

Hampton Roads Regional Forecast

2011

Hampton Roads Planning District Commission

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Chief Economist

January 20, 2011



The “Great Recession”

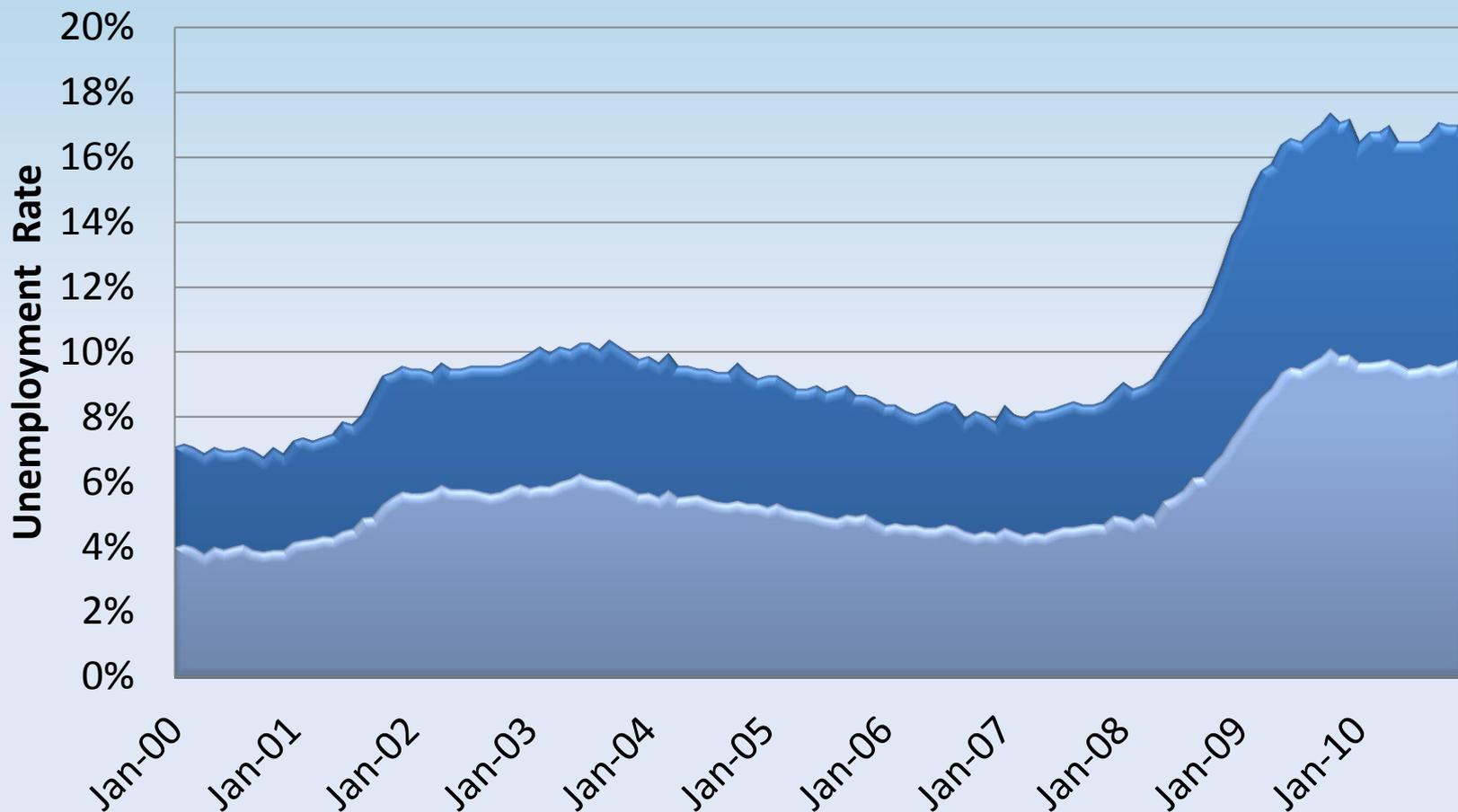
- Housing Market
- Mortgage Crisis
- Flawed Securities
- Credit Tightening
- Global Impact
- Consumer Confidence / Consumer Demand
- Employment / Unemployment
- Real Estate

Decline in U.S. Employment



Source: Bureau of Labor Statistics and HRPDC

Unemployment Rate and "U6"



