

The Economy

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Note: The Bureau of Economic Analysis recently changed data providers for estimating military employment and compensation. Due to an error in the new provider's data, personnel counts in Hampton Roads are under reported in the revised estimates from 2016 onward. The GDP statistics in this section are based on these current estimates. The HRPDC is actively working to resolve these discrepancies.

Gross Domestic Product (GDP)

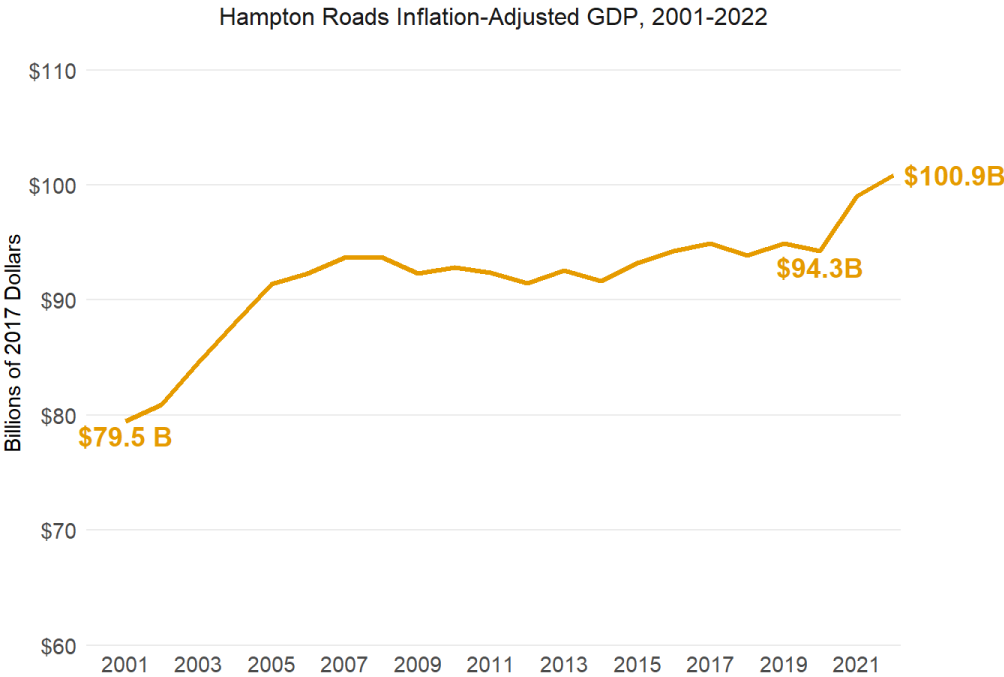
GDP, Hampton Roads

Why is it important?

A comprehensive measure of a region's economy, Gross Domestic Product (GDP) measures the total value of goods and services produced in an area. GDP is commonly used to track an economy's performance over time.

How are we doing?

The Hampton Roads economy totaled \$116.69 billion in current (not inflation adjusted) dollars in 2022. On a inflation adjusted basis, the region's GDP in 2022 rose 1.9% from the prior year, slightly below the 2.1% observed for the nation.



Source: Bureau of Economic Analysis and HRPDC. Estimates of military compensation prior to 2017 were measured using a different data and are therefore not directly comparable to post 2017 estimates.

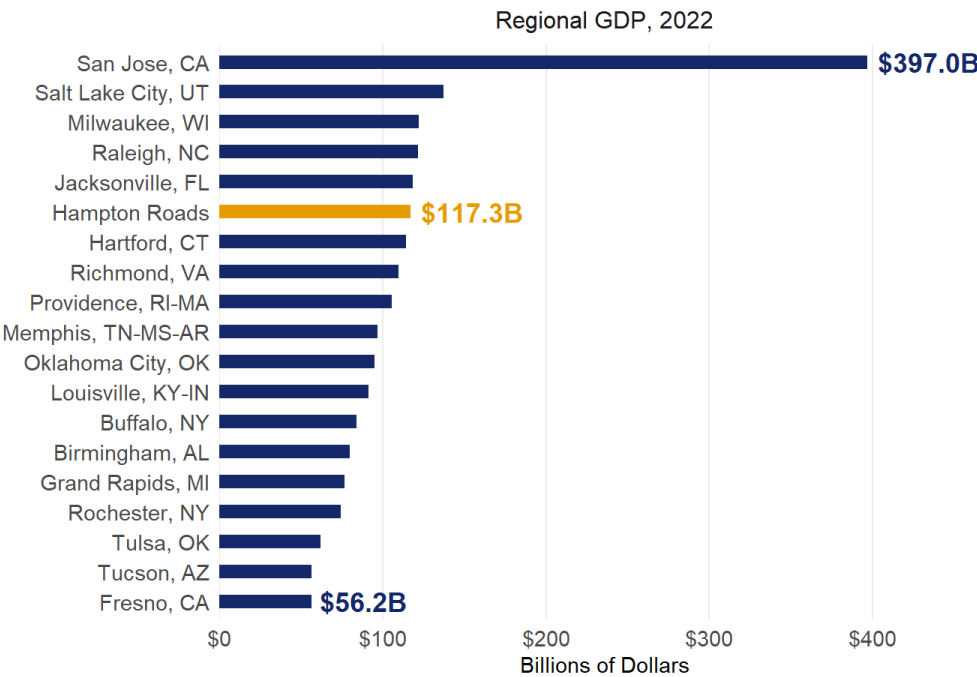
GDP, Hampton Roads and Reference MSAs

Why is it important?

GDP is also used to compare the relative size of Hampton Roads economy to other areas.

