

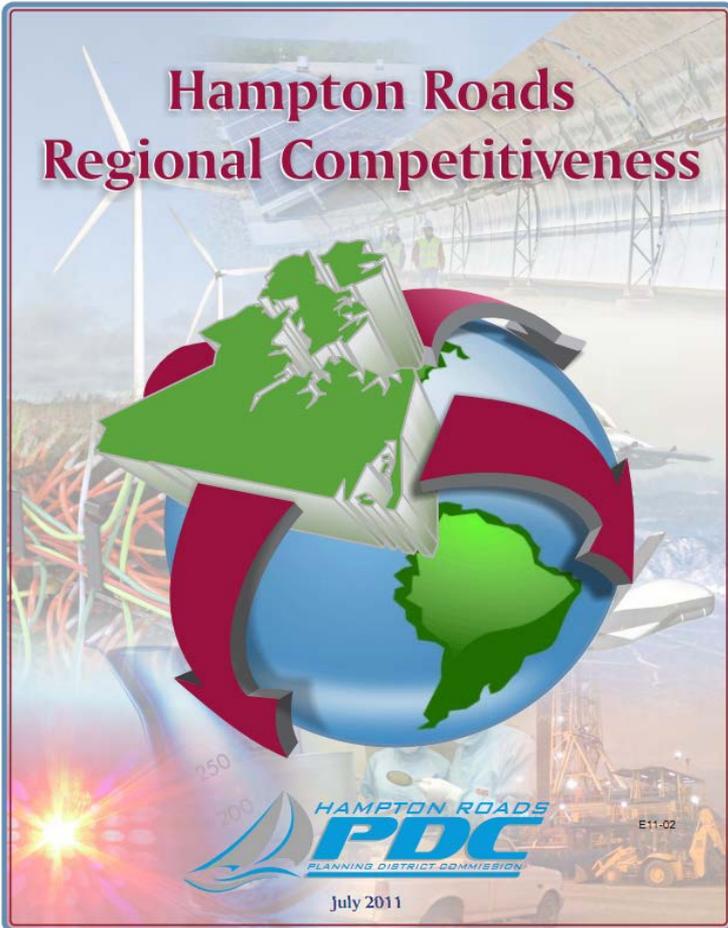
Item #9 – Regional Economic Analysis Locality-Specific Data

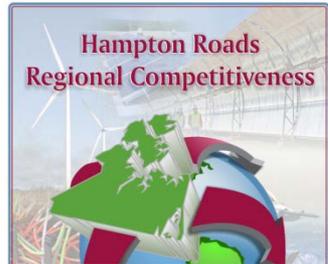
Hampton Roads Planning District Commission

Retreat – February 16, 2012

Greg Grootendorst, Chief Economist

Hampton Roads Regional Competitiveness





7th Edition

Hampton Roads Regional Benchmarking



December 2011

E11-02

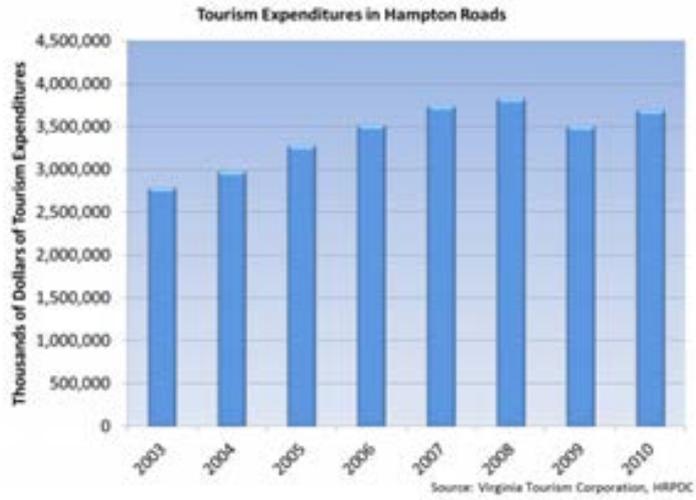
Figure 2.16 Tourism Expenditures in Hampton Roads

