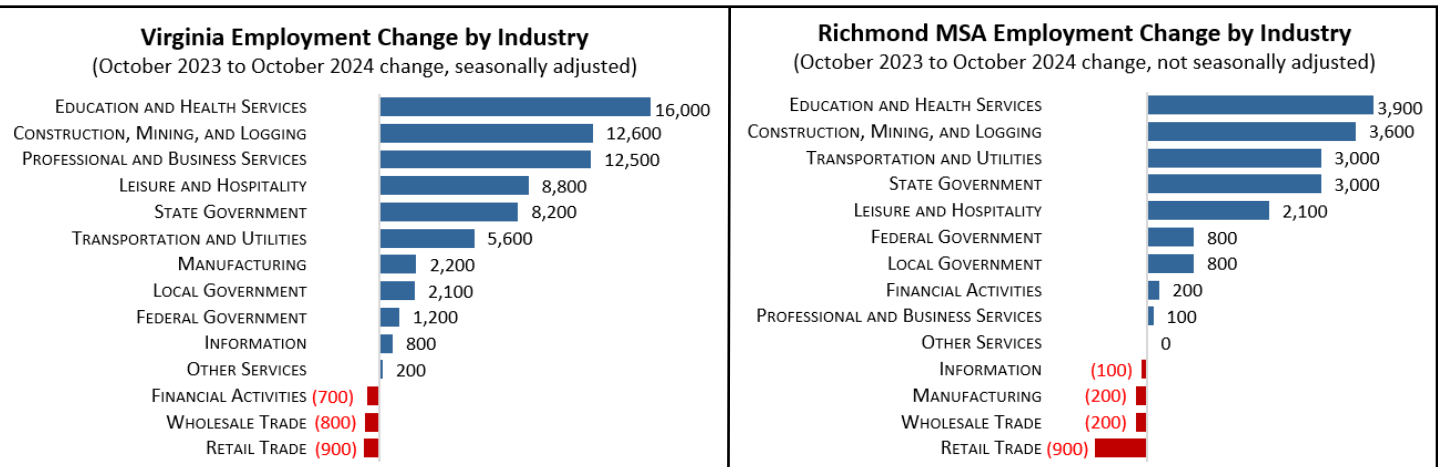


Virginia Works (VW) reported Virginia's nonfarm payroll employment (seasonally adjusted) fell by 3,000 (-0.1 percent) in October from last month. Richmond MSA also saw a decline of 1,700 jobs (-0.2 percent) from last month, the first monthly decline since October 2023. Compared to last year, Virginia and Richmond MSA employment grew by 1.6 percent and 2.3 percent, respectively. Among Virginia MSAs, Northern Virginia MSA saw the largest job growth from both last month (3,500 jobs) and last year (26,300 jobs). On a percent basis, Richmond MSA saw the largest job growth (2.3 percent) from last year.

Job Growth by Area	Sep.-24 <sup>R</sup>	Oct.-24 <sup>P</sup>	Avg. YTD <sup>P</sup>	Total YTD <sup>P</sup>
<b>Virginia</b>	<b>4,500</b>	<b>-3,000</b>	<b>5,900</b>	<b>59,000</b>
<b>Richmond MSA</b>	<b>400</b>	<b>-1,700</b>	<b>1,400</b>	<b>13,800</b>

## State and Regional Employment by Industry (M)

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

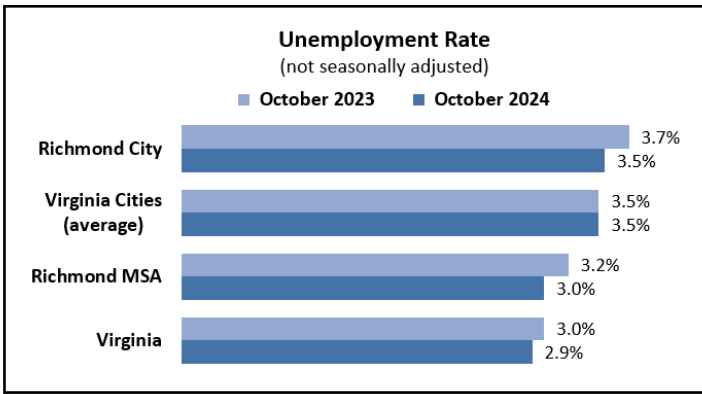


Source: Bureau of Labor Statistics and Virginia Works (Dept. of Workforce Development and Advancement)