How are we doing?

Hampton Roads GDP in 2022 ranked 41st among all 384 metro areas. Closely tied to an area's population, we compare to reference MSAs with 1.5 and 2.5 million residents. The role of industry mix is immediately apparent. The San Jose MSA has just 160,000 more residents than Hampton Roads, yet its GDP is four times greater.



Source: Bureau of Economic Analysis and HRPDC

GDP Growth

Annual Growth in GDP, U.S. and Hampton Roads

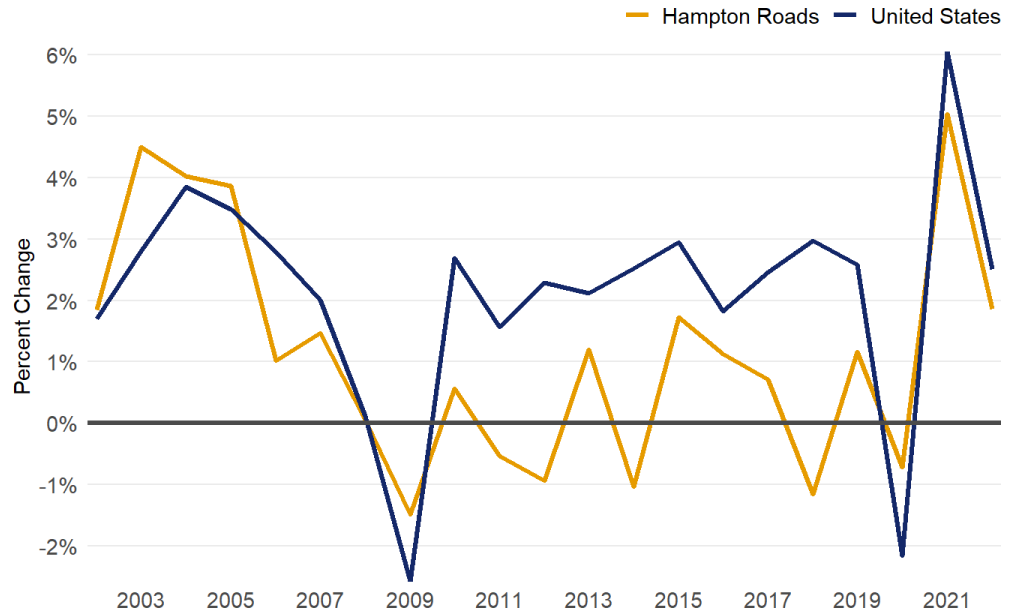
Why is it important?

Comparing the region's annual rate of growth in GDP to the nation provides a benchmark against which one can measure the performance of the Hampton Roads economy.

How are we doing?

The Hampton Roads economy typically grows in tandem with the national economy. The divergence beginning in 2017 is likely due in part to the mismeasurement of military employment from a change in methodology by the BEA.

Annual Percent Change in Real GDP, 2001-2022



Source: Bureau of Economic Analysis and HRPDC. Regional estimates prior to 2017 were measured using a different methodology and are therefore not directly comparable to post 2016 estimates.

Average Annual GDP Growth, Hampton Roads and Reference MSAs

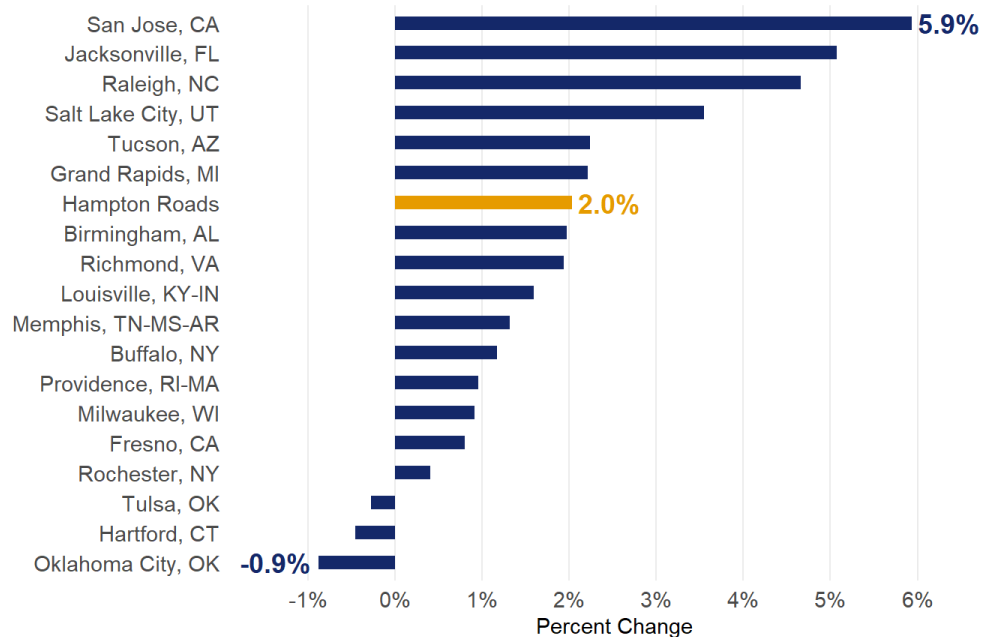
Why is it important?

Comparing trends in economic growth allows us to benchmark the recent performance of Hampton Roads economy to similar sized metro areas.

How are we doing?

Despite the pandemic, inflation adjusted GDP in Hampton Roads in 2022 was up 5.7% from 2019, only slightly below the nation at 5.8%. The region's average annual rate of growth over this period ranked 7th among reference MSAs. Disparities in GDP growth are explained in part by the differences in major industries across metro areas.

