Presentation to the Hampton Roads Planning District Commission

2008 Mid-Year Review

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Deputy Executive Director, Economics
Hampton Roads Planning District Commission

July 2008

National Economy

In the NEWS . . .

Average net paid circulation for February exceeded
Daily---2,300,000
Sunday-4,750,000

THE RECENT DAILY NEWS HOME

Vol. 26. No. 49 — 36 Main + 16 Comic + 24 Coloroto Pages

THE ECONOMY

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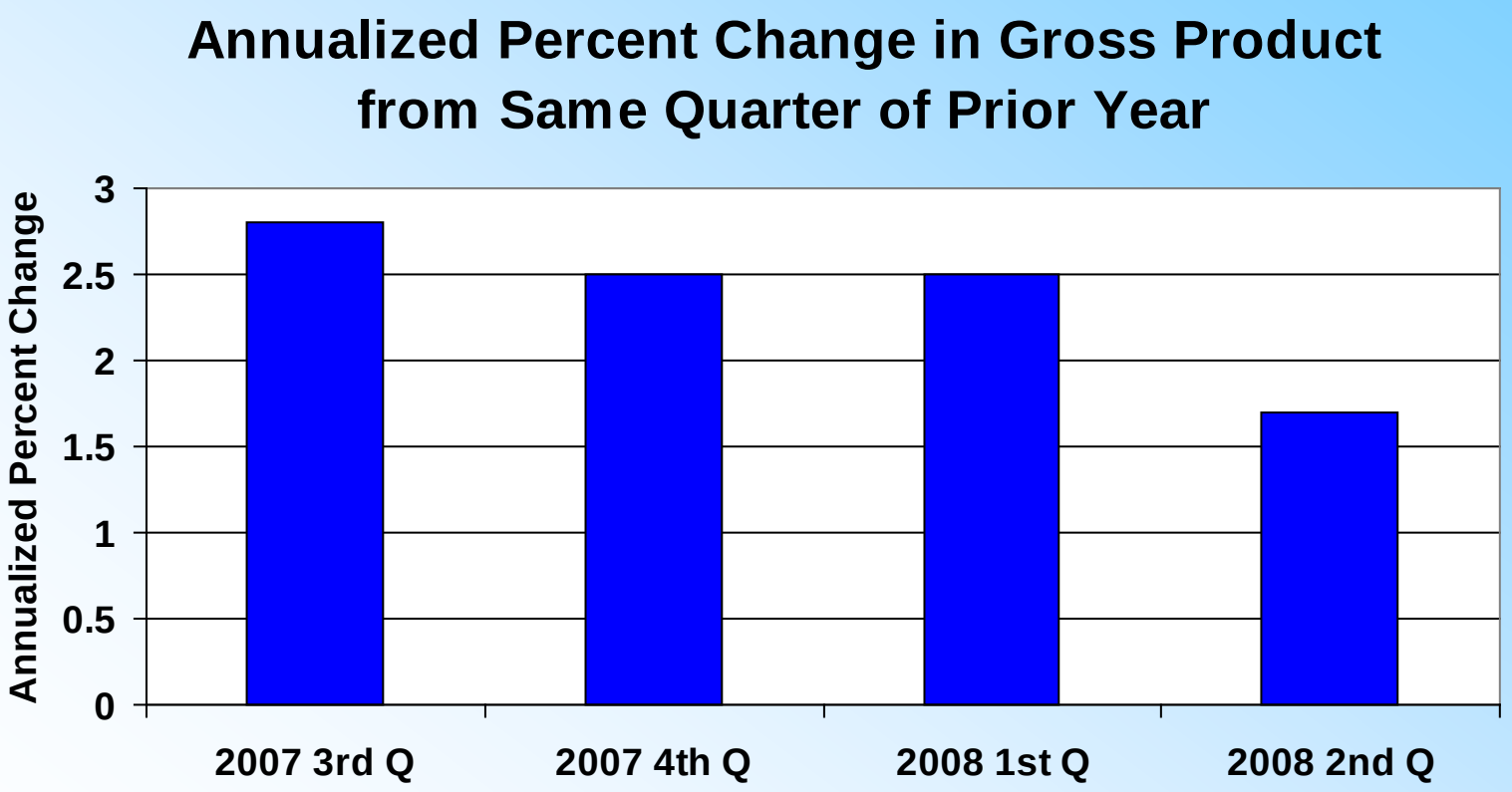
Growth Has Been in Decline



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The 2008 Economy

- Foreclosure fallout – credit crunch & banking
- Food and energy prices have continued to increase
- Consumer confidence has been weak
- Decreased employment - increased unemployment rate
- Stimulus package
- Inflation pressures

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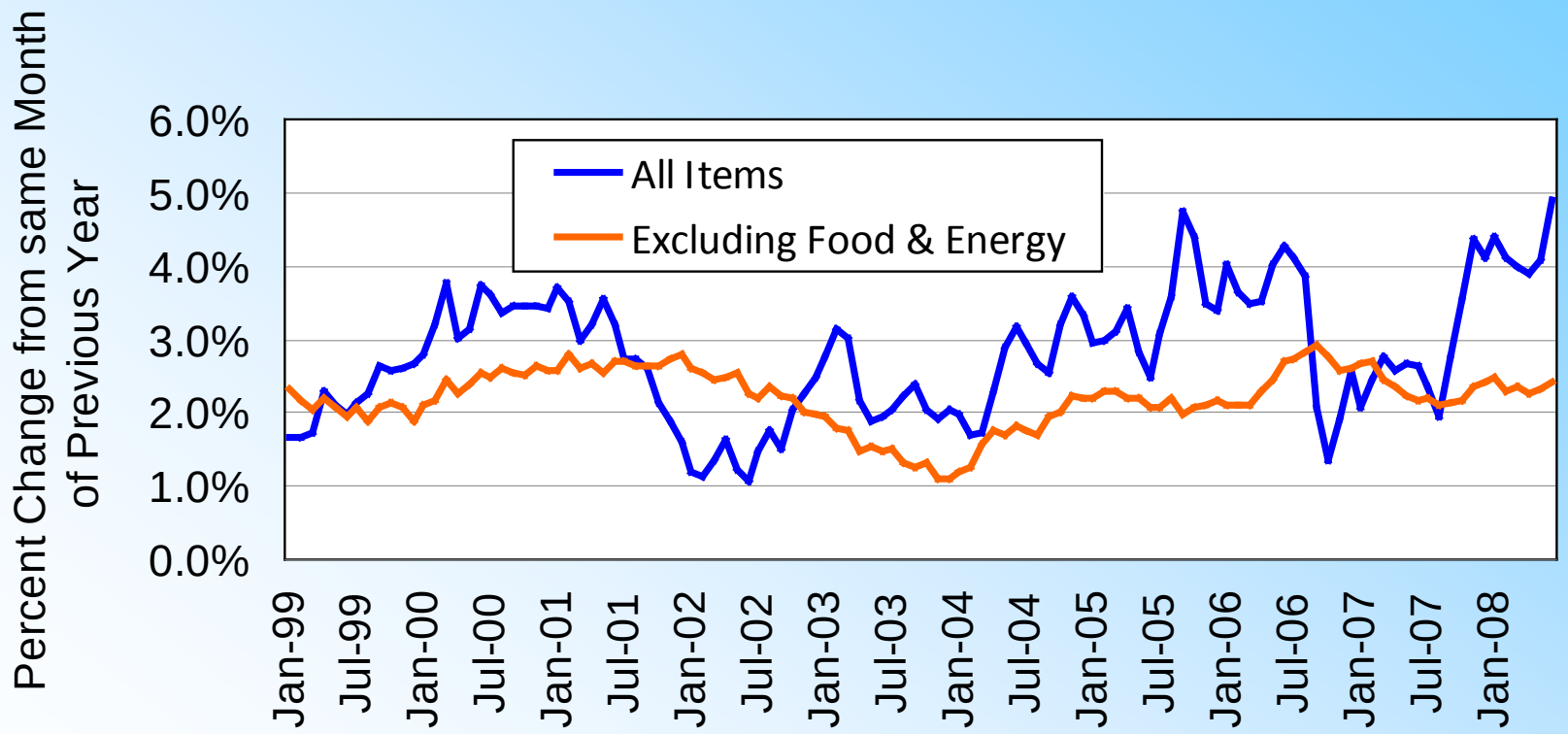
Inflation