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

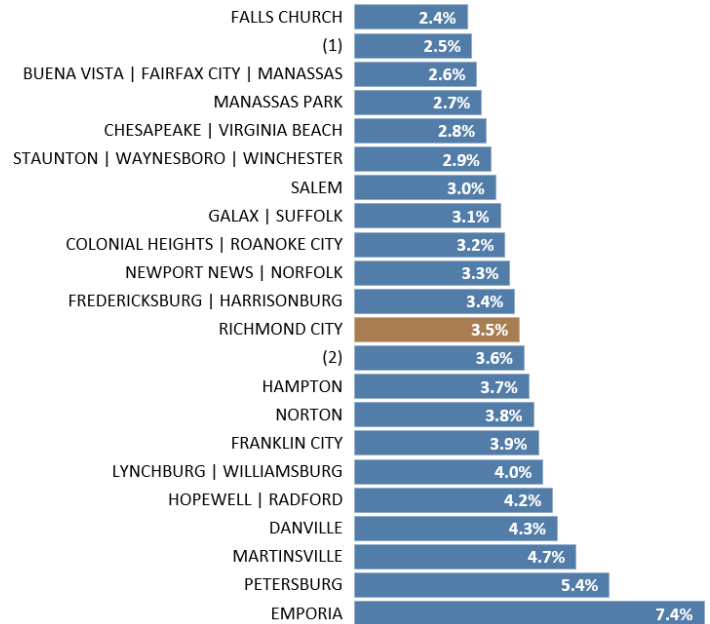
Total YTD = Total employment change year-to-date from January 2024 to current month of data.

## Local Unemployment Rate (M)



Virginia Works (VW) reported the unemployment rate (not seasonally adjusted) in October rose year-over-year in 30 of Virginia’s 133 cities and counties, declined in 78, and was unchanged in 25. In Richmond city, the unemployment rate (*not* seasonally adjusted) fell by 0.2 percentage point from last year to 3.5 percent. For the Richmond metro area (MSA), the *not* seasonally adjusted unemployment rate also fell by 0.2 percentage point to 3.2 percent from 3.0 percent last year, while Virginia saw a 0.1 percentage point decline in both its seasonally and *not* seasonally adjusted unemployment rate.

## Unemployment Rate of Virginia Cities (October 2024, not seasonally adjusted)



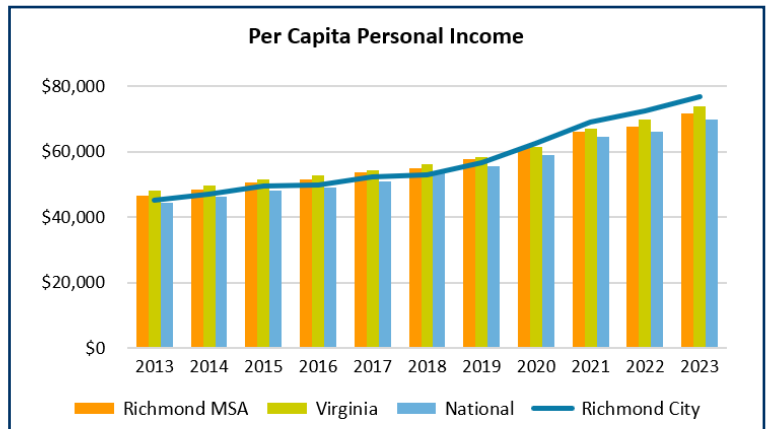
(1): Alexandria, Charlottesville, and Poquoson  
 (2): Bristol, Covington, Lexington, and Portsmouth

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

## Richmond Personal Income (A)

	2022-2023 Change (%)	10-Year Average Annual Change (%)*
Richmond MSA	6.8%	5.4%
Richmond City	6.5%	6.2%
Virginia	6.4%	4.9%
Nation	5.9%	5.2%

Note: \*Represents the compound annual growth rate (CAGR) from 2013 to 2023.