Average Annual GDP Growth, 2019-2022



Source: Bureau of Economic Analysis and HRPDC. Compound annual growth rate of inflation-adjusted GDP.

Employment

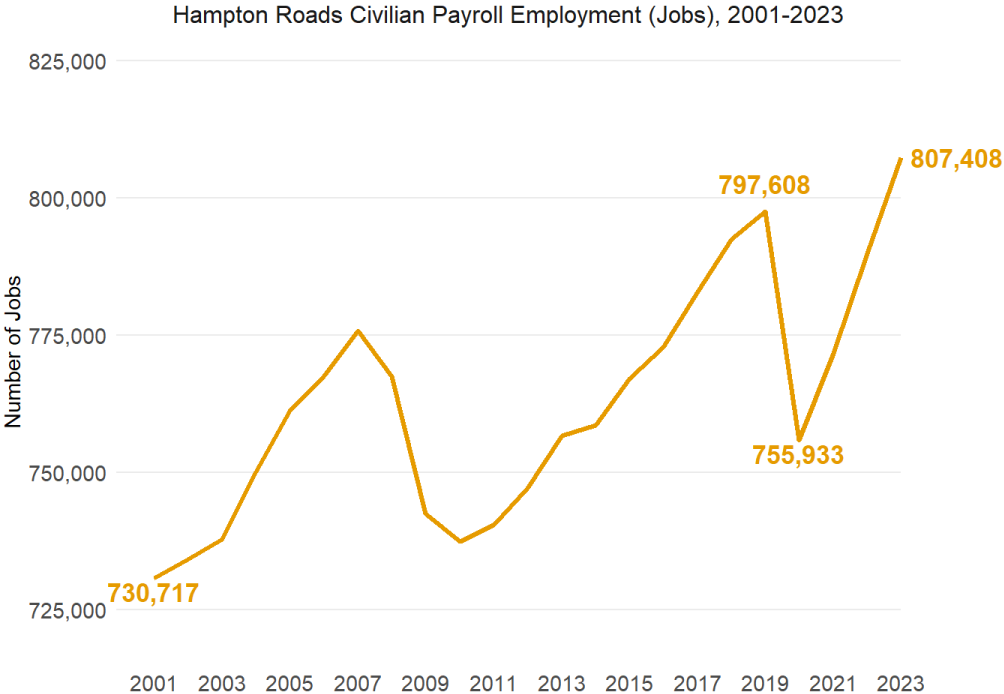
Payroll Employment, Hampton Roads

Why is it important?

Civilian payroll employment, a survey of businesses, measures the number of jobs in a region, serving as a key indicator of labor market conditions.

How are we doing?

Hampton Roads has recovered all the jobs lost during the pandemic. In 2023, civilian jobs in the region were up 1.2% from 2019. The 17,500 jobs added in 2023 is the highest annual increase on record since 1997.



Source: Bureau of Labor Statistics and HRPDC. Annual average of monthly non-seasonally adjusted data.

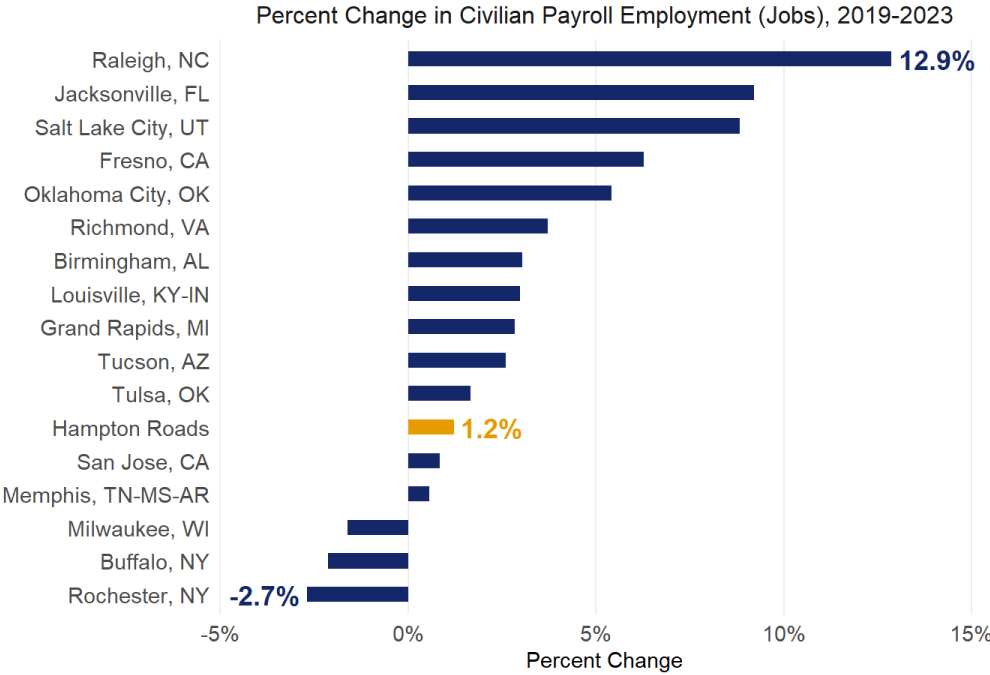
Growth in Payroll Employment, Hampton Roads and Reference MSAs

Why is it important?

Job growth is a key indicator for comparing the performance a region's labor market relative to other areas. To compare job growth across reference MSAs since the pandemic, we estimate the percent change in jobs from pre-pandemic levels in 2019 to 2023.

