



CITY OF RICHMOND

ECONOMIC INDICATORS

OCTOBER 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.

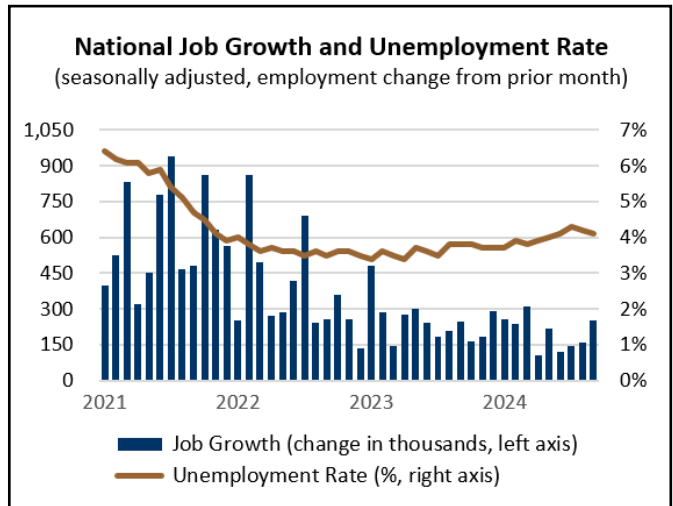
ISSUE HIGHLIGHTS:

- ❑ **National Employment:** Nationally, nonfarm payroll employment (jobs) seasonally adjusted grew by 254,000 in September from the previous month. (See Page 2)
- ❑ **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 increased by 2,100 jobs (0.0 percent) in September from last month, while the Richmond metro area saw growth of 500 jobs (0.1 percent) from last month. (See Page 3)
- ❑ **Richmond Employment:** The unemployment rate (not seasonally adjusted) in Richmond city stood at 3.7 percent in September, which was unchanged from last year's rate. The Richmond metro area's unemployment rate (not seasonally adjusted) fell by 0.1 percentage point to 3.2 percent from last year's 3.3 percent rate. (See Page 3)
- ❑ **Regional Housing Market:** Year-to-date (YTD) through September, single-family home sales in the region fell 1.8 percent from the same period last year, while condo/townhome sales were up 2.3 percent over the same period. However, pending sales, a leading indicator of future sales, were up for the month of September from last year for both single-family homes and condo/townhomes. (See Page 4)
- ❑ **Richmond Housing Market:** Through September, sales of single-family homes and condo/townhomes in Richmond were up 4.9 percent and 6.9 percent, respectively, from the same period last year. Pending sales also rose in September from last year. (See Page 4)
- ❑ **Local Sales Tax:** Through August, Richmond's sales and use tax revenue grew by 1.0 percent from the same period last year. (See Page 5)

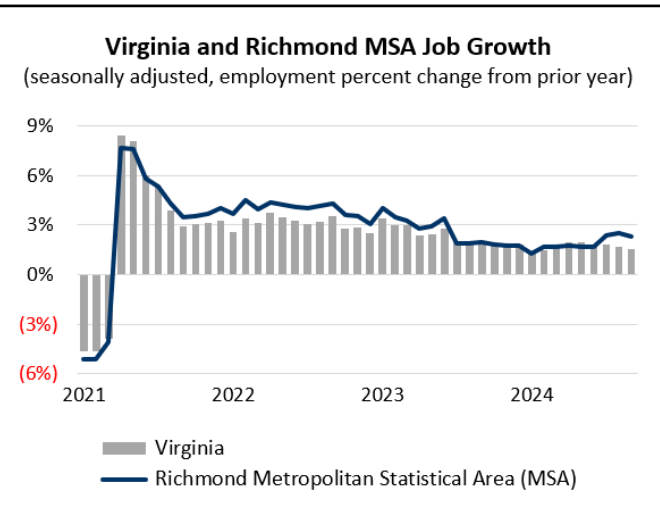
National Employment (M)

The Bureau of Labor Statistics (BLS) reported the nation's nonfarm payroll employment (seasonally adjusted) rose in September from last month by 254,000, the largest increase since March. Most of the growth was in leisure and hospitality, healthcare and social assistance, state and local government, construction, and retail trade. BLS also revised up July and August job growth by 55,000 and 17,000, respectively. The unemployment rate (seasonally adjusted) edged down for the second straight month from 4.2 percent last month to 4.1 percent, but continues to be above last year's 3.8 percent rate.

