



# CITY OF RICHMOND

## ECONOMIC INDICATORS

### JANUARY/FEBRUARY 2025

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 143,000 in January from the previous month. (See Page 2)
- ❑ **National Economy:** In the fourth quarter of 2024, real GDP rose at an annual rate of 2.3 percent (advance estimate). In 2024, real GDP rose 2.8 percent from 2023, which was slightly below the 2.9 percent annual growth in 2023 from 2022. (See Page 6)
- ❑ **State and Regional Employment:** Virginia's nonfarm payroll employment (jobs) seasonally adjusted increased by 4,900 (0.1 percent) in December from last month, while the Richmond metro area saw an increase of 900 jobs (0.1 percent). (See Page 3)
- ❑ **Richmond Employment:** The unemployment rate (not seasonally adjusted) in Richmond city stood at 3.1 percent in December, which was 0.2 percentage point below last year's rate of 3.3 percent. The Richmond metro area's unemployment rate (not seasonally adjusted) also fell 0.2 percentage point to 2.7 percent from last year's 2.9 percent rate. (See Page 3)
- ❑ **Regional Housing Market:** In 2024, single-family home sales in the region rose 0.6 percent from last year, while condo/townhome sales rose 4.0 percent. The median sales price of single-family homes and condo/townhomes sold in 2024 both rose 6.9 percent to \$401,000 and \$374,000, respectively, from \$375,000 and \$350,000 in 2023. (See Page 4)
- ❑ **Richmond Housing Market:** In 2024, single-family home and condo/townhome sales rose 2.8 percent and 6.5 percent, respectively, from last year. The median sales price of single-family homes and condo/townhomes sold in 2024 rose 12.4 percent and 10.8 percent to \$399,000 and \$360,000, respectively, from \$355,000 and \$325,000 in 2023. (See Page 4)
- ❑ **Local Sales Tax:** In calendar year 2024, Richmond's sales and use tax revenue rose 1.8 percent from calendar year 2023. (See Page 5)

## National Employment (M)

	Dec.-24 <sup>R</sup>	Jan.-25 <sup>P</sup>	2024 Avg. <sup>R</sup>	2024 Total <sup>R</sup>
<b>Job Growth</b>	<b>307,000</b>	<b>143,000</b>	<b>166,000</b>	<b>1,996,000</b>
<b>Unemployment Rate</b>	<b>4.1%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>n/a</b>

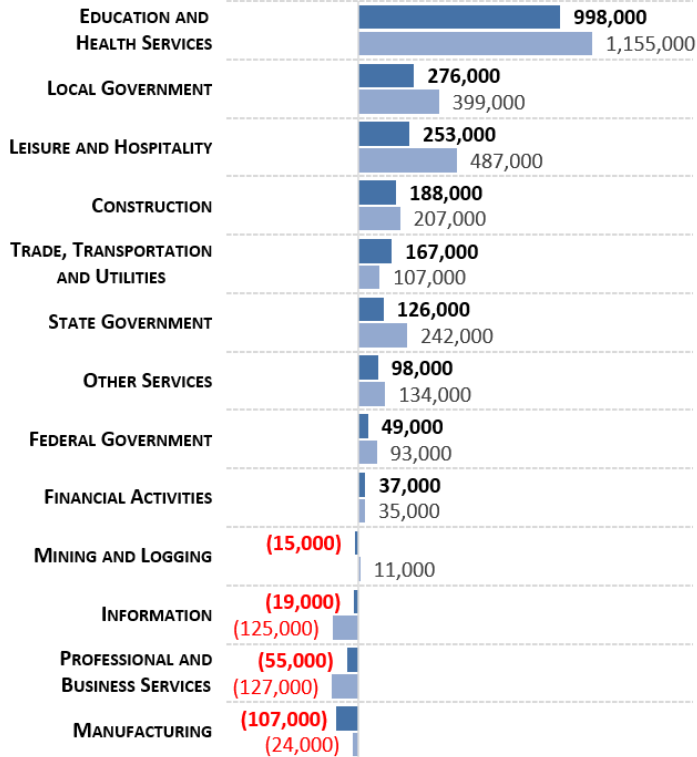
The Bureau of Labor Statistics (BLS) reported the nation's nonfarm payroll employment (seasonally adjusted) increased by 143,000 in January from last month. BLS indicated the wildfires in Southern California and severe winter weather had no discernable impact on the January employment report. BLS also reported November and December job growth were revised up by 49,000 and 51,000 jobs, respectively, to 261,000 and 307,000 jobs. In January, the unemployment rate (seasonally adjusted) edged down from the previous month's rate of 4.1 percent to 4.0 percent, which was the lowest unemployment rate since May 2024.

