

# Hampton Roads Regional Competitiveness

Presented to the Hampton Roads  
Planning District Commission



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# Hampton Roads Regional Competitiveness

## Purpose:

- Identify theories and strategies regarding sustainable economic growth
- Review factors that have lead to productivity growth in successful regions
- Determine implications of the research for the Hampton Roads economy

# What is Economic Competitiveness?

- A measure of productivity
- Comparison between regions, useful for benchmarking
- A term that inspires action



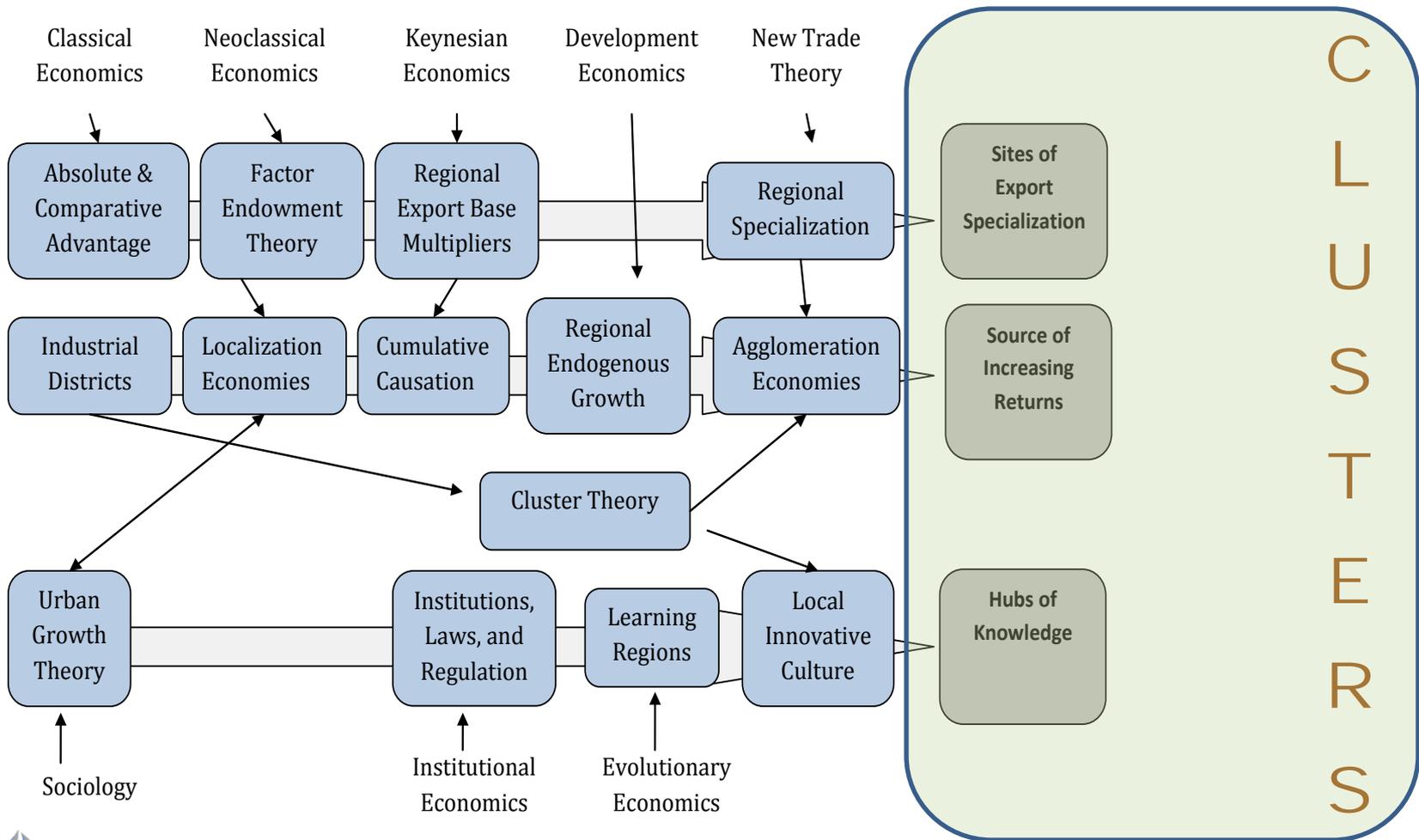
Competitiveness is a dangerous obsession.

