

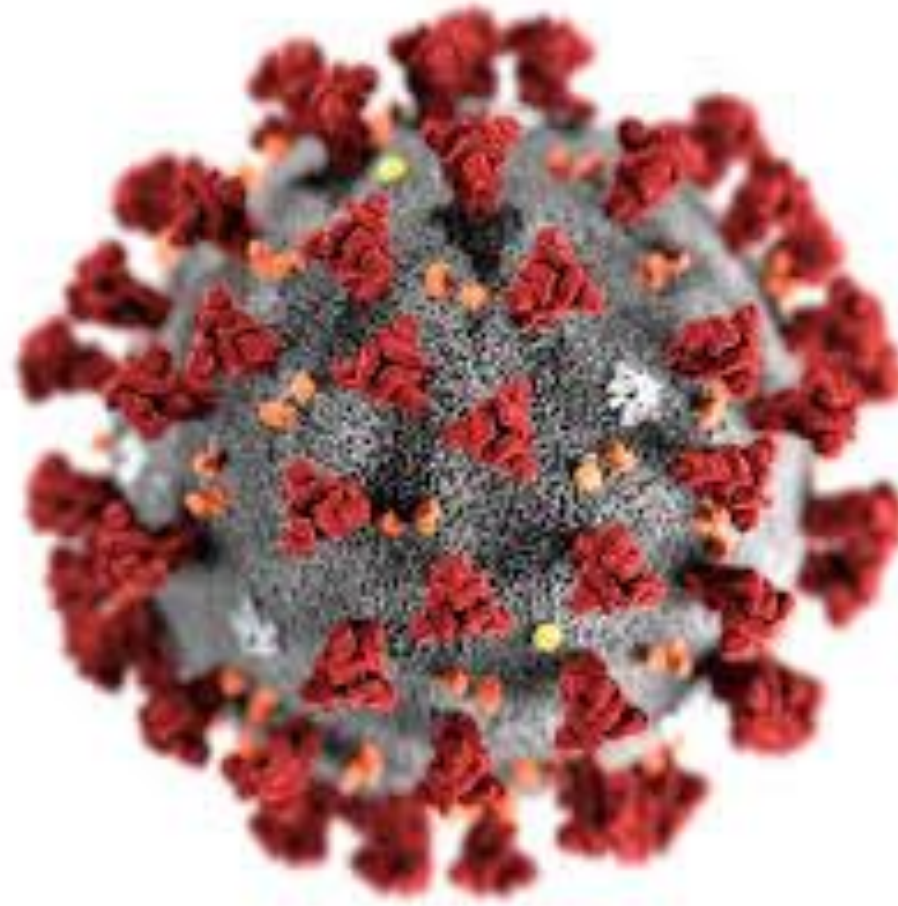
# 2021 Regional Economic Forecast

Presented to the Hampton Roads  
Planning District Commission

Greg Grootendorst  
Chief Economist, HRPDC  
January 21, 2021

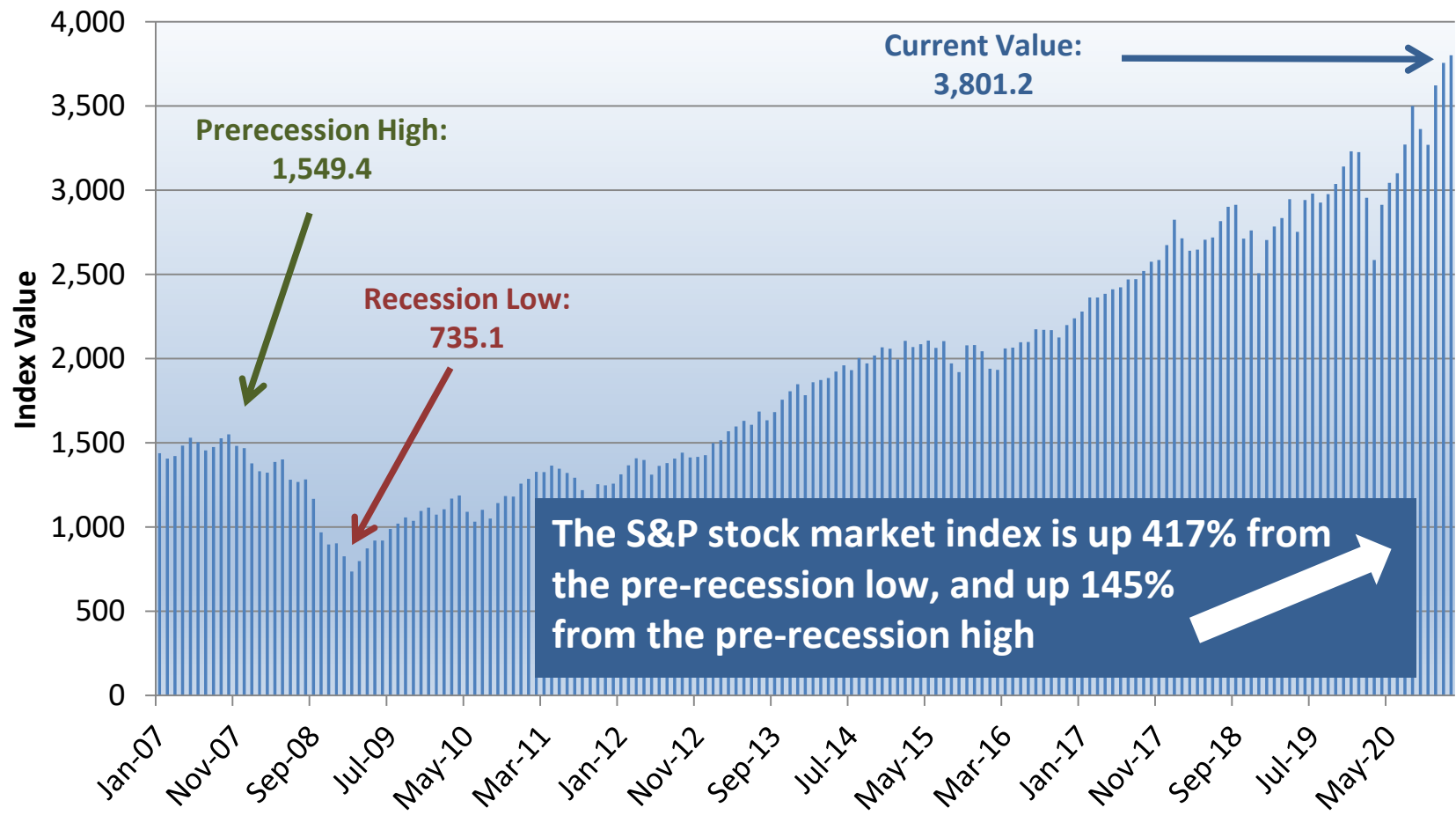


- An external
- Occurring



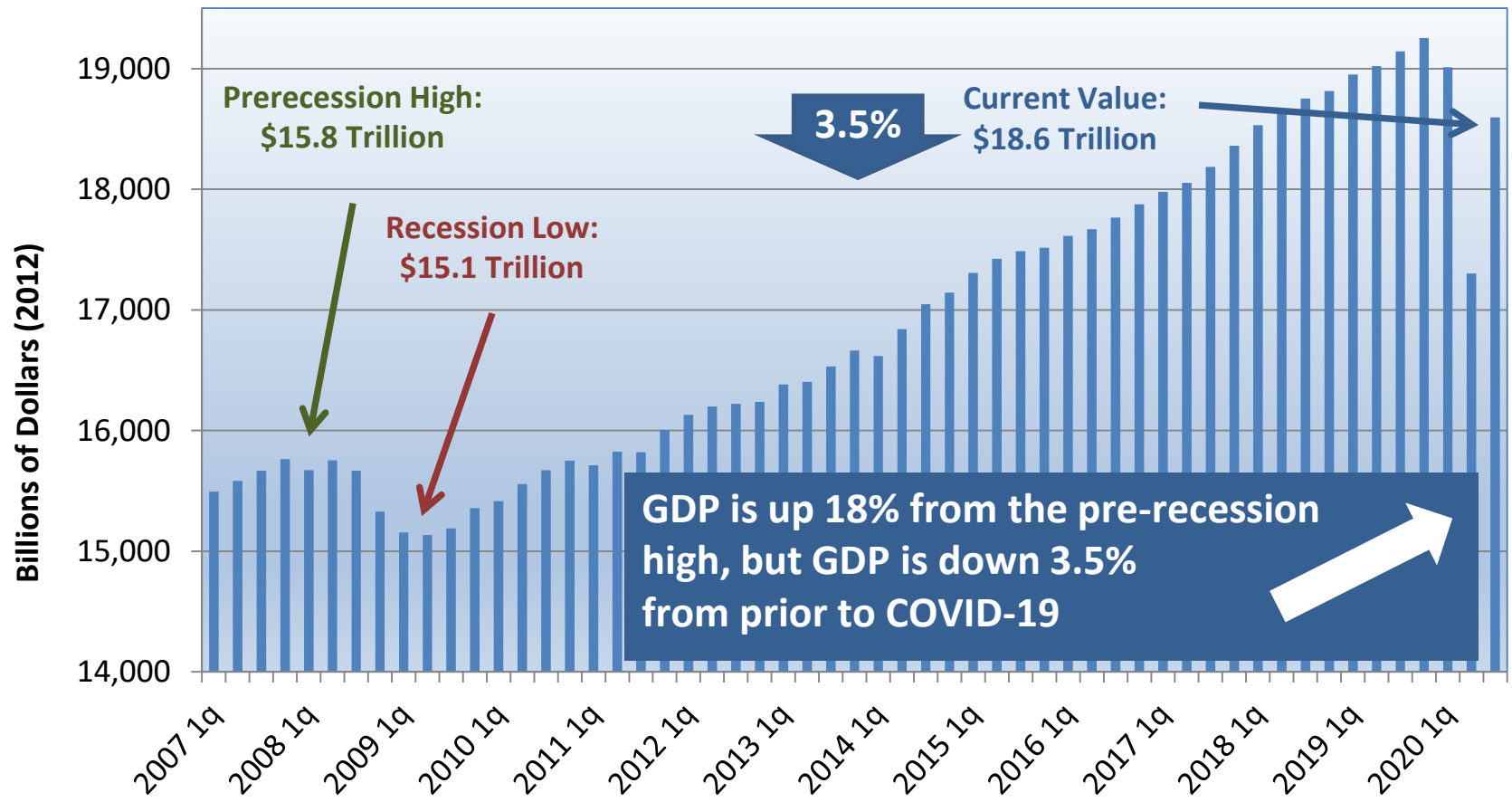
nificant  
of a