For all of 2024, the nation added nearly 2.0 million jobs, which was below the approximately 2.6 million jobs (revised) added in 2023. Education and health services (998,000 jobs) led the job growth in 2024, with healthcare and social services (924,000) contributing the majority of that industry's growth. This was followed by job growth in local government (276,000), leisure and hospitality (253,000), and construction (188,000). Job growth moderated in these sectors, while job losses in information, professional and business services, and manufacturing continued in 2024. These figures all reflect BLS' annual revision as a result of the annual benchmark process and update of seasonal adjustment factors. December 2024 figures are subject to revision in next month's employment report.

### National Employment Change by Industry

(seasonally adjusted, sorted by 2024)

■ Jan-Dec 2024 ■ Jan-Dec 2023

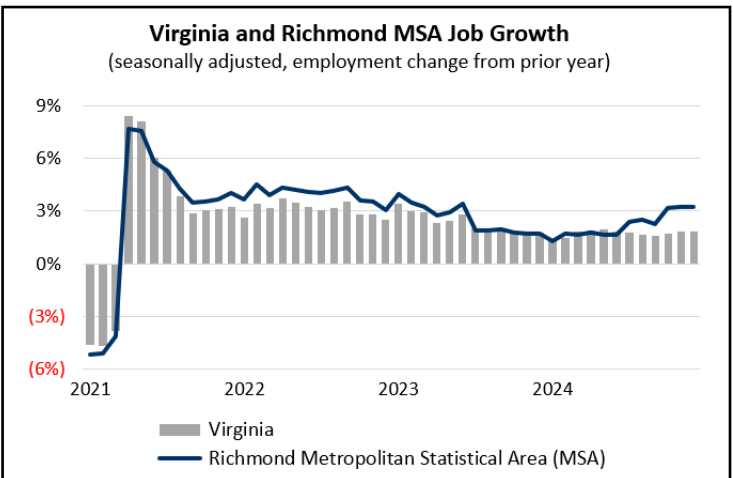


## State and Regional Employment (M)

Virginia Works (VW) reported Virginia's nonfarm payroll employment (seasonally adjusted) increased by 4,900 (0.1 percent) in December from last month. Richmond MSA also saw an increase of 900 jobs (0.1 percent) in December from last month. Compared to last year, employment in Virginia and Richmond MSA grew by 1.8 percent and 3.2 percent, respectively.

Among Virginia MSAs, Northern Virginia MSA saw the largest job growth from last month (2,700), followed by Richmond MSA (900). Northern Virginia MSA also led the job growth from last year (25,900), followed by Richmond MSA (23,000). These state and regional employment figures are preliminary and will be revised in March with the release of the January 2025 employment report to reflect BLS' annual benchmark process and update of seasonal adjustment factors.

Job Growth by Area	Nov.-24 <sup>R</sup>	Dec.-24 <sup>P</sup>	Avg. YTD <sup>P</sup>	Total YTD <sup>P</sup>
<b>Virginia</b>	<b>8,500</b>	<b>4,900</b>	<b>6,400</b>	<b>76,900</b>
<b>Richmond MSA</b>	<b>2,400</b>	<b>900</b>	<b>1,900</b>	<b>23,000</b>