How are we doing?

In 2023, all but three reference MSAs experienced job gains compared to their pre-pandemic levels. In Hampton Roads, jobs were up by 1.2% from 2019, ranking the region in the bottom half of the reference MSAs.



Source: Bureau of Labor Statistics and HRPDC

Industry Employment

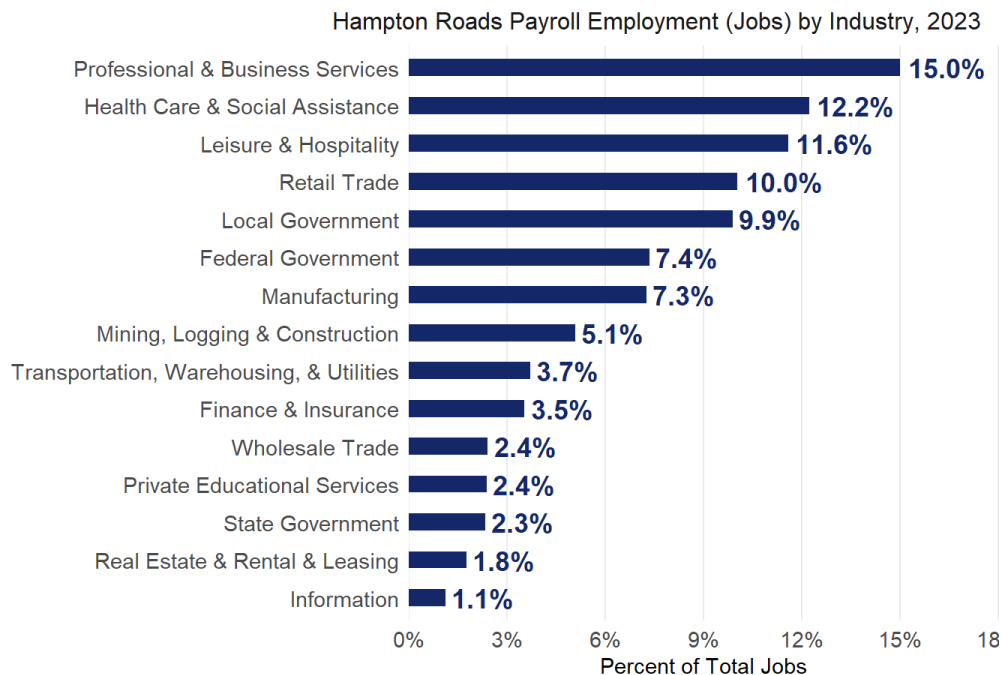
Industry Distribution of Payroll Employment, Hampton Roads

Why is it important?

The industry composition of a region's workforce is a significant factor in determining both relative incomes and overall economic performance.

How are we doing?

Professional and business services, an industry often influenced by government contracting, is the largest regional employment sector. There is also significant employment in healthcare as well as retail, local government, and leisure and hospitality



Source: Bureau of Labor Statistics Civilian Nonfarm Payroll Employment and HRPDC

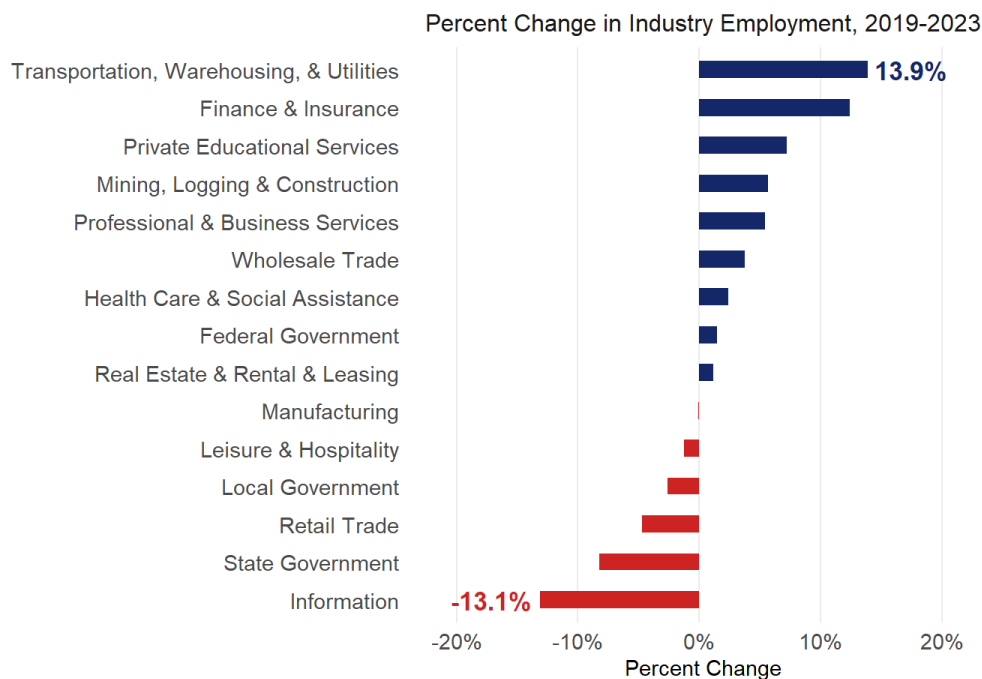
Three-Year Change in Hampton Roads Industry Employment

Why is it important?

Industrial employment is influenced by the business cycle. One can observe local trends by tracking changes in regional industrial employment.

How are we doing?