National Inflation



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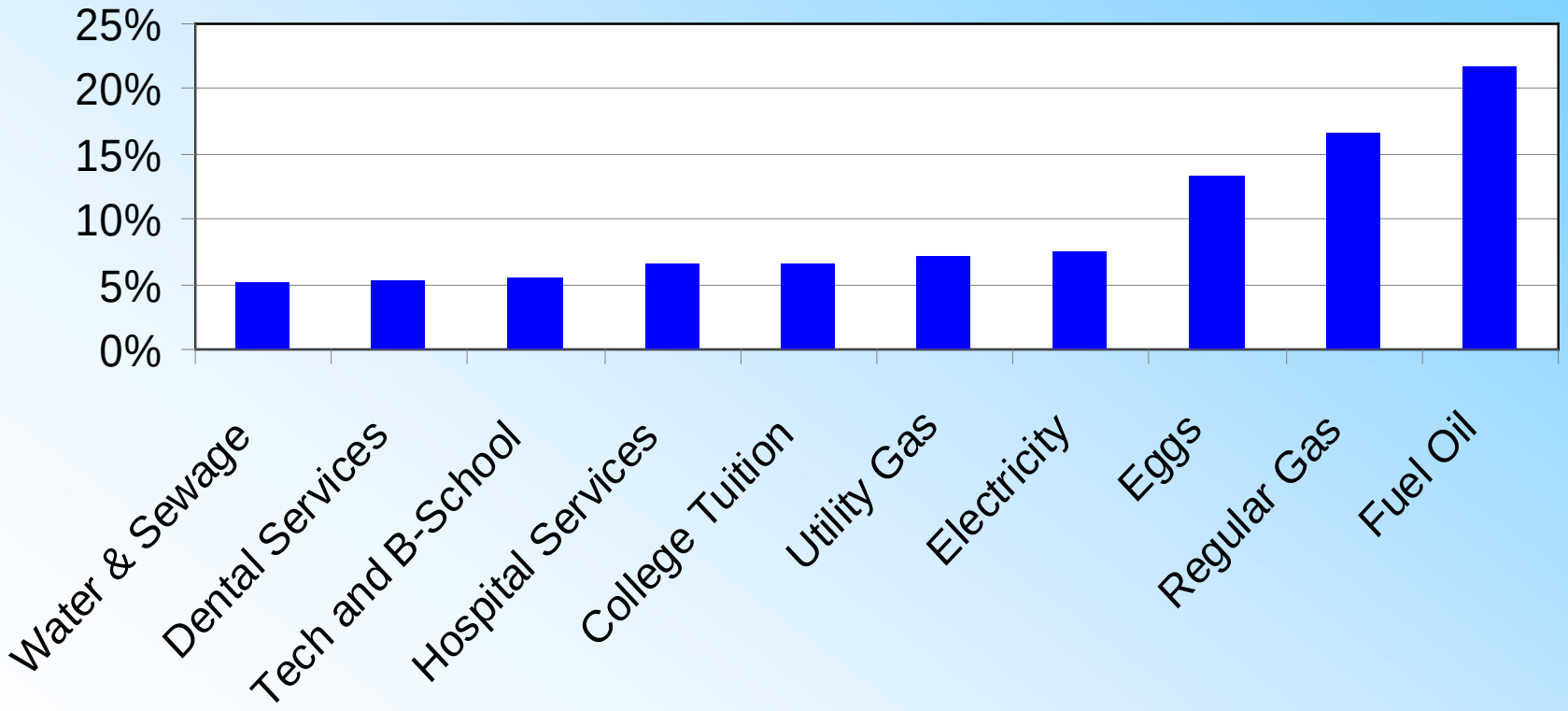
Inflation

Household spending
2007, % spent on fuel, food and drink
Less than 25%
Between 25 and 40%
Between 40 and 50%
Over 50%
No data
Source: IMF

Inflation

Average Inflation over the Past 3 Years



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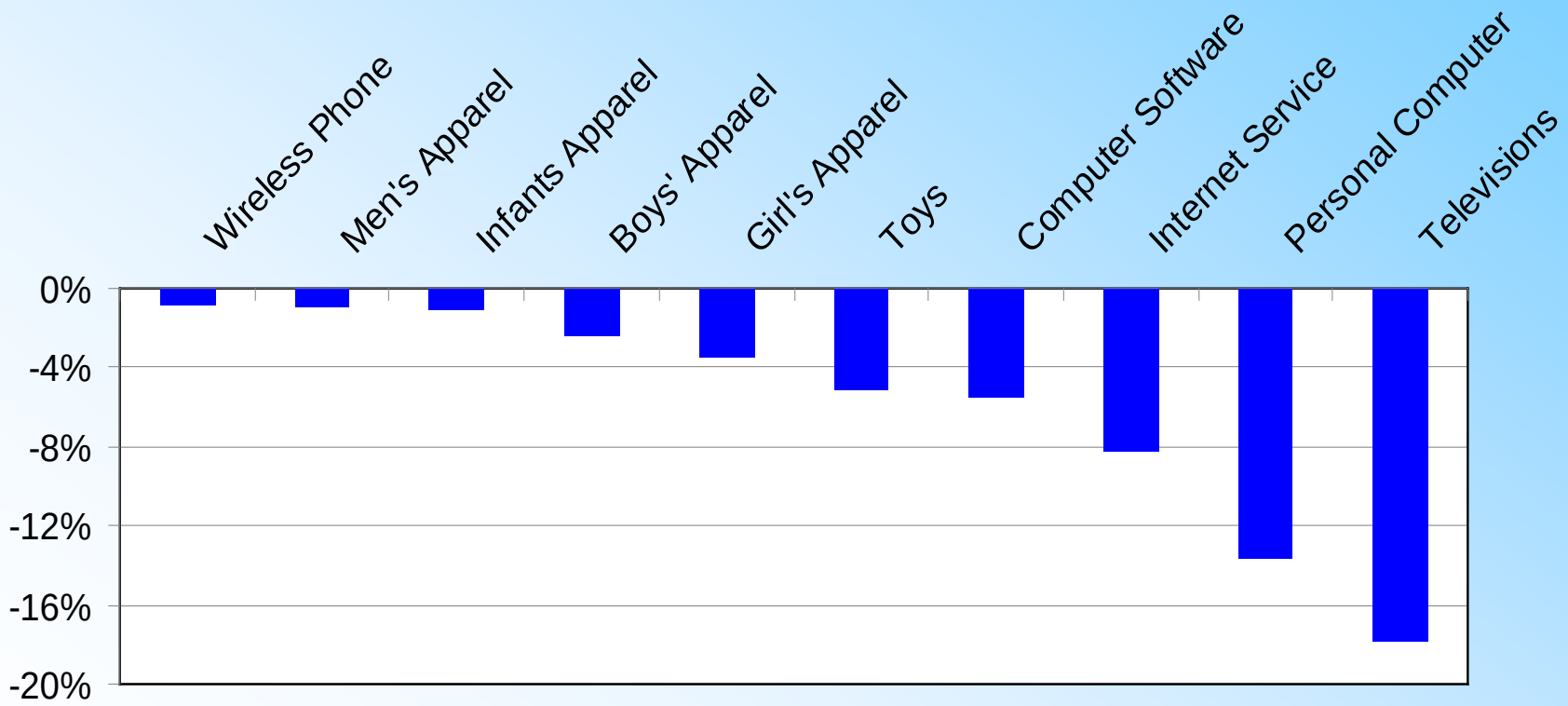
Inflation