# S&P 500 Stock Market Index



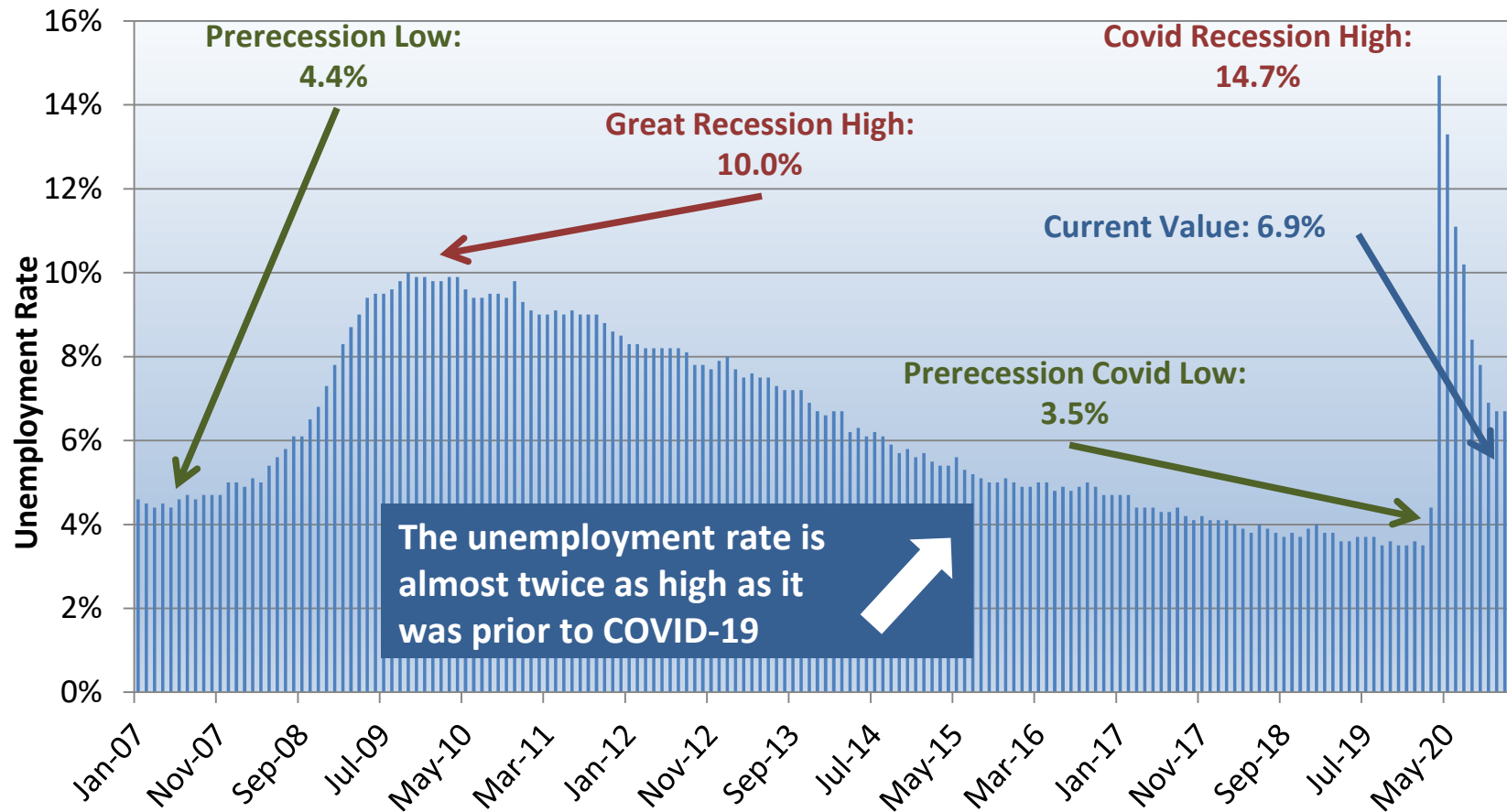
Source: Yahoo Finance and HRPDC

# U.S. Gross Domestic Product



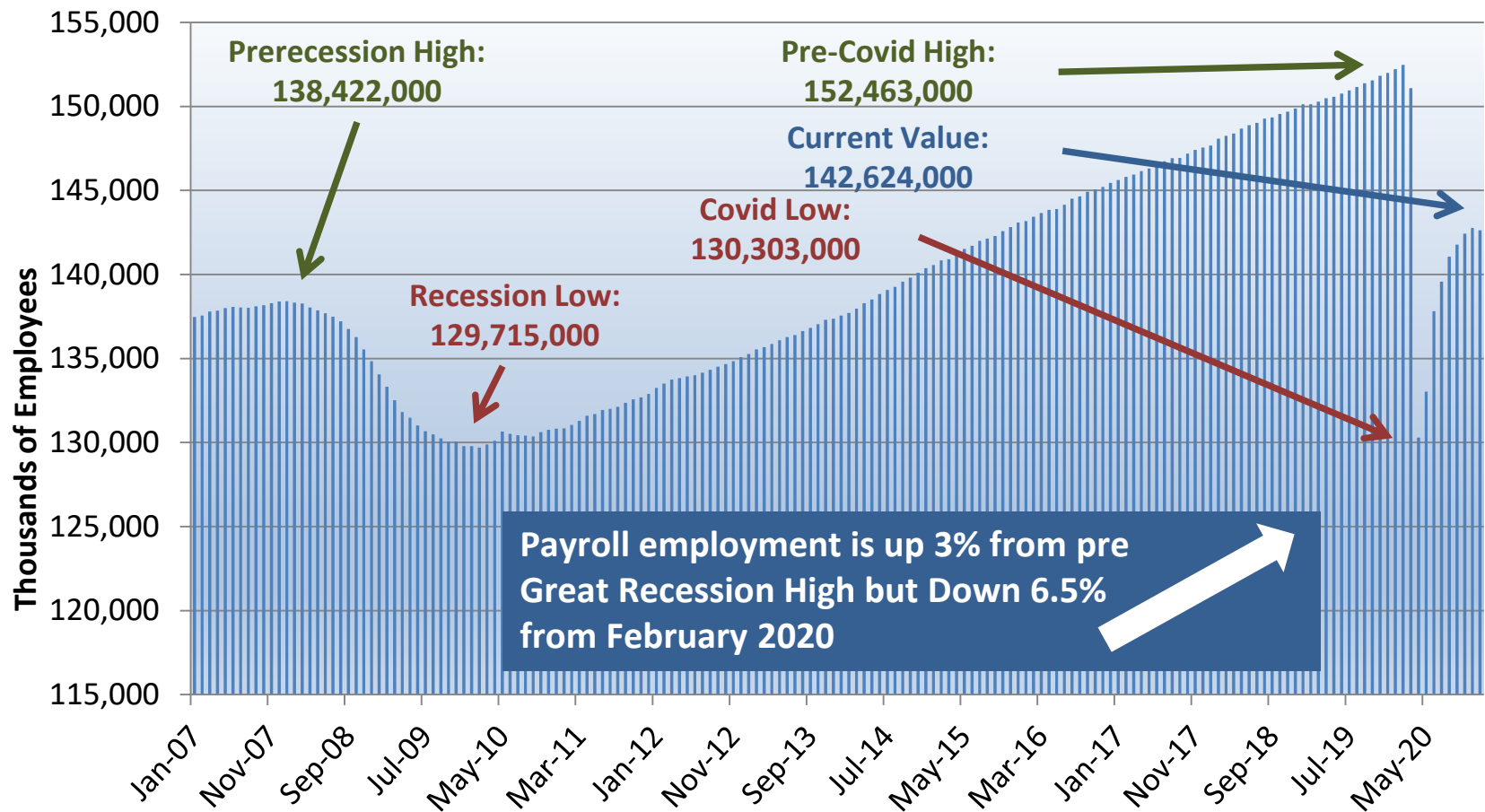
Source: Bureau of Economic Analysis and HRPDC

# U.S. Unemployment Rate



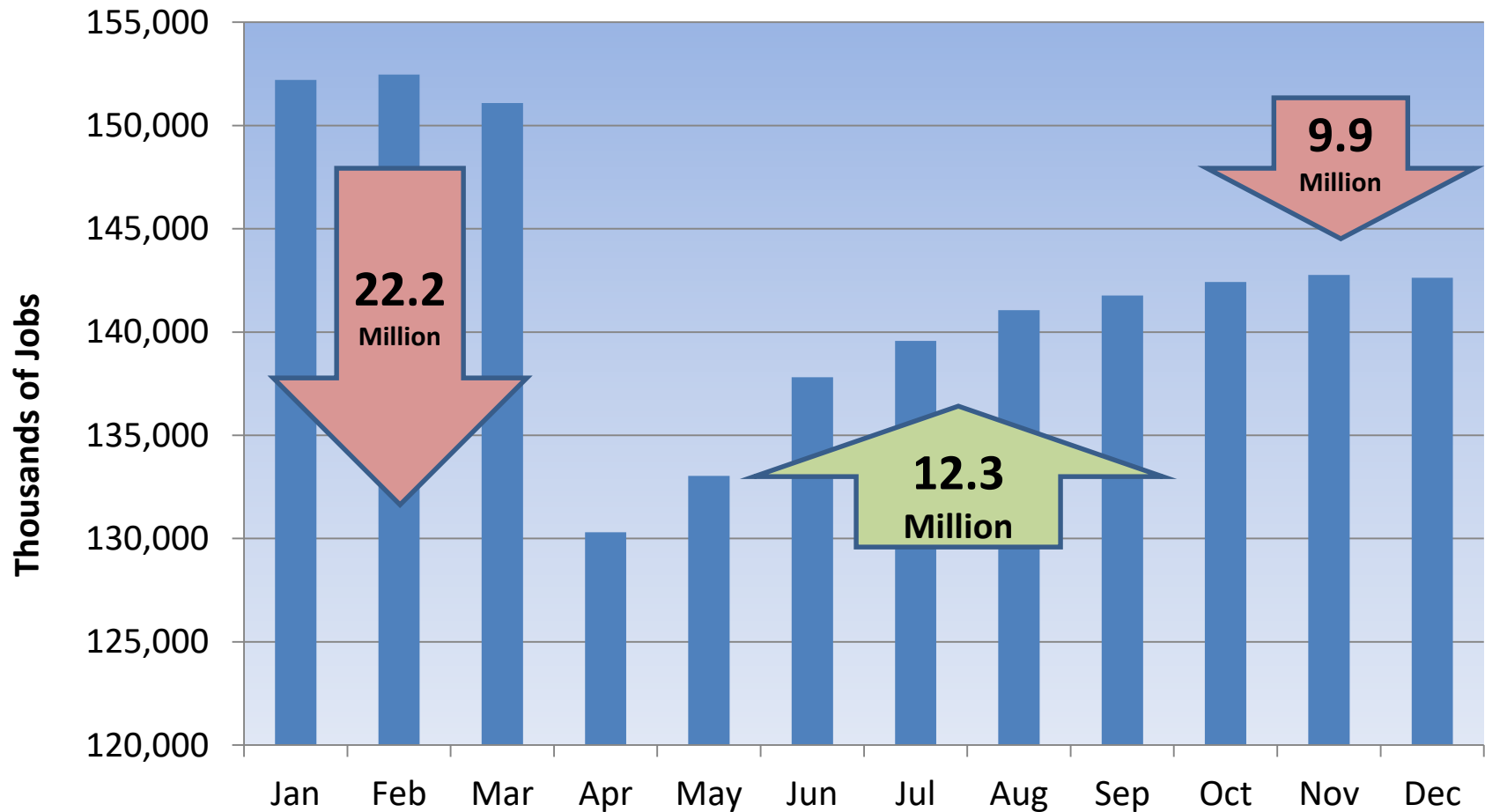
Source: Bureau of Labor Statistics and HRPDC