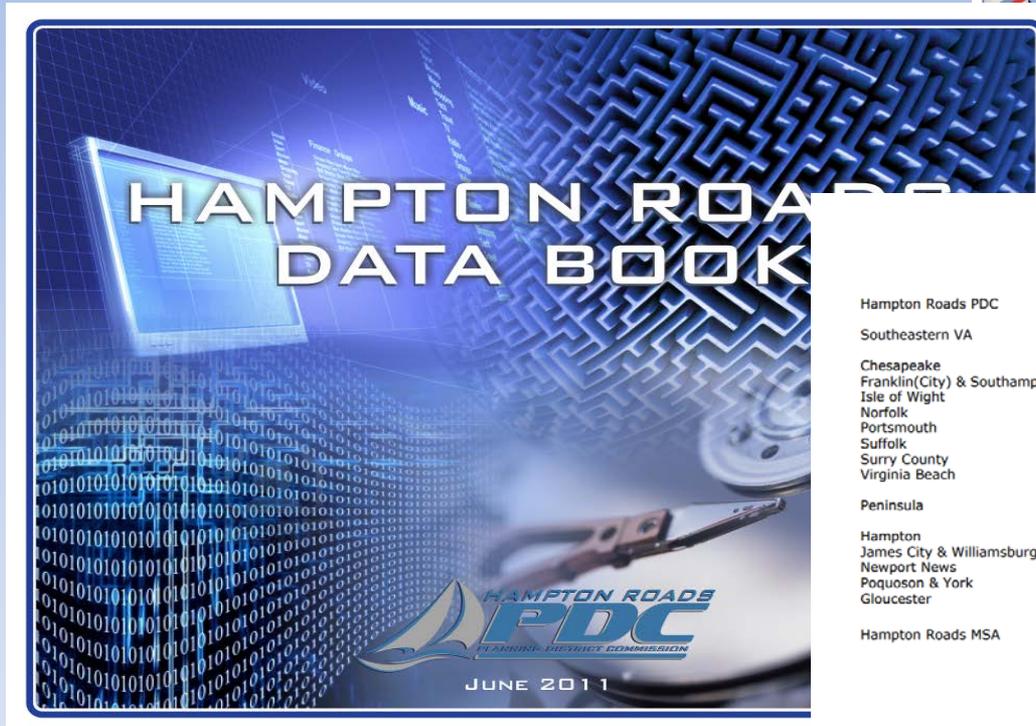
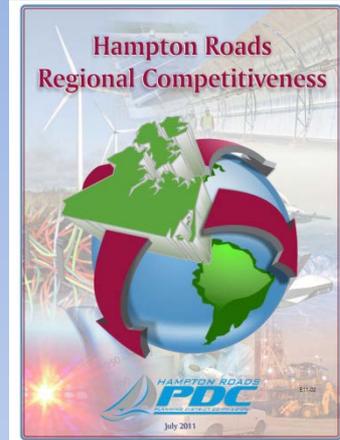
Why is it important?

The Virginia Tourism Corporation estimates tourism expenditures in each locality, which measures the impact of the tourism industry on the local economy. As one of the region's major employment clusters, it is important that tourism continues to contribute to growing the regional economy.

How are we doing?

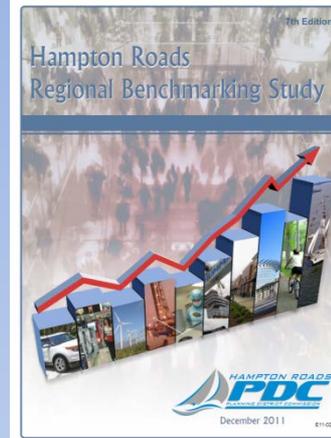
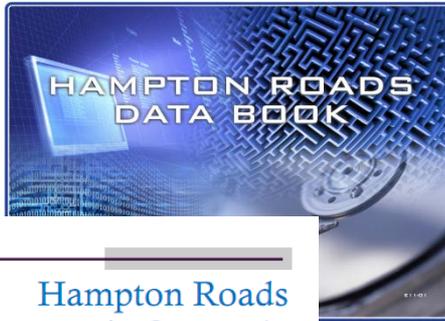
Following the same pattern as leisure and hospitality employment, tourism expenditures peaked in 2008 during the first year of the recession and have declined in 2009 recovering slightly in 2010.





	PER CAPITA INCOME						
	1990	1991	1992	1993	1994	1995	1996
Hampton Roads PDC	\$18,007	\$18,777	\$19,444	\$19,883	\$20,552	\$21,076	\$22,071
Southeastern VA	\$18,150	\$18,925	\$19,593	\$20,098	\$20,782	\$21,318	\$22,391
Chesapeake	\$18,425	\$19,239	\$20,208	\$20,857	\$21,297	\$21,662	\$22,873
Franklin(City) & Southampton	\$15,765	\$16,550	\$17,143	\$17,386	\$18,864	\$19,197	\$19,510
Isle of Wight	\$17,149	\$17,988	\$18,848	\$19,390	\$20,481	\$20,876	\$22,008
Norfolk	\$16,062	\$16,830	\$17,210	\$17,615	\$18,288	\$18,768	\$19,459
Portsmouth	\$15,355	\$15,944	\$16,448	\$16,953	\$17,036	\$17,575	\$18,396
Suffolk	\$16,336	\$17,172	\$17,903	\$18,300	\$19,688	\$20,285	\$21,153
Surry County	\$15,716	\$16,068	\$16,978	\$16,898	\$18,234	\$18,515	\$19,396
Virginia Beach	\$20,652	\$21,387	\$22,091	\$22,574	\$23,284	\$23,901	\$25,272
Peninsula	\$17,673	\$18,436	\$19,102	\$19,391	\$20,027	\$20,528	\$21,346
Hampton	\$16,467	\$17,171	\$17,894	\$18,063	\$18,613	\$19,329	\$20,157
James City & Williamsburg	\$21,017	\$21,616	\$22,752	\$23,254	\$24,298	\$25,149	\$27,211
Newport News	\$16,777	\$17,490	\$17,759	\$18,066	\$18,502	\$18,972	\$19,557
Poquoson & York	\$21,197	\$22,200	\$23,524	\$23,709	\$24,408	\$24,156	\$24,400
Gloucester	\$16,711	\$17,619	\$18,251	\$18,374	\$19,439	\$19,704	\$20,496
Hampton Roads MSA	\$18,029	\$18,790	\$19,466	\$19,913	\$20,570	\$21,107	\$22,124