Average Inflation over the Past 3 Years



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The Hampton Roads Economy

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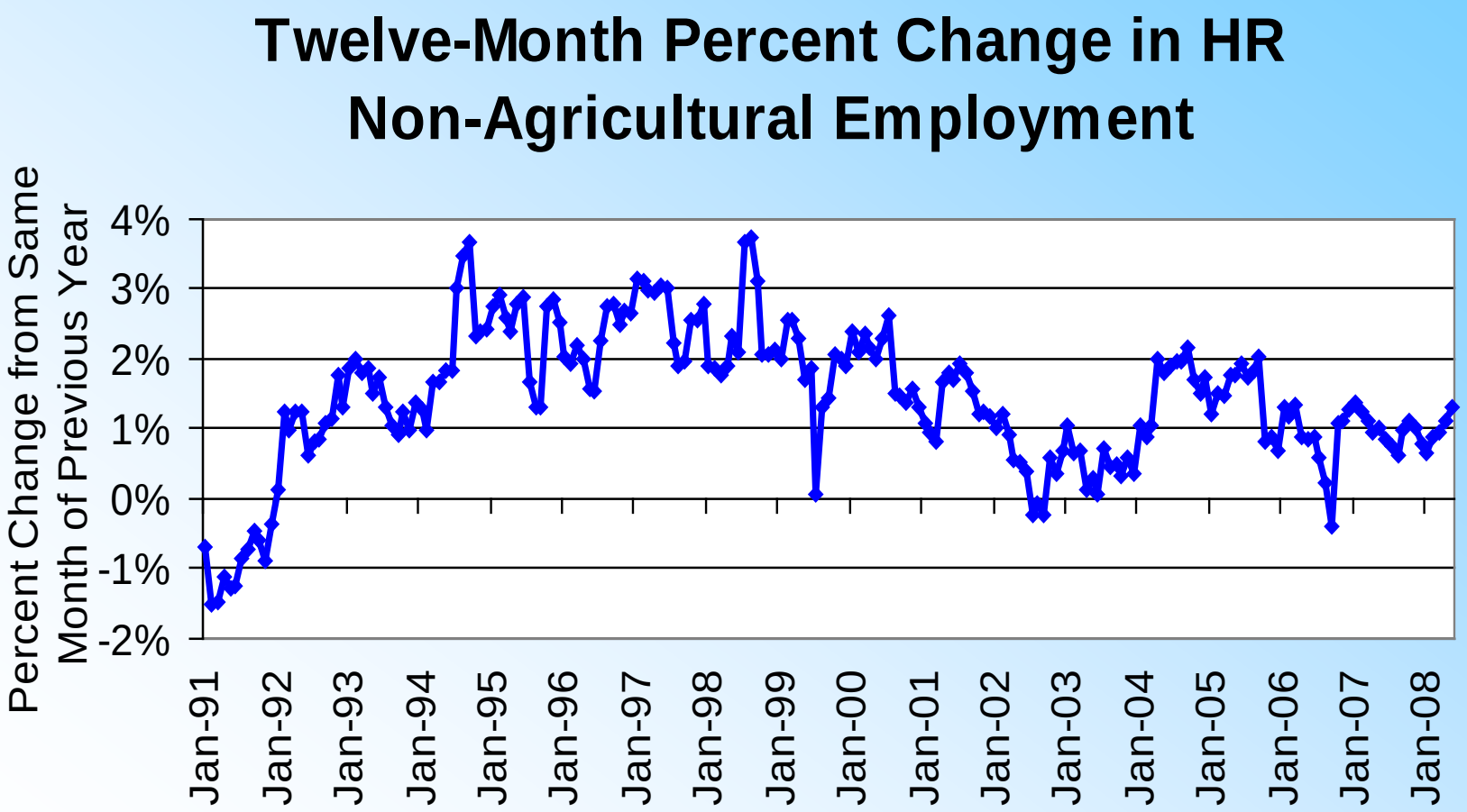
Recent Employment Figures have Remained Positive



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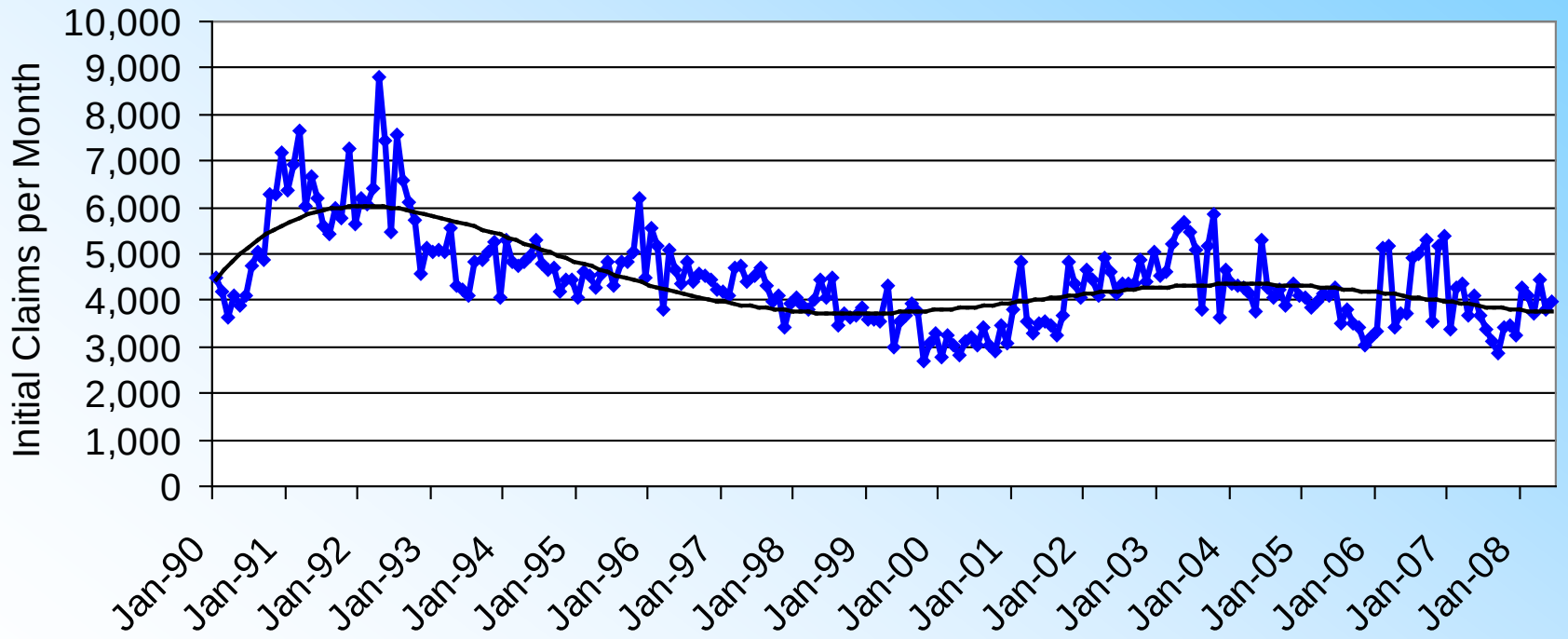
Initial Unemployment Claims Have Remained Low