~Paul Krugman

# Theoretical Review . . .

- Competition between regions is not a zero-sum game
- Increased competitiveness = Increased productivity
- Theoretical models of competitiveness result in one of three end states:
  - Regions as sites of export **specialization**
  - Regions as sites of increasing returns to scale
  - Regions as **hubs of knowledge**

# The 3 end states of regional competitiveness



# Empirical Review - Local Competitive Economies



- Austin
- Raleigh
- Nashville
- San Antonio
- Houston
- Washington
- Dallas
- Charlotte
- Cape Coral
- Boise
- Salt Lake City
- Las Vegas
- Bridgeport
- Seattle
- Portland
- Pittsburgh
- San Francisco
- Madison
- Albany

# Empirical Review - Competitive Economies Abroad

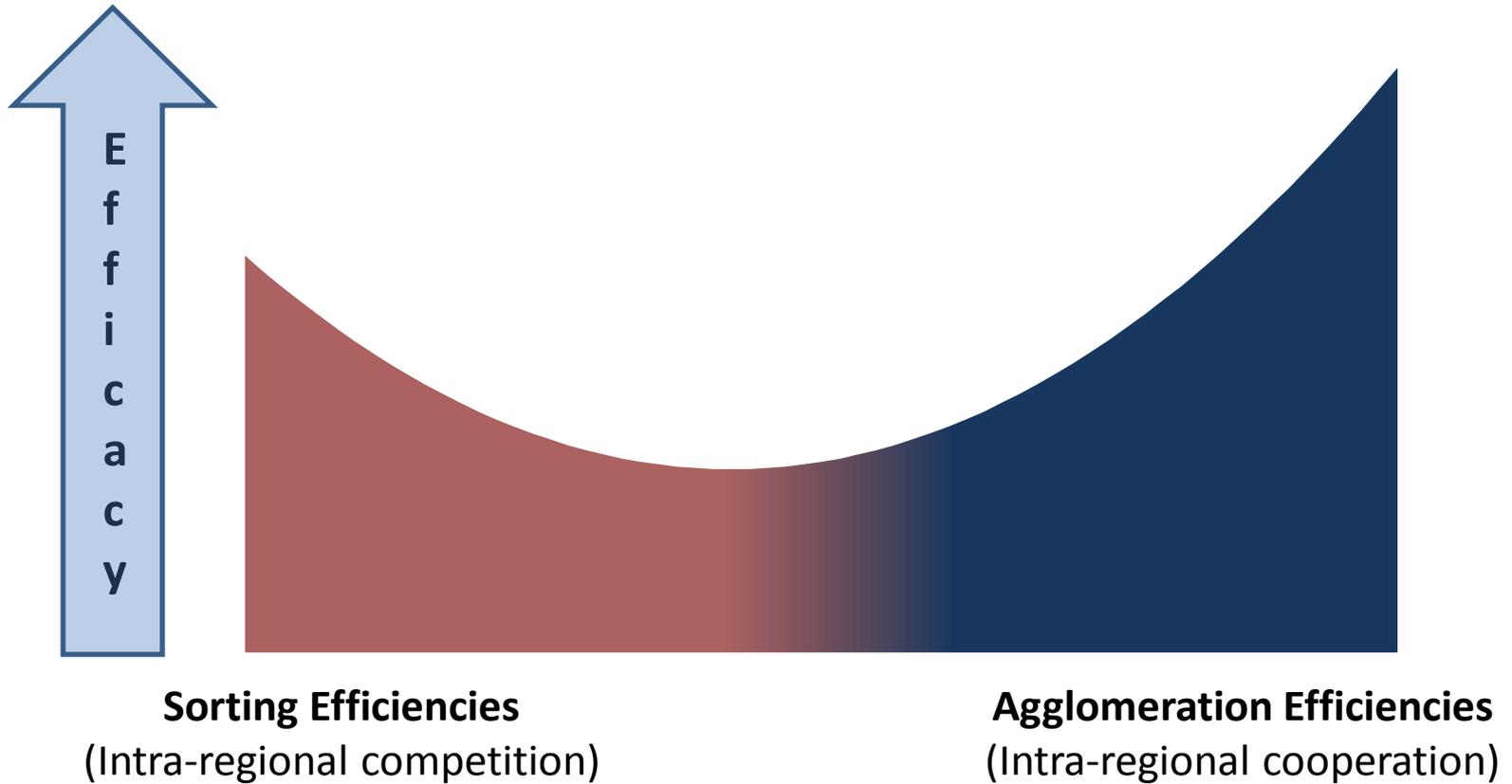


- London
- Paris
- Hong Kong
- Madrid
- Singapore
- Toronto
- Shanghai
- Beijing
- Tokyo
- Sydney
- Stockholm
- Berlin
- Seoul
- Moscow
- Mumbai
- Sao Paulo
- Abu Dhabi
- Istanbul
- Johannesburg
- Mexico City
- Santiago

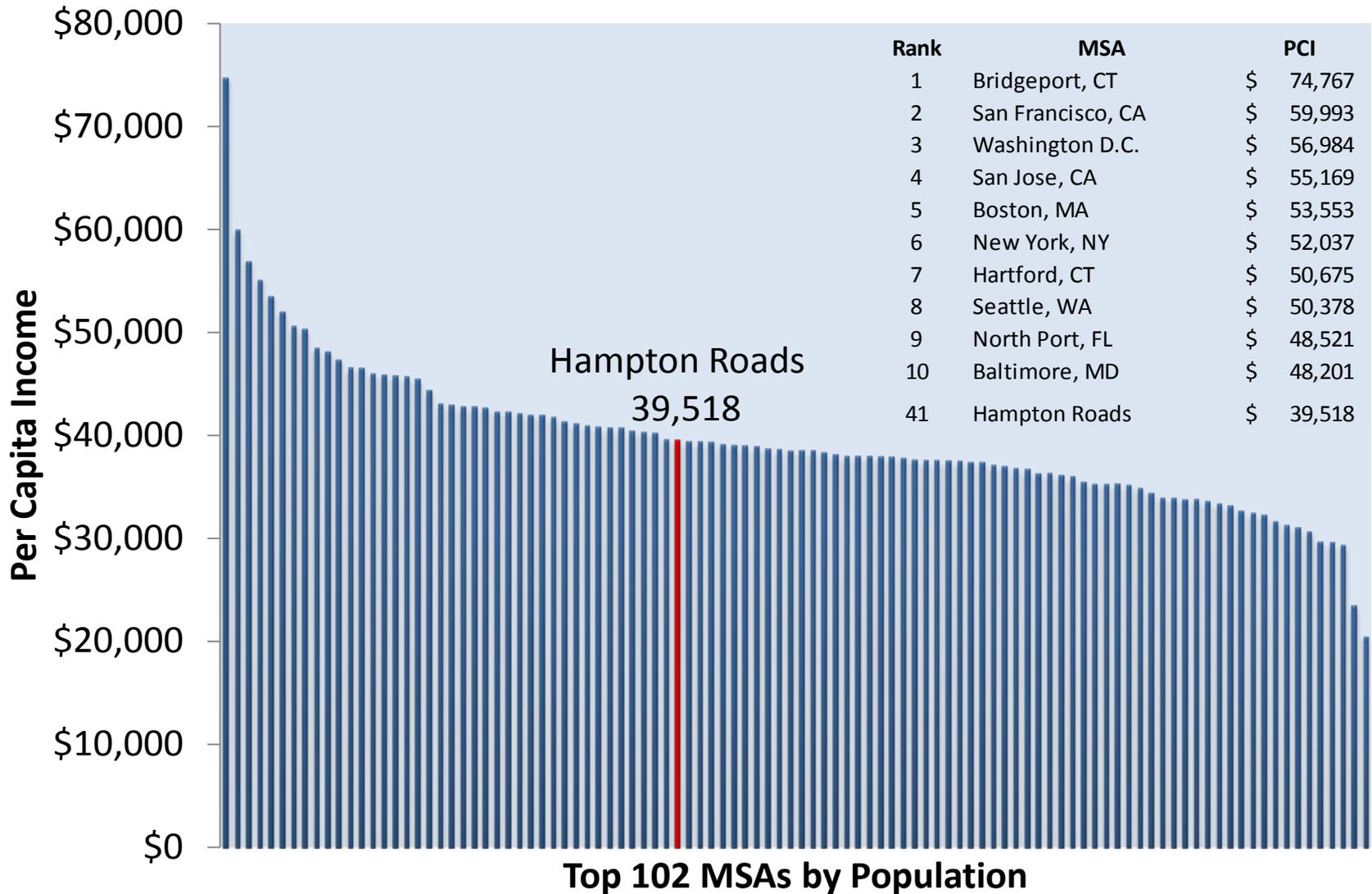
# Empirical Review . . .