# U.S. Non-Farm Civilian Employment



Source: Bureau of Labor Statistics and HRPDC

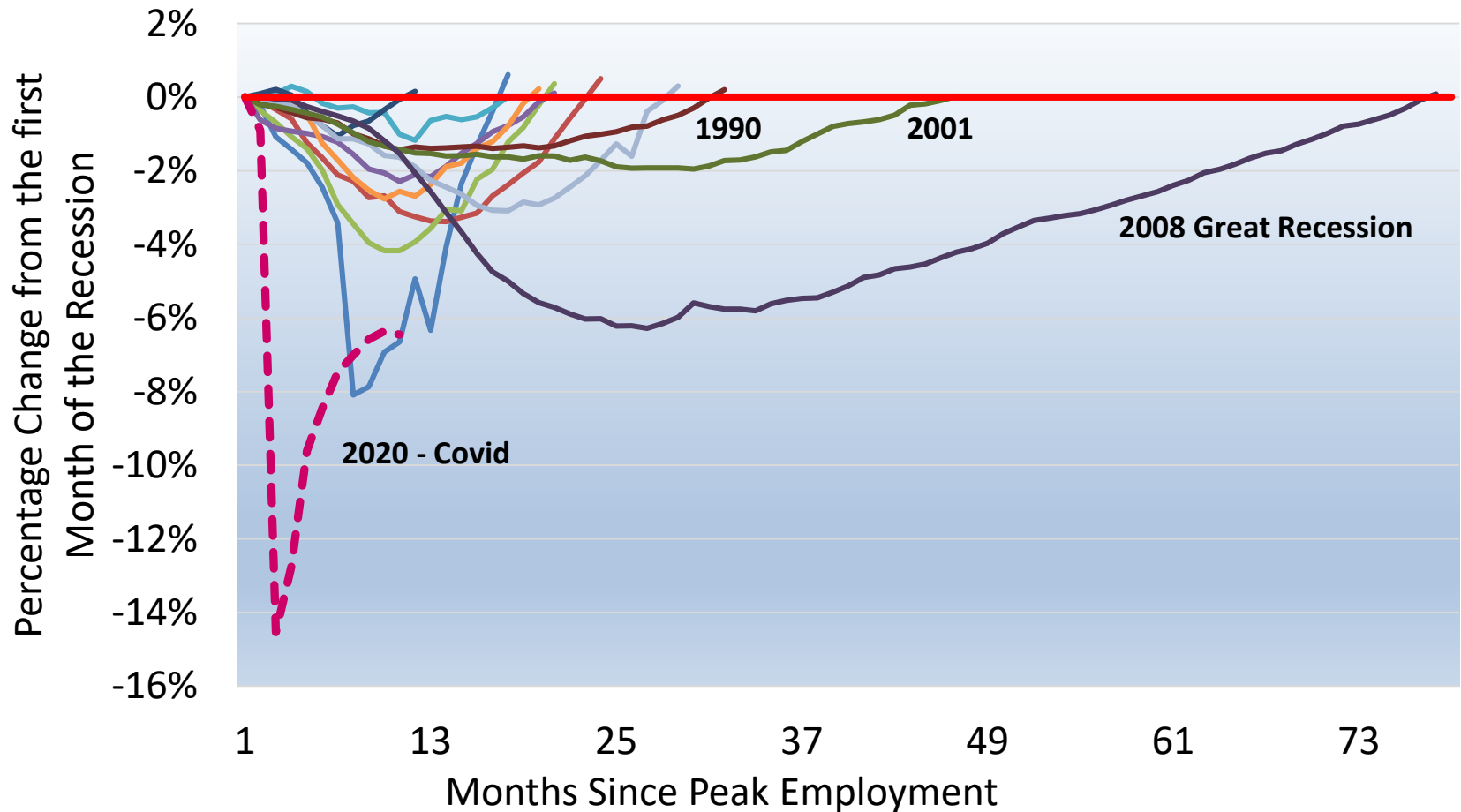
# U.S. Employment in 2020



Source: Bureau of Labor Statistics and HRPDC

# Percent Change from Peak Employment

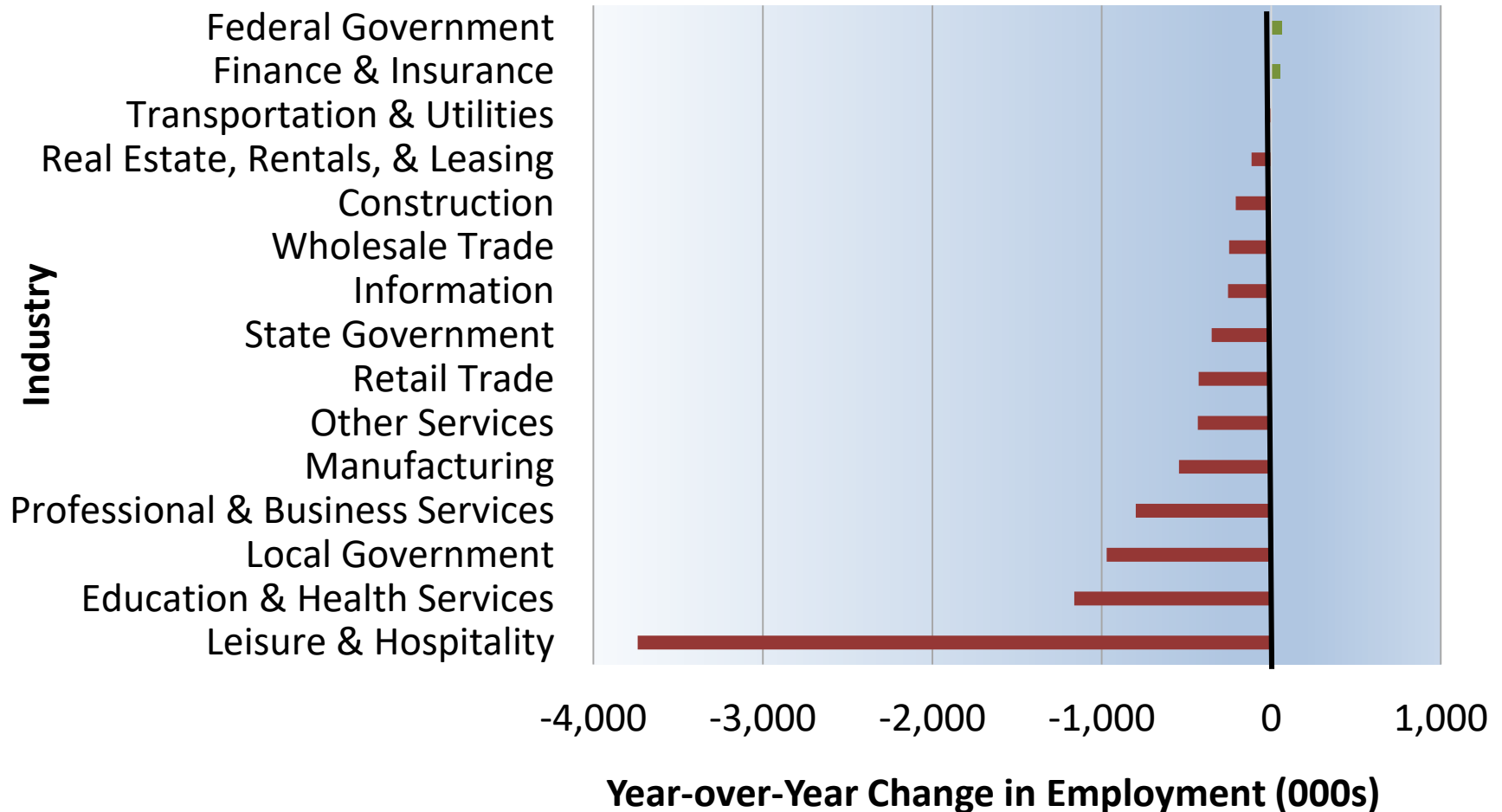
## Post WWII Economic Downturns





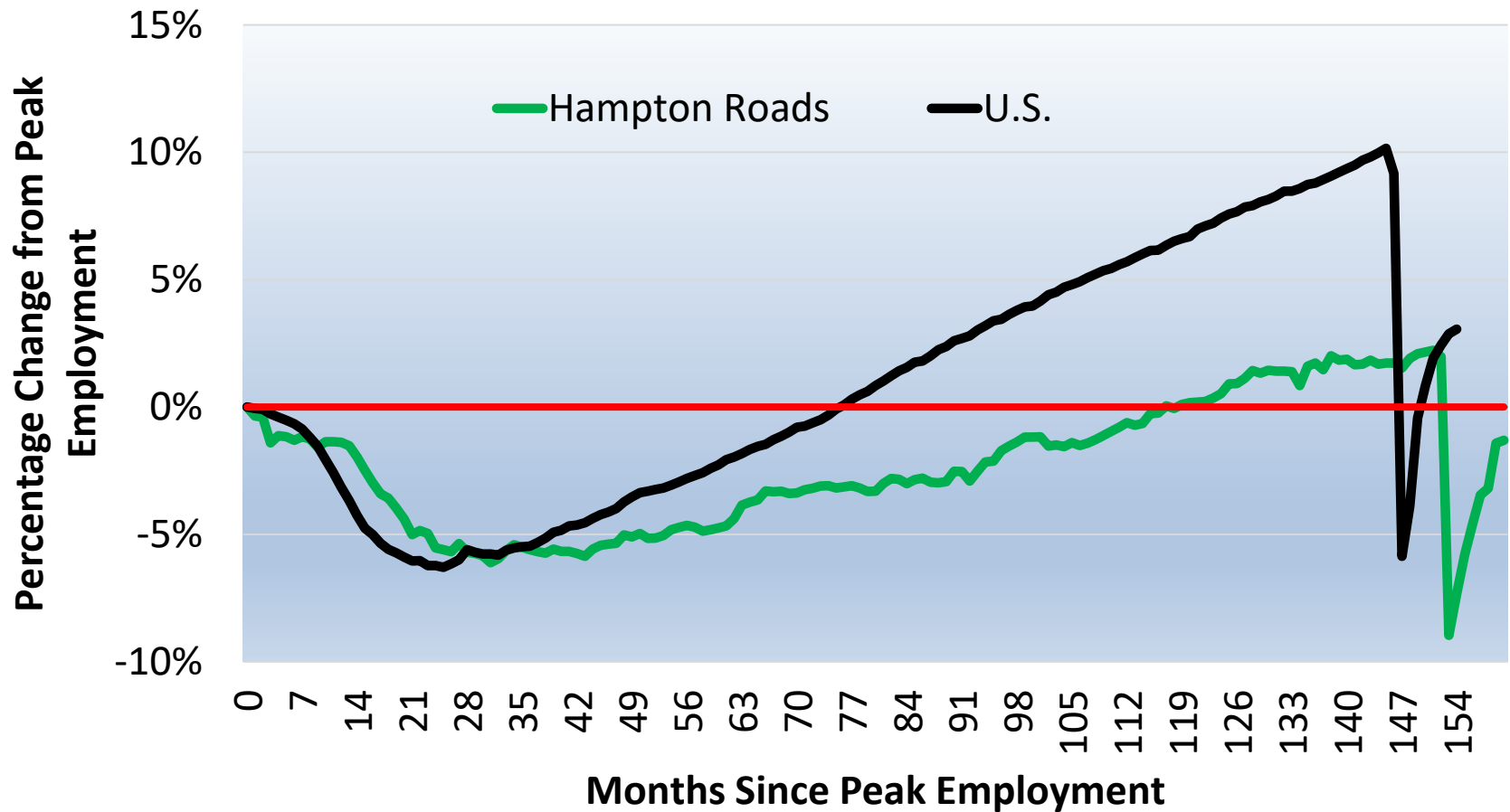
# U.S. Industry Employment Change

December '19 – December '20



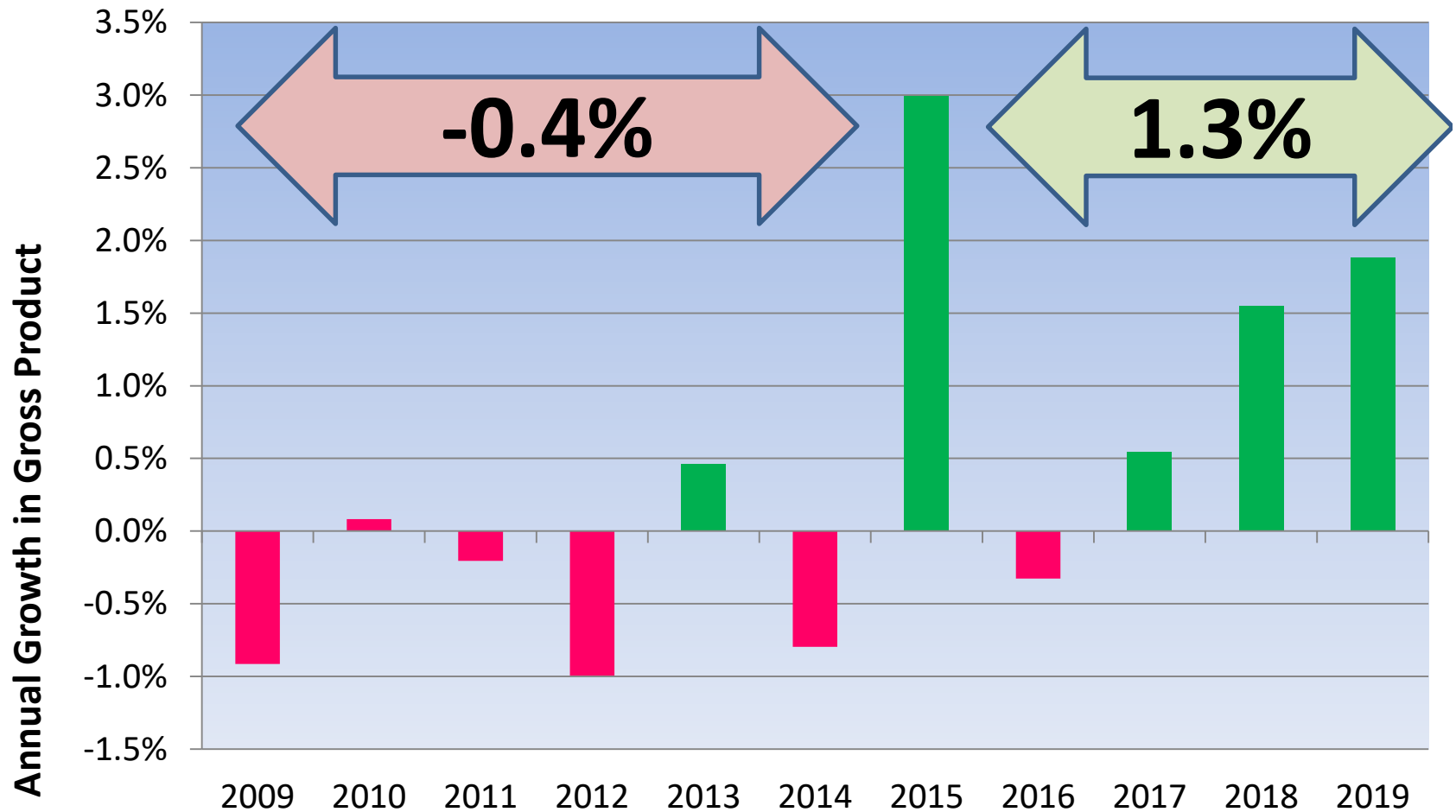
Source: Bureau of Labor Statistics and HRPDC