Deseasonalized Initial Unemployment Claims



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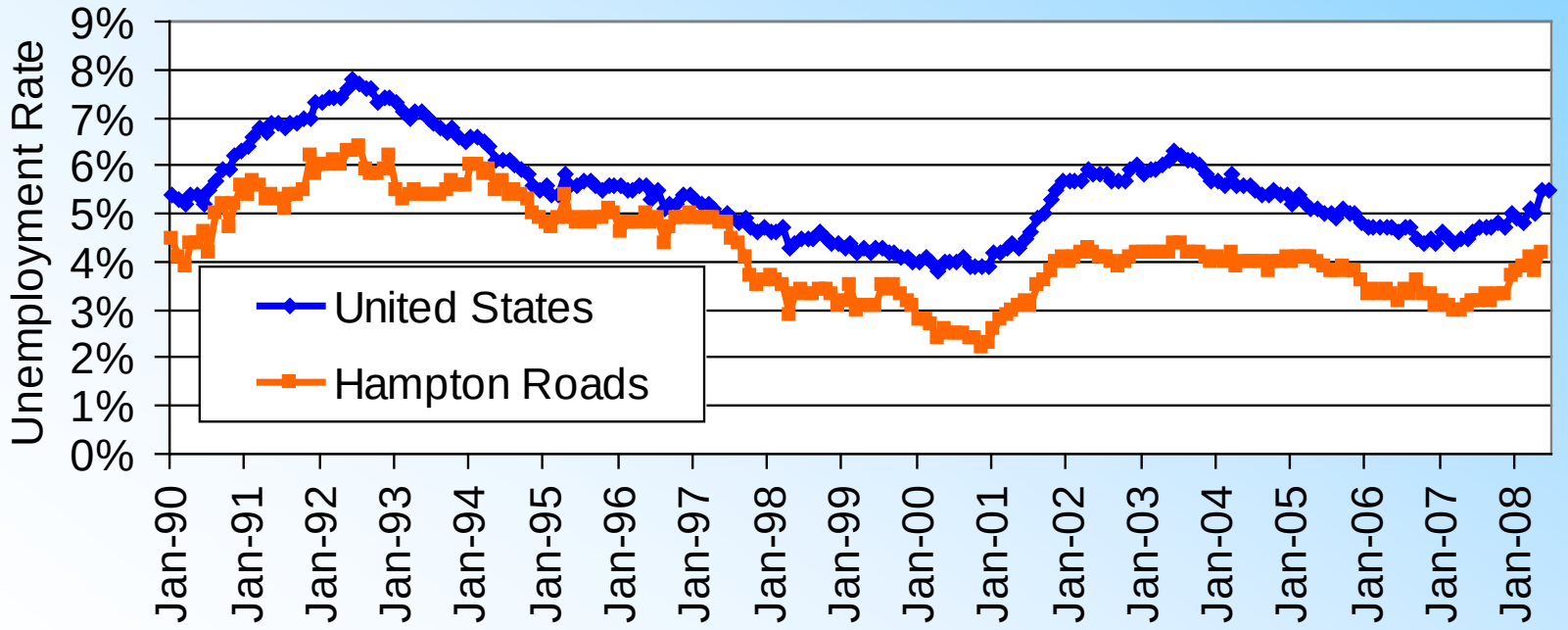
The Unemployment Rate has Grown both at the Regional and the National Level

Deseasonalized Unemployment Rates in Hampton Roads and the United States



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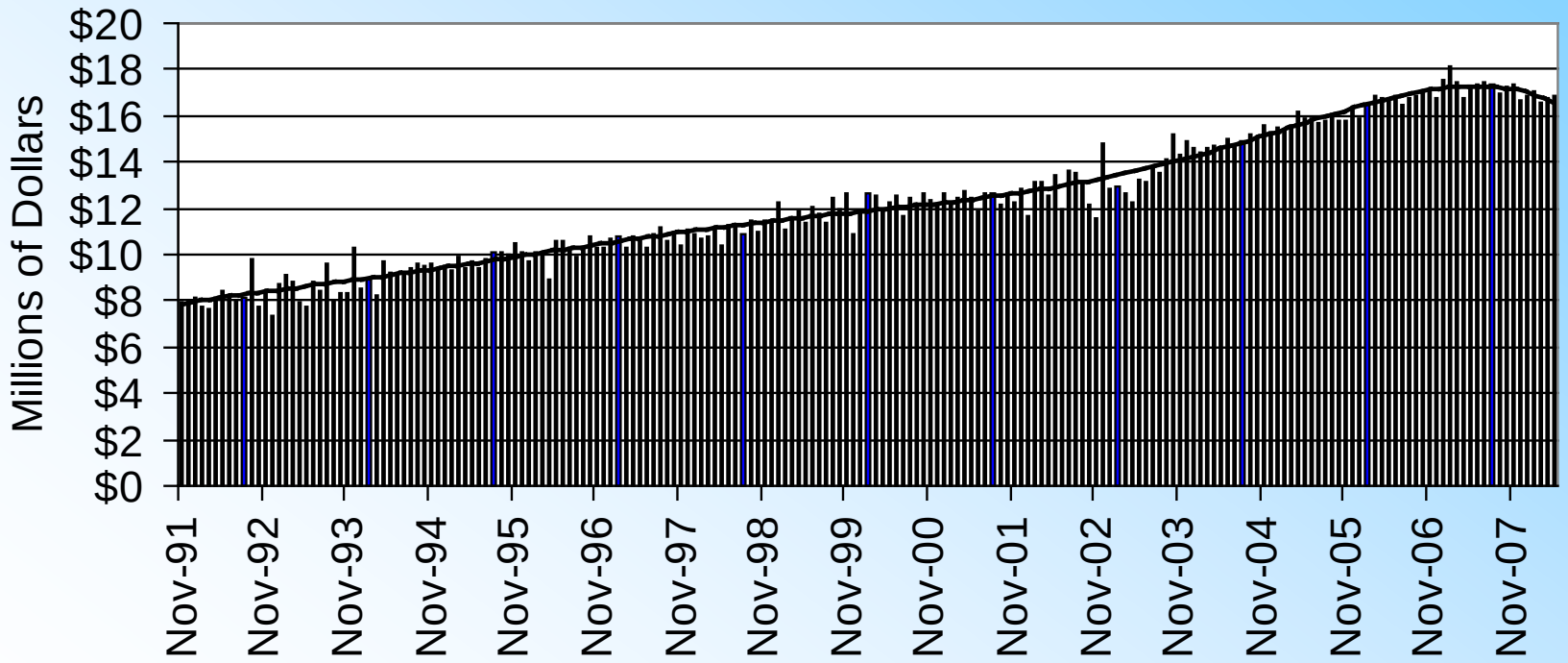
Hampton Roads Retail Sales have Declined