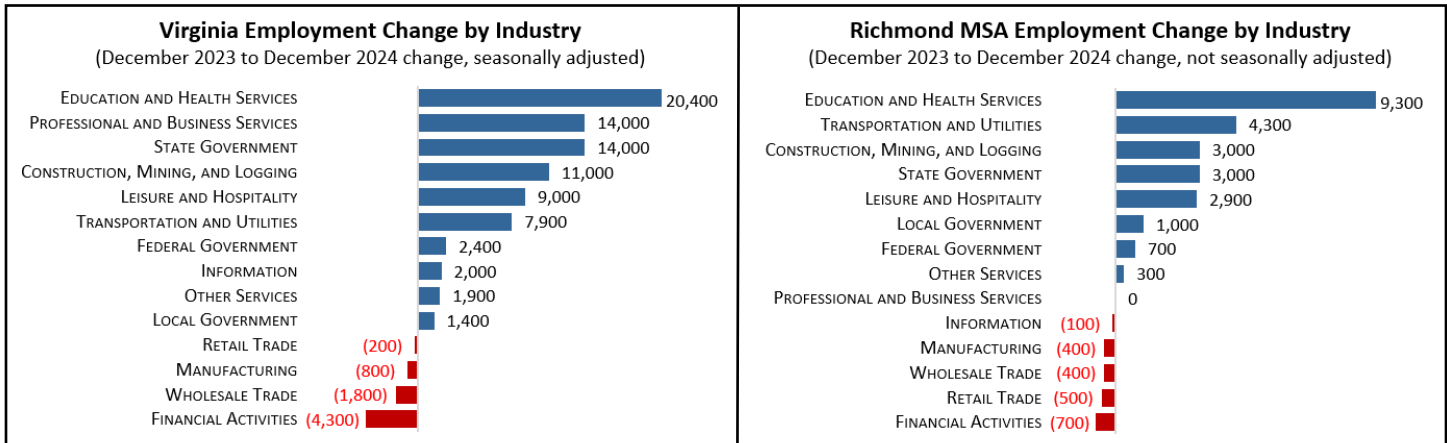
Source: Bureau of Labor Statistics and Virginia Works (Dept. of Workforce Development and Advancement)

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

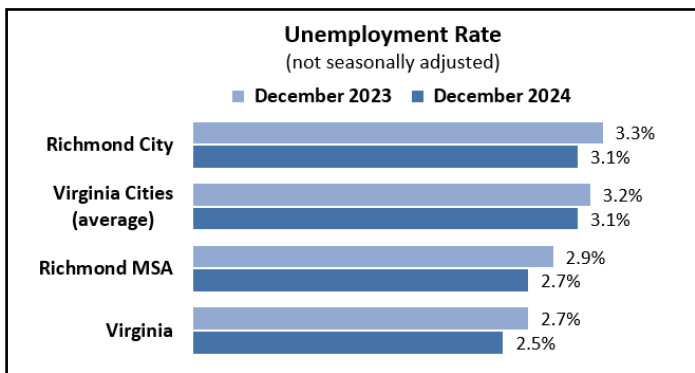
Total YTD = Total employment change year-to-date from January 2024 to current month of data. Amounts are rounded.

## State and Regional Employment by Industry (M)

The following charts show the change in employment by industry from December 2023 to December 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. These state and regional employment figures are preliminary and will be revised in March with the release of the January 2025 employment report to reflect the BLS annual benchmark process and update of seasonal adjustment factors.