# Employment Decline and Recovery

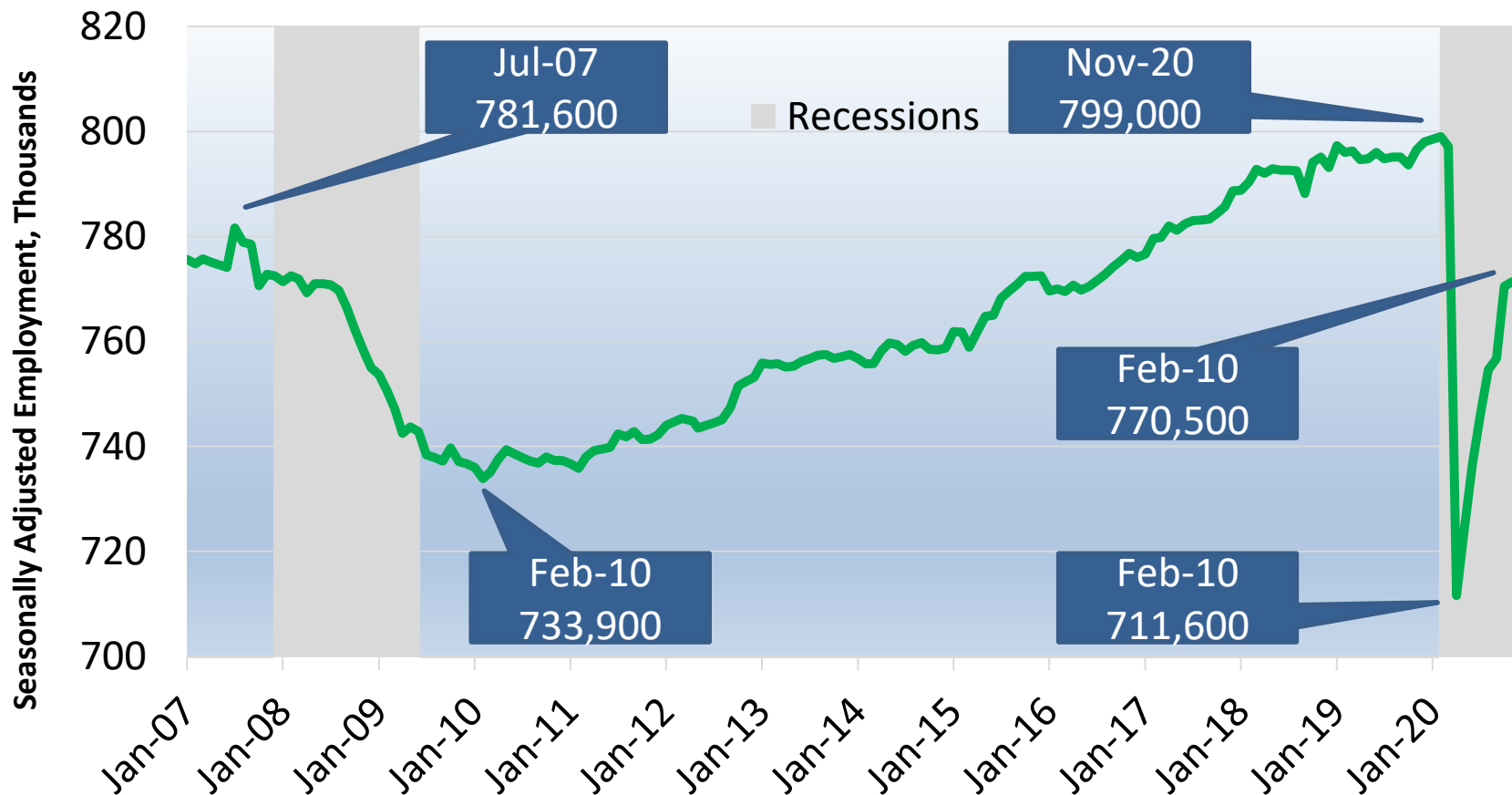


Source: Bureau of Labor Statistics and HRPDC

# Hampton Roads GDP Growth



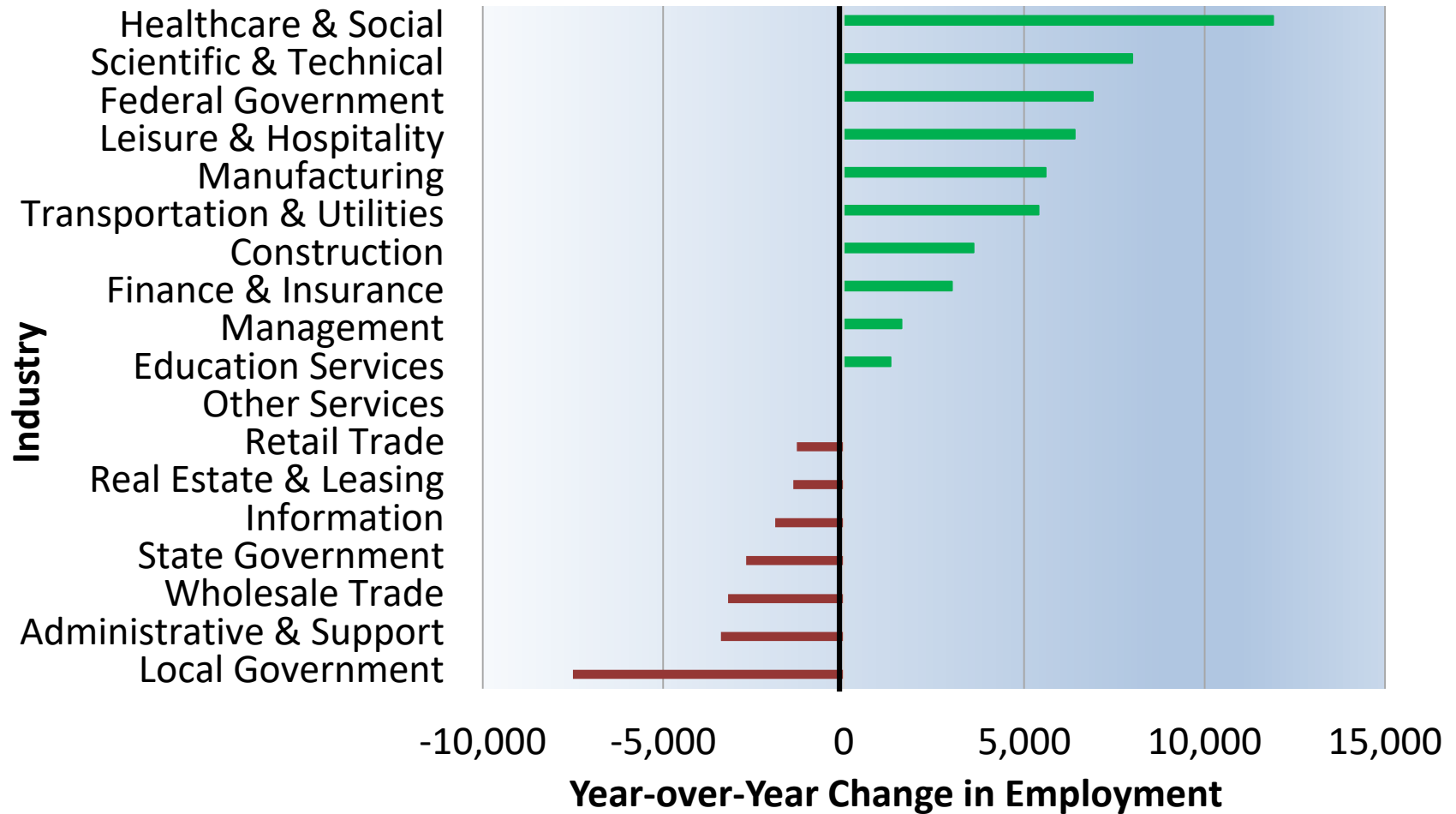
# Nonfarm Civilian Employment (Jobs) in Hampton Roads