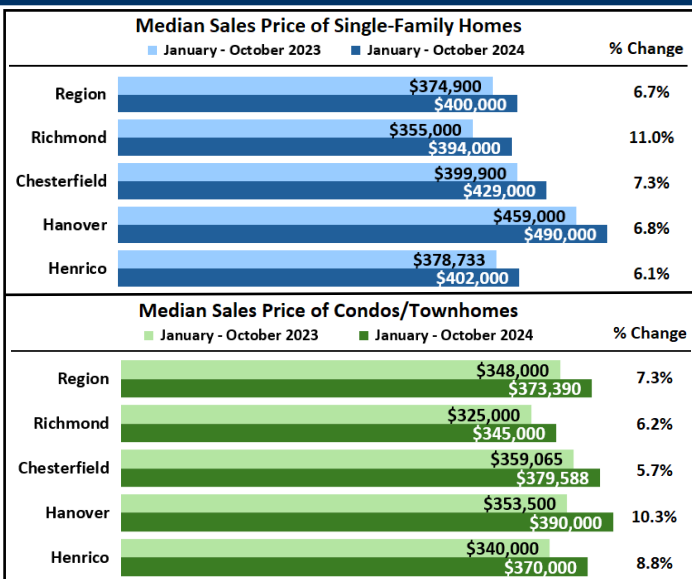


The Bureau of Economic Analysis (BEA) recently released the 2023 personal income estimates by county and metropolitan areas. In addition, estimates of personal income by county and metropolitan areas from 2019 to 2022 were also revised. BEA reported that in 2023, personal income (not adjusted for inflation), increased in 2,814 counties, decreased in 295, and was unchanged in five counties. For Richmond city, personal income rose 6.5 percent in 2023, which exceeded Virginia and the nation’s growth. Personal income represents the income received by or on behalf of the persons residing in the area and includes: net earnings by place of residence<sup>1</sup>; dividends, interest, and rent; and personal current transfer receipts received by residents<sup>2</sup>. On a per capita basis, Richmond city’s per capita personal income generally exceeded that of the nation historically (except in 2018). Since 2020, Richmond city’s per capita personal income consistently exceeded that of Virginia and the Richmond metro area (MSA).

Source: Bureau of Economic Analysis. Notes: <sup>1</sup>Net earnings by place of residence consists of earnings by place of work less contributions for government social insurance plus the adjustment for residence. <sup>2</sup>Personal current transfer receipts consists of receipts of persons from government and business for which no current services are performed. Current transfer receipts from government include Social Security benefits, medical benefits, veterans' benefits, and unemployment insurance benefits. Current transfer receipts from business include liability payments for personal injury and corporate gifts to nonprofit institutions.

## Local Housing Market (M)

Area	Closed Sales		Pending Sales		Months Supply				
	January - October		in October		in October				
	2023	2024	2023	2024	2023	2024			
<b>SINGLE-FAMILY HOMES</b>									
Region <sup>1</sup>	11,289	11,242	↓	1,013	1,203	↑	1.9	1.8	↓
<b>Richmond</b>	<b>1,769</b>	<b>1,866</b>	↑	<b>191</b>	<b>204</b>	↑	<b>1.7</b>	<b>1.5</b>	↓
Chesterfield	3,437	3,557	↑	298	369	↑	1.9	1.9	—
Hanover	988	962	↓	84	123	↑	2.5	2.3	↓
Henrico	2,347	2,230	↓	222	244	↑	1.3	1.3	—
<b>CONDO/TOWNHOMES</b>									
Region <sup>1</sup>	2,226	2,267	↑	196	229	↑	2.2	2.5	↑
<b>Richmond</b>	<b>298</b>	<b>314</b>	↑	<b>27</b>	<b>35</b>	↑	<b>3.1</b>	<b>3.6</b>	↑
Chesterfield	749	782	↑	69	72	↑	2.5	1.9	↓
Hanover	120	129	↑	6	16	↑	1.7	3.2	↑
Henrico	931	914	↓	85	90	↑	1.7	2.4	↑

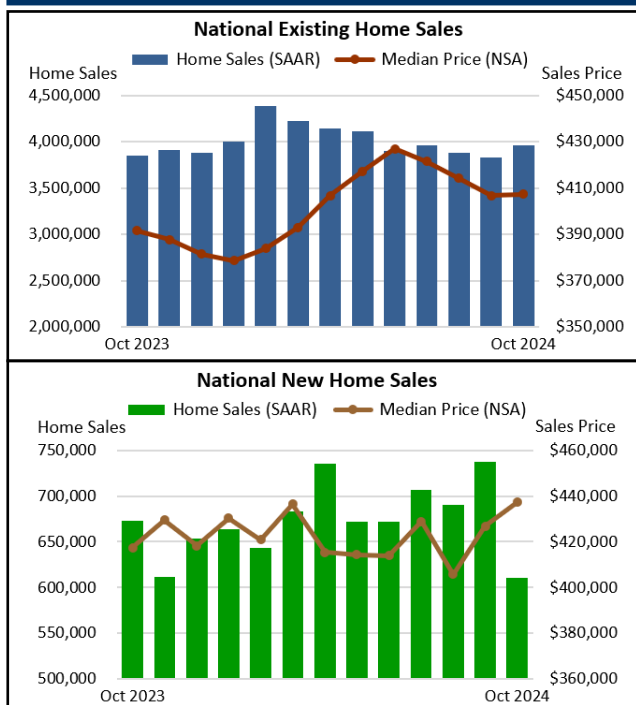


Source: Central Virginia Regional Multiple Listing Service. Note: (1) Region consists of Amelia, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King & Queen, King William, New Kent, Powhatan, and Prince George counties and Colonial Heights, Hopewell, Petersburg, and Richmond cities.