Source: Bureau of Labor Statistics & HRPDC

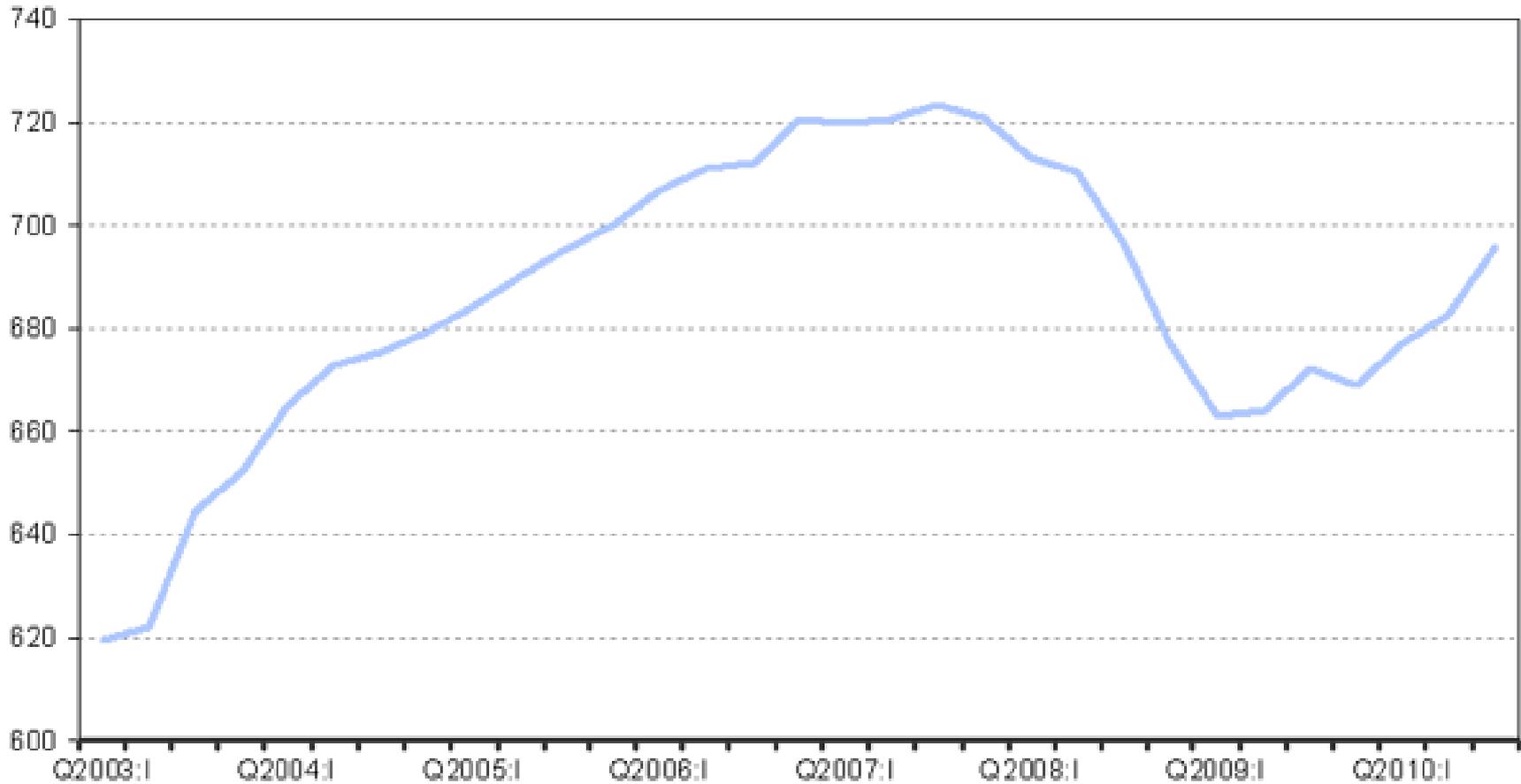
Personal Consumption Expenditures



Source: Bureau of Economic Analysis and HRPDC

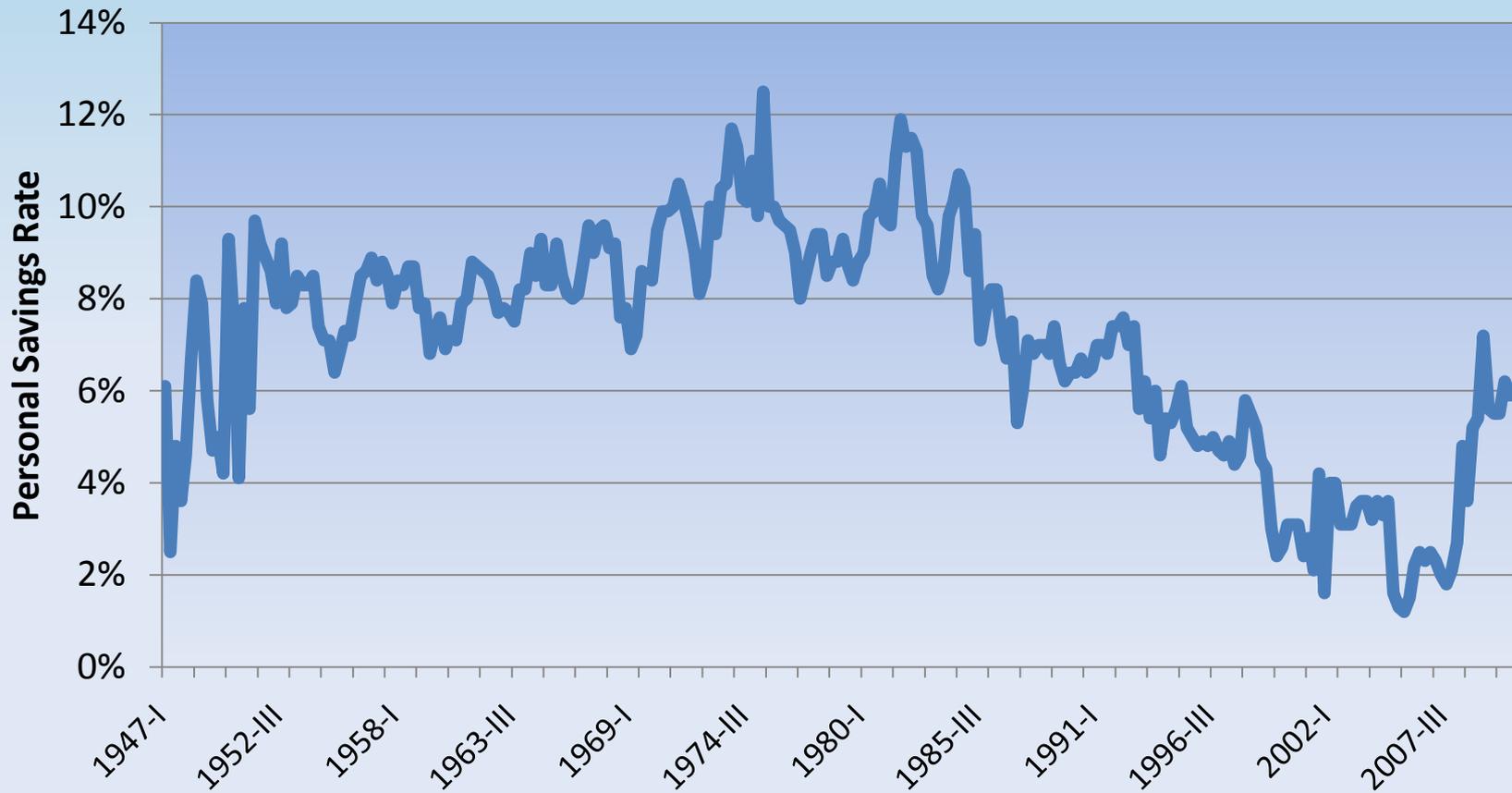
Billions of chained
(2005) dollars

Chart 1. Real Tourism Spending



U.S. Bureau of Economic Analysis

U.S. Savings Rate



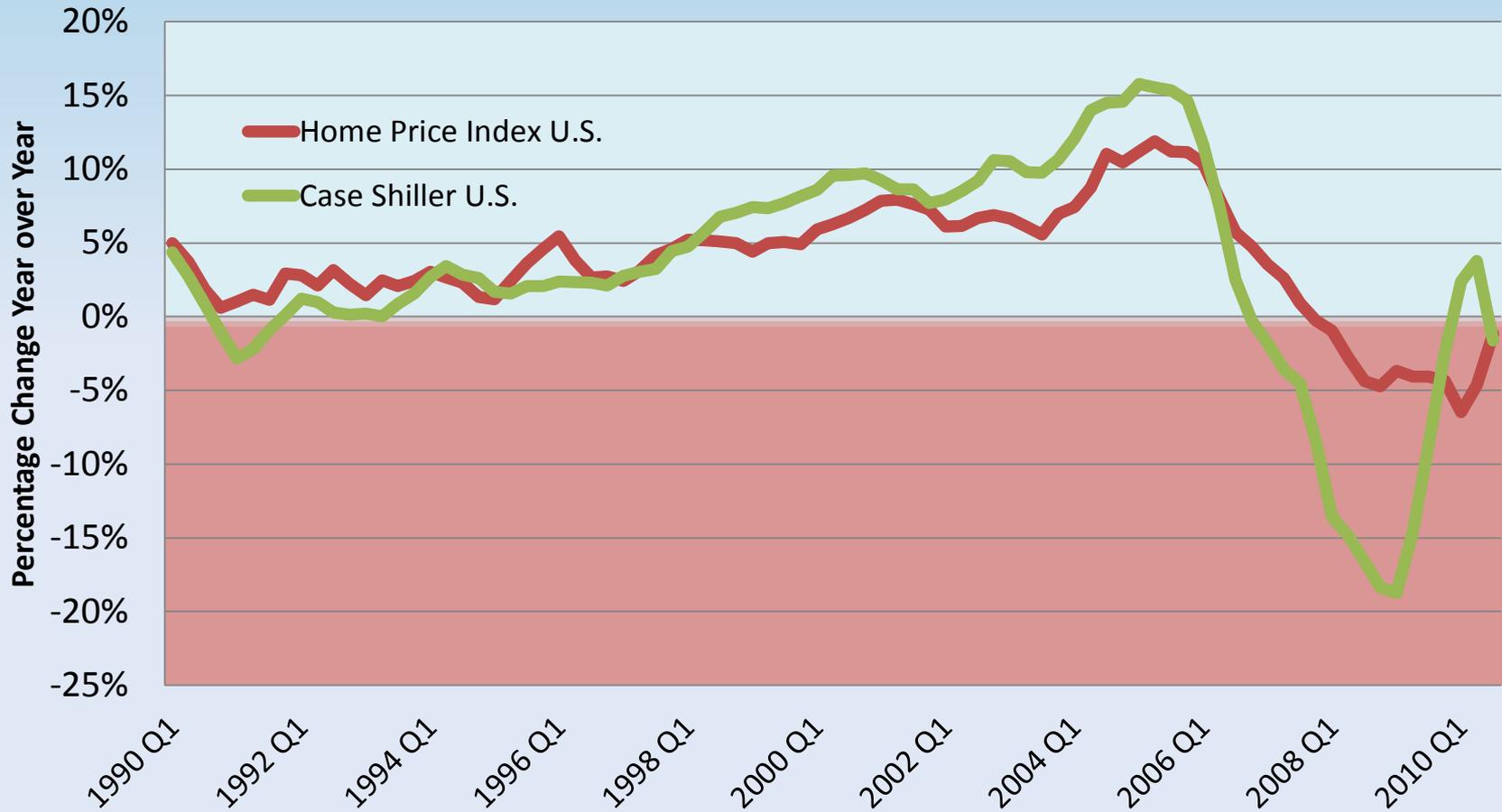
Source: Bureau of Economic Analysis and HRPDC