Source: Bureau of Labor Statistics and HRPDC

# Hampton Roads Employment Change

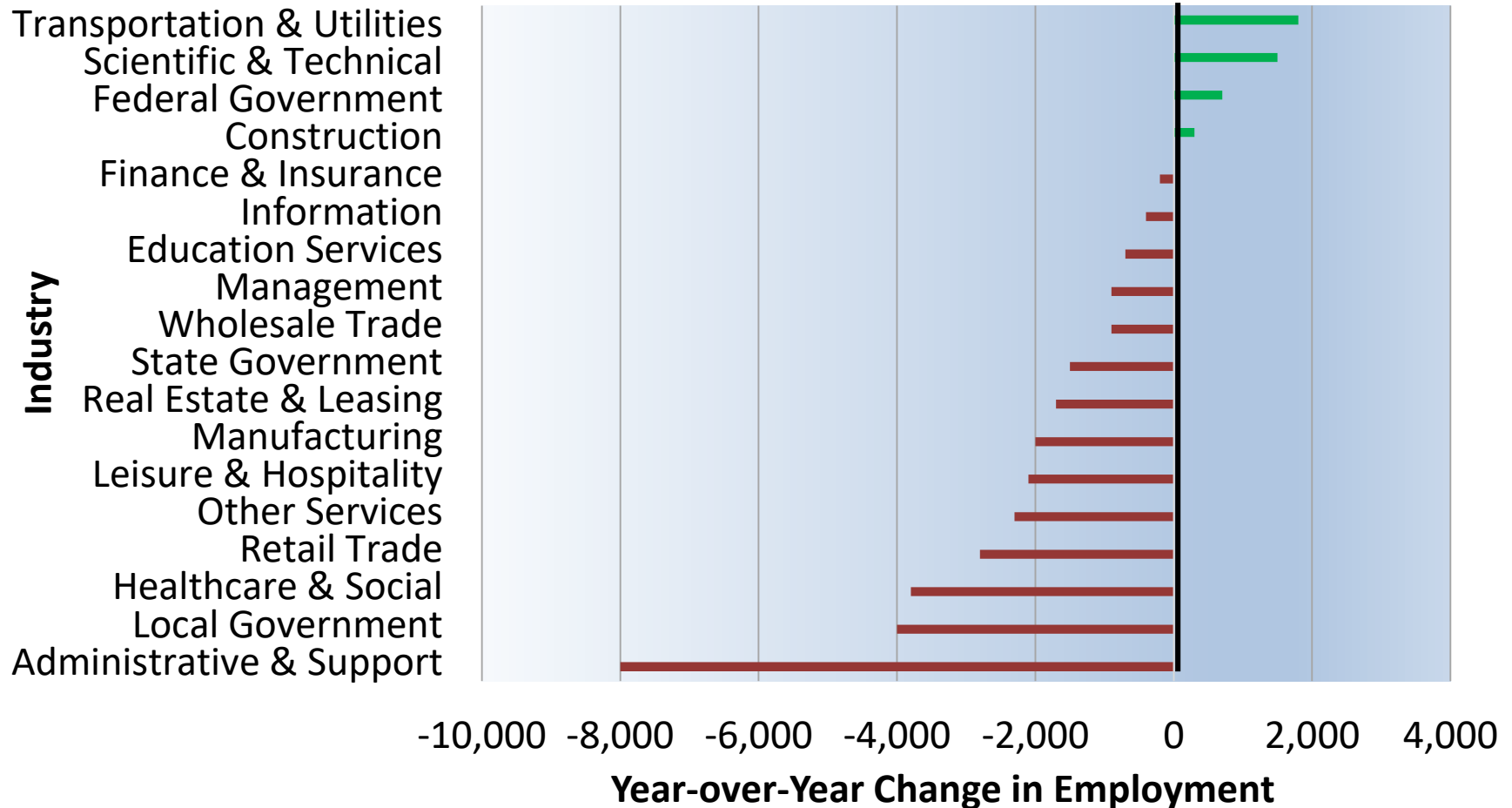
November '10 – November '20



Source: Bureau of Labor Statistics and HRPDC

# Hampton Roads Employment Change

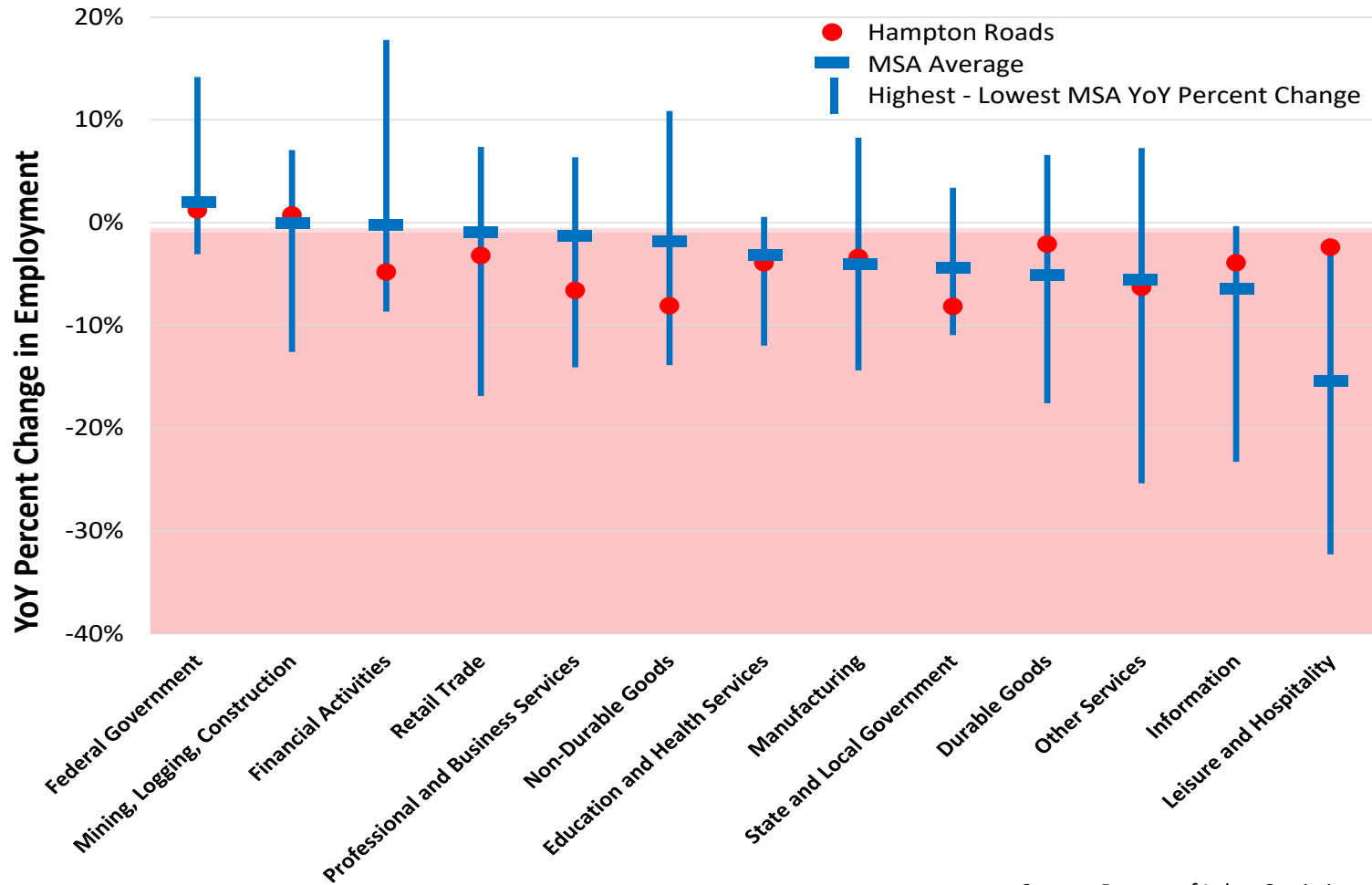
November '19 – November '20



Source: Bureau of Labor Statistics and HRPDC

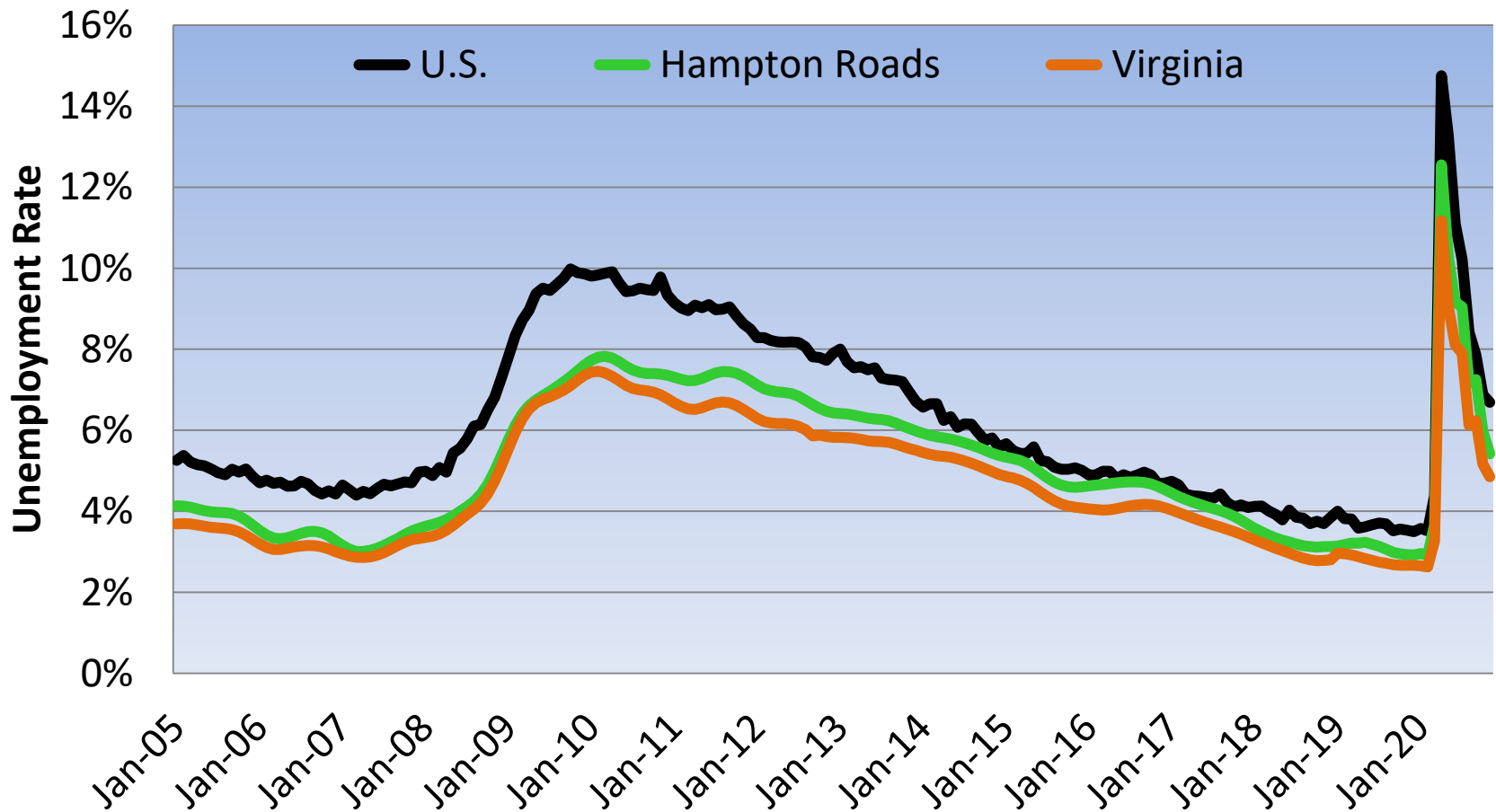
# Change in Industry Employment

## Year-over-Year for MSAs 1-4 Million



Source: Bureau of Labor Statistics and HRPDC

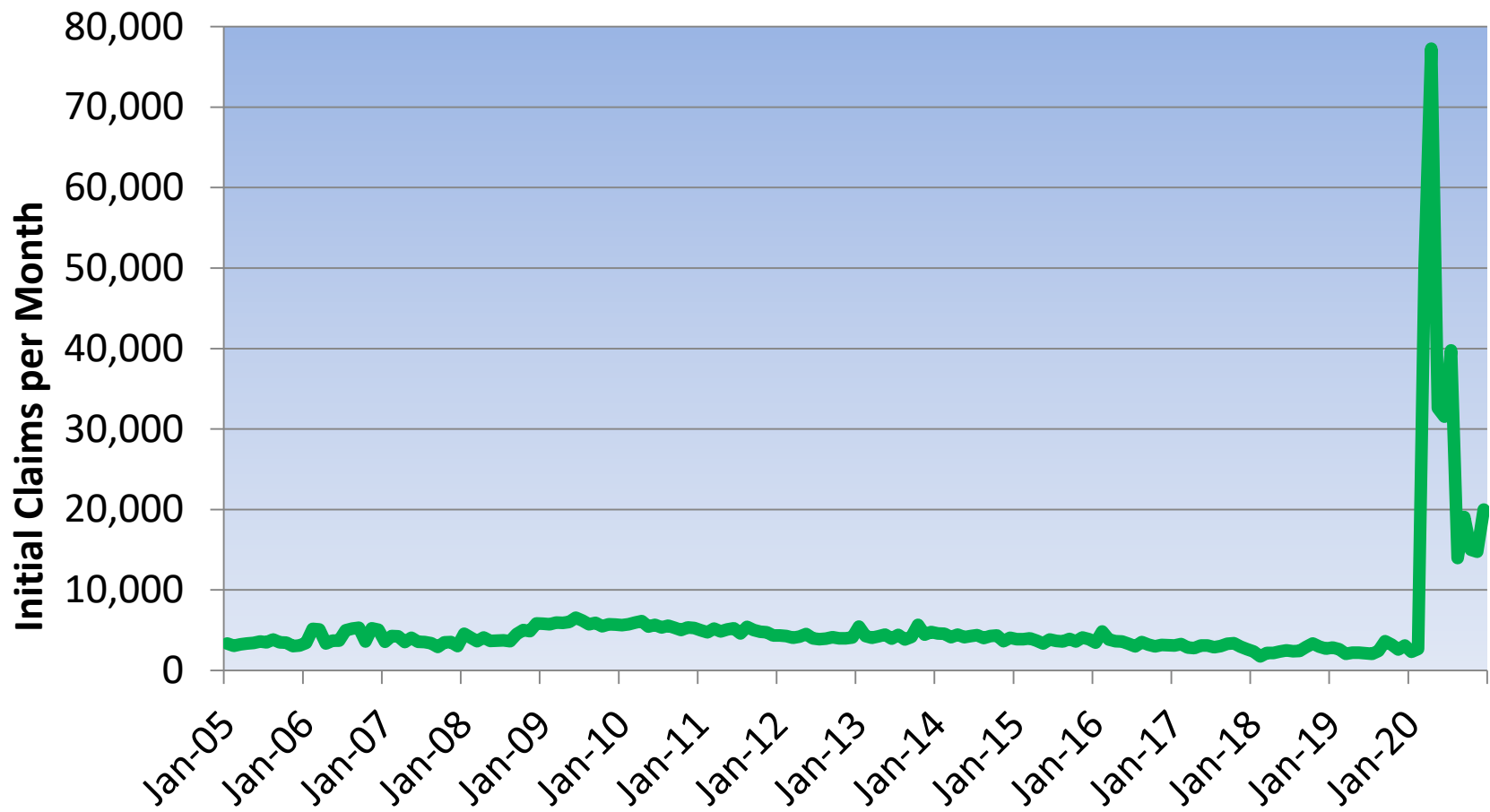