Deseasonalized Taxable Sales



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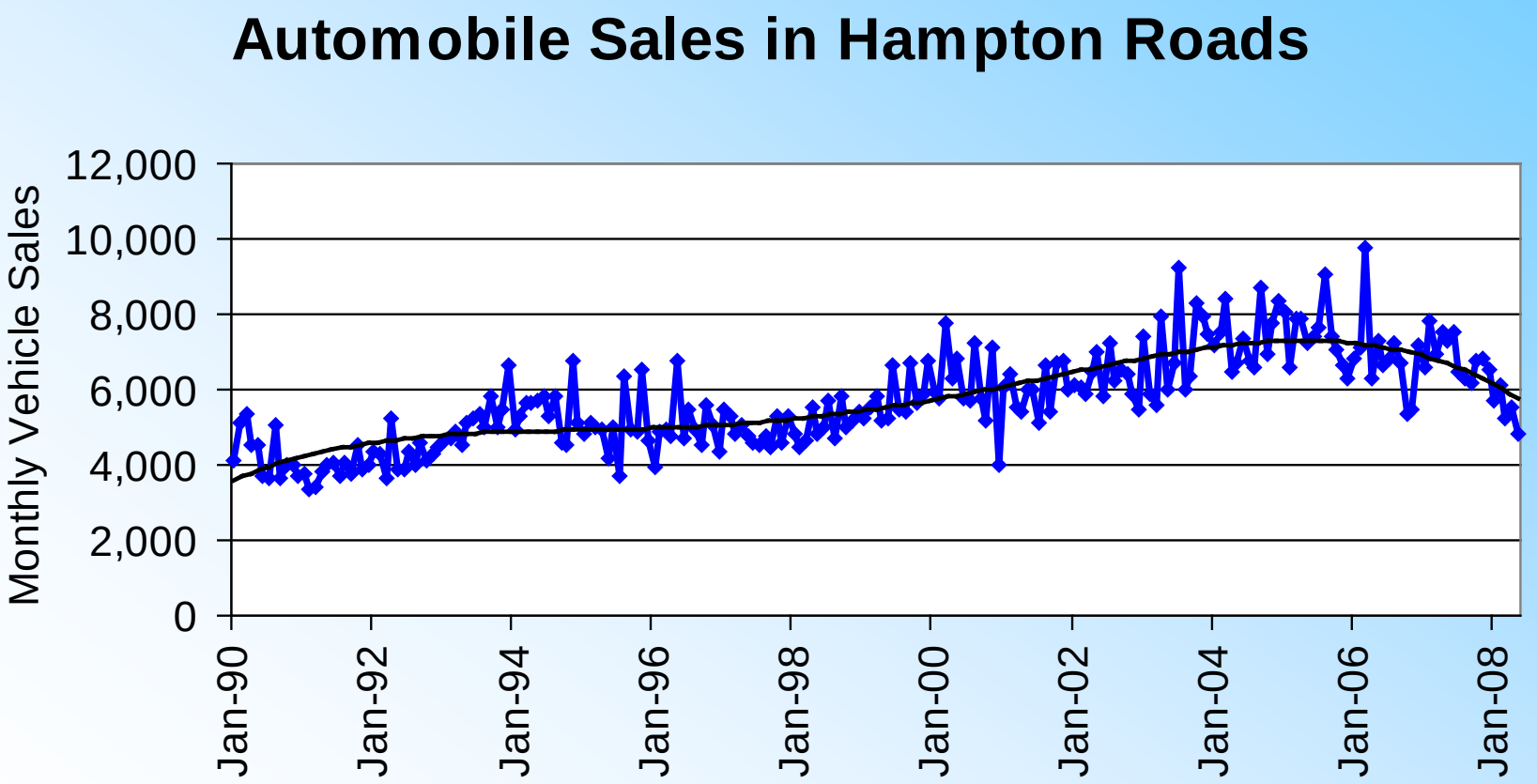
Auto Sales are in Rapid Decline



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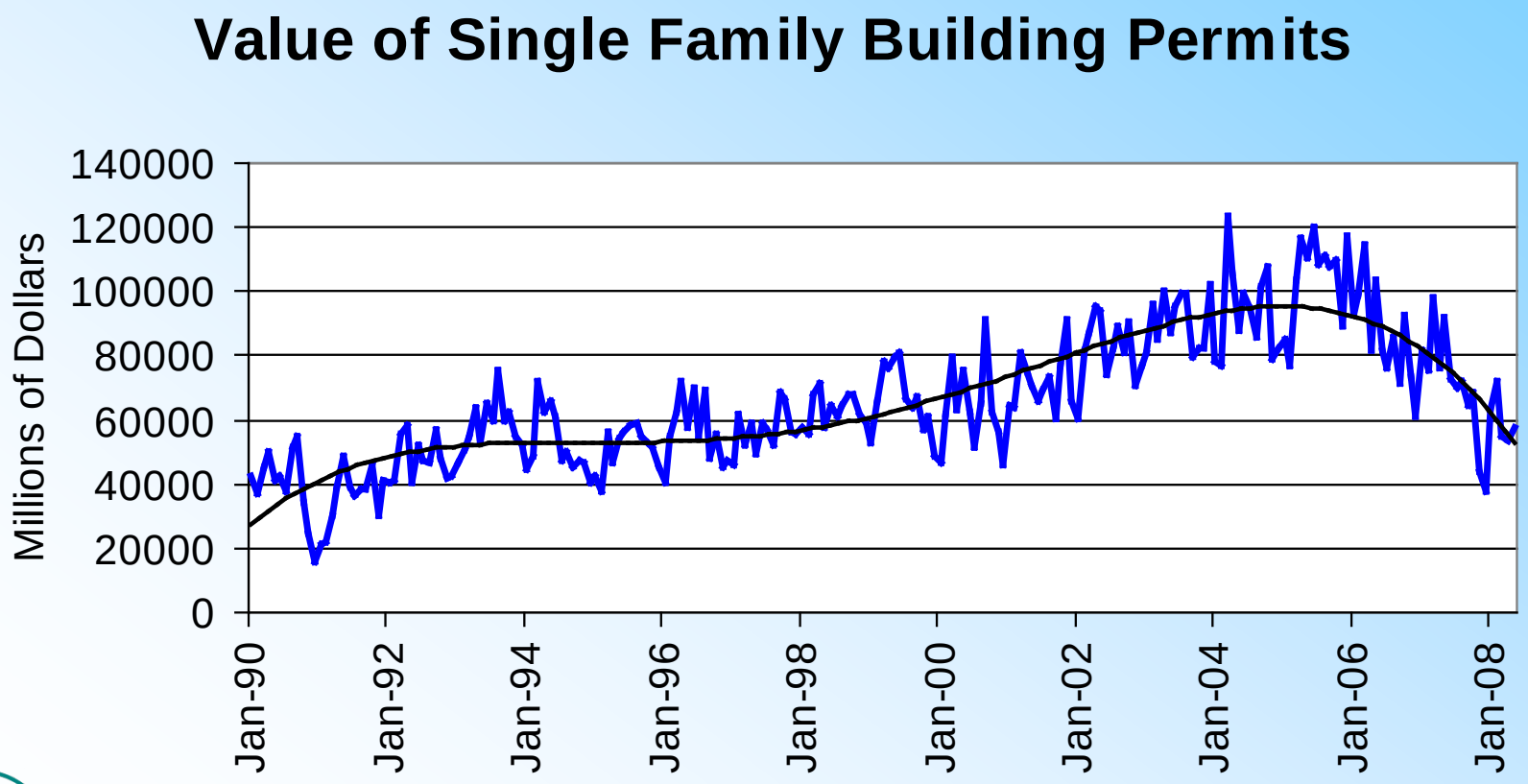
Residential Construction Continues to Fall