U.S. Total Trade in Goods



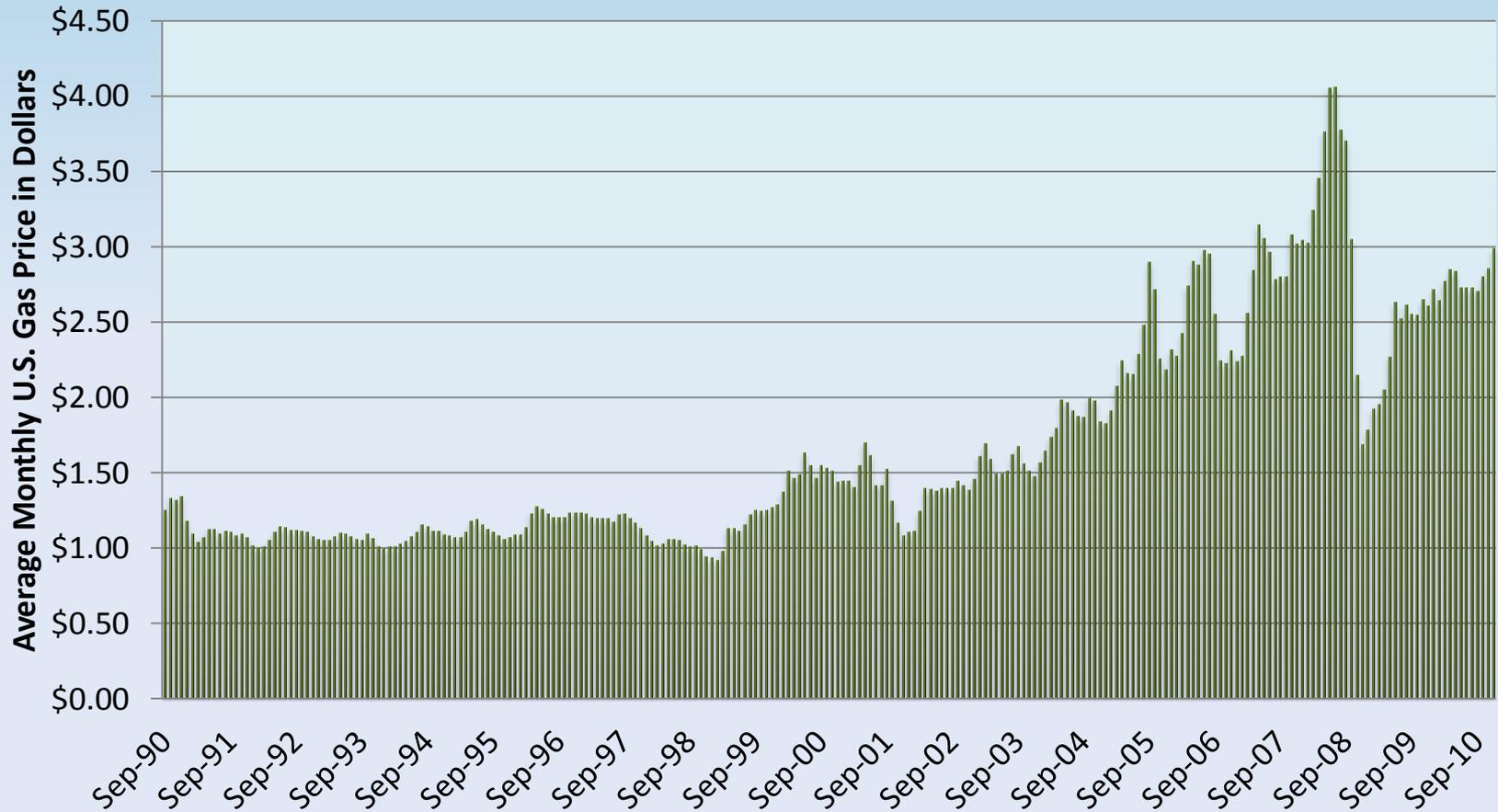
Source: Bureau of Economic Analysis and HRPDC

Home Prices Indexes



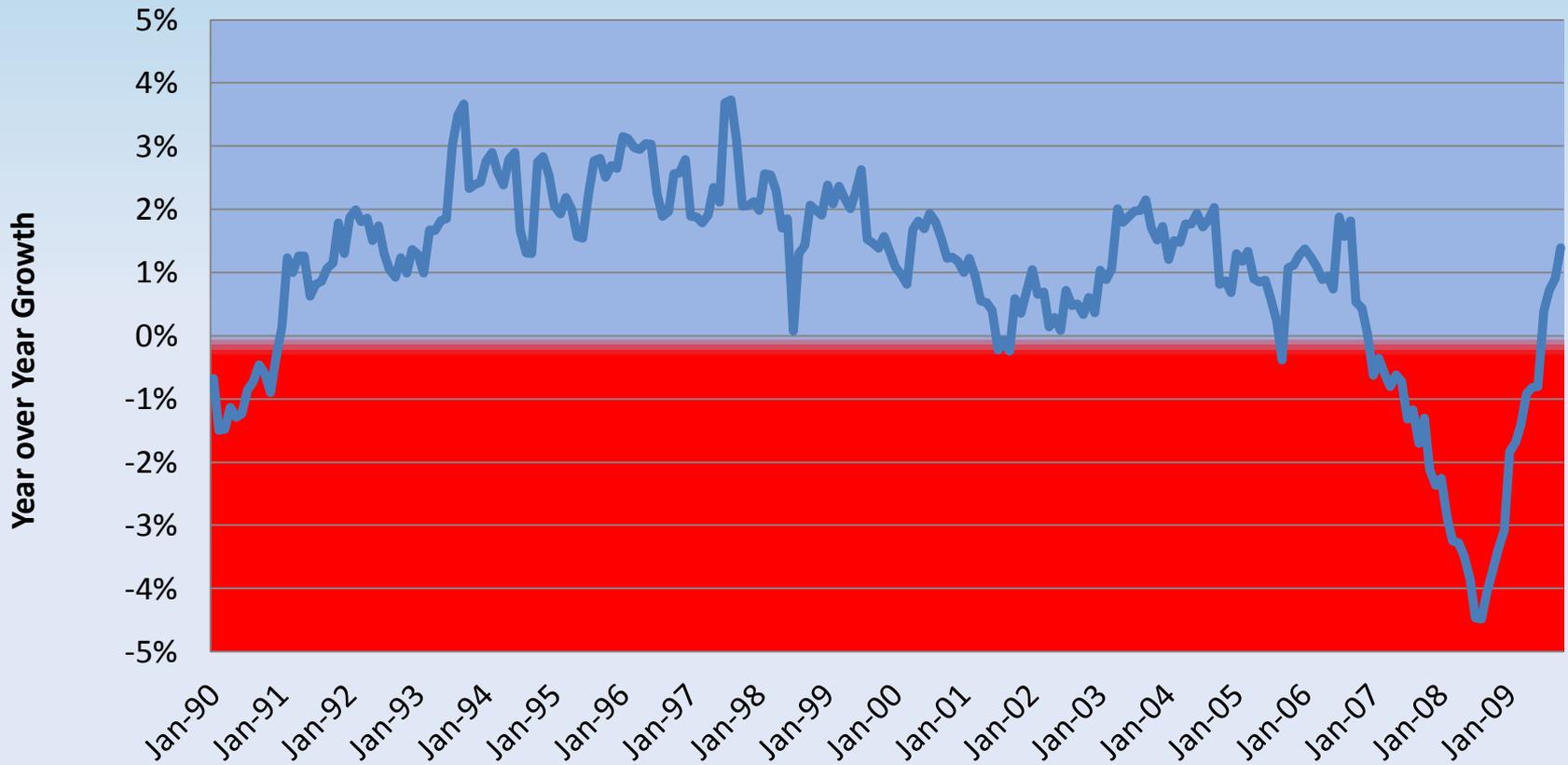
Source: Office of Federal Housing Enterprise Oversight, Standard & Poor's, & HRPDC