## Local Unemployment Rate (M)

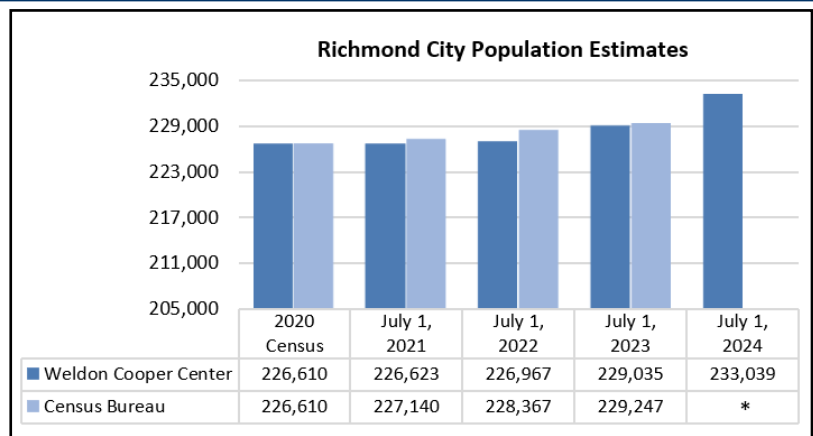


Virginia Works (VW) reported the unemployment rate (not seasonally adjusted) in December rose year-over-year in 15 of Virginia's 133 cities and counties, declined in 94, and was unchanged in 24. For Richmond city and Richmond MSA, the unemployment rate fell 0.2 percentage point to 3.1 percent and 2.7 percent, respectively, from 3.3 percent and 2.9 percent last year. For Virginia, the *not seasonally adjusted* unemployment rate also fell 0.2 percentage point, while the *seasonally adjusted* rate remained unchanged at 3.0 percent.

## Weldon Cooper Center Population Estimates (A)

The Weldon Cooper Center recently reported population estimates as of July 1, 2024 for all Virginia cities and counties. Their July 1, 2024 estimate indicates Richmond's population has increased by 2.8 percent or 6,429 since the 2020 Census. Approximately 53 percent of the increase or 3,414 was estimated to come from net migration (more moving in than moving out) and 47 percent or 3,015 comes from a natural increase in the population (more births than deaths).

The Census Bureau also produces an annual intercensal population estimate. The July 1, 2024 population estimates are scheduled to be released in March 2025 for counties and May 2025 for cities and towns.

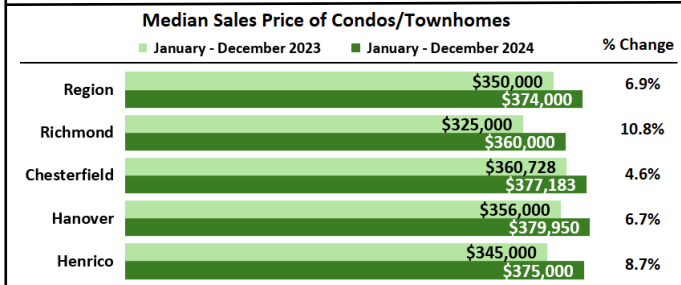
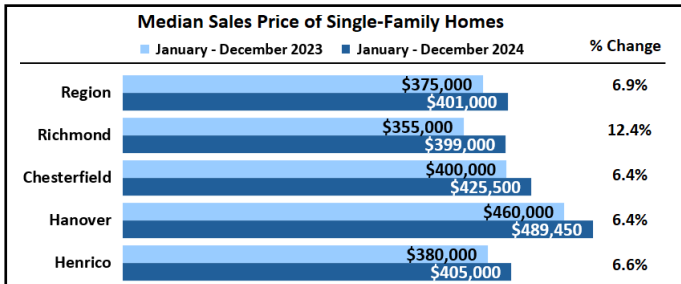


Change	% Change	Births minus Deaths	Net Migration
6,429	2.8%	3,015	3,414

Source: Bureau of Labor Statistics, Virginia Works (Dept. of Workforce Development and Advancement), University of Virginia Weldon Cooper Center for Public Service, and Census Bureau. Weldon Cooper Center population estimates retrieved from <https://coopercenter.org/virginia-population-estimates>. Census Bureau population estimates retrieved from <https://www.census.gov/data/tables/time-series/demo/popest/2020s-total-cities-and-towns.html>. Note: \*2024 population estimates for counties and cities will be released in March 2025 and May 2025, respectively.