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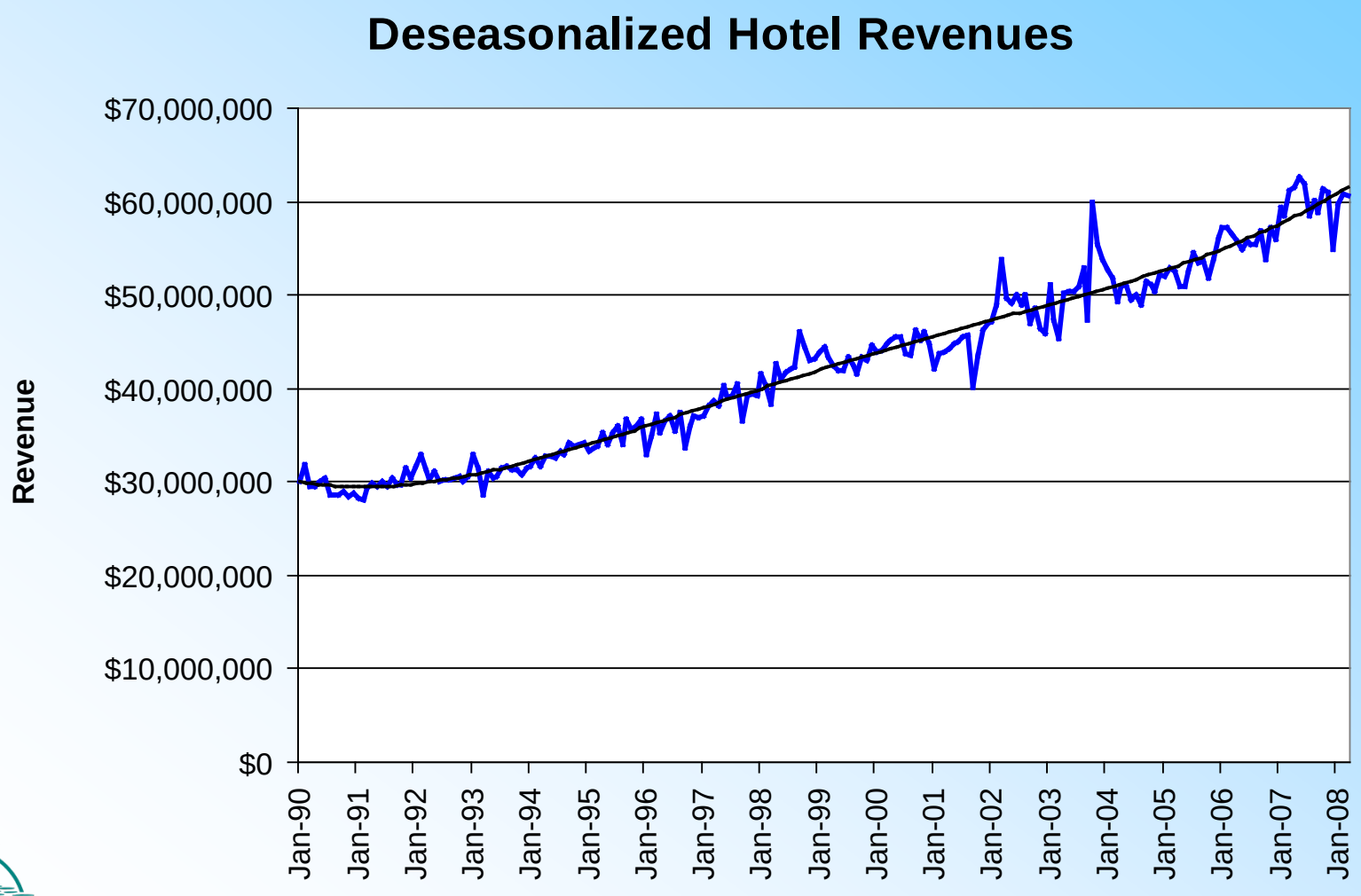
Hampton Roads Hotel Revenues Have Leveled off