U.S Gas Prices Since 1990



Source: St. Louis Federal Reserve & HRPDC

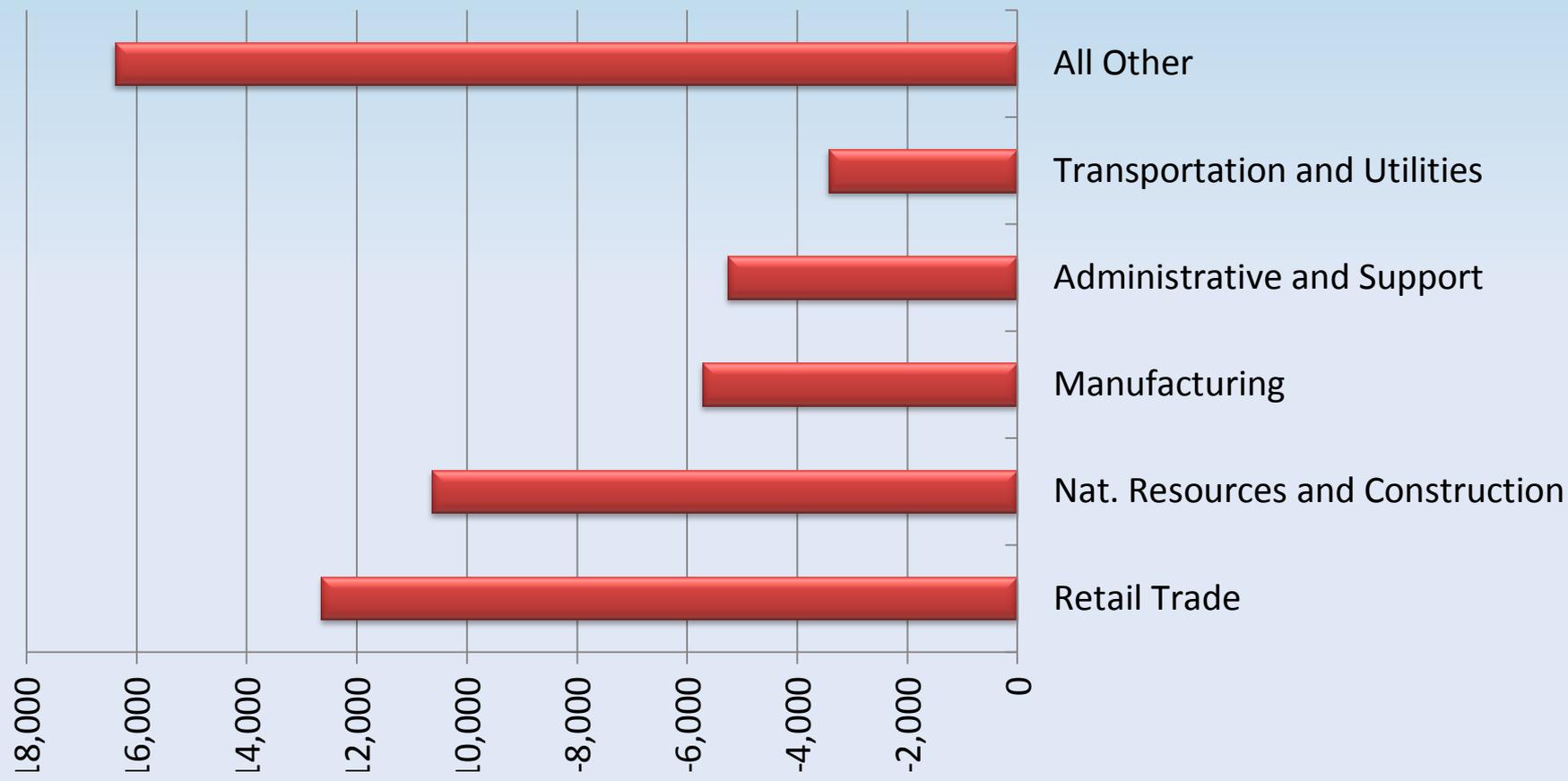
Year Over Year Employment Growth in Hampton Roads



Source: Bureau of Labor Statistics

Job Losses in Hampton Roads

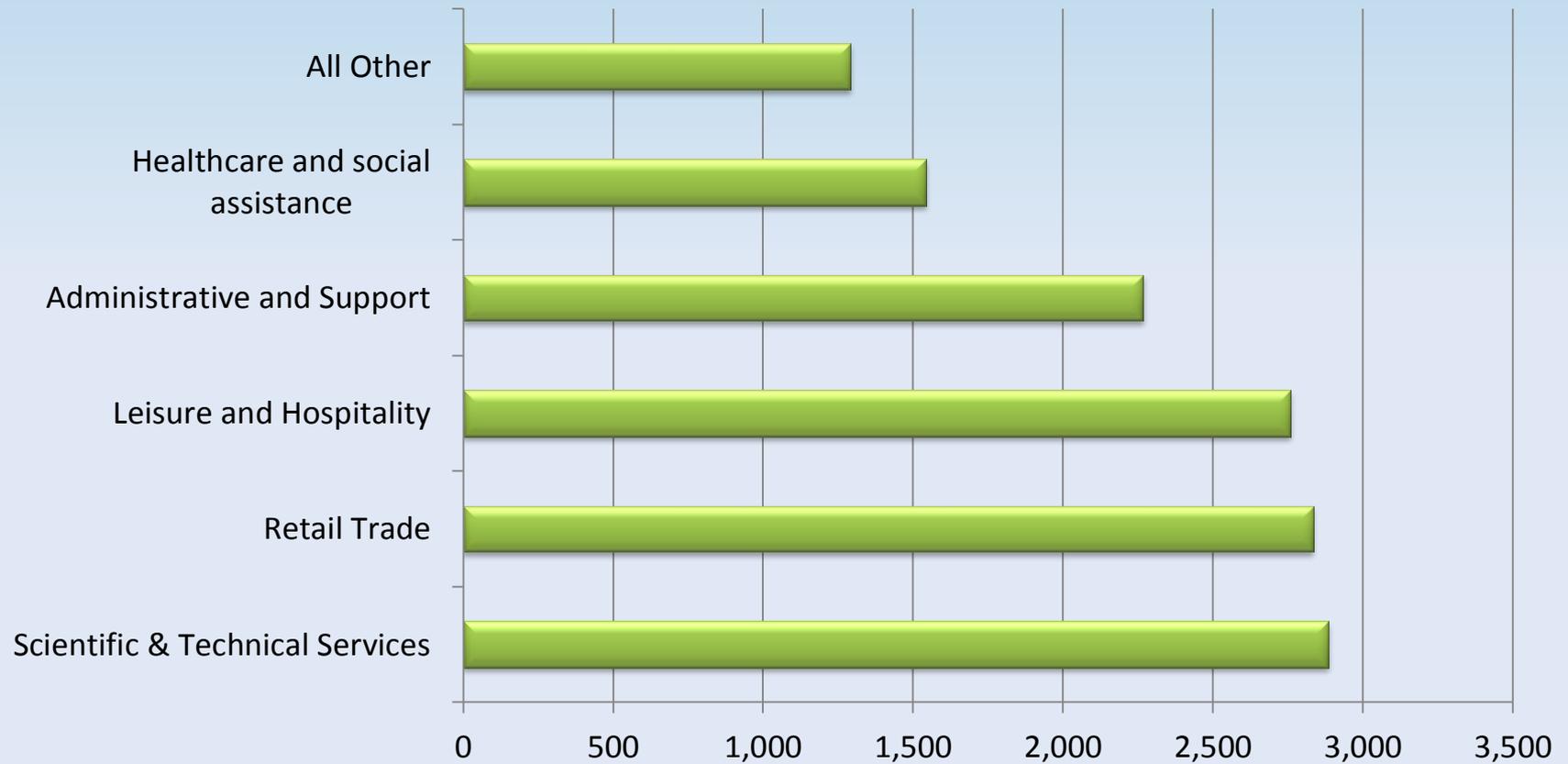
49,800 in Job Loses (Jul 07 - Dec 09)