- Economies are incredibly complex
  - Each exists in a unique state
  - Determining causal relationships is extremely difficult
- Human capital consistently drives economic growth
- Most job gains are the result of new business establishment or the expansion of existing businesses

# Regionalism

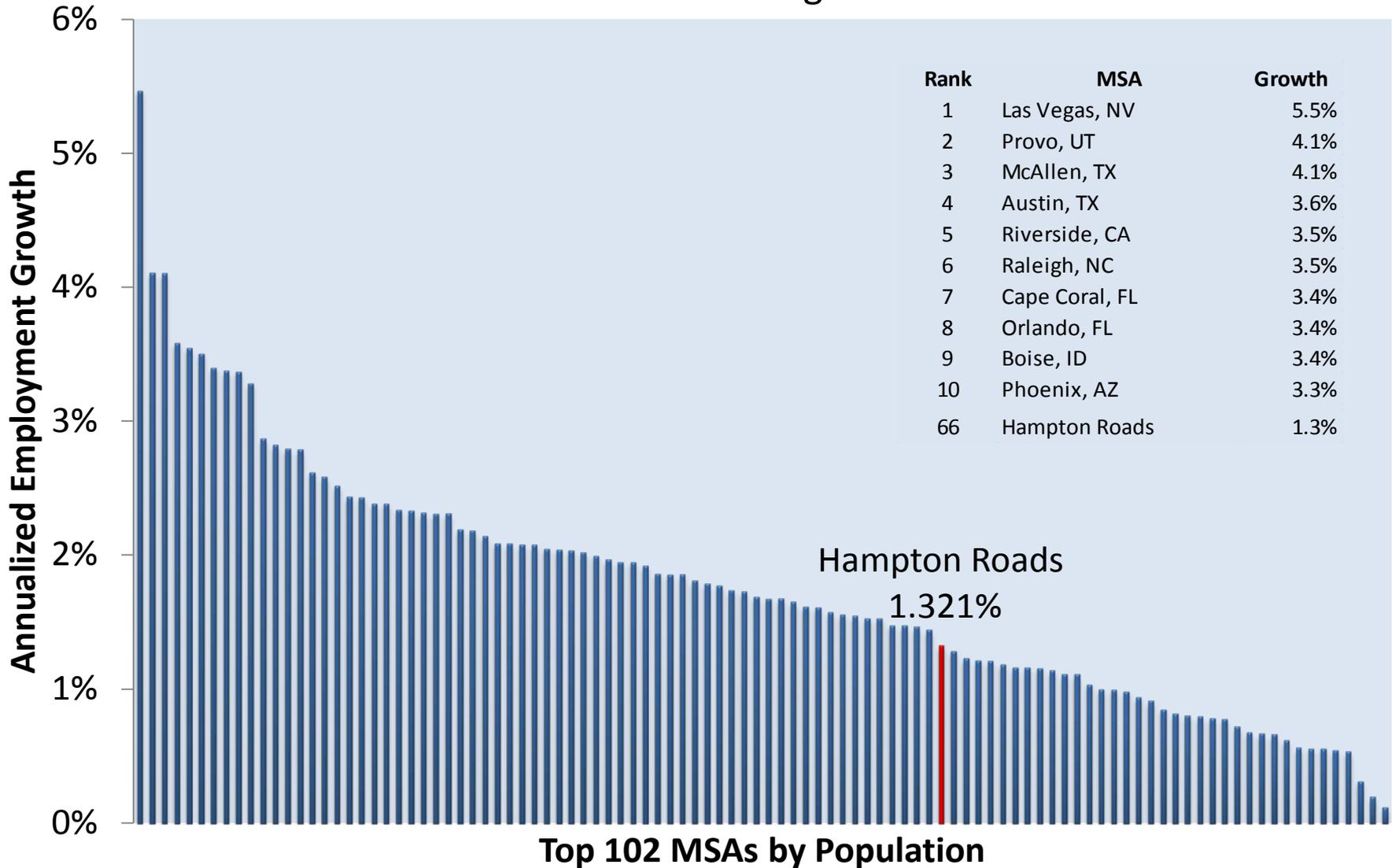