	Aug.-24 ^R	Sep.-24 ^P	Avg. YTD ^P	Total YTD ^P
Job Growth	159,000	254,000	200,000	1,801,000
Unemployment Rate	4.2%	4.1%	4.0%	n/a



State and Regional Employment (M)

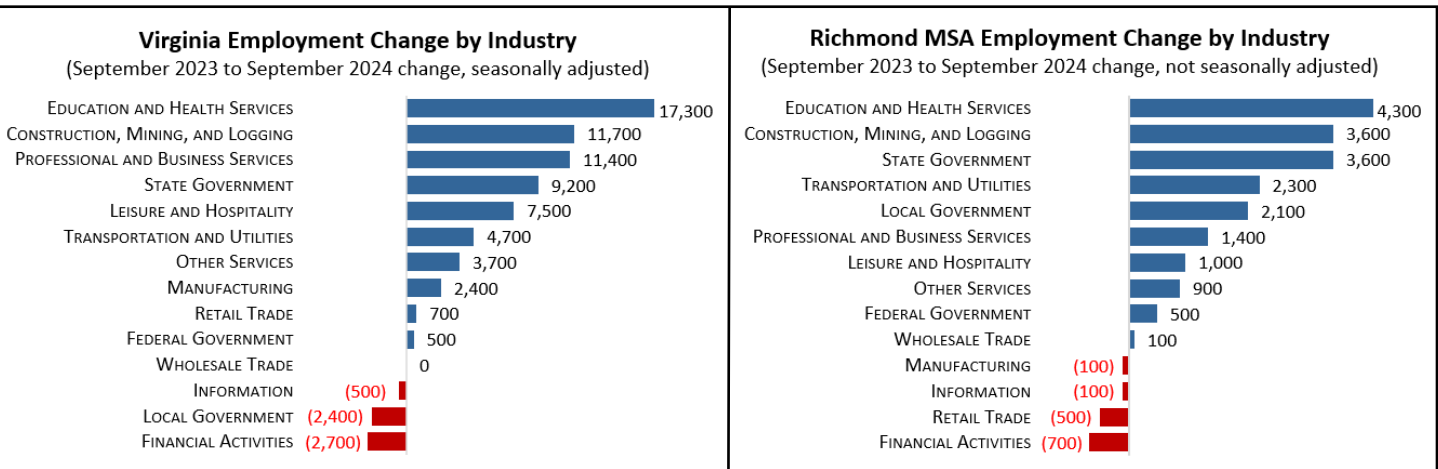


Virginia Works (VW) reported Virginia's nonfarm payroll employment (seasonally adjusted) grew by 2,100 (0.0 percent) in September from last month, while Richmond MSA saw growth of 500 jobs (0.1 percent). However, BLS determined Virginia's job growth was not statistically significant². Compared to last year, employment in Virginia and Richmond MSA grew by 1.5 percent and 2.3 percent, respectively. Among Virginia MSAs, Hampton Roads MSA saw the largest job growth from the prior month (2,200 jobs) while Richmond MSA saw the largest growth from the prior year (16,500 jobs).

Job Growth by Area	Aug.-24 ^R	Sep.-24 ^P	Avg. YTD ^P	Total YTD ^P
Virginia	1,900	2,100	6,600	59,600
Richmond MSA	3,200	500	1,700	15,600

State and Regional Employment by Industry (M)

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



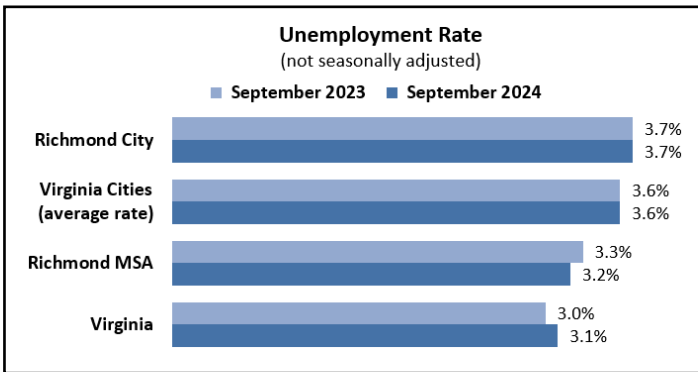
Source: Bureau of Labor Statistics and Virginia Works (Dept. of Workforce Development and Advancement)

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—September 2024](#).