While the total number of civilian jobs are above pre-pandemic levels, several of the region's largest industry sectors have yet to fully recover all the jobs lost during the pandemic. Leisure and Hospitality jobs, which account for over 10% jobs in the region, remain 1.2% below 2019 levels.



Source: Bureau of Labor Statistics and HRPDC

Labor Force

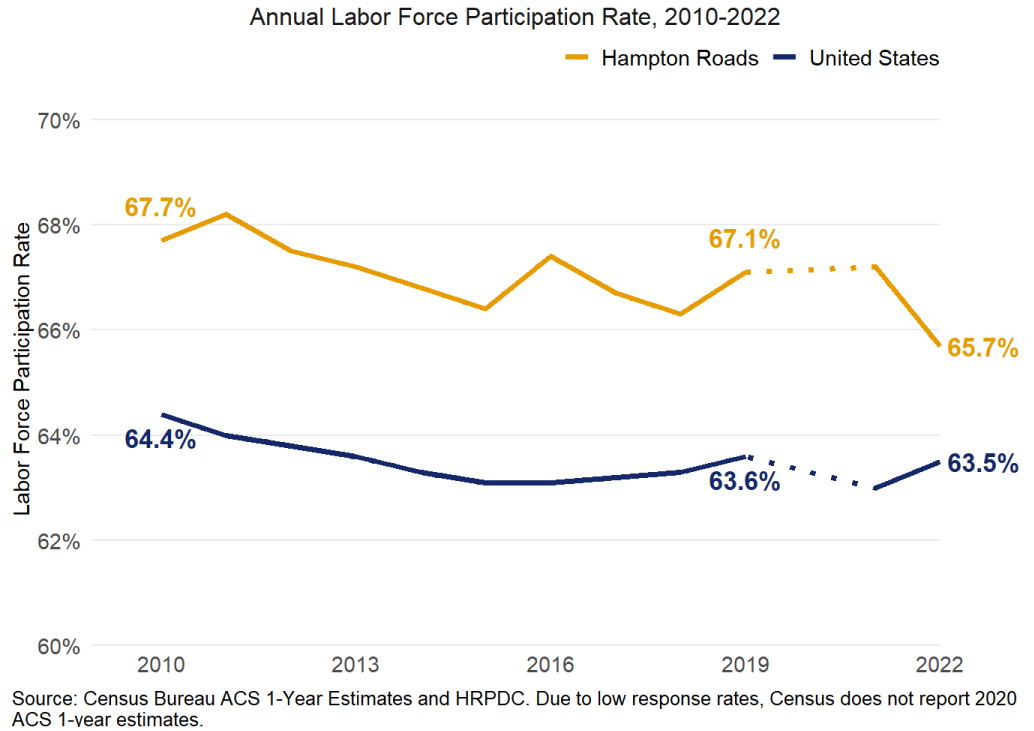
Labor Force Participation Rate, U.S. and Hampton Roads.

Why is it important?

Labor force participation rates reflect the share of the region's civilian non-institutionalized population 16 years and older either working or actively looking for work.

How are we doing?

Labor force participation in the region outpaces the nation. Both the U.S. and Hampton Roads have seen a steady decline over the prior two decades, driven in part by changing demographics. From 2010 to 2022, labor force participation declined in Hampton Roads while slightly increasing in the nation.



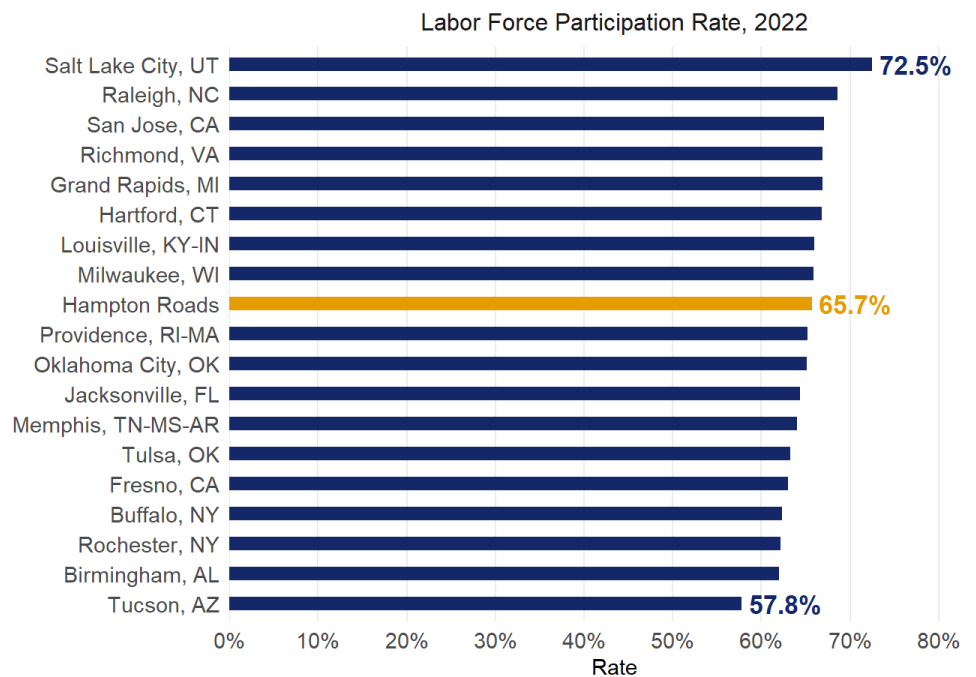
Labor Force Participation Rate, Hampton Roads and Reference MSAs

Why is it important?

Comparing the labor force participation rate across metro areas can highlight differences in labor market dynamics and overall economic trends.