## Local Housing Market (M)

Area	Closed Sales		Pending Sales		Months Supply				
	January - December		in December		in December				
	2023	2024	2023	2024	2023	2024			
<b>SINGLE-FAMILY HOMES</b>									
Region <sup>1</sup>	13,320	13,398	↑	708	798	↑	1.6	1.4	↓
<b>Richmond</b>	<b>2,137</b>	<b>2,196</b>	<b>↑</b>	<b>115</b>	<b>105</b>	<b>↓</b>	<b>1.3</b>	<b>1.3</b>	<b>—</b>
Chesterfield	4,040	4,256	↑	205	269	↑	1.5	1.3	↓
Hanover	1,155	1,181	↑	55	77	↑	2.2	1.2	↓
Henrico	2,792	2,663	↓	146	157	↑	0.9	0.9	—
<b>CONDO/TOWNHOMES</b>									
Region <sup>1</sup>	2,650	2,755	↑	142	178	↑	1.8	2.2	↑
<b>Richmond</b>	<b>354</b>	<b>377</b>	<b>↑</b>	<b>19</b>	<b>19</b>	<b>—</b>	<b>2.0</b>	<b>2.4</b>	<b>↑</b>
Chesterfield	900	924	↑	42	51	↑	2.2	2.4	↑
Hanover	138	161	↑	4	9	↑	1.4	3.2	↑
Henrico	1,102	1,137	↑	75	86	↑	1.4	1.7	↑

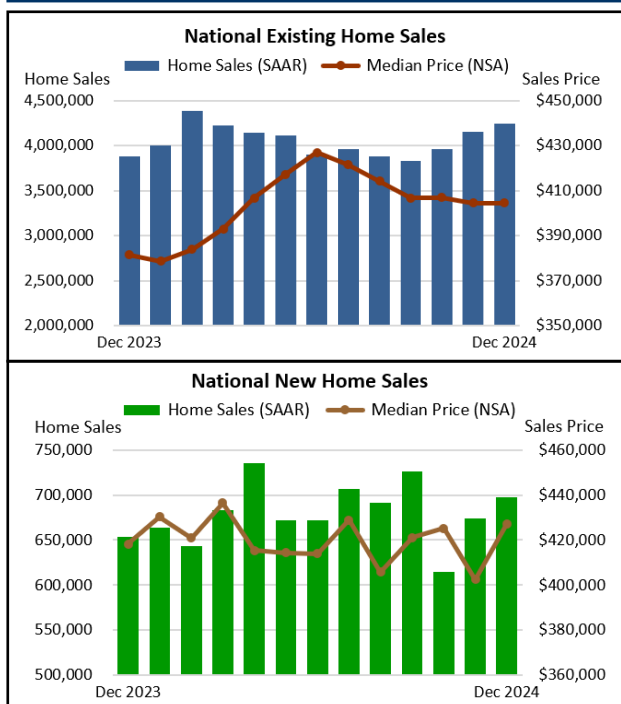


Source: Central Virginia Regional Multiple Listing Service. Note: (1) Region consists of Amelia, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King & Queen, King William, New Kent, Powhatan, and Prince George counties and Colonial Heights, Hopewell, Petersburg, and Richmond cities.

In 2024, single-family home sales in the region ended the year up 0.6 percent from 2023 driven by the growth in sales in the last quarter of the year. For the month of December alone, single-family home sales rose 4.1 percent from last year, the third straight month of year-over-year increase. In Richmond, single-family home sales also ended the year above 2023 by 2.8 percent. Condo/townhome sales in 2024 ended the year stronger, up by 4.0 percent and 6.5 percent from 2023, in the region and in Richmond, respectively. Pending sales, a leading indicator of future sales, were mixed in December and were up in the region by 12.7 percent but were down in Richmond by 8.7 percent from December of last year. The inventory of single-family homes for sale remains tight, ending the year at a 1.4 months and 1.3 months supply in the region and in Richmond, respectively, which will be a constraint for future sales in the coming months.

In 2024, the median sales price of single-family homes and condo/townhomes sold in the region both rose 6.9 percent to \$401,000 and \$374,000, respectively, from \$375,000 and \$350,000. In Richmond, the median sales price of single-family homes and condo/townhomes sold in 2024 rose by 12.4 percent and 10.8 percent to \$399,000 and \$360,000, respectively, from \$355,000 and \$325,000 in 2023.