Local Unemployment Rate (M)



Virginia Works (VW) reported the unemployment rate (not seasonally adjusted) in September rose year-over-year in 67 of Virginia's 133 cities and counties, declined in 36, and was unchanged in 30. In Richmond city, the unemployment rate (not seasonally adjusted) was unchanged from last year at 3.7 percent. For the Richmond metro area, the not seasonally adjusted unemployment rate fell to 3.2 percent from 3.3 percent last year, while rising in Virginia to 3.1 percent from 3.0 percent last year. Virginia's seasonally adjusted rate was unchanged from last year at 2.9 percent.

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

2023 American Community Survey 1-Year Estimates (A)

The Census Bureau recently released the 2023 American Community Survey (ACS) 1-Year Estimates. ACS 1-year estimates are based on data collected over a 12-month period from January 1 through December 31 and are available for geographic areas with at least 65,000 people. The Census Bureau also produces ACS 5-year estimates, which pools ACS data collected over a period of five consecutive calendar years covering all geographic areas. The 2019-2023 ACS 5-Year Estimates will be released in December. An area's 1-Year Estimates reflect the most current data but they have larger margins of error than its 5-Year Estimates because they are based on a smaller sample. While an area's 5-Year Estimates have larger samples and smaller margins of error than its 1-Year Estimates, they are less current, since it includes data collected in earlier years. Because of these differences, an area's 1-Year Estimates cannot be compared with its 5-Year Estimates, and the two estimates will usually differ. The table below compares select 2023 and 2022 ACS 1-Year Estimates for Richmond City and Richmond Metropolitan Statistical Area (MSA). ACS data cover more than 40 topics that can be grouped into four main types of characteristics: social, economic, housing, and demographic.

Comparison of Select 2023 and 2022 American Community Survey 1-Year Estimates

Data	Richmond City		Richmond MSA	
	2023	2022	2023	2022
Median Household Income (2023 inflation adjusted dollars) ¹	\$65,650	\$61,421 ↑	\$84,332	\$84,745 ↓
Median Family Income (2023 inflation adjusted dollars) ¹	\$95,853	\$85,158 ↑	\$104,965	\$107,923 ↓
Below Poverty, Percent of Total Population	17.1%	21.7% ↓ *	9.9%	10.7% ↓
Percent of Population 25 years+ with High School Diploma or Higher	90.5%	91.0% ↓	92.3%	92.9% ↓
Percent of Population 25 years+ with Bachelor's Degree or Higher	46.7%	45.8% ↑	41.9%	42.1% ↓
Civilian Noninstitutionalized Population with No Health Insurance	8.5%	7.1% ↑	6.4%	4.9% ↑ *
Civilian Noninstitutionalized Population with a Disability	13.0%	14.2% ↓	12.3%	12.7% ↓
Veterans, Percent of Civilian Population 18 years+	4.7%	4.4% ↑	7.4%	7.4% —
Residence 1 Year Ago, in Different County in U.S. (percent of population age 1 year+)	10.4%	9.3% ↑	8.7%	8.2% ↑
Residence 1 Year Ago, Abroad (percent of population age 1 year+)	1.4%	0.6% ↑ *	0.7%	0.4% ↑ *
Occupied Housing Units (percent of housing units)	90.2%	93.6% ↓ *	92.8%	94.4% ↓ *
Owner-Occupied (percent of occupied housing units)	45.1%	43.3% ↑	67.6%	67.6% —
Renter-Occupied (percent of occupied housing units)	54.9%	56.7% ↓	32.4%	32.4% —
Percent of Housing Units with 1-Unit, Detached	44.6%	45.9% ↓	68.0%	69.0% ↓
Percent of Housing Units with 20+ Units	21.0%	22.3% ↓	8.6%	8.0% ↑
Households with No Vehicle	11.7%	12.7% ↓	6.1%	6.2% ↓
Households with Broadband	90.3%	86.9% ↑ *	93.4%	90.6% ↑ *

Source: Census Bureau and ["Understanding and Using American Community Survey Data: What All Data Users Need to Know"](#) (September 2020).