Year-to-date through October, single-family home sales in the region were down 0.4 percent from the same period last year, although for the month of October alone, single-family home sales rose 12.8 percent year-over-year after two straight months of decline. Condo/townhome sales in the region YTD through October were up 1.8 percent from the same period last year. For Richmond, single-family and condo/townhome sales through October were up 5.5 percent and 5.4 percent, respectively, over the same period last year. Moreover, the region and Richmond's pending sales of single-family homes and condo/townhomes, a leading indicator of future sales, were both up year-over-year in October. However, the inventory of single-family homes fell in October both in Richmond and in the region to a 1.5 months and 1.8 months supply, respectively, from a 1.7 and 1.9 months supply, a constraint for future sales.

For homes sold through October, the median sales price for single-family homes was up year-over-year by 6.7 percent in the region and 11.0 percent in Richmond. The median sales price of condo/townhomes also rose 7.3 percent in the region and 6.2 percent in Richmond over the same period last year. For the month of October alone, the median sales price of single-family homes and condo/townhomes both rose year-over-year in the region and in Richmond.

## National Housing Market (M)



The National Association of Realtors (NAR) reported *existing* home sales (condo/townhomes included) nationwide rose 3.4 percent in October from last month to a seasonally adjusted annual rate (SAAR) of 3,960,000, after two straight months of decline. Compared to last year, *existing* home sales were up 2.9 percent from last year, the first year-over-year increase since July 2021. In contrast, the Census Bureau reported *new* home sales (condos excluded) in October fell from last month and last year by 17.3 percent and 9.4 percent, respectively to 610,000 SAAR. However, the inventory of *existing* and *new* homes for sale both rose to a 4.2 and 9.5 months supply, respectively, from a 3.6 and 7.9 months supply last year.

Home sale prices (not seasonally adjusted "NSA") both rose. For *existing* homes, the median sales price rose 4.0 percent to \$407,200 from \$391,600 in October last year, while the median sales price of *new* homes rose to \$437,300, which was 4.7 percent above last year's median sales price of \$417,500.

Source: National Association of Realtors and Census Bureau

## Local Sales and Use Tax (M)

Sales tax revenue in Richmond for the month of September fell 3.9 percent from last year. Hanover also saw a decrease in September from last year, while Chesterfield and Henrico saw an increase. Year-to-date through September, Richmond's sales tax revenue was up by 0.4 percent from the same period last year.

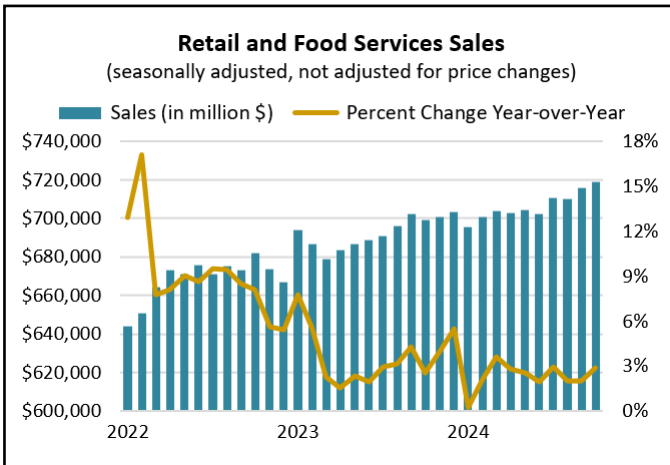
	Sales and Use Tax YTD % Change			
	2021	2022	2023	2024
<b>Richmond</b>	9.8%	18.9%	6.3%	0.4%
<b>Chesterfield</b>	14.2%	8.5%	5.0%	3.1%
<b>Hanover</b>	14.0%	11.6%	6.1%	3.3%
<b>Henrico</b>	19.1%	8.7%	2.5%	3.3%