## National Housing Market (M)



The National Association of Realtors (NAR) reported *existing* home sales (condo/townhomes included) nationwide rose for the third straight month in December by 2.2 percent from last month to a seasonally adjusted annual rate (SAAR) of 4.24 million. Compared to last year, *existing* home sales were up 9.3 percent, the third straight month of year-over-increase and the largest since June 2021. The Census Bureau reported *new* home sales (condos excluded) also rose in December from last month and from last year for the second straight month by 3.6 percent and 6.7 percent, respectively, to 698,000 SAAR. The inventory of *existing* and *new* homes for sale in December rose slightly to a 3.3 and 8.5 months supply, respectively, from a 3.1 and 8.2 months supply last year.

Home sales price of *existing* and *new* homes sold (not seasonally adjusted “NSA”) both increased year-over-year in December. The median sales price of *existing* homes sold in December rose 6.0 percent to \$404,400 from \$381,400 last year, while *new* homes saw an increase of 2.1 percent to \$427,000 from \$418,300.

Source: National Association of Realtors and Census Bureau

## Local Sales and Use Tax (M)

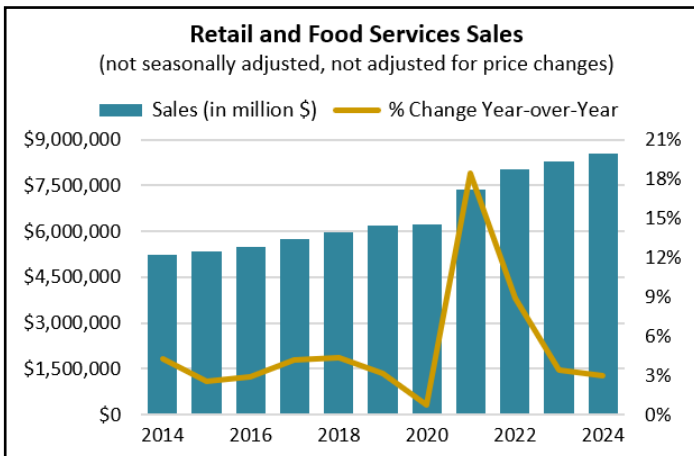
For all of 2024, Richmond’s sales tax revenue rose 1.8 percent from calendar year 2023. This was below last year’s growth of 4.7 percent from calendar year 2022. However, Richmond’s sales tax revenue in the last two months of 2024 rose faster than the year as a whole. Sales tax revenue from November to December 2024 (the holiday sales period), rose 7.2 percent from the same period last year, although some of the growth may be an adjustment. In comparison, nationally, holiday sales were up 4.1 percent from last year.

Year-Over-Year % Change in Sales Tax 12-Month Total				
	2021	2022	2023	2024
<b>Richmond</b>	11.7%	16.5%	4.7%	1.8%
<b>Chesterfield</b>	14.2%	6.6%	4.9%	3.6%
<b>Hanover</b>	14.6%	8.9%	6.6%	3.5%
<b>Henrico</b>	20.1%	9.0%	0.0%	4.1%

Sales and Use Tax Revenue 12-Month Total: January - December			
	January - December 2023	January - December 2024	% Change
<b>Richmond</b>	\$51,950,314	\$52,881,972	1.8%
<b>Chesterfield</b>	\$75,248,474	\$77,926,751	3.6%
<b>Hanover</b>	\$35,339,696	\$36,576,900	3.5%
<b>Henrico</b>	\$91,745,024	\$95,519,057	4.1%

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)



Nov. - Dec. % Change Year-Over-Year						
	2019	2020	2021	2022	2023	2024
<b>Holiday Sales*</b> (not seasonally adjusted)	3.8%	9.1%	12.3%	4.7%	3.8%	4.1%

Source: Census Bureau. Note: \*Holiday sales reflect retail sales from November to December, excluding sales from motor vehicle and parts dealers, gas stations, and restaurants and bars.

The Census Bureau reported national retail and food services sales (seasonally adjusted) rose 0.4 percent in December from November. The Census Bureau also revised the monthly increase in November to 0.8 percent from the previously reported 0.7 percent increase. Compared to last year, retail and food services sales were up 3.9 percent.