Notes: *Indicates the 2023 and 2022 estimates are statistically different, i.e., a true difference exists at a 90% confidence interval (there is less than a 10 percent chance that the observed difference occurred randomly). ¹A household includes all the people who occupy a housing unit. Household income includes the income of the householder (i.e., usually the person who owns or rents the housing unit) and all other individuals in the household 15 years old and over. A family consists of a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption. Family income includes the income of all its members 15 years old and over. According to the Census Bureau, because many households consists of only one person, average household income is less than average family income.

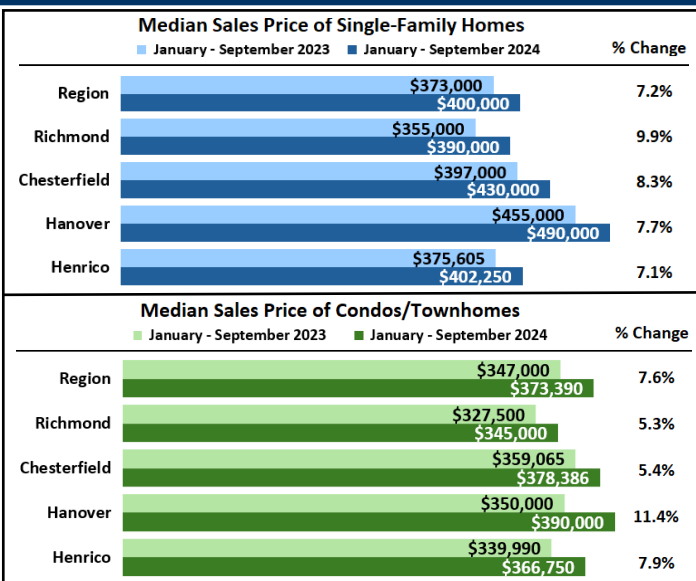
Local Housing Market (M)

Area	Closed Sales January - Sept.		Pending Sales in September		Months Supply in September				
	2023	2024	2023	2024	2023	2024			
SINGLE-FAMILY HOMES									
Region ¹	10,254	10,071	↓	1,029	1,182	↑	1.7	1.8	↑
Richmond	1,596	1,674	↑	174	182	↑	1.6	1.6	—
Chesterfield	3,154	3,188	↑	295	375	↑	1.8	1.8	—
Hanover	891	841	↓	96	129	↑	2.5	2.4	↓
Henrico	2,110	1,998	↓	226	225	↓	1.1	1.2	↑
CONDO/TOWNHOMES									
Region ¹	1,965	2,011	↑	222	255	↑	1.9	2.2	↑
Richmond	259	277	↑	27	40	↑	2.9	3.3	↑
Chesterfield	655	692	↑	69	80	↑	2.0	1.8	↓
Hanover	105	113	↑	14	19	↑	1.6	2.8	↑
Henrico	839	820	↓	90	103	↑	1.6	1.9	↑

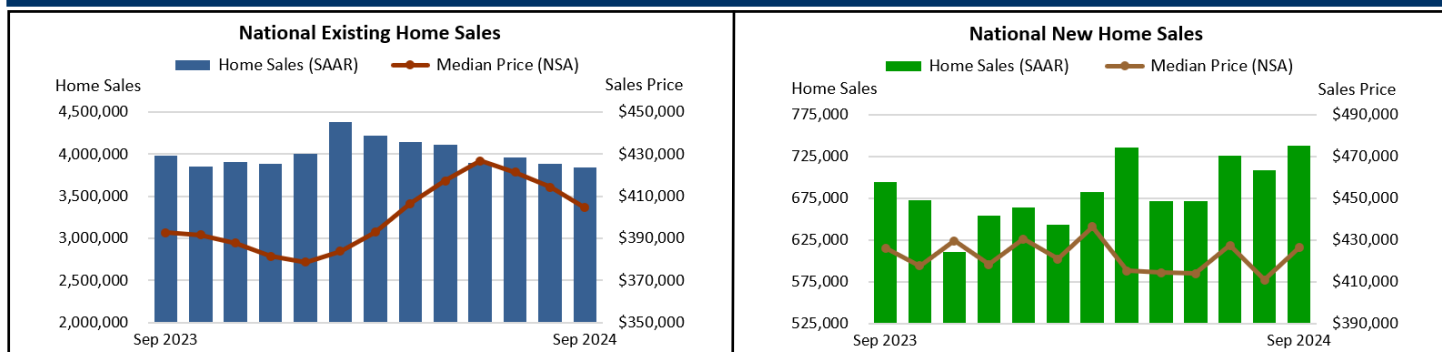
(1) Region consists of Amelia, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King & Queen, King William, New Kent, Powhatan, and Prince George counties and Colonial Heights, Hopewell, Petersburg, and Richmond cities.