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

	January - September 2023	January - September 2024	% Change
<b>Richmond</b>	\$38,535,865	\$38,695,581	0.4%
<b>Chesterfield</b>	\$54,992,701	\$56,674,023	3.1%
<b>Hanover</b>	\$26,006,793	\$26,864,417	3.3%
<b>Henrico</b>	\$67,516,870	\$69,757,613	3.3%

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

## National Retail and Food Services Sales (M)



	Jan. - Oct. YTD % Change			
	2021	2022	2023	2024
<b>National Retail and Food Services Sales (NSA)</b>	18.9%	9.7%	3.3%	2.8%

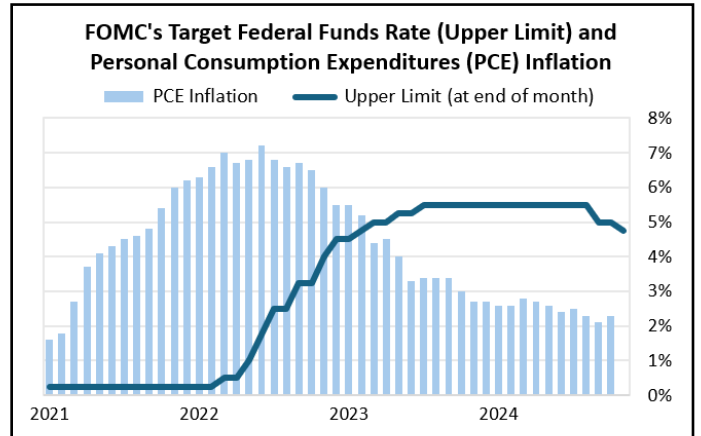
Source: Census Bureau

The Census Bureau reported national retail and food services sales (seasonally adjusted) in October rose 0.4 percent from September. Most of the monthly increase came from motor vehicle dealers. Other major business categories that saw an increase include: food services and drinking places; nonstore retailers; building materials and garden supplies dealers; gas stations; and electronics and appliances, food and beverage, and general merchandise stores. In addition, the Census Bureau revised up the monthly increase in retail and food services in September from August to a 0.8 percent increase from the initially reported 0.4 percent increase.

Compared to last year, retail and food services sales were up 2.8 percent, with the majority of the growth coming from motor vehicle dealers, nonstore retailers, and food services and drinking places. Through October, sales (not seasonally adjusted "NSA") were also up 2.8 percent, which is below last year's 3.3 percent increase over the same period.

## Federal Funds Rate (M)

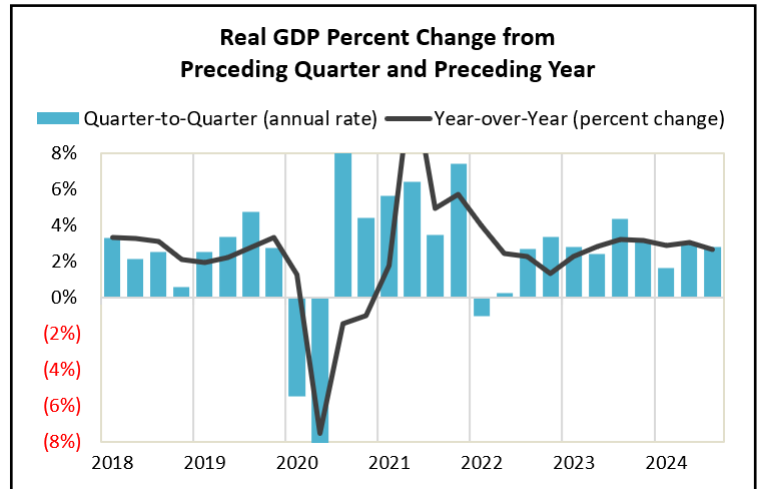
During its November meeting, the Federal Open Market Committee (FOMC) decided to lower the target range for the federal funds rate further to 4.50 to 4.75 percent from the target range of 4.75 to 5.00 percent that was set at the FOMC meeting in September. There was a unanimous vote among the FOMC members for this action, unlike the action in September which had one dissenting vote on the size of the rate cut. The November FOMC meeting minutes indicate that "all participants viewed it as appropriate to lower the target range for the federal funds rate by 25 basis points", and "participants observed that such a further recalibration of the monetary policy stance would help maintain the strength in the economy and the labor market while continuing to enable further progress on inflation". Regarding the pace of future rate cuts, the minutes indicate moving "gradually toward a more neutral policy stance over time".