Source: Bureau of Economic Analysis



Hampton Roads Economic Quarterly

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Volume 03, Issue 04

Sept 13, 2011

Retail Sales and the Economy

by James Clary, HRPDC Economist

Retail sales are a primary indicator of personal consumption expenditures, and one of the most important indicators of the health of the U.S. economy. Personal consumption expenditures (PCE) compose 70% of the U.S. Gross Domestic Product (GDP), and retail sales are a strong predictor of personal consumption expenditures. Retail sales also drive employment growth throughout the national economy; the correlation between U.S. retail and food sales and national payroll employment is 96%.

Potential Decline in Retail-

The PCE's share of U.S. GDP has varied over time, with its share going as

low as 60.5% in the early 1950's. Additionally, several developed economies that are major exporters have lower ratios: Japan where PCE is 60% of GDP and Germany where it is 57% of GDP. While the U.S. PCE reached a peak of 71.4% of GDP in the first quarter of 2009, several changes, including rebalanced trade flows between the United States and the rest of the world, and deleveraging by both the government and U.S. consumers will push the ratio lower.

U.S. retail sales have grown since March 2009, increasing by 17.4% from the post-recession lows of that month; however, recent growth only results in a 3.2% (0.84% annualized rate) improvement over the pre-recession peak experienced in November 2007. This is an

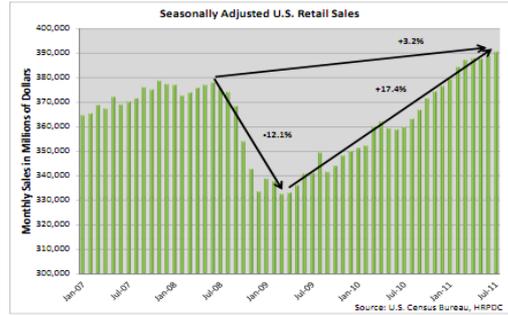
About this Document

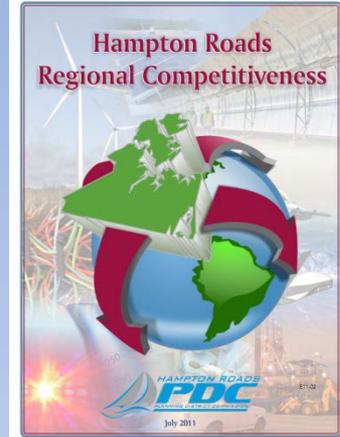
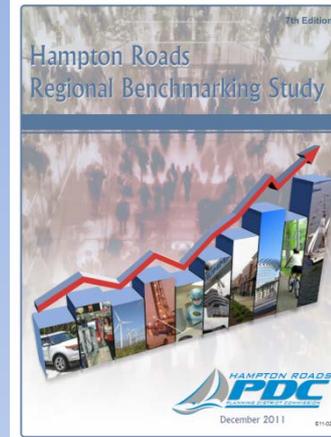
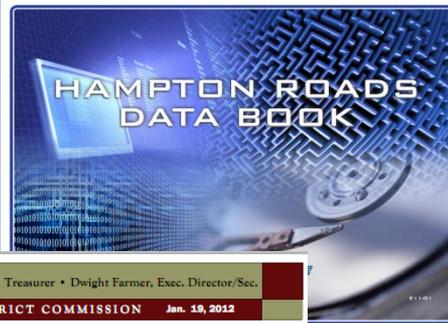
Preparation of this document was included in the HRPDC Unified Planning Work Program for Fiscal Year 2012 that was approved by the Commission at its Executive Committee Meeting on June 16, 2011.

If you would like to be included on the electronic distribution list, please contact James Clary.
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Available for download,
visit: www.hrpdcva.gov





Thomas Shepperd, Chair • Kenneth Wright, Vice-Chair • James McReynolds, Treasurer • Dwight Farmer, Exec. Director/Sec.
Special Report #12 HAMPTON ROADS PLANNING DISTRICT COMMISSION Jan. 19, 2012

Special Report: Hampton Roads 2012 Forecast

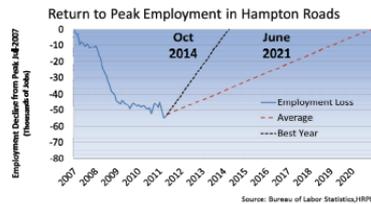
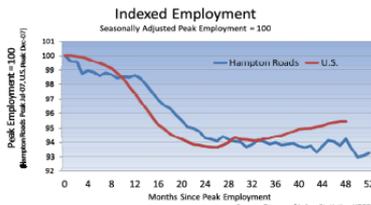


On January 19th the Hampton Roads Planning District Commission released the 2012 HRPDC Regional Forecast.