Through September, single-family home sales in the region were down 1.8 percent from the same period last year, while condo/townhome sales were up 2.3 percent. For the month of September alone, both single-family and condo/townhome sales fell year-over-year by 2.6 percent and 16.9 percent, respectively. However, the region's pending sales of single-family homes and condo/townhomes, as well as the inventory of single-family homes and condo/townhomes for sale, all rose year-over-year in September, although inventory remains tight. For Richmond, single-family and condo/townhome sales through September were up 4.9 percent and 6.9 percent, respectively, over the same period last year. Like the region, pending sales of single-family and condo/townhomes were both up year-over-year, although Richmond's inventory of single-family homes for sale was unchanged and tighter than the region at 1.6 months supply.

For homes sold through September, the median sales price for single-family homes was up year-over-year by 7.2 percent (region) and 9.9 percent (Richmond). Condo/townhomes also saw median sales price being up 7.6 percent (region) and 5.3 percent (Richmond) over the same period. For the month of September alone, the median sales price of single-family homes both rose in the region and Richmond from last year.



National Housing Market (M)



The National Association of Realtors (NAR) reported *existing* home sales (condo/townhomes included) nationwide fell 1.0 percent in September from last month to a seasonally adjusted annual rate (SAAR) of 3,840,000, which was 3.5 percent below last year. In contrast, the Census Bureau reported *new* home sales (condos excluded) rose 4.1 percent in September from last month to 738,000 SAAR, which was 6.3 percent above last year. The inventory of *existing* and *new* homes for sale both rose to a 4.3 and 7.6 months supply, respectively, from a 3.4 and 7.5 months supply last year.

Home sale prices (not seasonally adjusted "NSA") were mixed. For *existing* homes, the median sales price rose 3.0 percent to \$404,500 from \$392,700 in September last year, while the median sales price of *new* homes was \$426,300 which was virtually unchanged from \$426,100 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 August rose 1.3 percent, the second straight month of year-over-year growth. Chesterfield and Henrico also saw an increase in August from last year, while Hanover saw a decline. Year-to-date through August, Richmond's sales tax revenue grew by 1.0 percent from the same period last year.

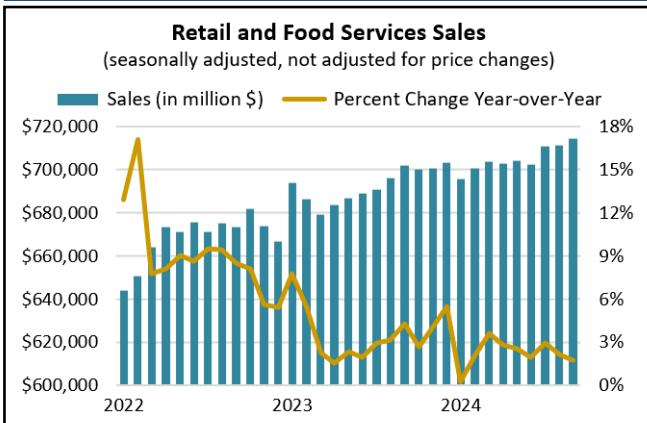
	Sales and Use Tax YTD % Change			
	2021	2022	2023	2024
Richmond	10.1%	16.0%	8.5%	1.0%
Chesterfield	14.6%	8.5%	5.5%	3.3%
Hanover	14.9%	11.8%	6.0%	4.0%
Henrico	18.7%	9.8%	3.5%	3.3%

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

	January - August 2023	January - August 2024	% Change
Richmond	\$34,081,546	\$34,414,151	1.0%
Chesterfield	\$48,739,245	\$50,333,444	3.3%
Hanover	\$23,044,189	\$23,975,488	4.0%
Henrico	\$60,210,381	\$62,225,498	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. - Sept. YTD % Change			
	2021	2022	2023	2024
National Retail and Food Services Sales (NSA)	19.5%	10.0%	3.3%	2.6%