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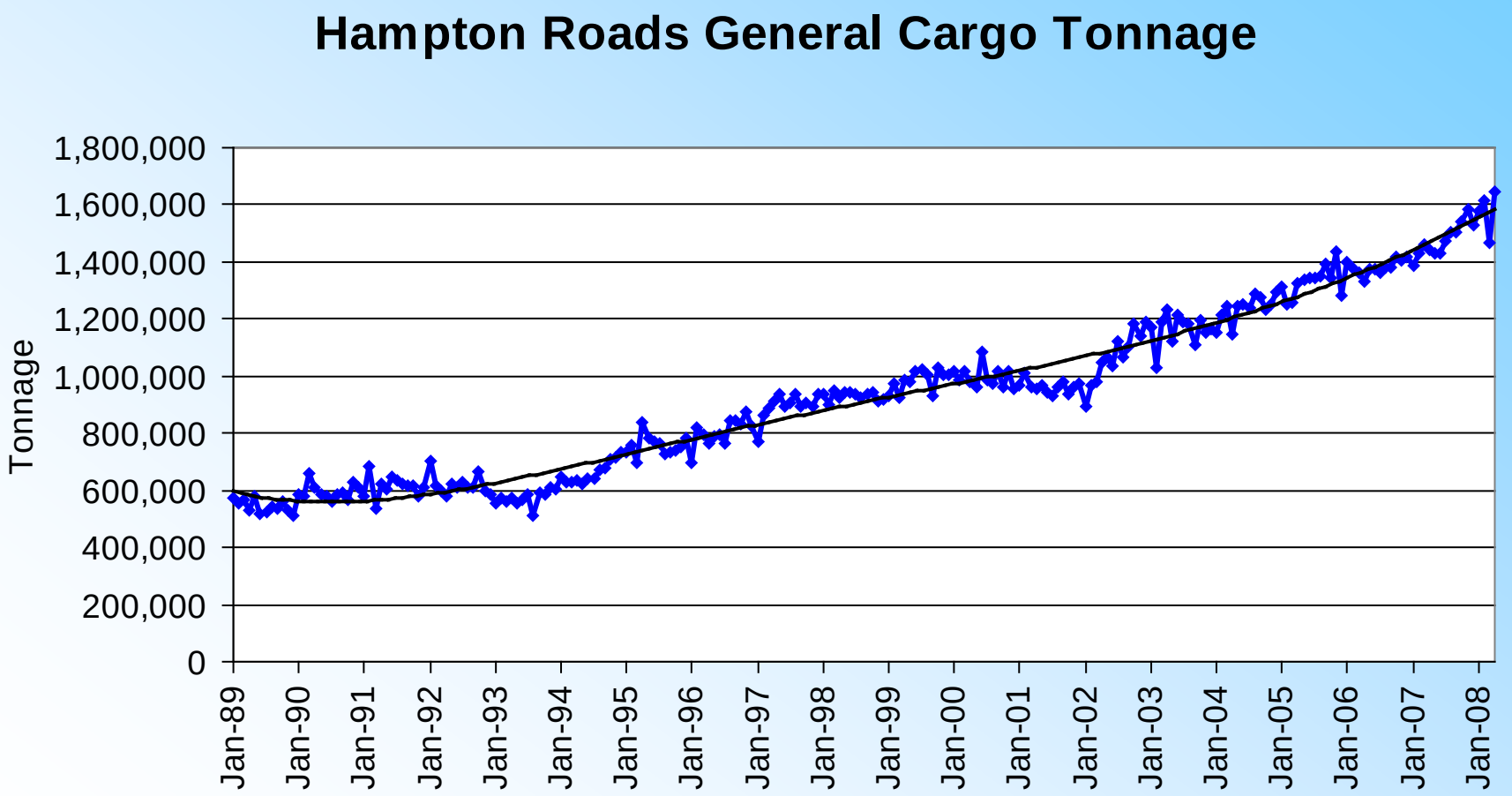
General Cargo Tonnage Through the Port has Continued to Grow



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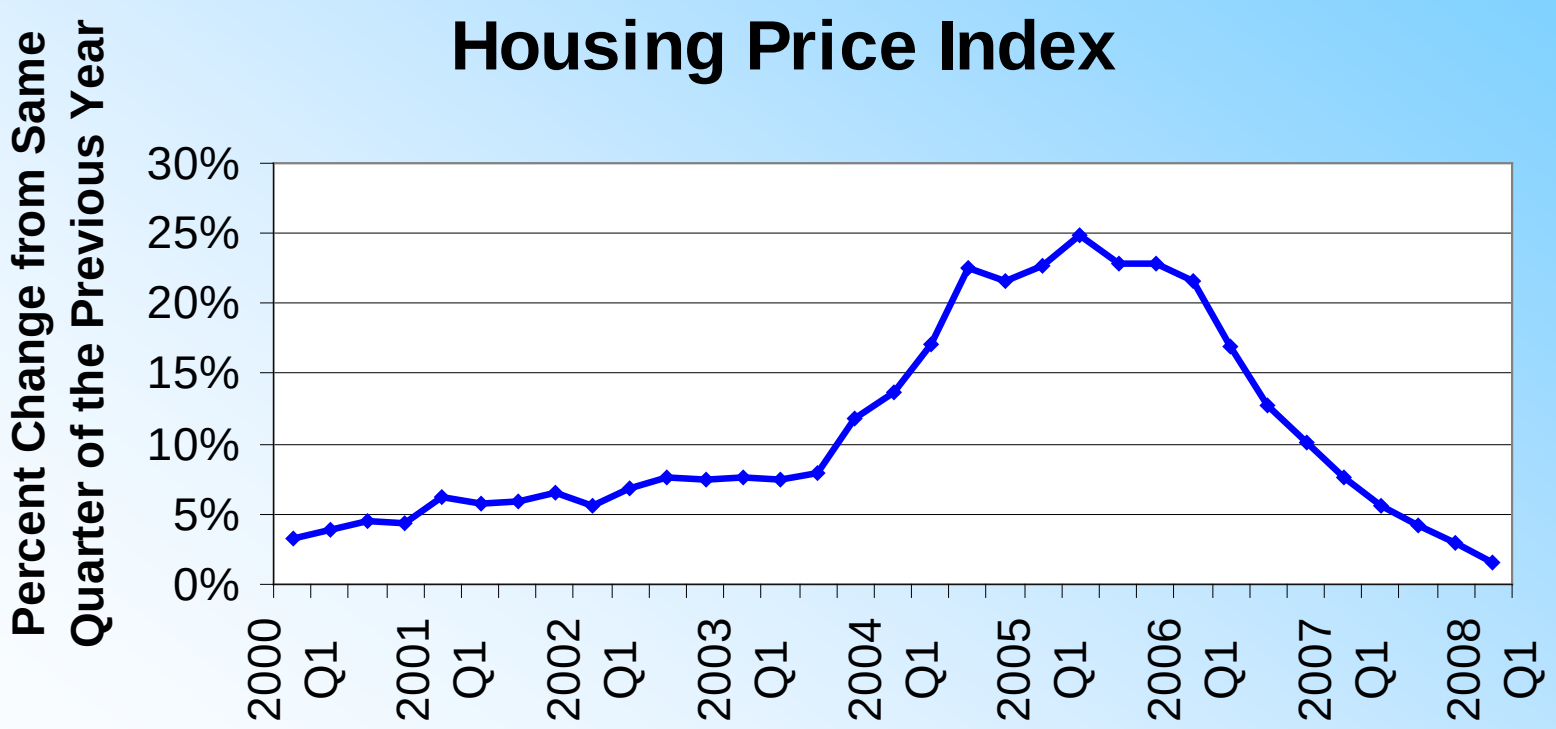
Housing Prices are no longer Increasing