Source: Bureau of Labor Statistics & HRPDC

Job Gains in Hampton Roads

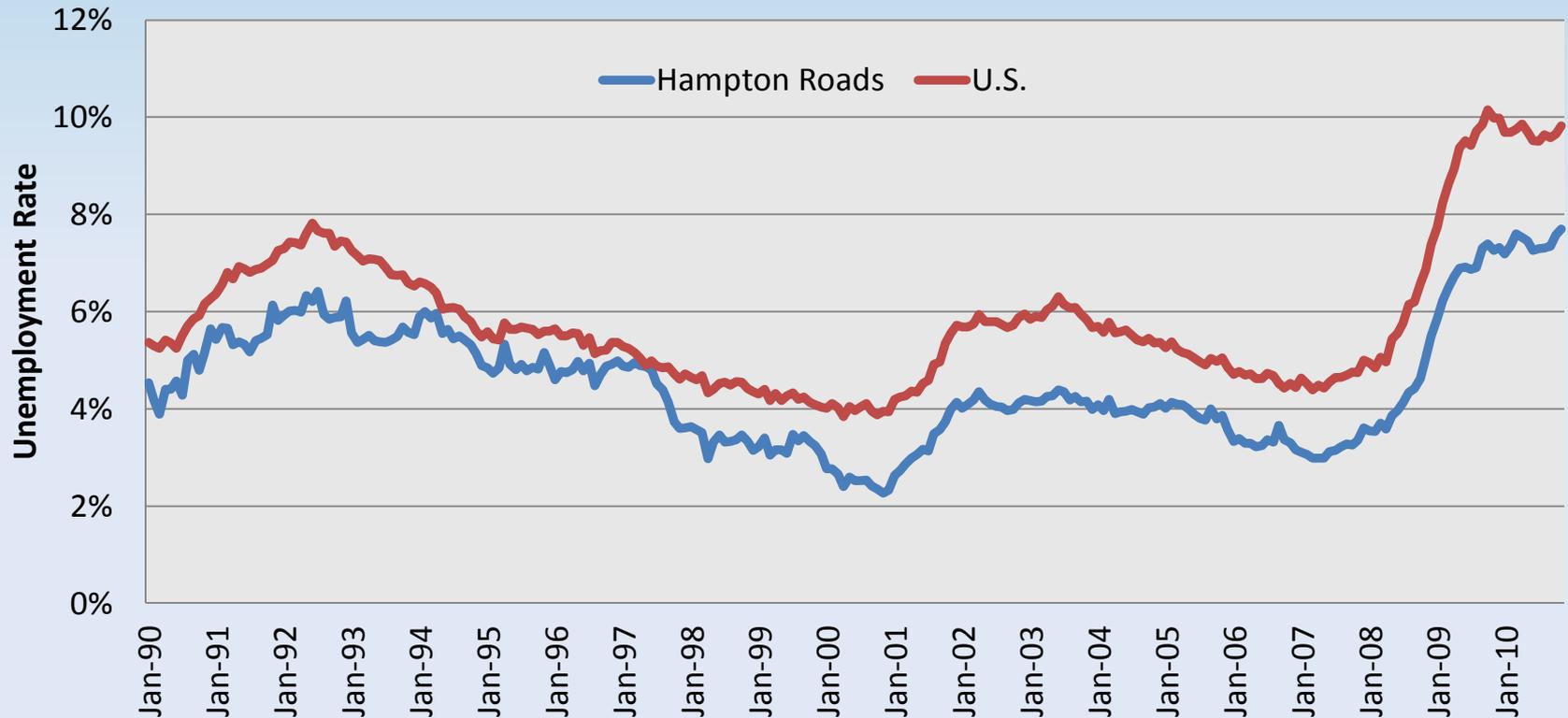
8,800 in Job Gains (Dec 09 - Nov 10)