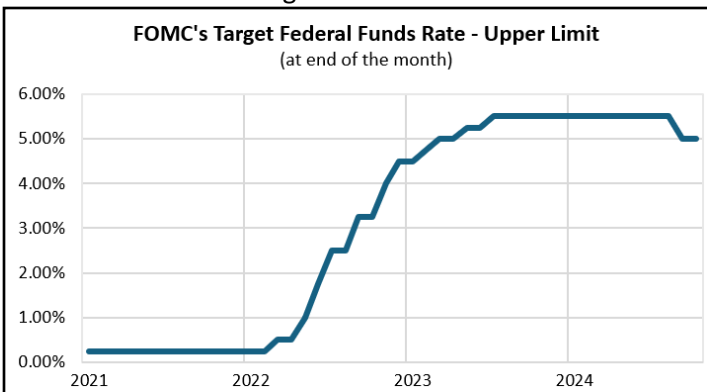
The Census Bureau reported national retail and food services sales (seasonally adjusted) in September rose 0.4 percent from August. Most major business categories saw an increase. Compared to last year, retail and food services sales rose 1.7 percent, largely due to nonstore retailers, food services and drinking places, and food and beverage stores. Through September, retail and food services sales (not seasonally adjusted "NSA") were up 2.6 percent from last year.

The National Retail Federation recently released their forecast of holiday sales* during November and December, which are projected to grow between 2.5 and 3.5 percent over 2023. Consumer holiday spending is expected to rise to \$902 per person on average across gifts, food, decorations and other seasonal items, which would be higher than last year (\$875) and the previous record (\$886) set in 2019.

Source: Census Bureau and National Retail Federation. *The holiday sales forecast excludes automobile dealers, gasoline stations, and restaurants.

Federal Funds Rate (M)

The Federal Open Market Committee (FOMC) reduced the target range for the federal funds rate to 4.75 to 5.00 percent from 5.25 to 5.50 percent during its meeting in September. The target rate for the federal funds rate has not changed, since the FOMC did not meet in October. The next FOMC meeting will be in November 6-7.



Source: Federal Reserve and Social Security Administration

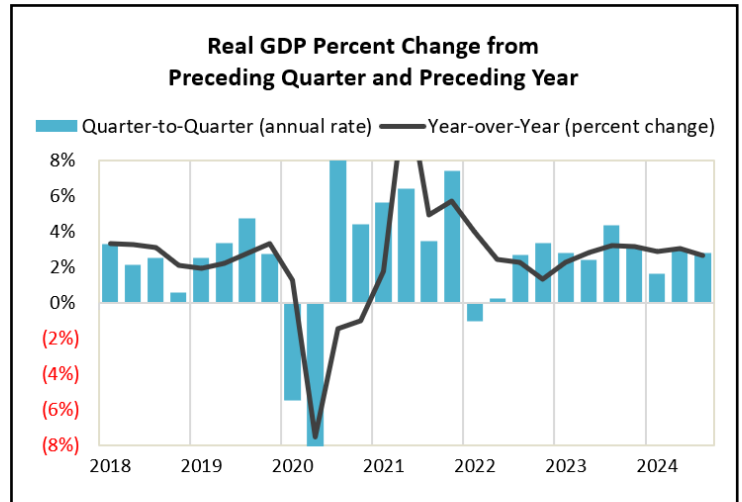
Social Security Cost of Living Adjustment (COLA)

The Social Security Administration (SSA) announced Social Security benefits and Supplemental Security Income (SSI) payments will increase 2.5 percent in 2025. The increase was based on the Consumer Price Index for Urban Wage Earners and Clerical Workers' (CPI-W) year-over-year increase in the third quarter. The increase will begin with Social Security benefits paid in January 2025 and SSI payments on December 31, 2024. With inflation moderating, the increase in 2025 will be below prior years' increases. The SSA indicated the COLA increase has averaged about 2.6 percent over the last decade. Also, the maximum amount of earnings subject to Social Security tax (taxable maximum) will rise to \$176,100 in 2025 from \$168,600 in 2024 based on the increase in average wages.