Currently, Hampton Roads remains entrenched in the process of recovering from the "Great Recession." The region has lost in excess of 50,000 jobs since payroll employment peaked in July of 2007 and has experienced 52 months of employment decline without a sustained trend toward recovery.

Over the past two years there has been some employment growth in the region's federal, administrative & support, education & health services, and transportation and utilities sectors; though not enough growth to counter the effects of job loss. Assuming the region's best record of annual employment growth, it would take until October of 2014 to return to previous peak employment.

The year ahead is likely to be one characterized by very modest growth. On the national level industrial production is trending upward, manufacturing orders have increased, homebuilder sentiment is improving, the average number of weekly hours worked has increased, and initial unemployment claims are down. Concerns that lie ahead include the Eurozone crisis, cuts in federal expenditures, tightened monetary policy in developing economies, and rising fuel prices.



2012 HRPDC Regional Forecast

	2011 (Year to Date)	2012 Forecast
United States		
Real GDP	1.7%	2.3%
Interest Rates		
3-Month Treasury Bills	0.05%	0.1%
10-Year Treasury Notes	2.8%	2.3%
Hampton Roads		
Gross Product	NA	1.8%
Civilian Employment	-0.3%	0.8%
Unemployment Rate	7.0%	7.1%
Retail Sales	3.5%	2.8%
Auto and Truck Sales	2.7%	3.0%
Value of Single-Family Residential Building Permits	-11.8%	5.0%

For questions or comments, please contact Greg Grootendorst, HRPDC Chief Economist, ggrootendorst@hrpdcova.gov

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U.S. retail sales have grown since March 2009, outpacing by 71% the post-recession levels of that month; however, recent growth only results in a 3.2% (5.8% annualized rate) improvement over the pre-recession peak experienced in November 2007. This is an

Potential Decline in Retail

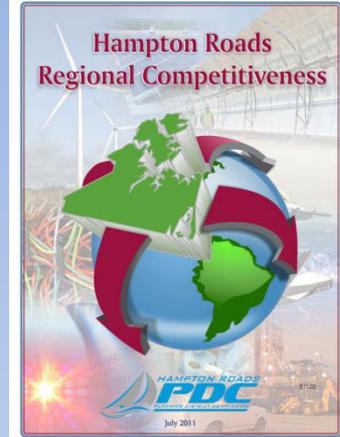
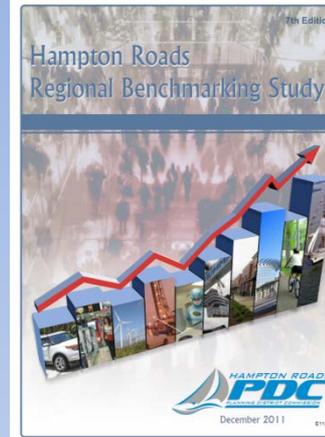
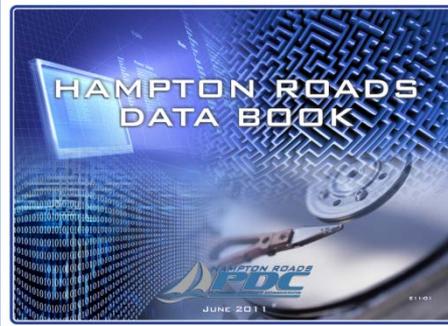
The PCE share of U.S. GDP has varied over time, with its share going as

Approx. 8% Discount

Preparation of this report was included in the HRPDC Chief Planning Work Program for Fiscal Year 2011. The author is grateful to the Commission for its continued support in this endeavor. Prepared by James Clary, HRPDC Economist. Contact: jclary@hrpdcova.gov, Phone: (757) 426-8000.

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National Employment Report for December- Good End of the Year
By James Clary, Economist

HRPDC economists staff tracks employment data and other economic indicators to better provide technical analysis and forecasting of the Hampton Roads economy.

National payroll expanded by 200,000 in December 2011, resulting from an increase of 218,000 private payrolls and a decrease of 18,000 government jobs. The U.S. has gained jobs for 12 consecutive months, capping a year that had a 1.64 million increase in payroll, and December's employment growth was 50% above the 2011 average of 137,000 added each month to payroll. The 200,000 number here has consensus estimates of 150,000 jobs (Dow Jones Newswire). To compare, Hampton Roads lost 2,300 jobs in 2011 through the month of November.

Indexed Employment- Seasonally Adjusted Peak Employment = 100

About the HRPDC
The Hampton Roads Planning District Commission (HRPDC), one of 21 Planning District Commissions in the Commonwealth of Virginia, is a regional organization representing the sixteen local governments in southeastern Virginia.

Page List

- HRPDC Representation and Funding
- List of Members
- What is a Planning District Commission?

Category List

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- Economics (64)
- Emergency Management (28)
- Engineering (10)
- Planning (27)
- Public Assistance (10)

Month List

- 2012
- 2011
- 2010

Calendar

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The University of Michigan survey of Professional Sentiment also increased, increasing to 65% in December.

Special Report: Hampton Roads 2012 Forecast

On January 19th the Hampton Roads Planning District Commission released the 2012 HRPDC Regional Forecast. Currently, Hampton Roads remains anchored in the process of recovering from the "Great Recession". The region has lost in excess of \$200 million since payroll employment peaked in July of 2007 and has experienced 62 months of employment decline without sustained trend toward recovery.