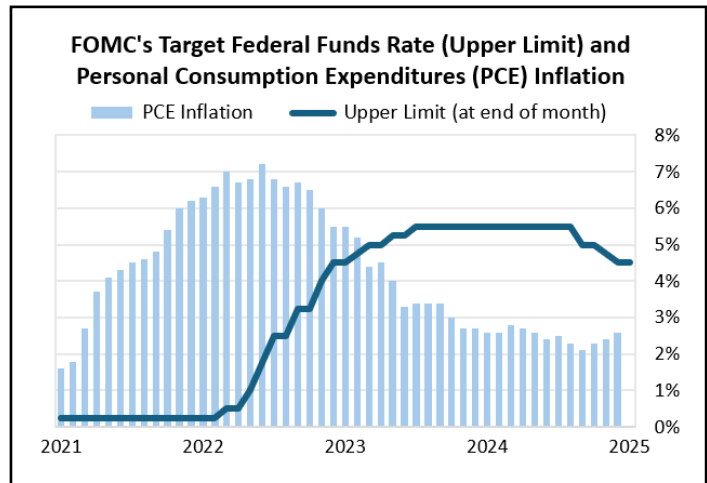
Retail sales (not seasonally adjusted) over the holiday period\* rose 4.1 percent from last year. This year’s growth was above last year’s 3.8 percent increase and was also above the National Retail Federation’s forecast of a 2.5 to 3.5 percent increase. Most major retail sectors saw an increase, although nearly 62 percent of the growth came from online sales (nonstore retailers).

For all of 2024, retail and food services sales (not seasonally adjusted) rose 3.0 percent. Over three quarters of the increase came from online sales (nonstore retailers), motor vehicle sales, and sales from food services and drinking places (restaurants and bars).

## Federal Funds Rate (M)

At its January 2025 meeting, the Federal Open Market Committee (FOMC) maintained the target range for the federal funds rate at 4.25 to 4.50 percent that was set at the December 2024 meeting, which has been reduced by a total of 1.0 percentage point since the rate cut at the September 2024 meeting. At the press conference following the FOMC meeting, Fed Chair Jerome Powell noted: “That recalibration of our policy stance was appropriate in light of the progress on inflation and the rebalancing in the labor market. With our policy stance significantly less restrictive than it had been and the economy remaining strong, we do not need to be in a hurry to adjust our policy stance.”

Source: Federal Reserve and Bureau of Economic Analysis



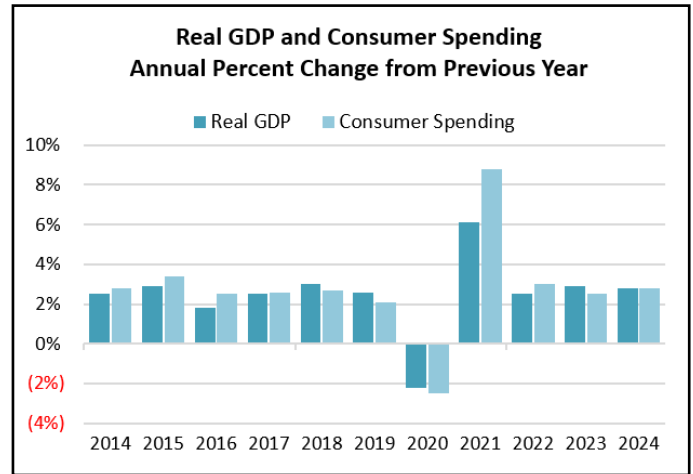
## Real Gross Domestic Product (M)

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 2.3 percent (advance estimate) in the fourth quarter of 2024. The increase was largely from consumer spending and federal and state and local government spending. Compared to the same quarter last year, real GDP rose 2.5 percent. BEA cautions that the advance estimate is based on source data that are incomplete or subject to further revision.