	2021	2022	2023	2024	2025
Social Security COLA	1.3%	5.9%	8.7%	3.2%	2.5%

Real Gross Domestic Product (M)

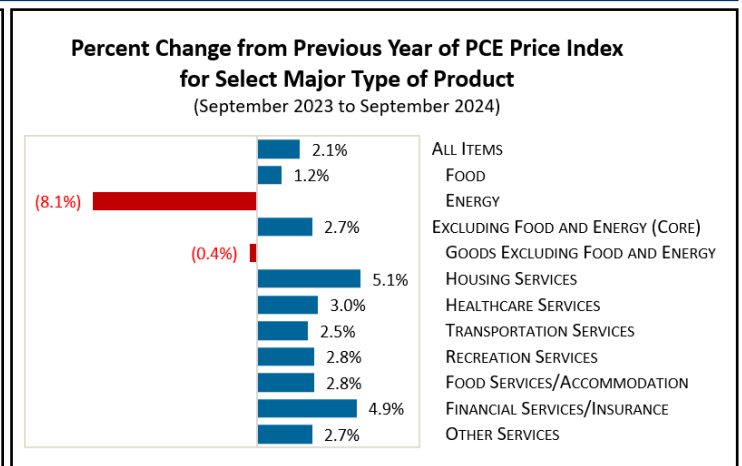
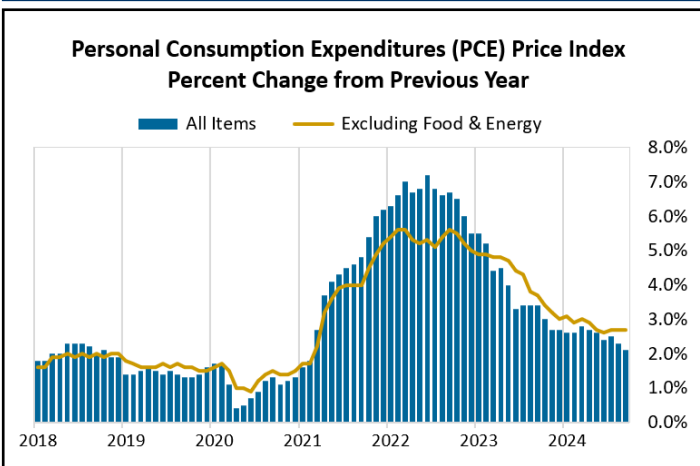
Real GDP is the value of all goods and services produced within the U.S., adjusted for inflation, and is the broadest measure of economic activity. The Bureau of Economic Analysis (BEA) reported real GDP grew at an annual rate of 2.8 percent (advance estimate) in the third quarter of 2024. Consumer spending increased 3.7 percent, the largest increase since the first quarter of 2023, and contributed nearly 90 percent of the growth. Federal and state and local government spending, exports, and business investment in equipment also contributed to the growth. Compared to the same quarter last year, real GDP grew 2.7 percent (advance estimate). BEA cautioned that the advance estimate is based on source data that are incomplete or subject to further revision.



Real GDP growth in the third quarter was below the 3.0 percent increase in the second quarter of 2024, which was largely due to the following:

- **Business investment in structures** decelerated further in the third quarter and decreased by 4.0 percent, compared to the increase of 0.2 percent and 6.3 percent in the second and first quarter of 2024, respectively. This was the first decline since the fourth quarter of 2021.
- **Business (nonfarm) investment in inventory** fell by \$12.8 billion after increasing \$47.7 billion in the second quarter.
- **Residential investment** also decelerated further and fell at an annual rate of 5.1 percent, compared to the 2.8 percent decline and 13.7 percent increase in the second and first quarter of 2024, respectively. The decline in the third quarter was the largest since the fourth quarter of 2022.
- **Imports** which are a subtraction from real GDP, rose 11.2 percent, which was above the 7.6 percent increase in the second quarter. The increase in the third quarter was the largest since the first quarter of 2022.

Personal Consumption Expenditures (PCE) Inflation (M)



BEA reported the PCE price index, the Federal Reserve's (Fed) preferred measure of inflation, rose 2.1 percent in September from last year, which was the lowest year-over-year increase since February 2021. For the third quarter of 2024, the PCE price index increased at a 1.5 percent annual rate, which was the lowest rate since the second quarter of 2020. The core PCE price index, which excludes food and energy, rose 2.7 percent from last year, the same year-over-year increase as the prior two months. The price of services such as, housing, healthcare, and financial services and insurance, have continued to hold up inflation, particularly core inflation, while goods prices have contributed to the decline in inflation. For the third quarter of 2024, the core PCE price index increased at a 2.2 percent annual rate, which was below the 2.8 percent and 3.7 percent increase in the second and first quarter of 2024, respectively.

Source: Bureau of Economic Analysis