# Unemployment Rates



Source: Bureau of Labor Statistics and HRPDC

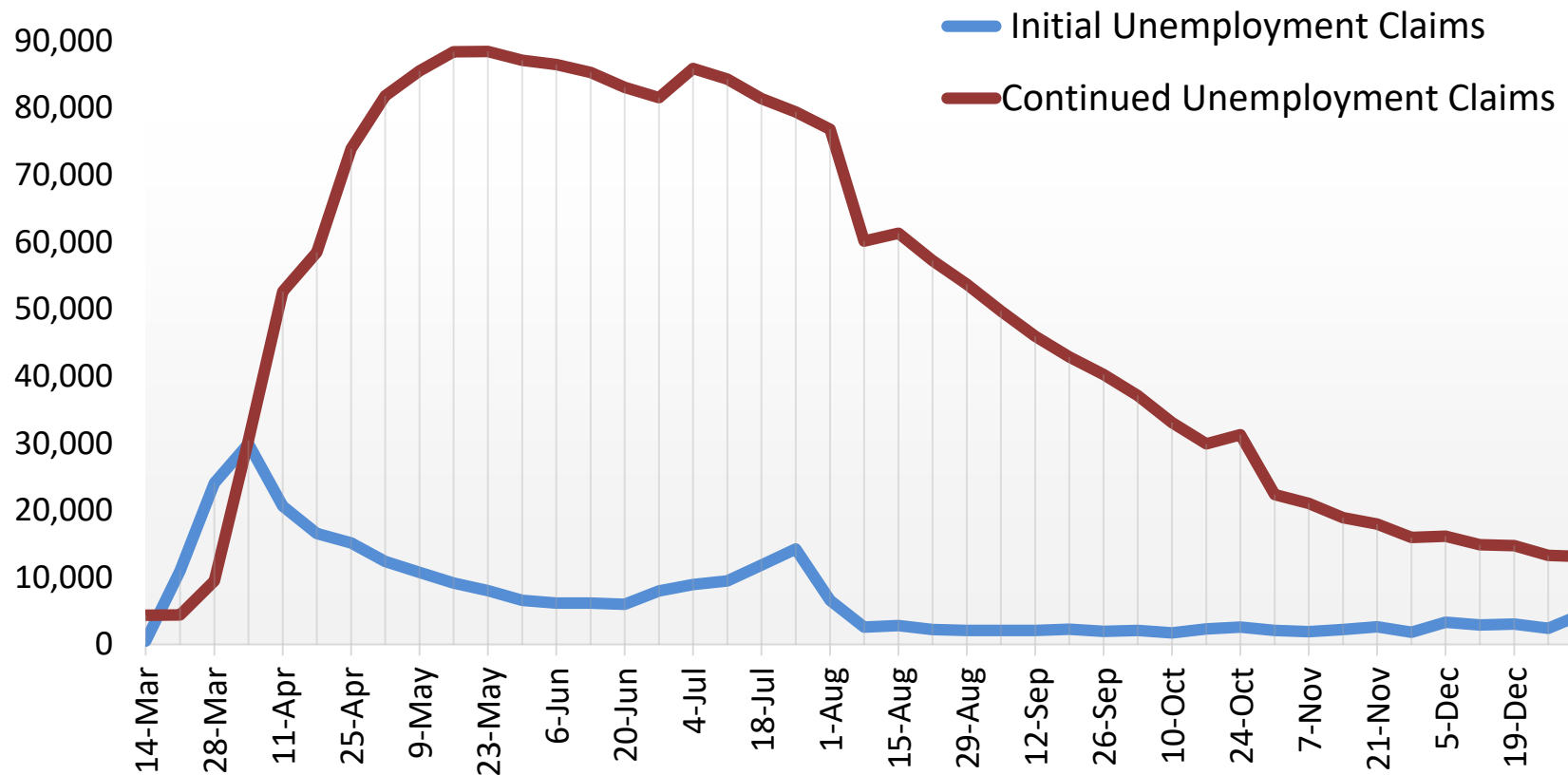


# Initial Unemployment Claims



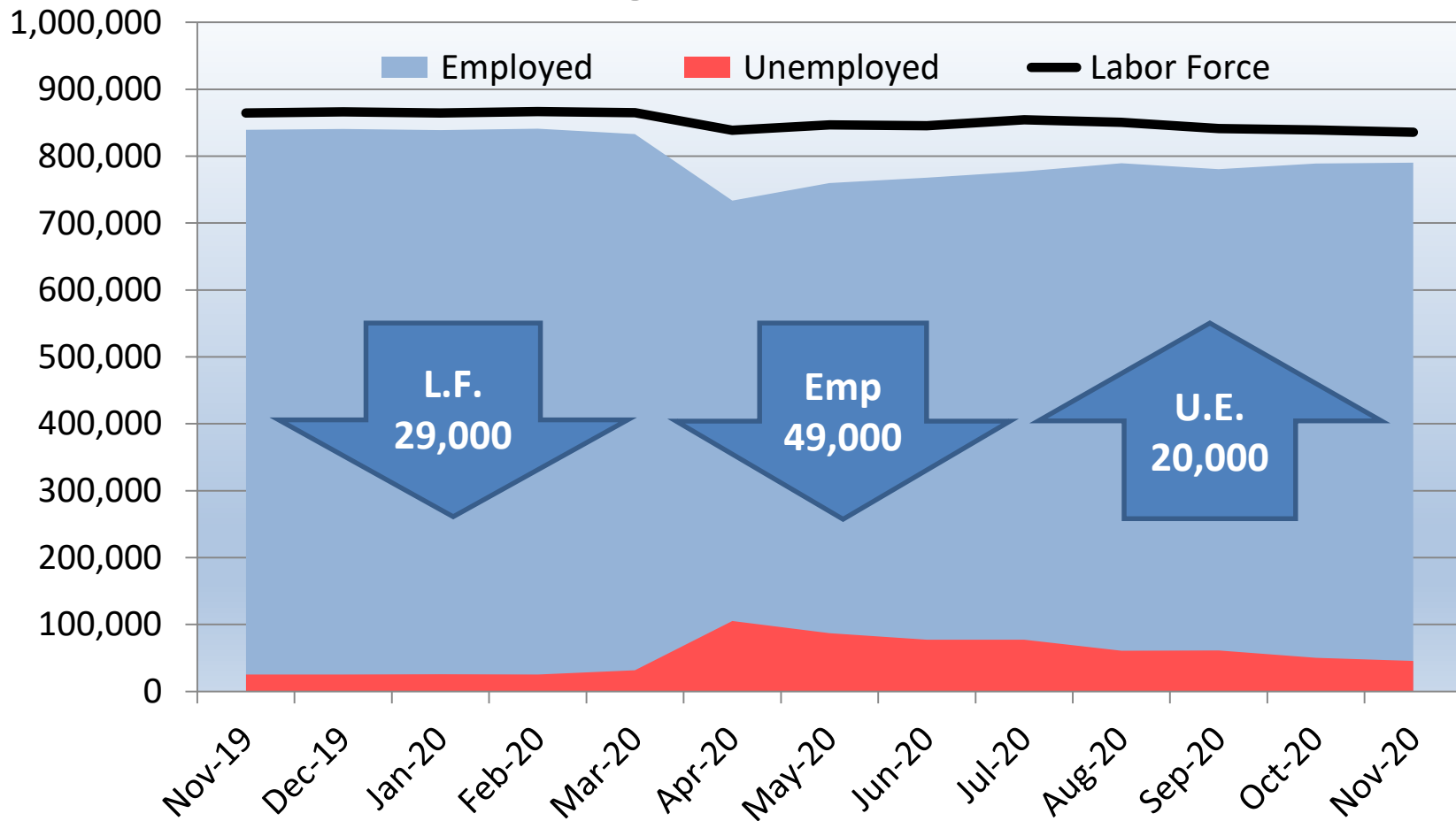
Source: Virginia Employment Commission and HRPDC

# Initial Weekly Unemployment Claims in Hampton Roads



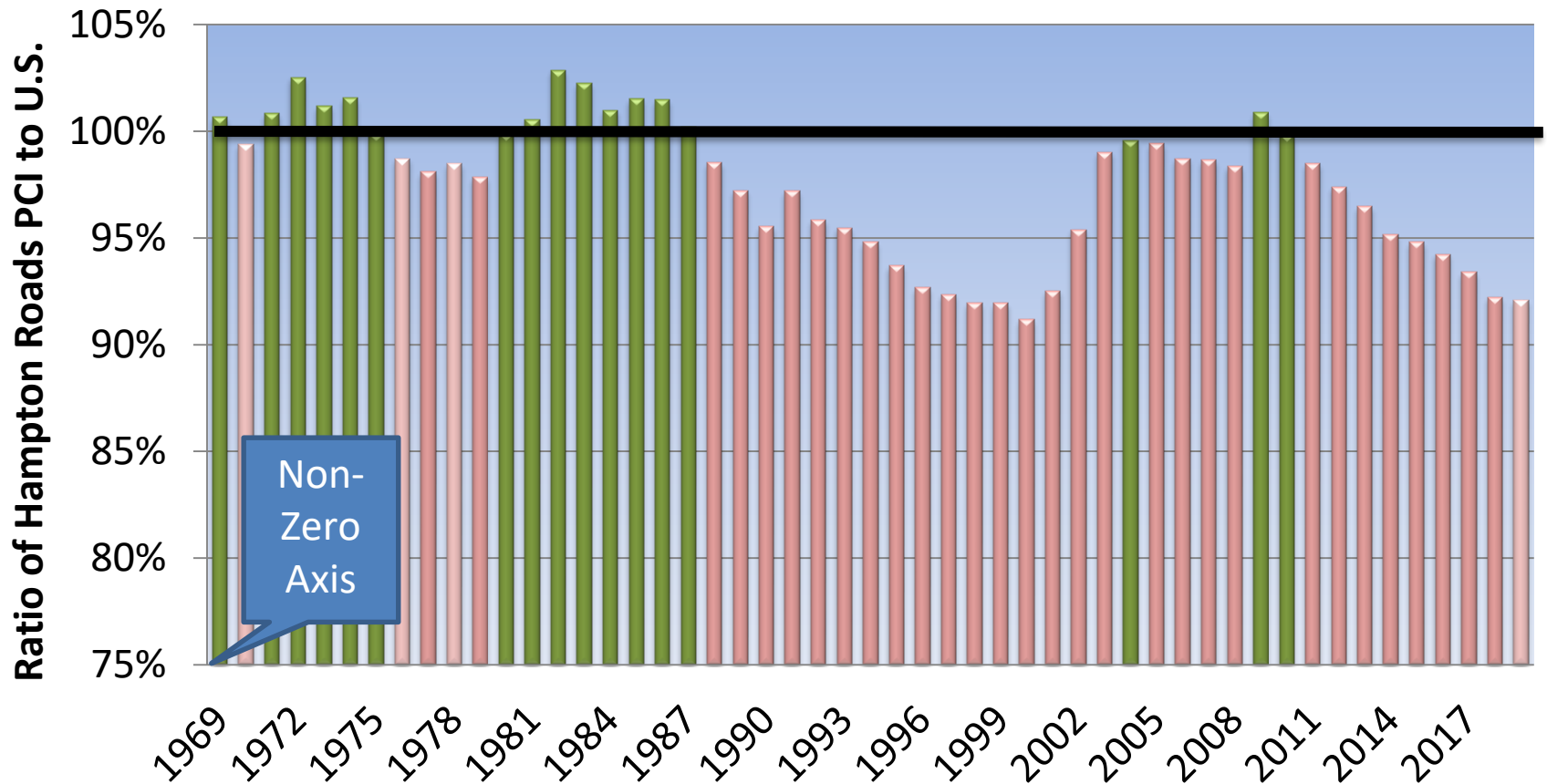
Source: Virginia Employment Commission and HRPDC

# Civilian Labor Force in Hampton Roads



Source: Bureau of Labor Statistics and HRPDC

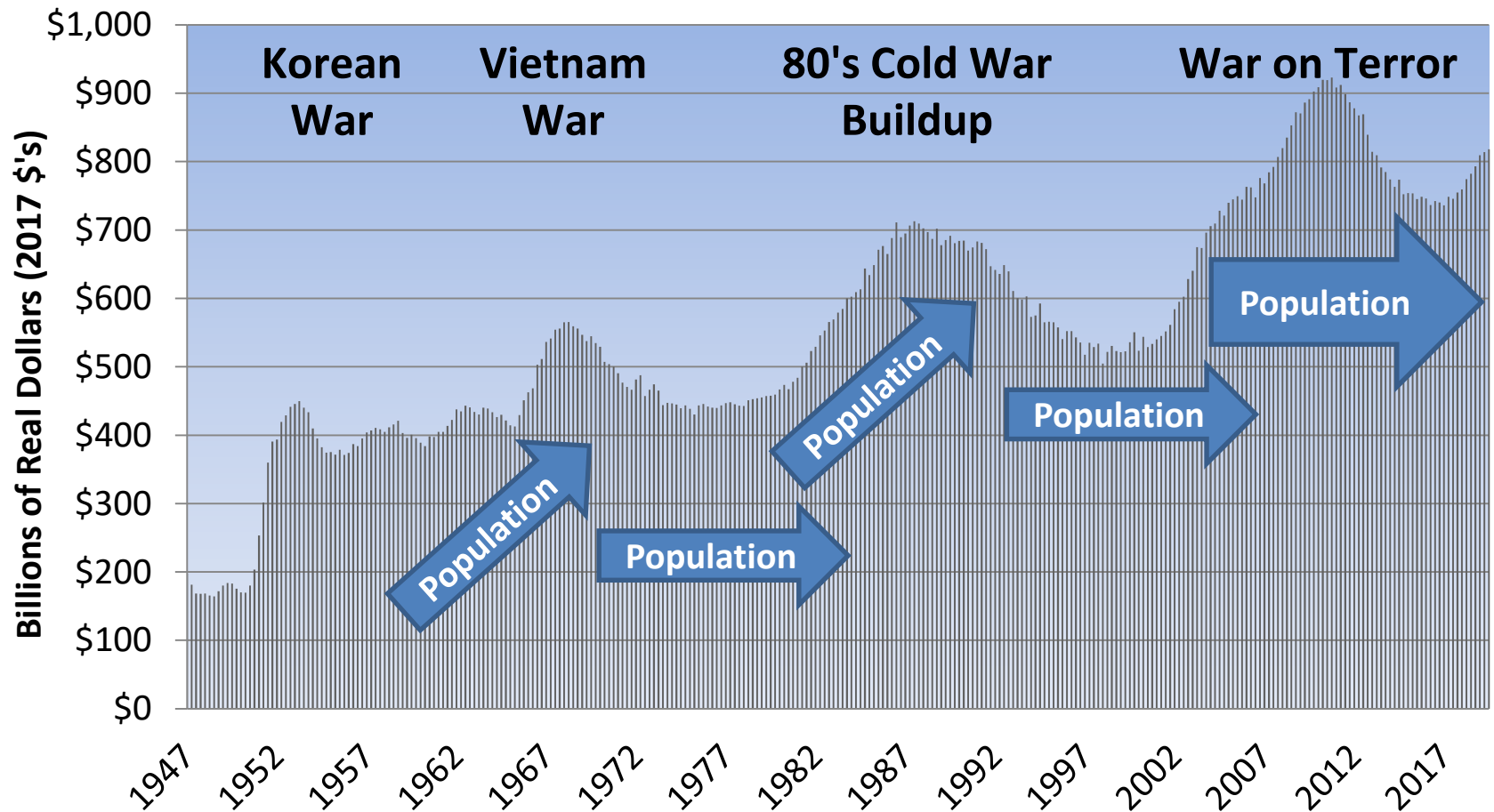
# Per Capita Income in Hampton Roads Compared to the United States