Over the past two years there has been some employment growth in the region's federal, administrative & support, education health services, and transportation and utility sectors though not enough growth to counter the effects of job loss. Assuming the region's loss result of annual employment growth, it would take until October of 2014 to return to pre-peak employment.

The year ahead is likely to be one characterized by very modest growth. On the national level industrial production is trending upward, manufacturing when less insulated, non-durable consumer is improving, the average number of weeks have worked has increased, and initial unemployment claims are down. Consumers that lead include the Business cycle, one to follow employment, regional employment index or leading economic, and leading price index.

2012 HRPDC Regional Forecast

	2011 (Year to Date)	2012 Forecast
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Hampton Roads		
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Return to Peak Employment in Hampton Roads

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Hampton Roads Economic Quarterly

Volume 05, Issue 04
Sept. 13, 2011

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About This Document
Preparation of this document was supported by the Hampton Roads Planning District Commission's Work Program for Fiscal Year 2011. The Commission is a partnership of 16 local governments in the Hampton Roads Planning District Commission. Planning Mgr. James Clary, HRPDC Economist
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HAMPTON ROADS PLANNING DISTRICT COMMISSION

Information on Local Jurisdictions Currently Available in the PDC Data Book

- Population
- Density
- Migration Data
- Per Capita Income
- Total Personal Income
- Employment
- Labor Force
- Retail Sales
- Building Permit Data
- Real Estate Values
- Tourism Expenditures
- Passenger Vehicle Registration
- Tax Collections
- Graduation Rates
- School Enrollment

Jurisdictional Information

Benchmarking Study

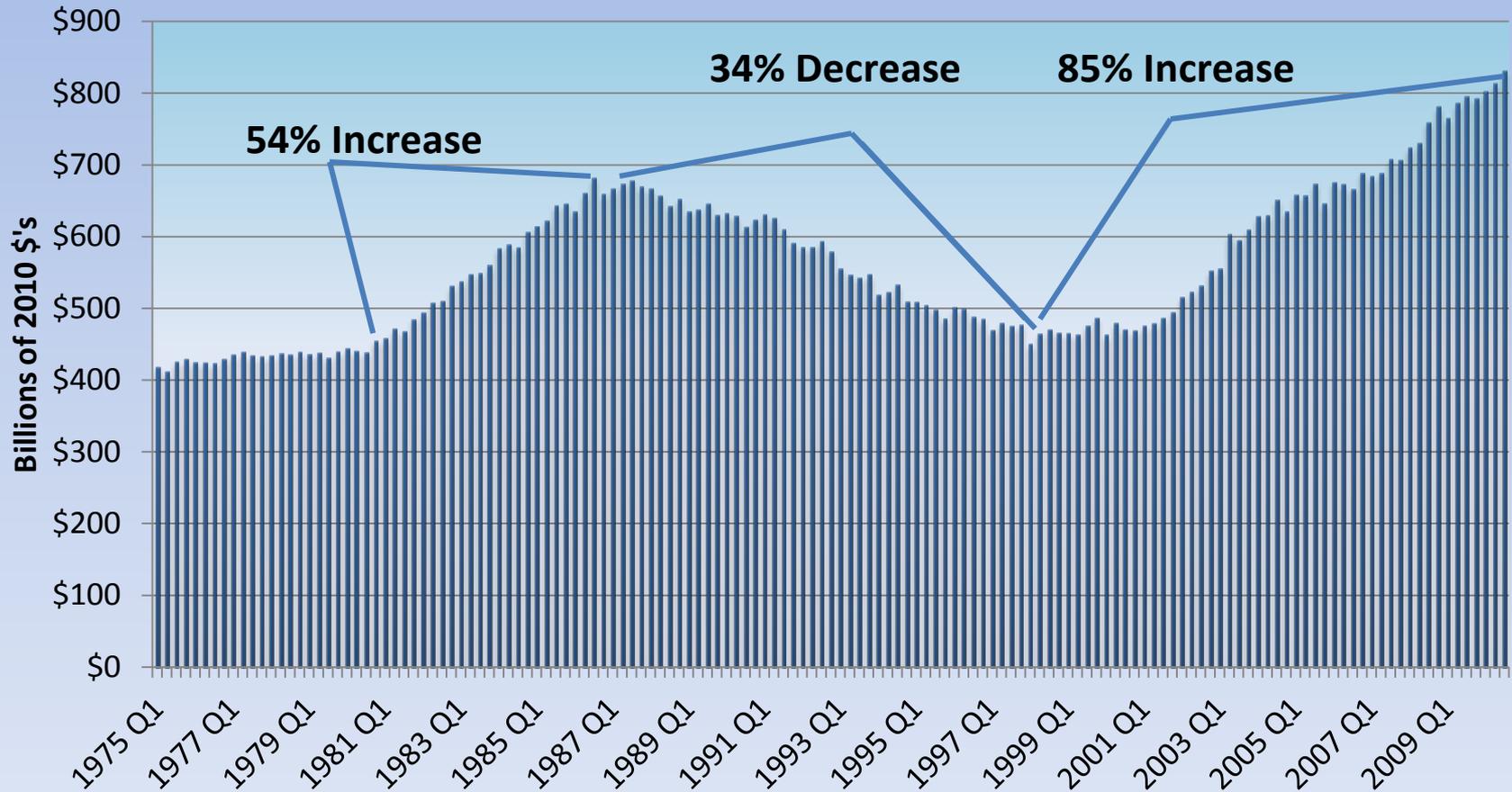
- Demographic Information
- Employment and Labor Force Data
- Retail Sales
- Building Permit Data