How are we doing?

The region's rate of labor force participation is above the national average, and ranked 9th among reference metro areas in 2022, down from 5th place in 2019.



Source: Census Bureau ACS 1-Year Estimates and HRPDC.

Unemployment

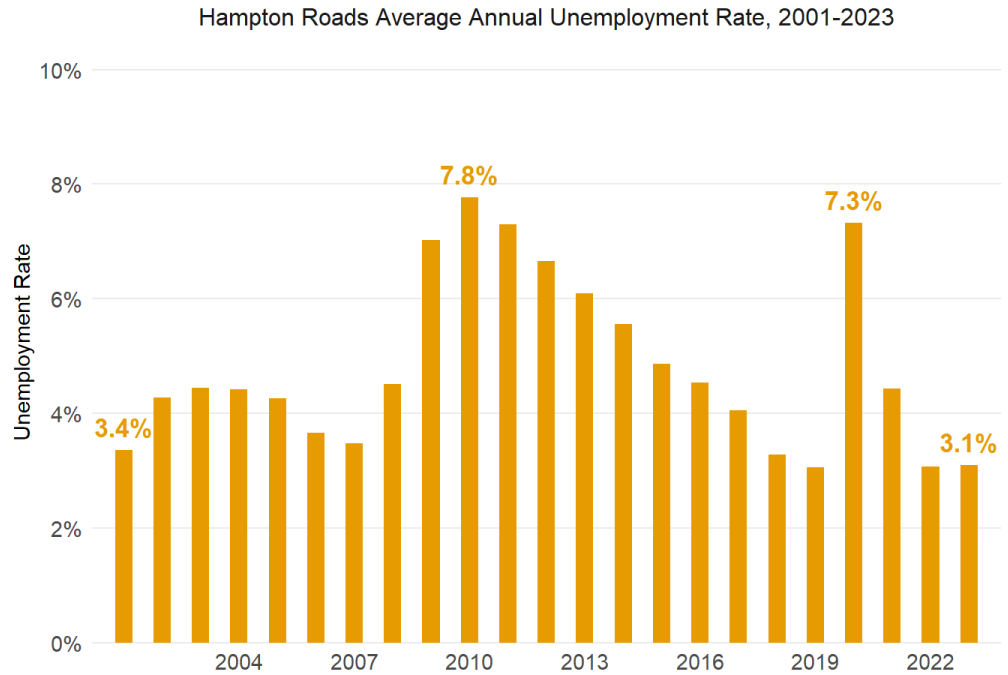
Unemployment Rate, Hampton Roads.

Why is it important?

The unemployment rate measures the percent of the labor force who are unemployed and actively seeking work. As a key indicator of labor market trends, changes in the unemployment rate help to shine a light on overall labor market conditions.

How are we doing?

In 2023, the unemployment rate in Hampton Roads remained around 3%, continuing to approach historic lows. This rate was only slightly higher than the near record low observed in 2019.



Source: Bureau of Labor Statistics and HRPDC

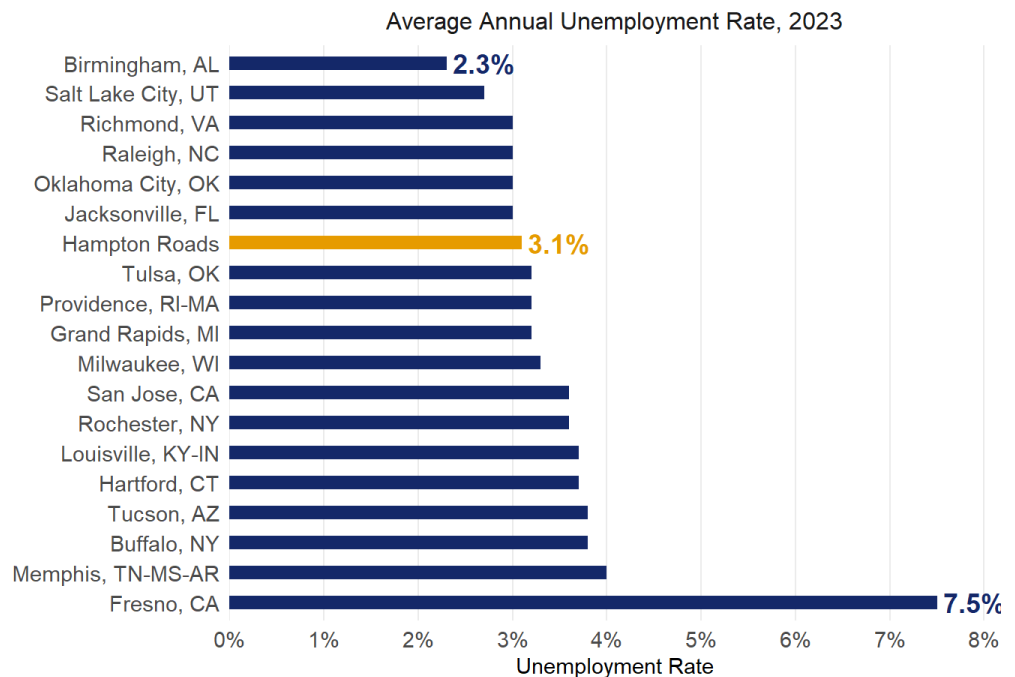
Unemployment Rate, Hampton Roads and Reference MSAs

Why is it important?

The unemployment rate is one of the most important measures for comparing the overall health of the economy across regions, as it highlights the ability of workers in an area to find jobs.

How are we doing?