Source: Bureau of Economic Analysis, and HRPDC

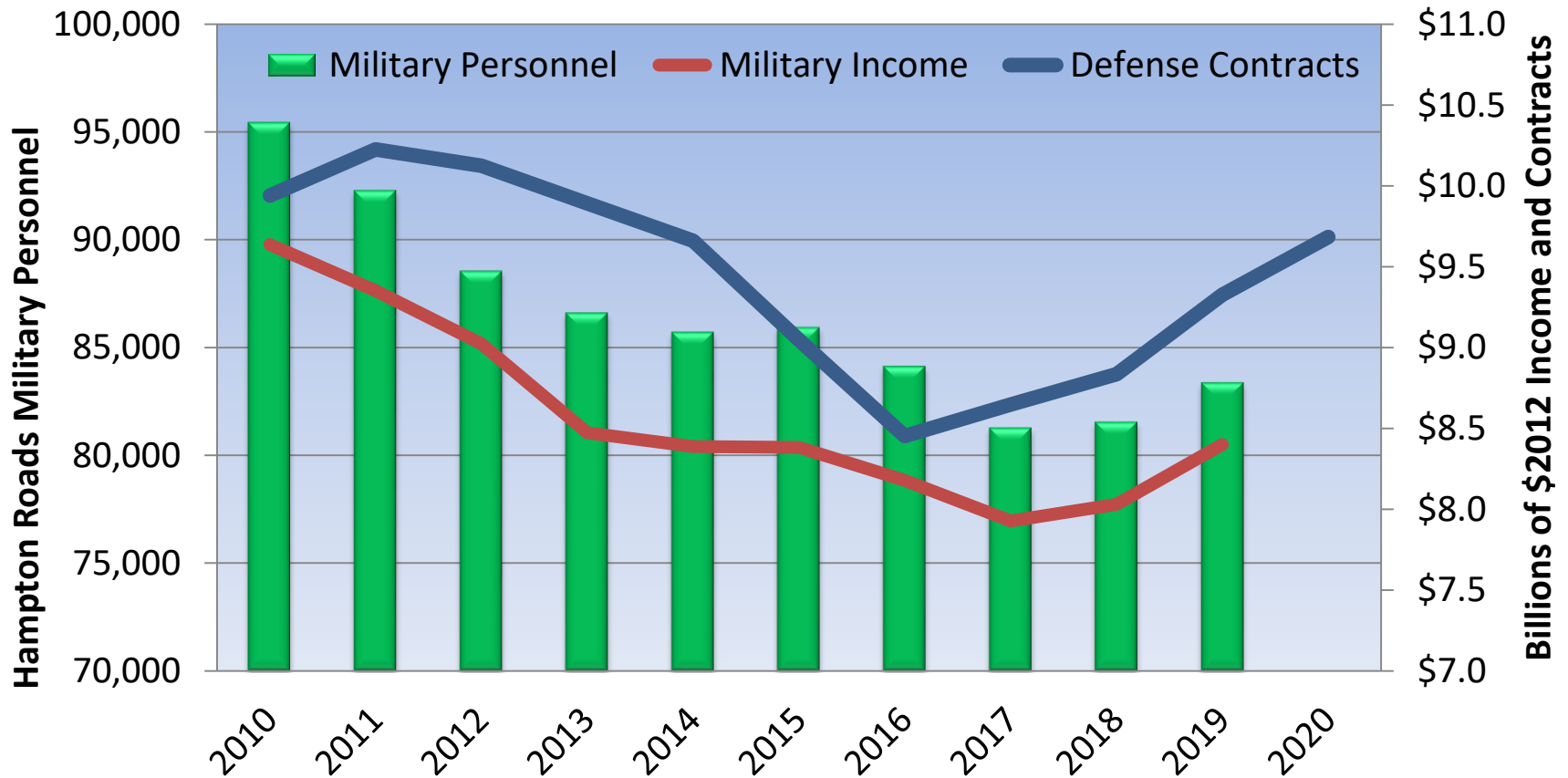
# Annualized Real Defense Outlays

(U.S. Quarterly Data, Seasonally Adjusted)



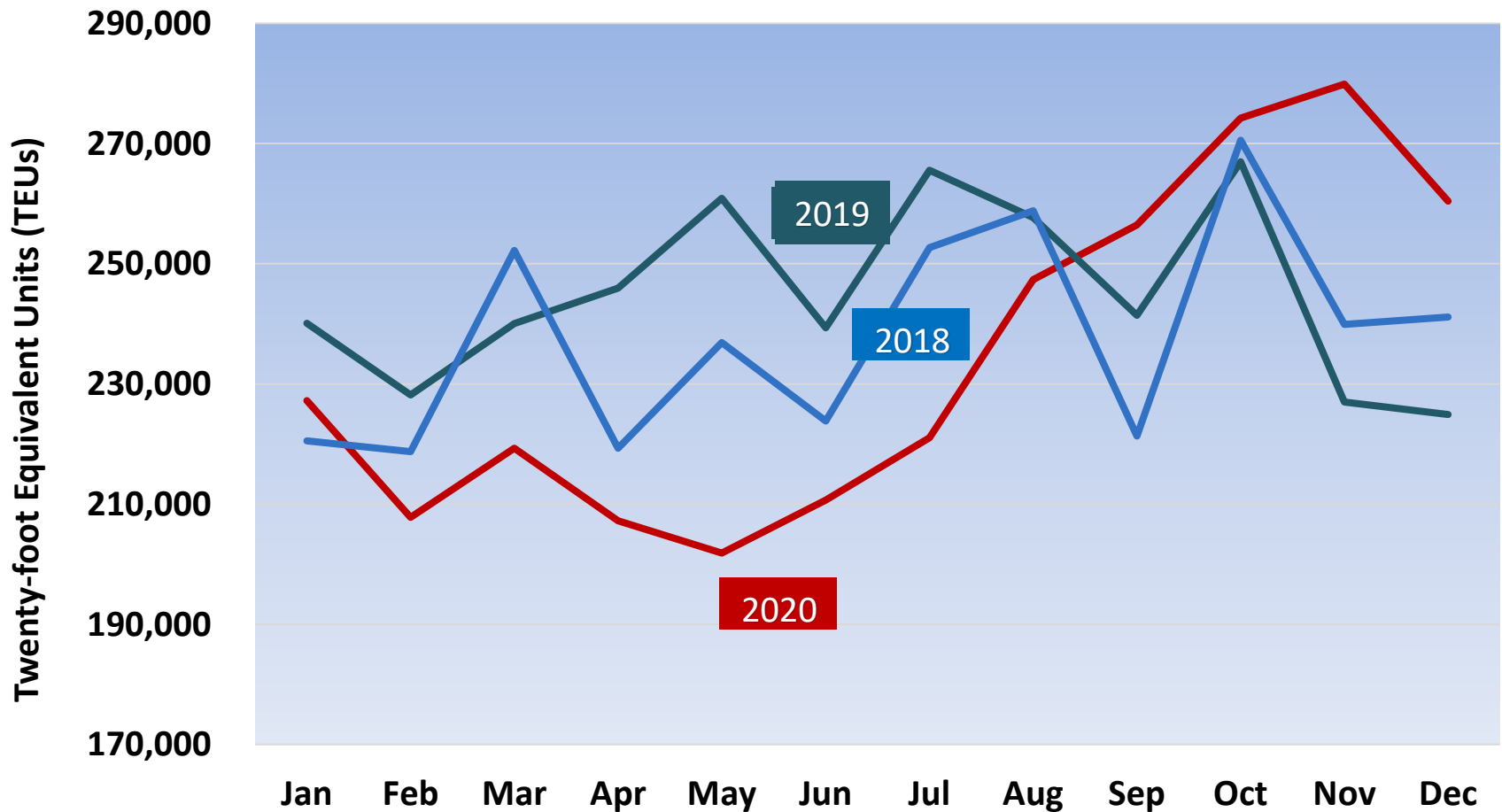
Source: Bureau of Economic Analysis, Weldon Cooper Center, and HRPDC