Source: Bureau of Labor Statistics & HRPDC

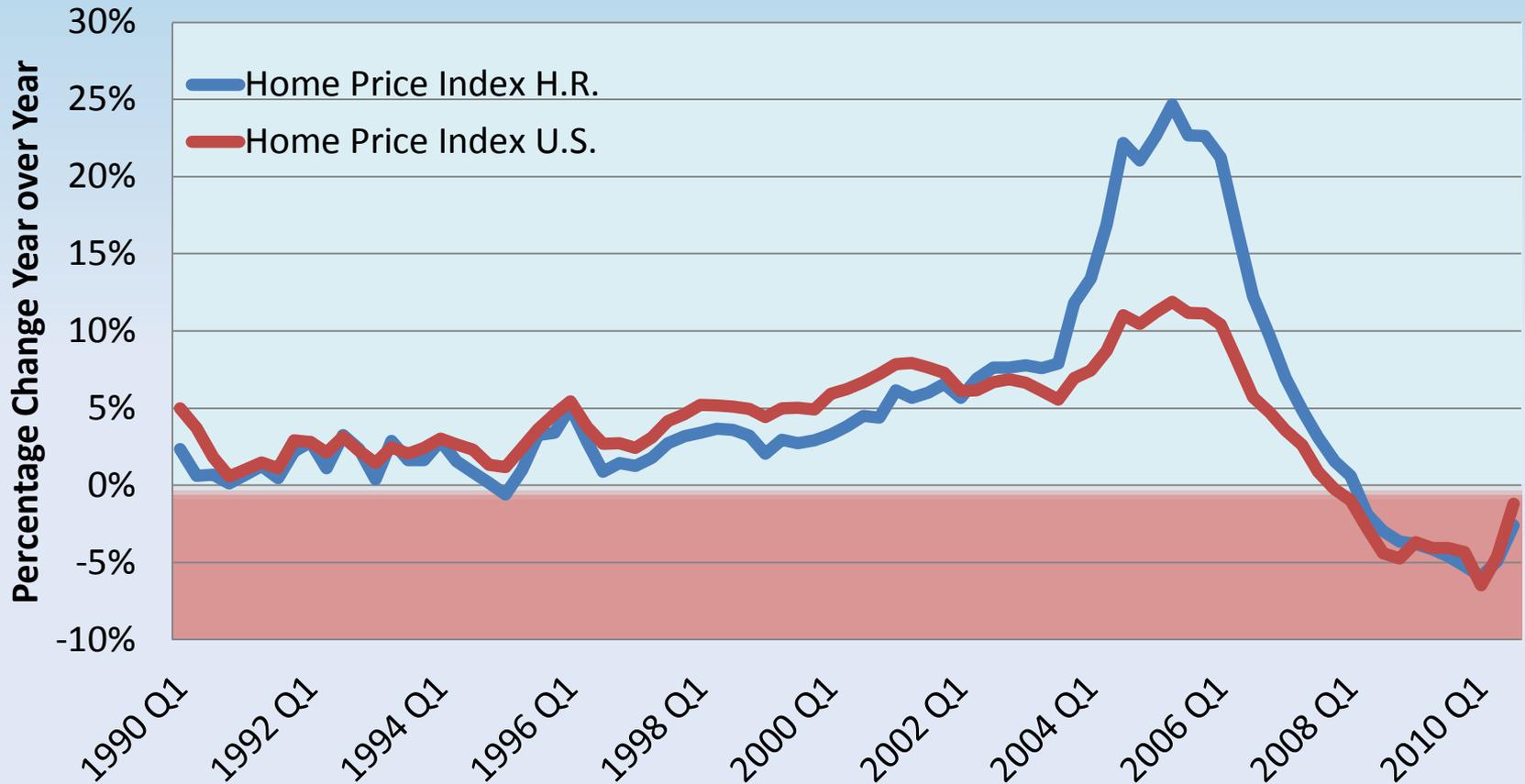
U.S and Hampton Roads Unemployment Rate

U.S. & Hampton Roads MSA Unemployment Rate, Seasonally Adjusted



Source: Bureau of Labor Statistics

Home Prices Indexes



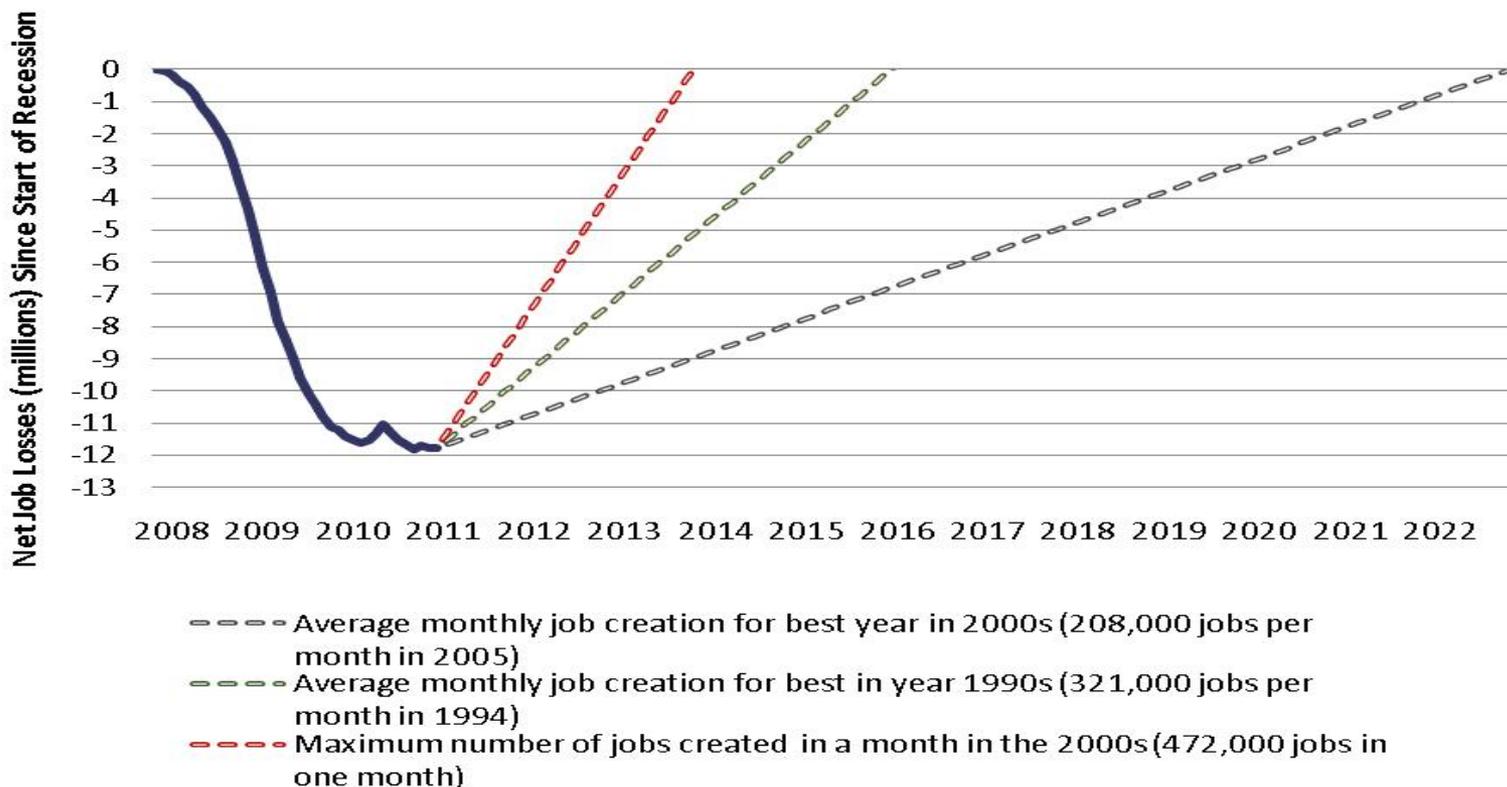
Source: Office of Federal Housing Enterprise and Oversight & HRPDC

Leading Indicators . . . Double Dip??

- Average Weekly Manufacturing Hours
- Index of Supplier Deliveries
- Manufacturers' New Orders
- Stock Prices
- Interest Rate Spread
- Consumer Expectations
- Weekly Initial Unemployment Claims