The unemployment rate in Hampton Roads is consistently below the national average for metropolitan areas, and falls along the top range for this region's reference metropolitan areas.



Source: Bureau of Labor Statistics and HRPDC.

Earnings

Average Weekly Civilian Earnings, Hampton Roads.

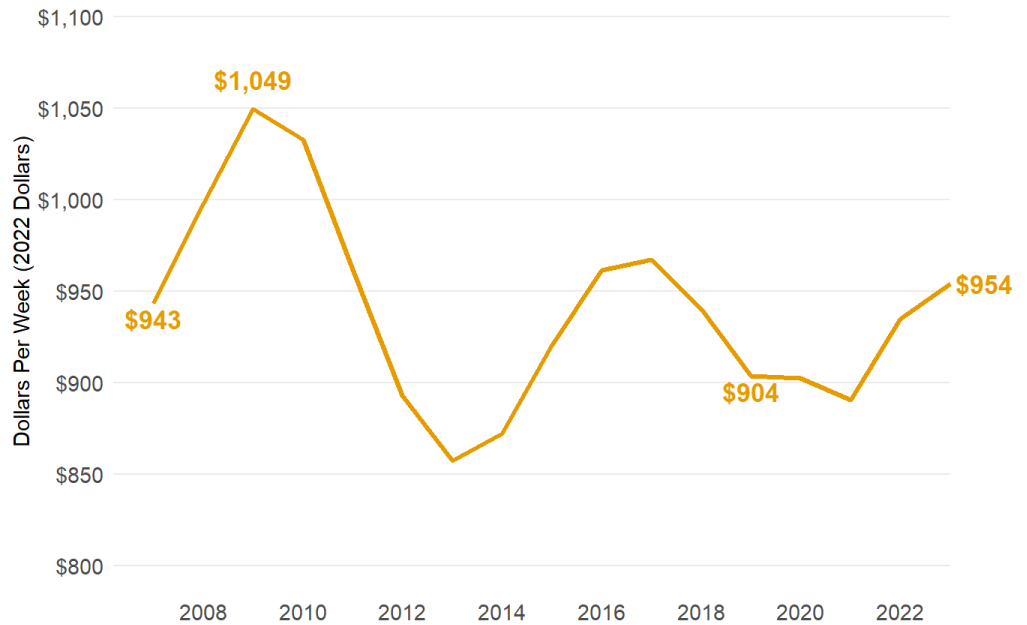
Why is it important?

Average weekly earnings, a survey of businesses, measures workers earnings before taxes and deductions. Changes in earnings can reflect changes in the tightness of the labor market, cost of living, and the productivity of labor within the region.

How are we doing?

In Hampton Roads, inflation-adjusted average weekly earnings in 2023 were above pre-pandemic levels observed in 2019. While keeping pace with the recent rise in inflation, earnings remained below levels observed prior to the Great Recession.

Hampton Roads Inflation-Adjusted Average Weekly Civilian Earnings, 2007-2023



Source: U.S. Bureau of Labor Statistics and HRPDC. Inflation adjusted using Consumer Price Index for All Urban Consumers (CPI-U)

Average Weekly Earnings, United States, Virginia, and Hampton Roads

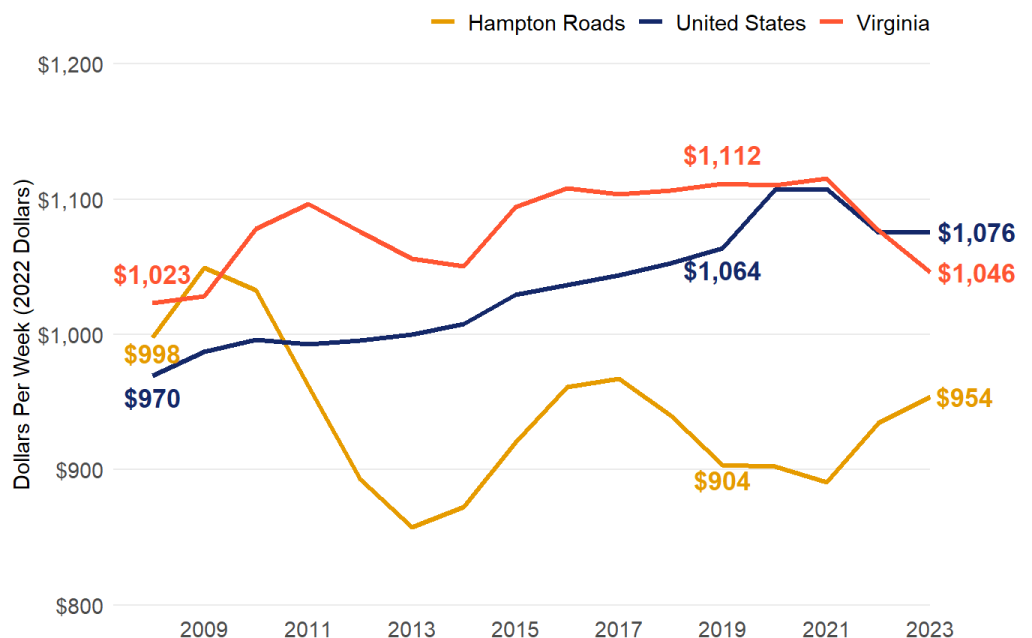
Why is it important?

Earning and wages are also important in understanding an area's relative competitiveness in attracting jobs and workers to the region.

How are we doing?

In 2008, average weekly earnings in Hampton Roads were in line with the Commonwealth and above the nation. Following the Great Recession and sequestration in 2013, earnings in the region have remained below both the state and the nation.