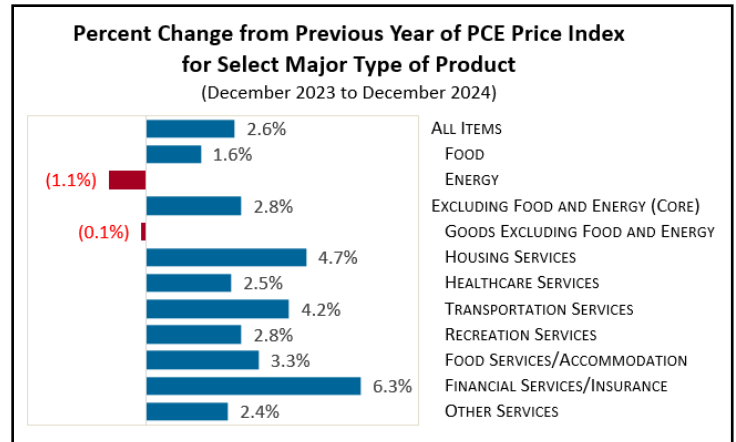
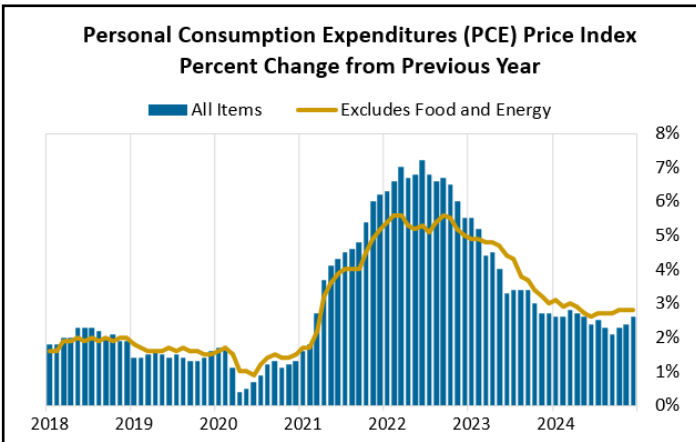
Compared to the third quarter's 3.1 percent growth, real GDP decelerated in the fourth quarter largely due to the following:

- **Business investment in equipment** contracted in the fourth quarter, decreasing by 7.8 percent compared to the 10.8 percent increase in the third quarter. This was the first decline since the third quarter of 2023.
- **Business (nonfarm) investment in inventory** decreased again, falling by \$52.4 billion after decreasing \$15.0 billion in the third quarter.
- **Federal government spending** increased 3.2 percent fourth quarter, which was below the 8.9 percent increase in the third quarter. **State and local government spending** also decelerated, increasing by 2.0 percent in the fourth quarter compared to 2.9 percent in the third quarter.

For all of 2024, real GDP, increased 2.8 percent (advance estimate) from 2023, which was slightly below the 2.9 percent annual growth in real GDP in 2023 from 2022. The annual growth in real GDP in 2024 was due to: consumer spending (which also increased 2.8 percent); business investment in structures, equipment, and intellectual property products; residential investment; and federal and state and local government spending.



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



BEA reported the PCE price index, the Federal Reserve's (Fed) preferred measure of inflation increased 2.6 percent in December from last year, the largest year-over-year increase since May 2024. The core PCE price index, which excludes food and energy, increased 2.8 percent from last year, the same increase as in the prior two months. Among the major product types, food prices rose 1.6 percent, the largest year-over-year increase since November 2023, while energy prices fell 1.1 percent. The price of services rose 3.8 percent year-over-year, which has kept inflation above 2 percent.

For the fourth quarter of 2024, the PCE price index increased at a 2.3 percent rate (advance estimate), outpacing the 1.5 percent rate in the third quarter, while the core PCE price index rose 2.5 percent (advance estimate), which was also above the third quarter's rate of 2.2 percent. For all of 2024, the PCE price index rose 2.5 percent (advance estimate) in 2024 from 2023, which was below its 3.8 percent annual increase in 2023 from 2022. The core PCE price index rose 2.8 percent (advance estimate) in 2024 from 2023, which was also below its 4.1 percent annual increase in 2023 from 2022.