Source: Federal Reserve

## Real Gross Domestic Product (M)

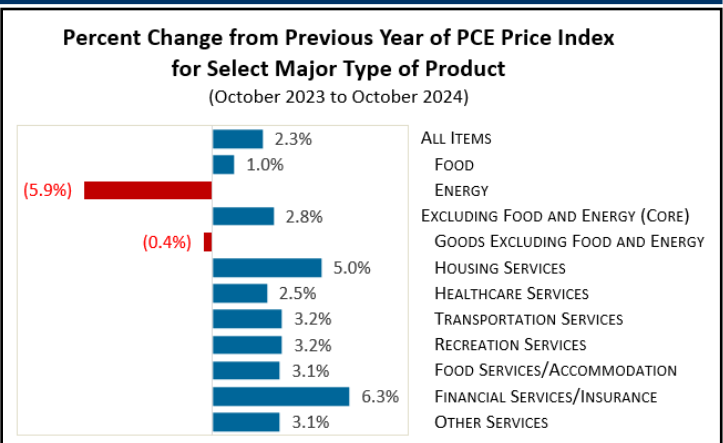
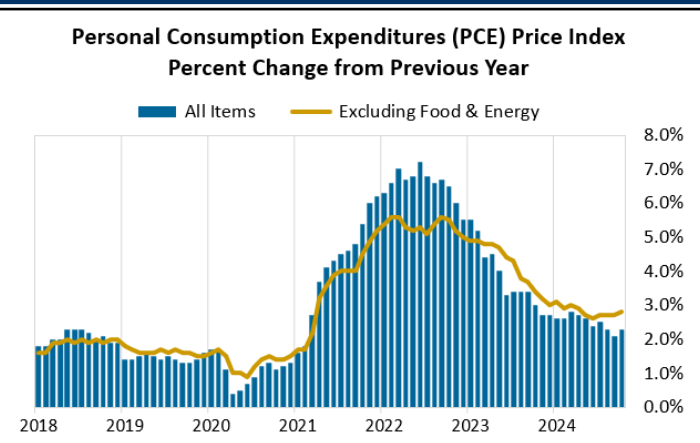
Real GDP is the value of all goods and services produced within the U.S., adjusted for inflation, and is the broadest measure of economic activity. The Bureau of Economic Analysis (BEA) reported real GDP grew at an annual rate of 2.8 percent (second estimate) in the third quarter of 2024. Consumer spending increased 3.5 percent, which contributed nearly 85 percent of the third quarter real GDP growth. Federal and state and local government spending and business investment in equipment and intellectual property products also contributed to the growth. Compared to the same quarter last year, real GDP grew 2.7 percent (second estimate). BEA noted that the second estimate of real GDP growth in the third quarter was the same as the advance estimate and was based on more complete source data than were available for the advance estimate. The second estimate largely reflected upward revisions to business investment in intellectual property products and inventory and downward revisions to consumer spending, business investment in structures and equipment, and net exports.



Real GDP decelerated in the third quarter from the second quarter's 3.0 percent growth. Real GDP growth was lower in the third quarter largely due to the following:

- **Business investment in structures** contracted in the third quarter, decreasing by 4.7 percent (revised down from the advance estimate of 4.0 percent decline), compared to the increase of 0.2 percent in the second quarter of 2024, respectively. This was the first decline since the fourth quarter of 2021.
- **Business (nonfarm) investment in inventory** fell by \$9 billion (revised up from the advance estimate of a \$12.8 billion decline) after increasing \$47.7 billion in the second quarter.
- **Residential investment** decelerated further, falling at an annual rate of 5.0 percent (revised up from the advance estimate of a 5.1 percent decline), compared to the 2.8 percent decline in the second quarter of 2024, respectively.

## Personal Consumption Expenditures (PCE) Inflation (M)



BEA reported the PCE price index, the Federal Reserve's (Fed) preferred measure of inflation grew faster in October, rising 2.3 percent in October from last year, which was above the 2.1 percent increase year-over-year in September. Similarly, the core PCE price index, which excludes food and energy, rose 2.8 percent from last year, after increasing by 2.7 percent year-over-year in the prior three months. Among the major product types, goods prices continued to decline year-over-year in October, while the price of services rose 3.9 percent year-over-year which has kept inflation elevated. For the third quarter of 2024, the PCE price index increased at a 1.5 percent annual rate below the 2.5 percent rate in the previous quarter, while the core PCE price index rose at a 2.1 percent annual rate (revised down from the advance estimate by 0.1 percentage point) which was also below the second quarter's 2.8 percent rate.