Average Weekly Earnings, Inflation Adjusted



Source: U.S. Bureau of Labor Statistics and HRPDC. Adjusted for inflation using the Consumer Price Index for All Urban Consumers (CPI-U)

Personal Income

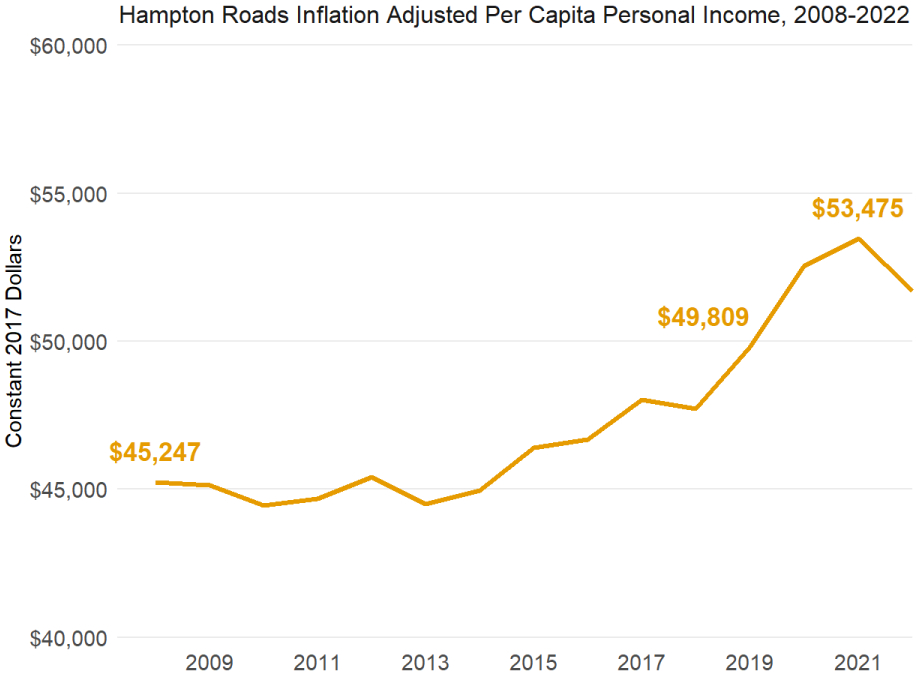
Per Capita Personal Income, Hampton Roads.

Why is it important?

Fluctuations in personal incomes reflect fluctuations in standards of living. It is useful to track how incomes are growing in the region over time.

How are we doing?

Per capita personal income rose sharply between 2019 and 2021, driven in part by pandemic-era government relief programs that have since come to an end. Despite the decline in 2022, per capita income remains above pre-pandemic levels.



Source: U.S. Bureau of Economic Analysis and HRPDC. Inflation adjusted using the Consumer Price Index for all Urban Consumers (CPI-U).

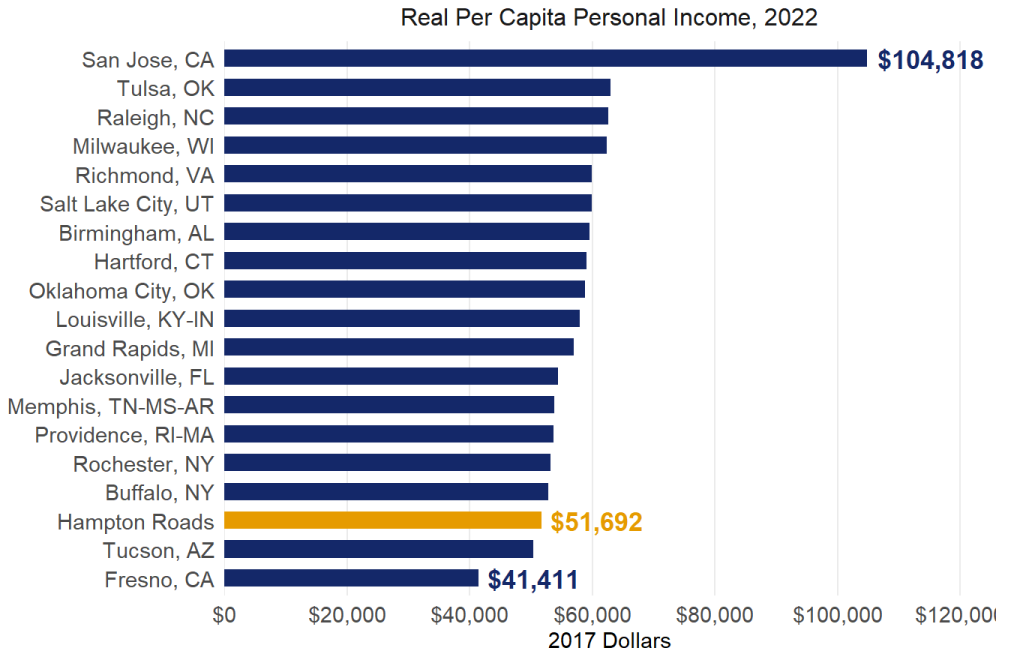
Per Capita Personal Income, Hampton Roads and Reference MSAs

Why is it important?

Real per capita personal income adjusts for differences in the cost of living across regions to allow for a more accurate comparison of relative incomes.

How are we doing?

Once adjusted for differences in purchasing power, 2022 per capita personal income in the region was below the national average and ranked 17th among its reference metro areas.



Source: Bureau of Economic Analysis and HRPDC. Adjusted for differences in price levels across MSAs using regional price parities for 2021.