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The National Economy

2008

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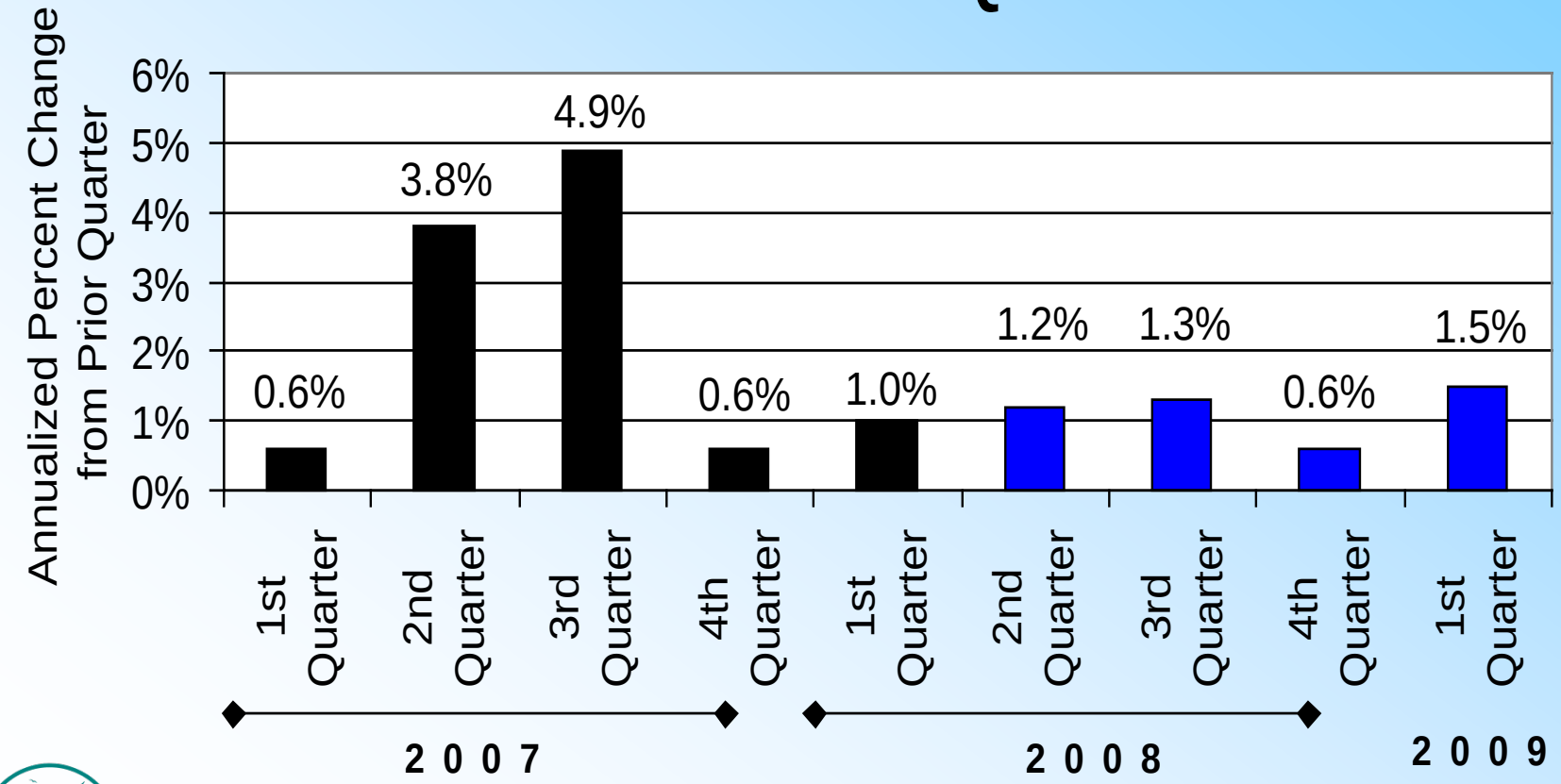
Slow Growth Expected

Quarterly Annualized Percent Changes in GDP from Prior Quarter



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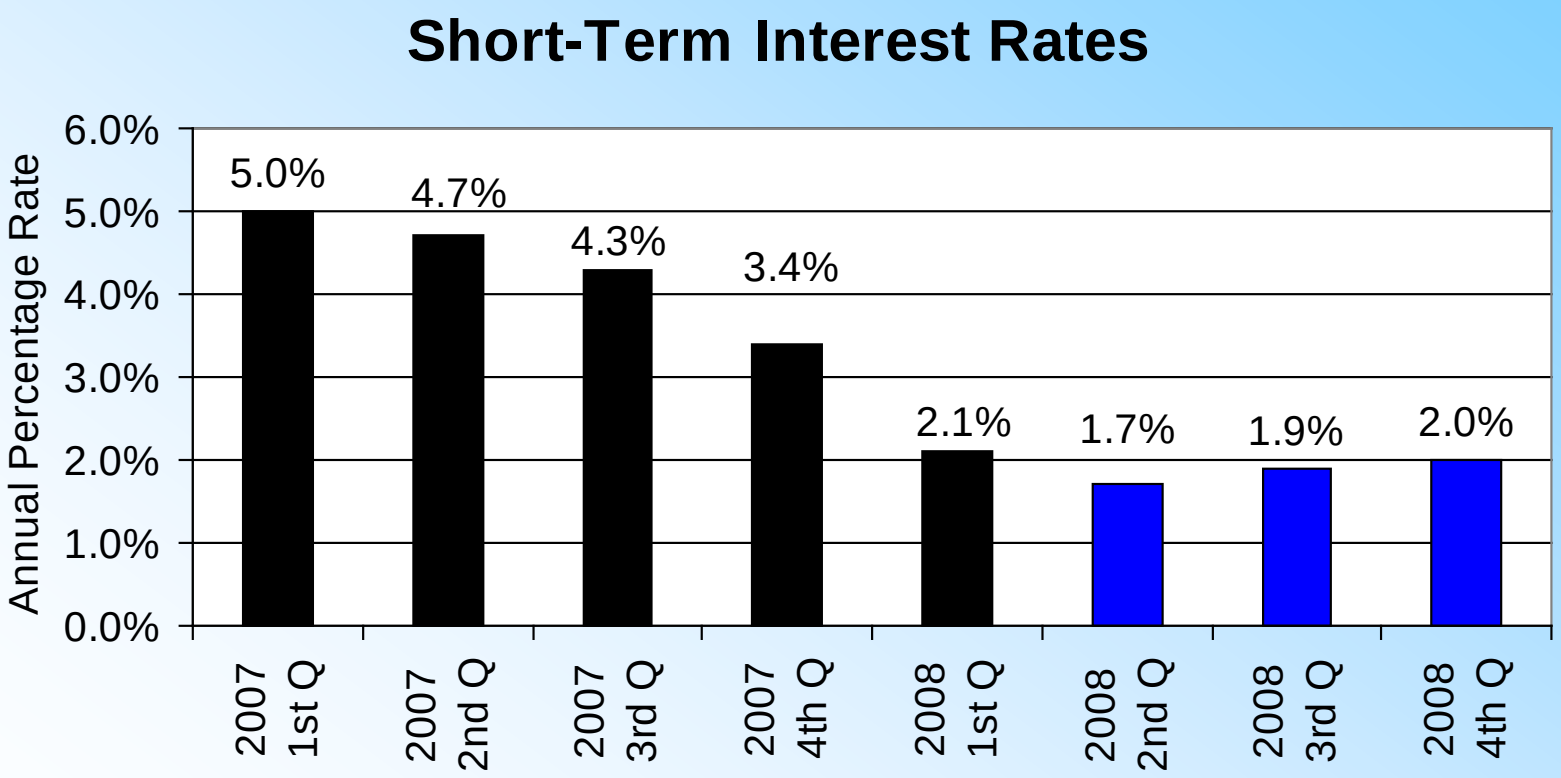
Short-Term Interest Rates will Remain Low



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Looking to the Remainder of 2008

- **Strengths**
  - Oil prices expected to decline
  - Rebate expenditures
  - Continued growth in developing countries
  - Services & Health Care
- **Weaknesses**
  - Continued upheaval in real estate – housing resets, banks
  - Consumer confidence
  - Consumer demand – disposable income
  - Unemployment - youth
  - Inflation pressures – energy & food

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