Other Data Releases

- Economic Quarterlies
- Special Reports
- Electronic Journals
- **By Request**

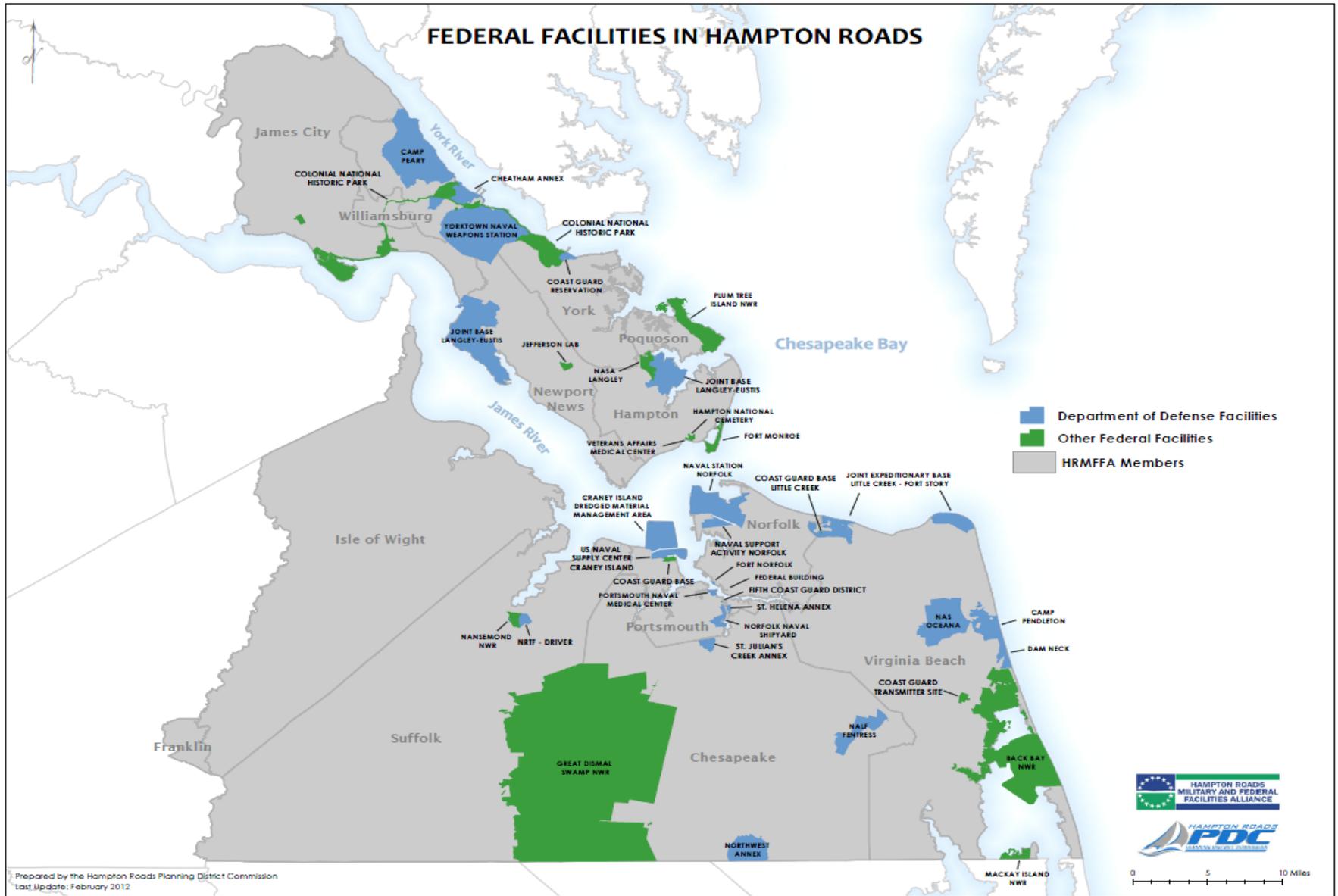
Part 2: Impact of Defense Budget

National DoD Spending



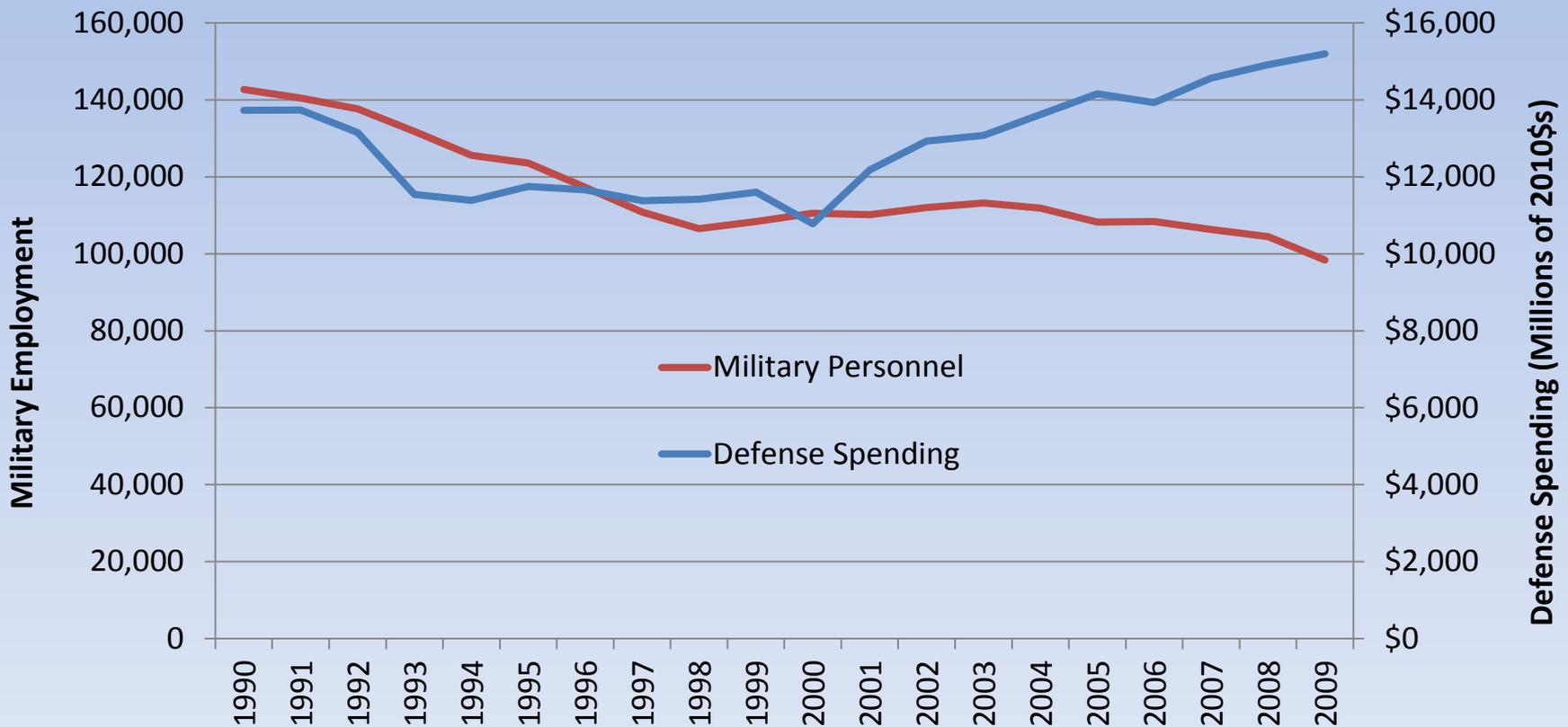
Source: Survey of Current Business