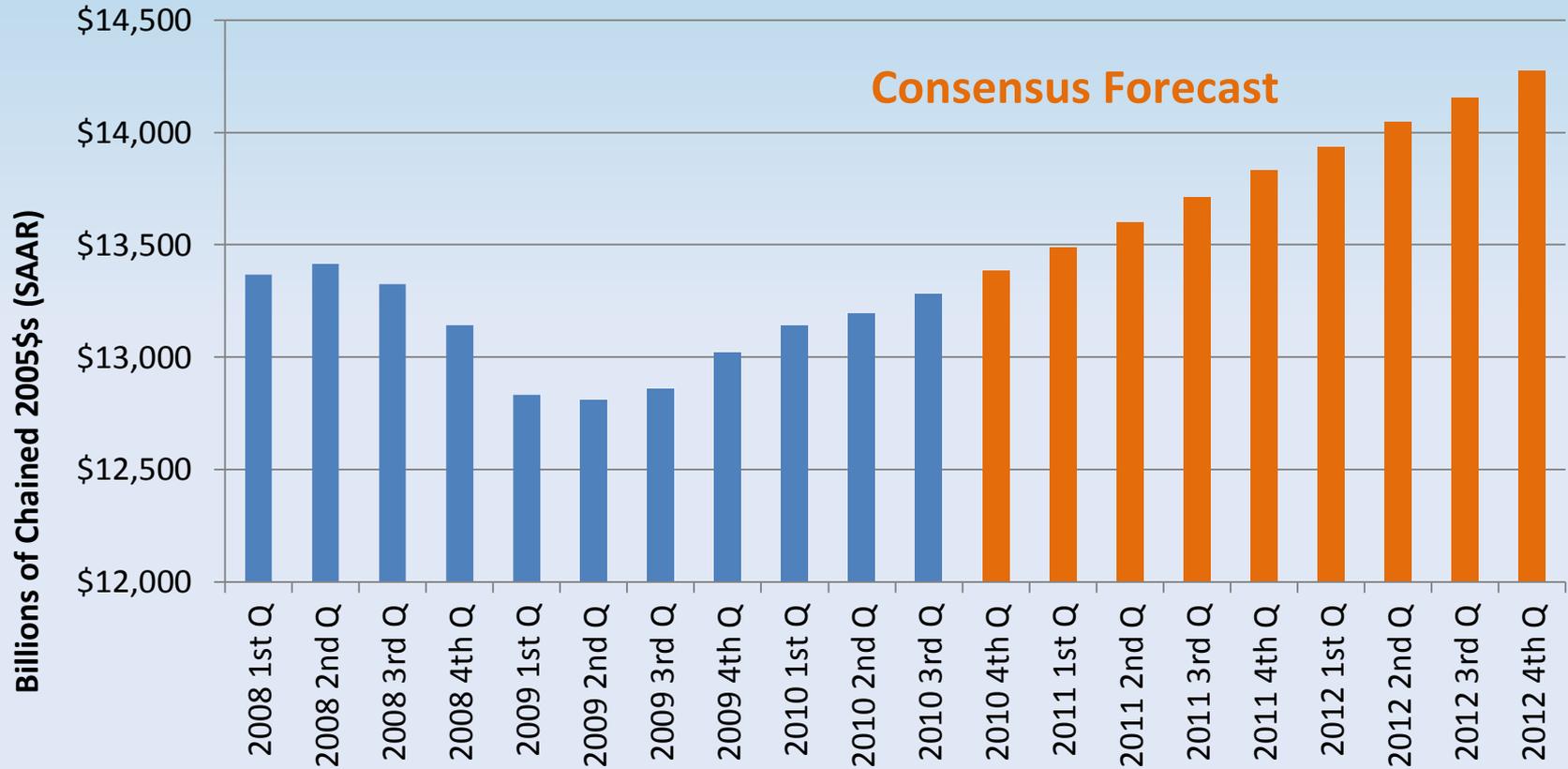


The Evolution of the Job Gap To Date and in the Future Under Different Rates of Job Creation