# Per Capita Income - 2009



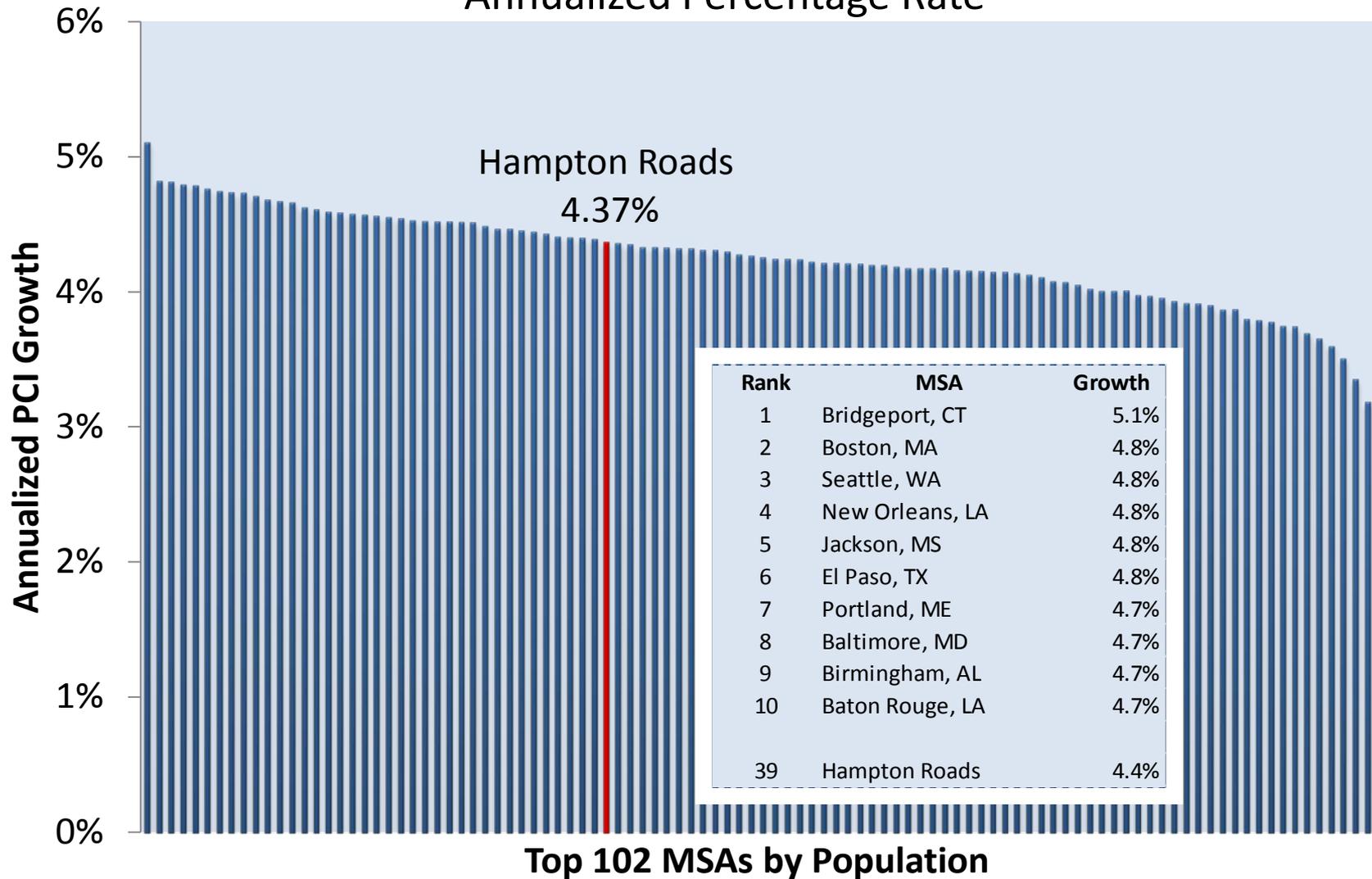
# 25 Year Employment Growth

Annualized Percentage Rate



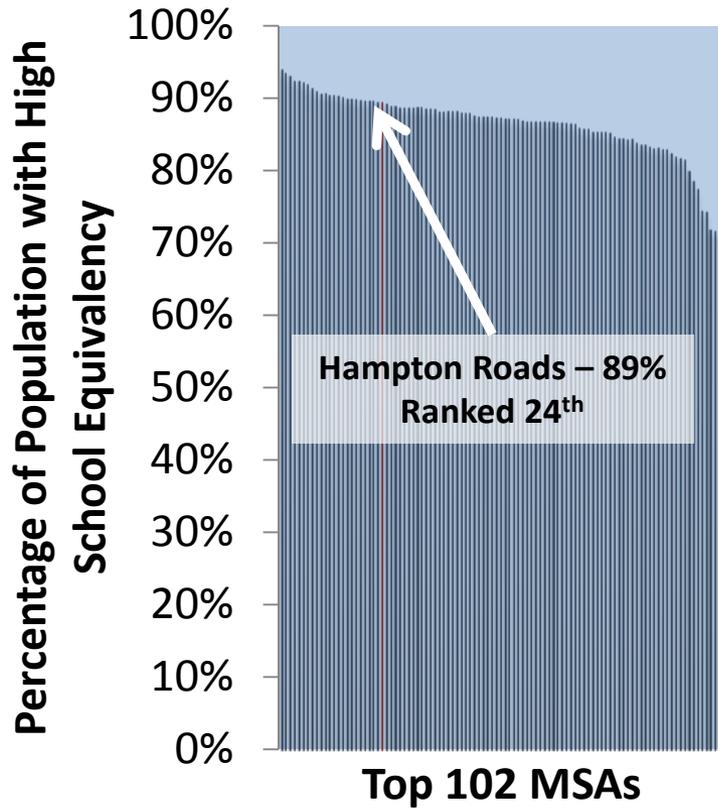
# 25 Year Per Capita Income Growth

Annualized Percentage Rate

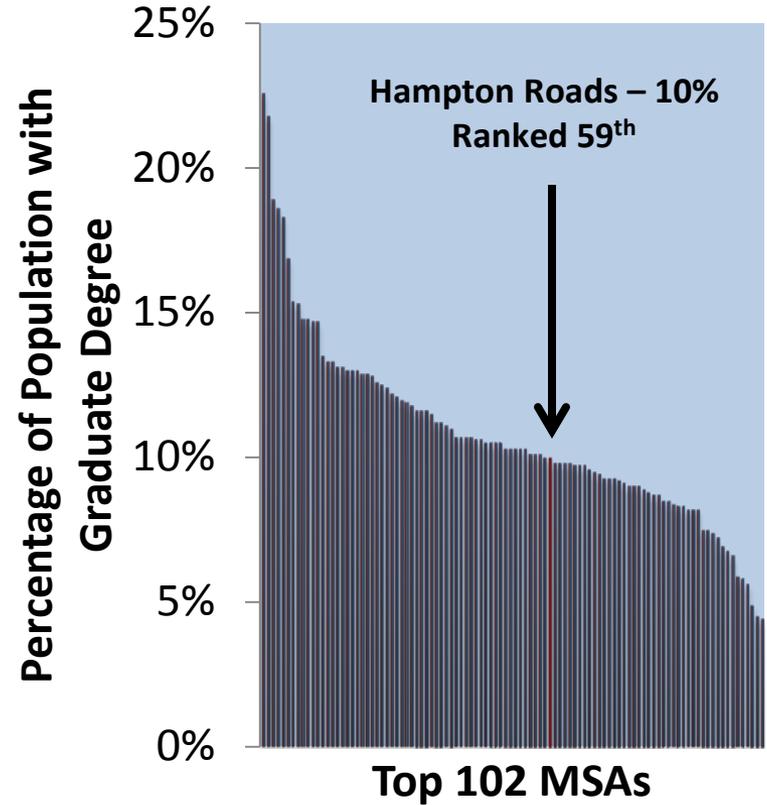


# Education

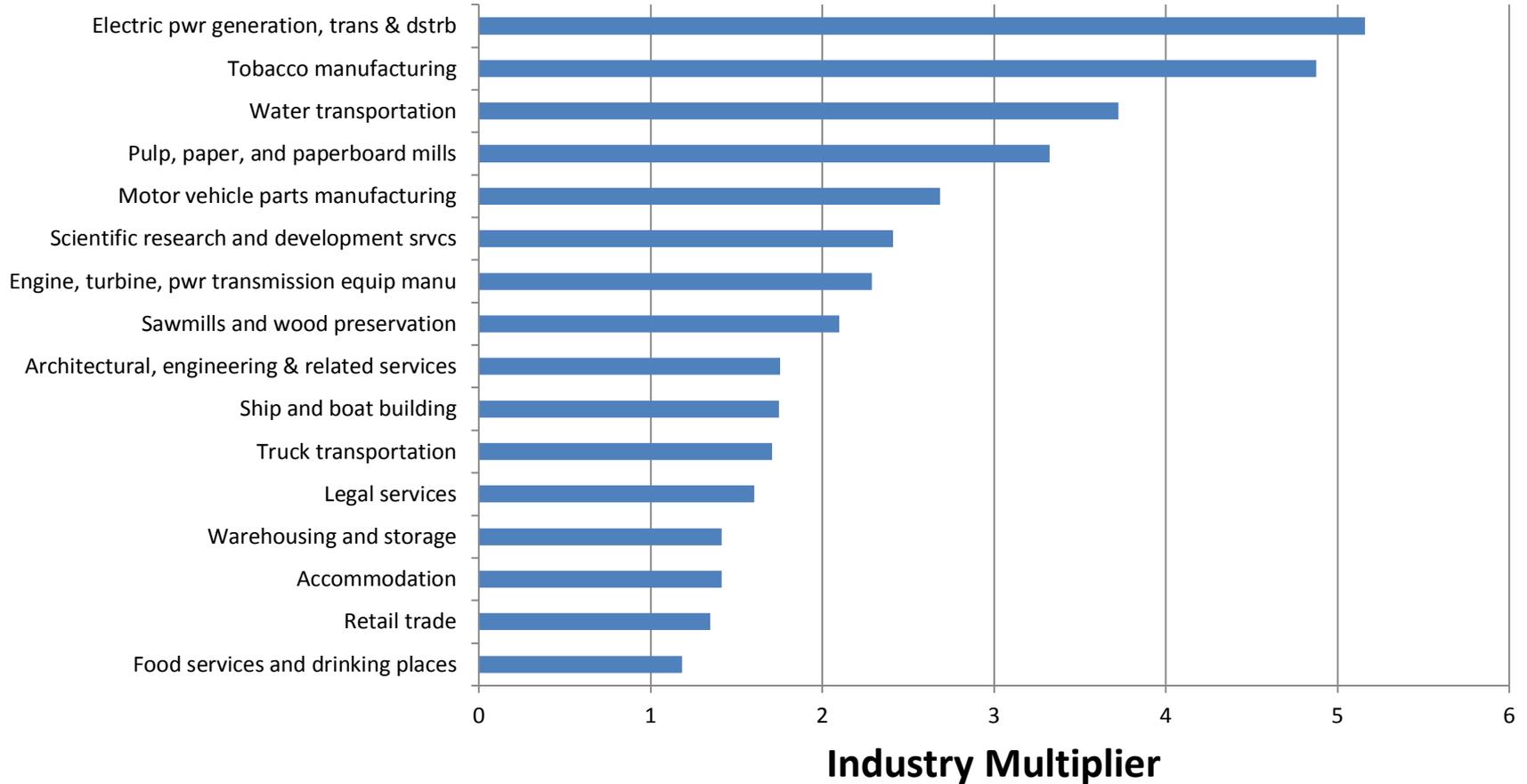
## High School Equivalency



## Graduate Degree



# Employment Multipliers



# Research Conclusions

- The vast majority of employment growth comes from new small businesses and growth in existing business
- Successes in sustained economic growth have been rooted in industry clusters based on regional advantages
- Human capital (education) has consistently proved to be a driver of economic growth
- Regional cooperation on the provision of services, tax structures, and regulatory requirements increases co-location efficiencies
- Targeted development strategies tend to be costly and rarely prove to be effective in achieving long-term regional growth