FEDERAL FACILITIES IN HAMPTON ROADS



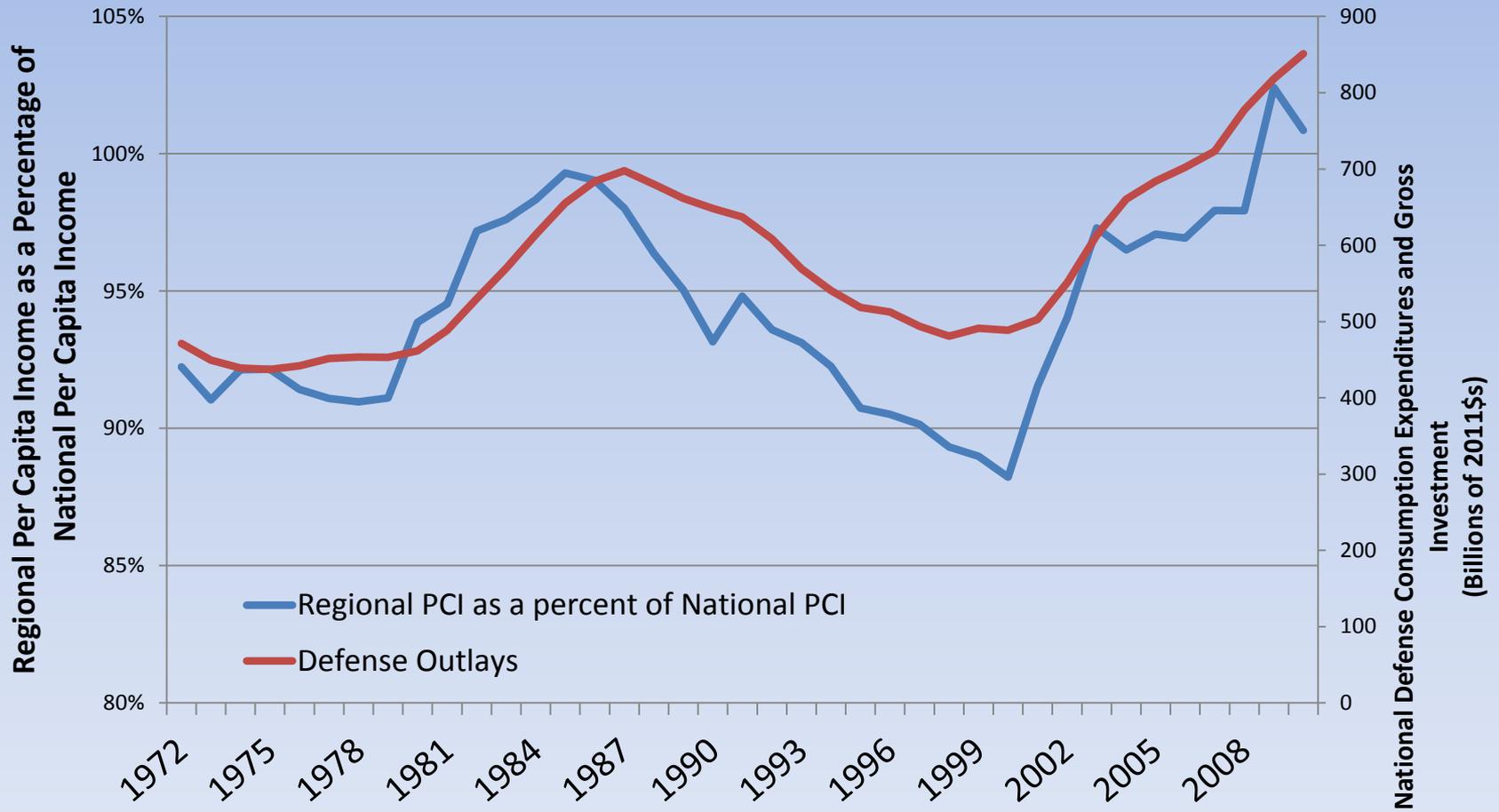
Prepared by the Hampton Roads Planning District Commission
Last Update: February 2012

Defense Spending and Military Employment in Hampton Roads



Sources: Bureau of Economic Analysis, Census Bureau, and HRPDC