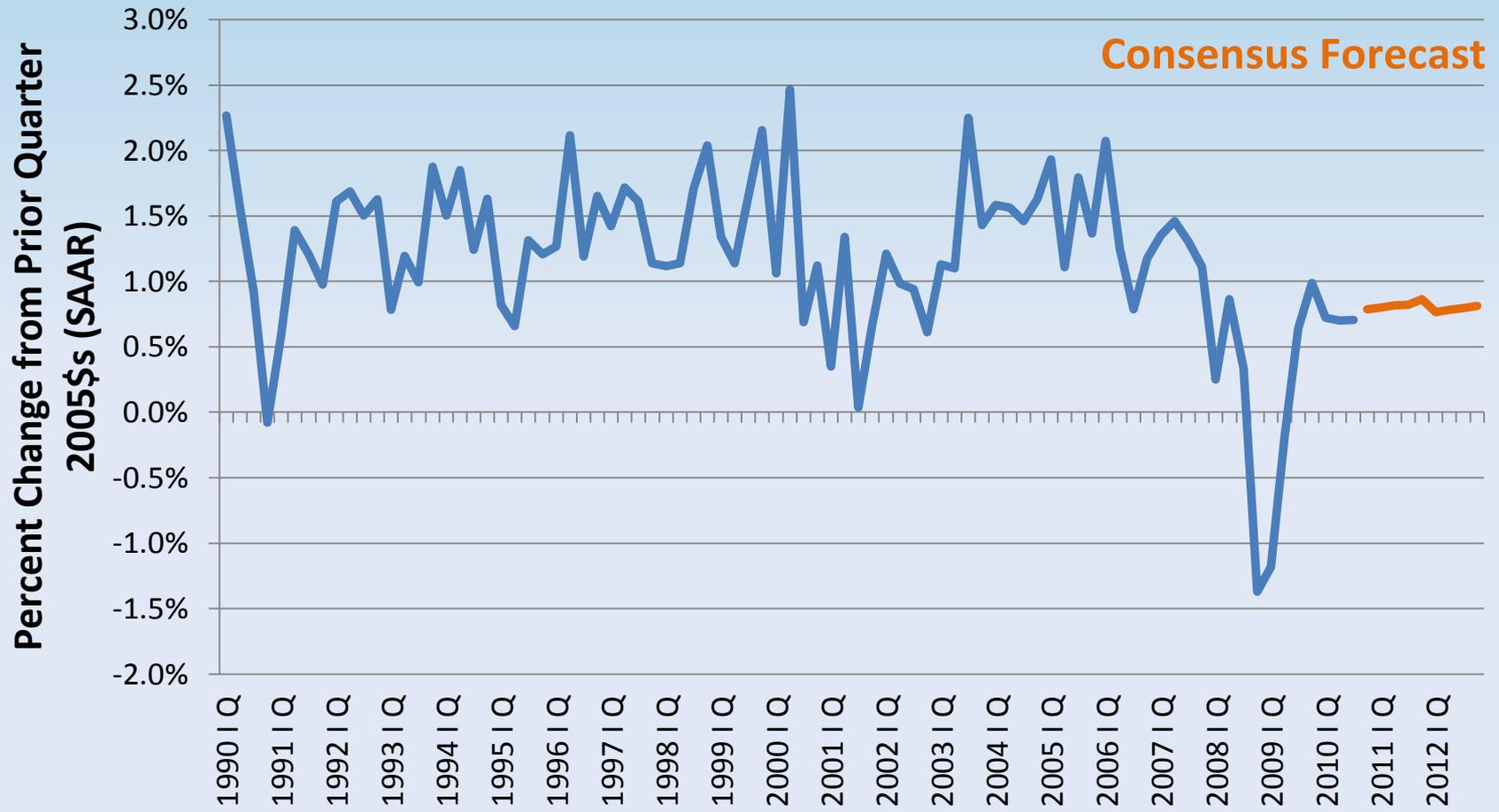
Source: the Brookings Institute

Real Gross Domestic Product



Source: Blue Chip Economic Indicators and HRPDC

Real Gross Domestic Product



Source: Blue Chip Economic Indicators and HRPDC

Hampton Roads Employment Loss and Time Until Employment Returns



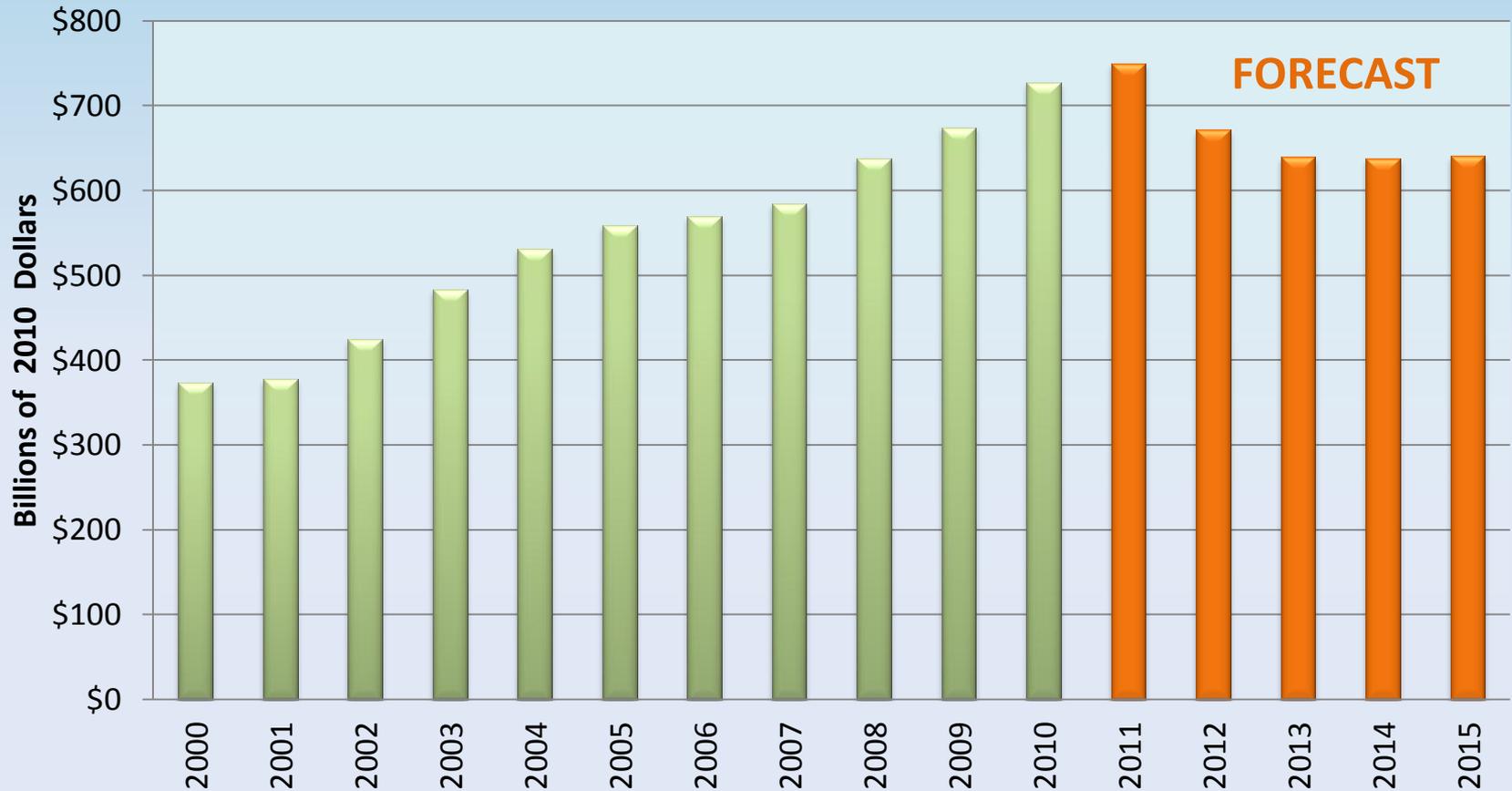
Source: Bureau of Labor Statistics & HRPDC

Joint Forces Command

Estimated Impact of JFCOM Disestablishment	
Loss in Direct Employment	1,945
Loss in Indirect and Induced Employment	1,830
Loss in Total Employment	3,775
Loss to Gross Regional Product (Millions of 2011 Dollars)	\$371.1
Loss in Personal Income (Millions of 2011 Dollars)	\$286.5

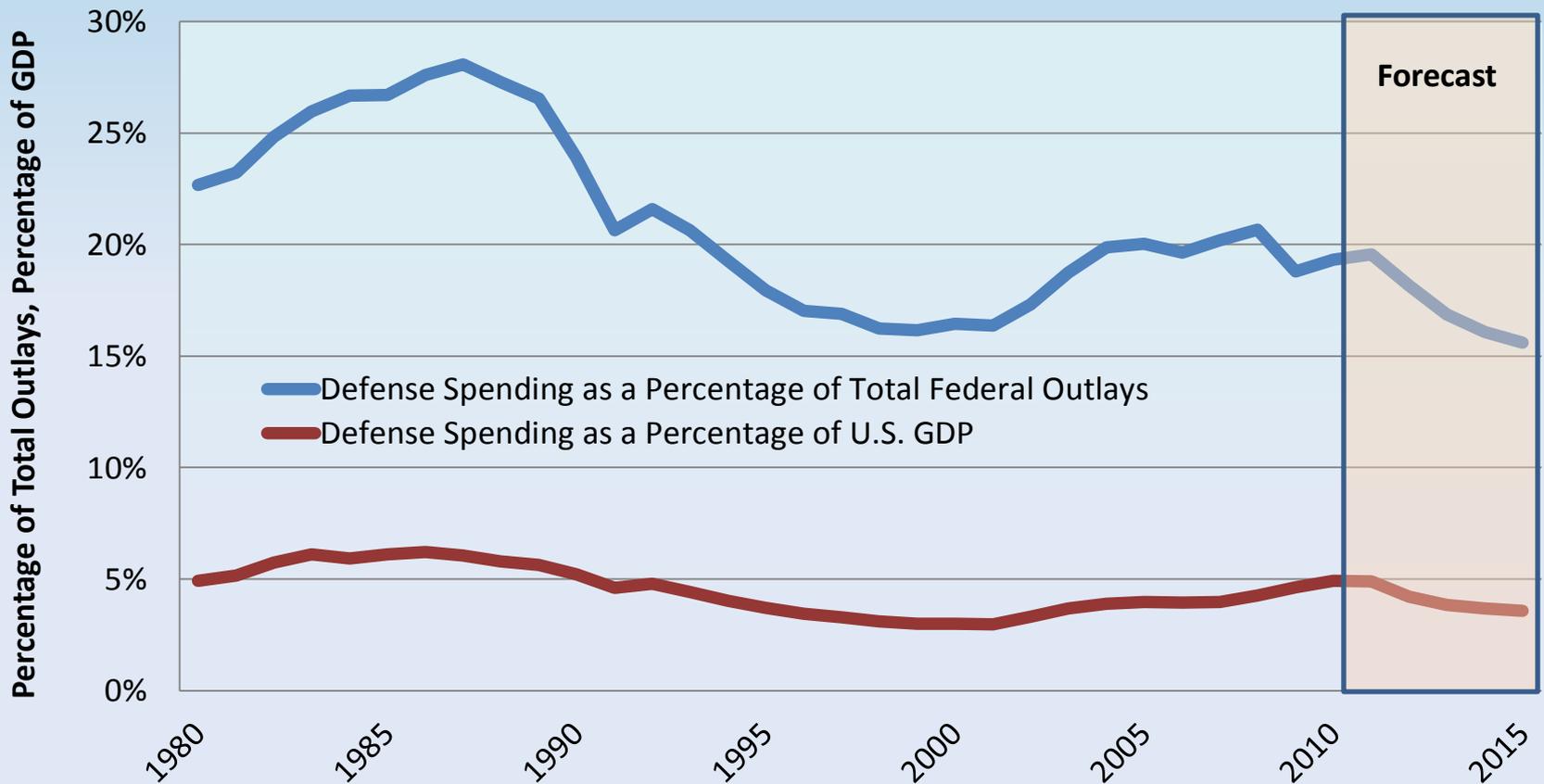
- Detailed disestablishment plan expected in the next month
- Loss of employment will come over the course of the next 3 years

Real DoD Spending through 2015



Source: Center for Strategic and Budgetary Assessments & HRPDC

Defense Spending as a Percentage of Total Spending



Source: Center for Strategic and Budgetary Assessments & HRPDC

HRPDC 2011 Forecast

	2010 (Year to Date)	2011 Forecast
U.S.		
Real GDP	2.9%	3.1%
Interest Rates		
Short Government Rates	0.2%	0.3%
Long Government Rates	3.2%	3.5%
Hampton Roads		
Gross Product	NA	2.2%
Civilian Employment	0.3%	1.1%
Unemployment Rate	7.4%	7.4%
Retail Sales	0.0%	3.0%
Auto and Truck Sales	8.6%	7.0%
Value of Single-Family Residential Building Permits	17.8%	4.7%

COMMENTS/ QUESTIONS