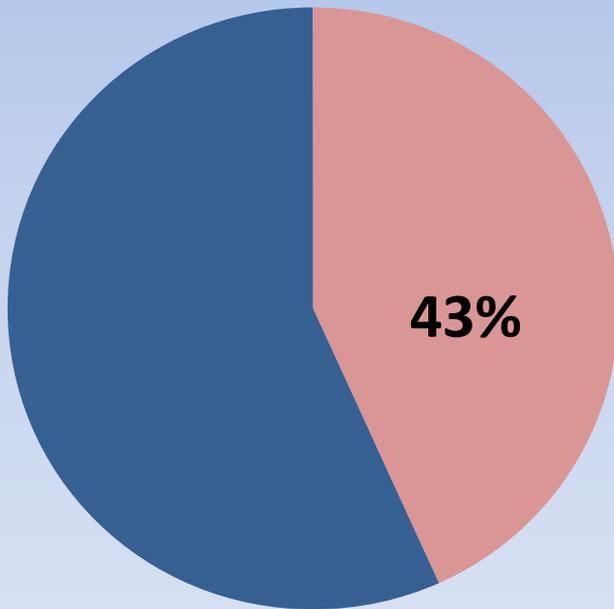
Regional Income and National Defense Outlays



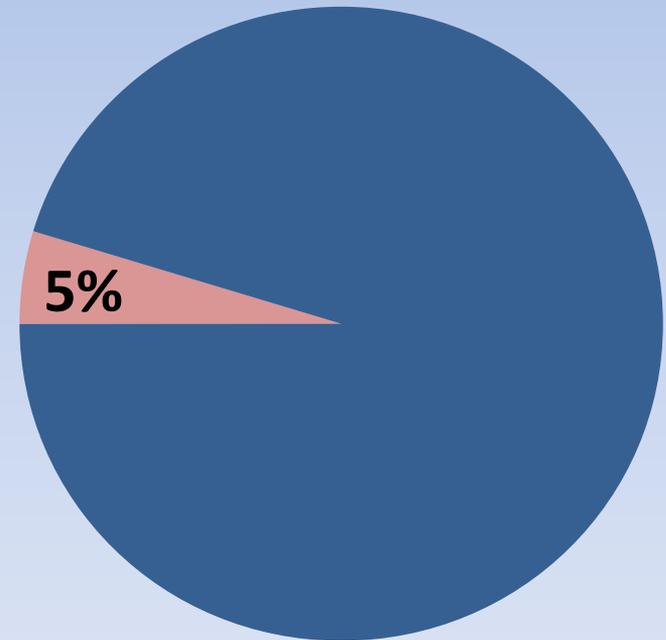
Source: Bureau of Economic Analysis and HRPDC

Defense Spending as a Percent of Gross Product

Hampton Roads



United States



■ Defense
■ Non-Defense