# DoD Presence in Hampton Roads



Source: Bureau of Economic Analysis and HRPDC

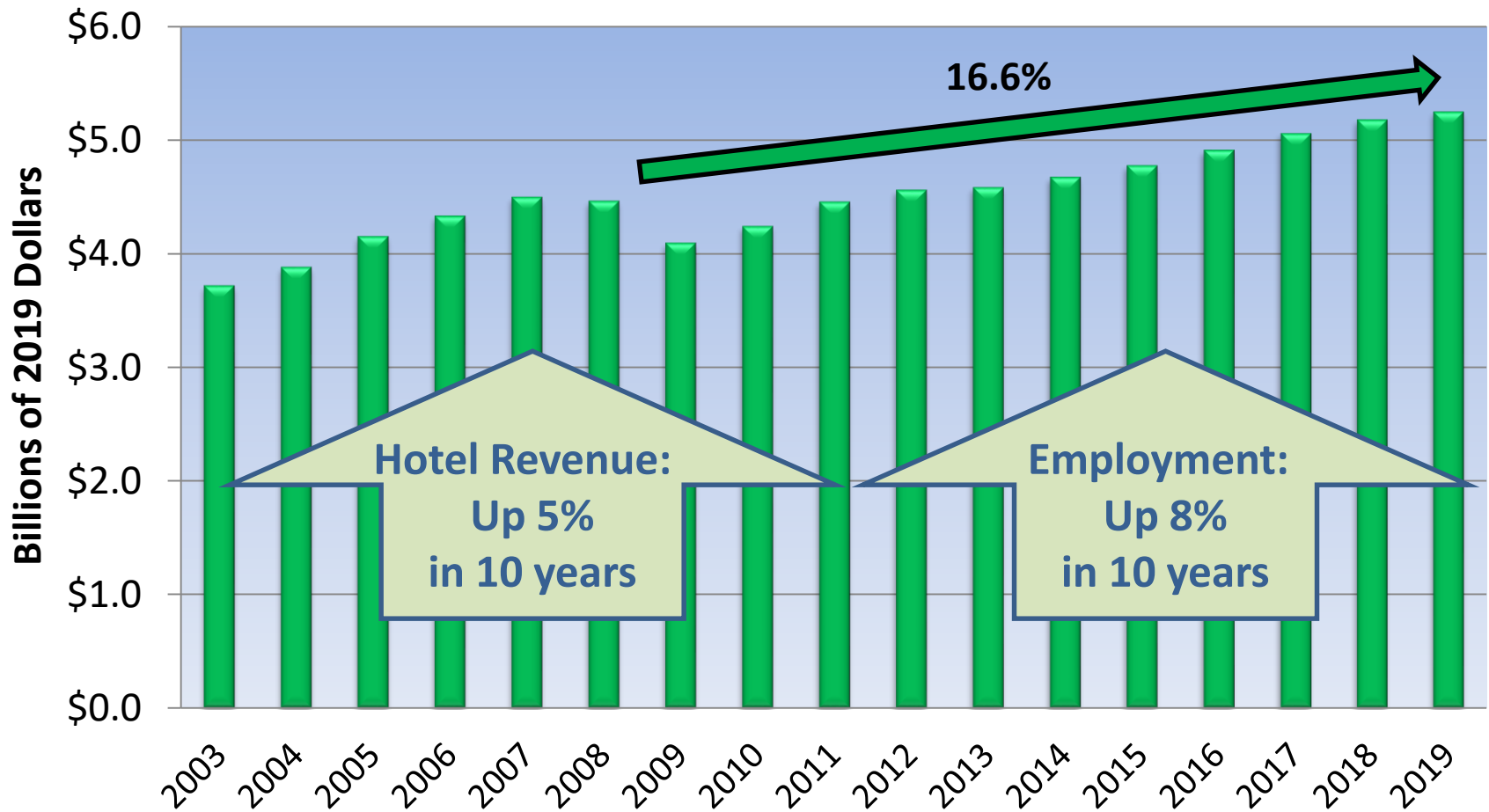
# TEUs at the Port of Virginia 2018-20



Source: Port of Virginia and HRPDC

# Tourism Expenditures in HR

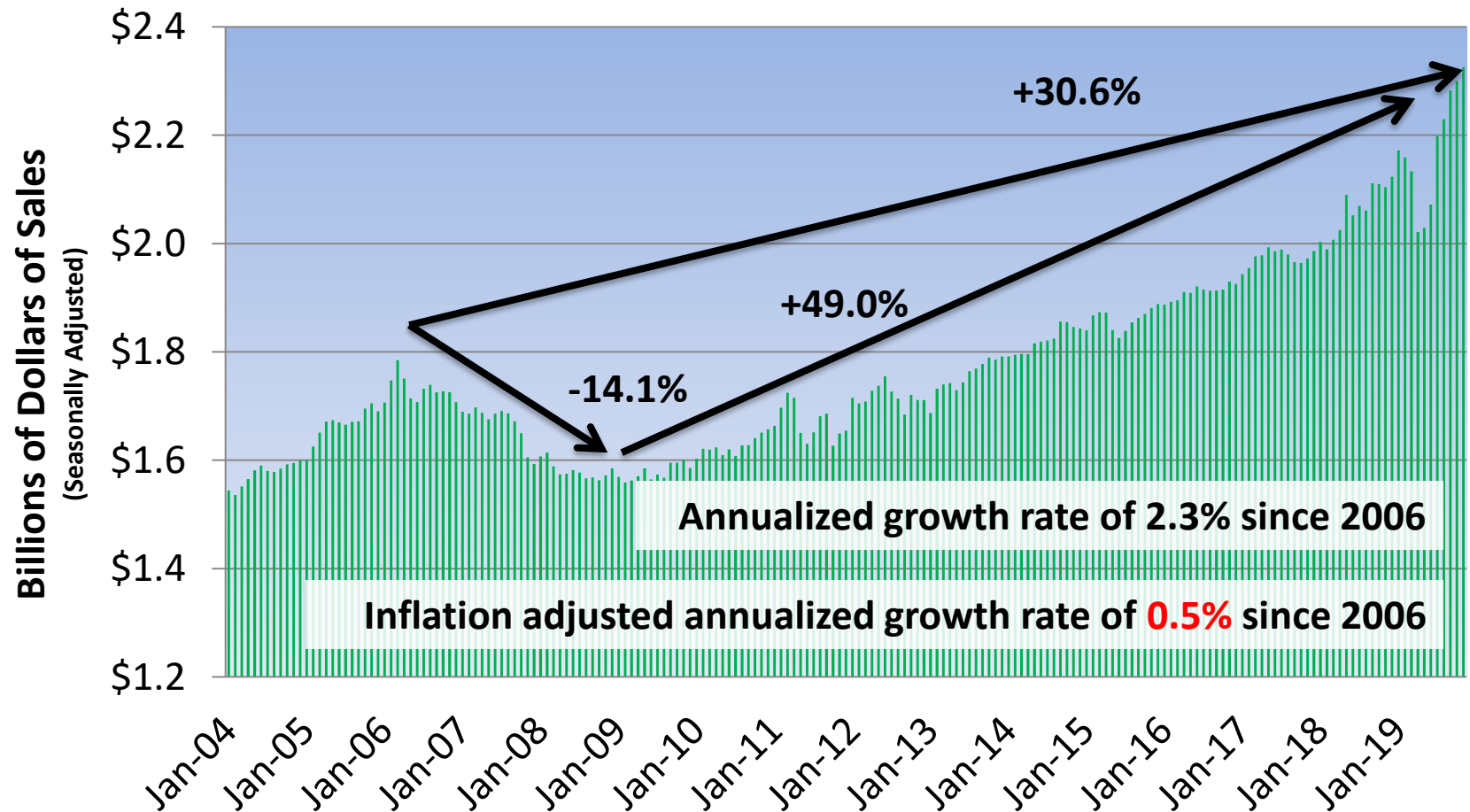
(Inflation-Adjusted)



Source: Virginia Tourism Corporation and HRPDC

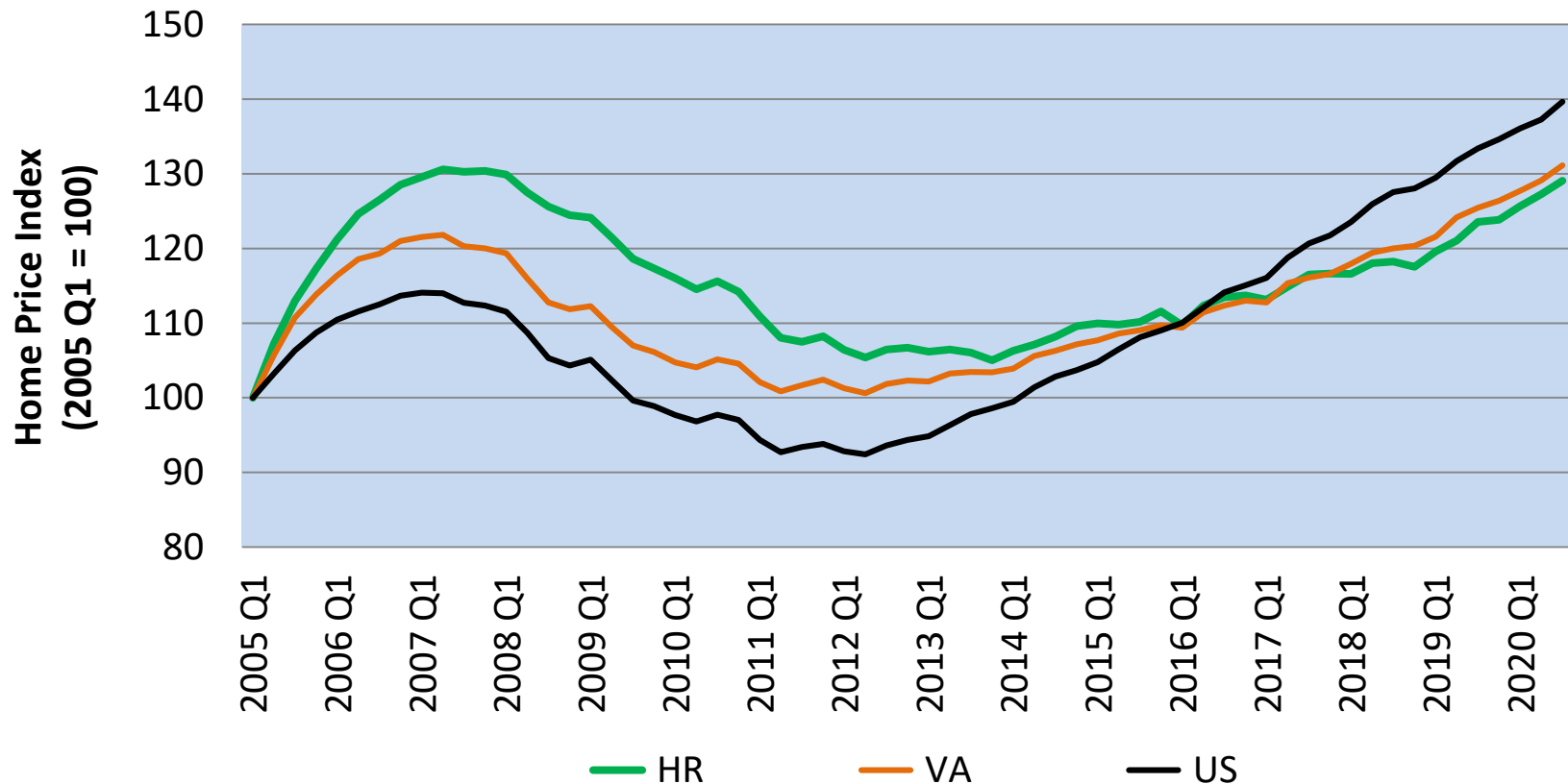


# Hampton Roads Retail Sales



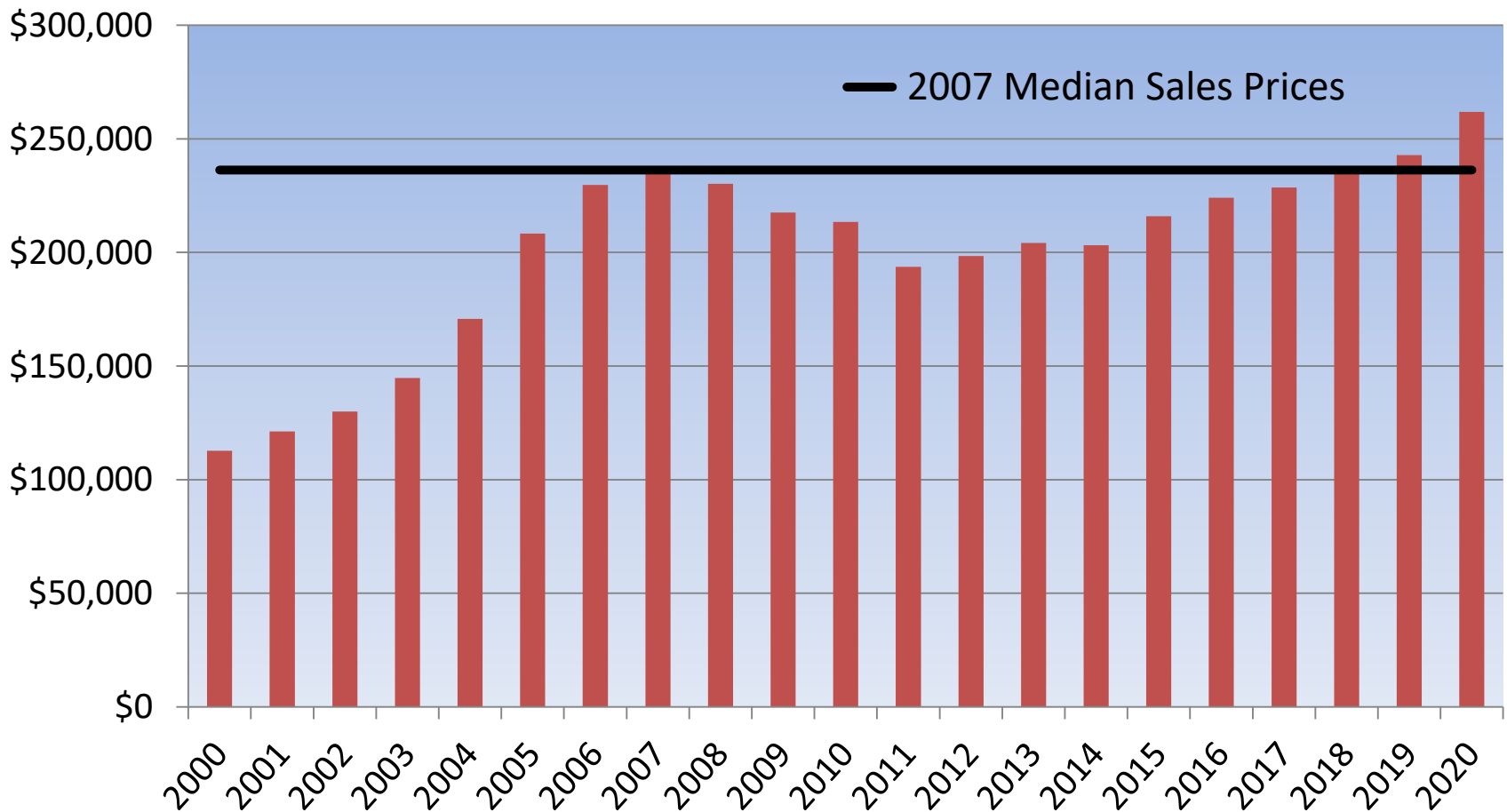
Source: Virginia Department of Taxation and HRPDC

# Home Price Index Growth in Hampton Roads and the U.S.



Source: Federal Housing Finance Agency, HRPDC

# Median Sales Price of Homes in HR



Source: Real Estate Investment Network, HRPDC

# Looking Ahead

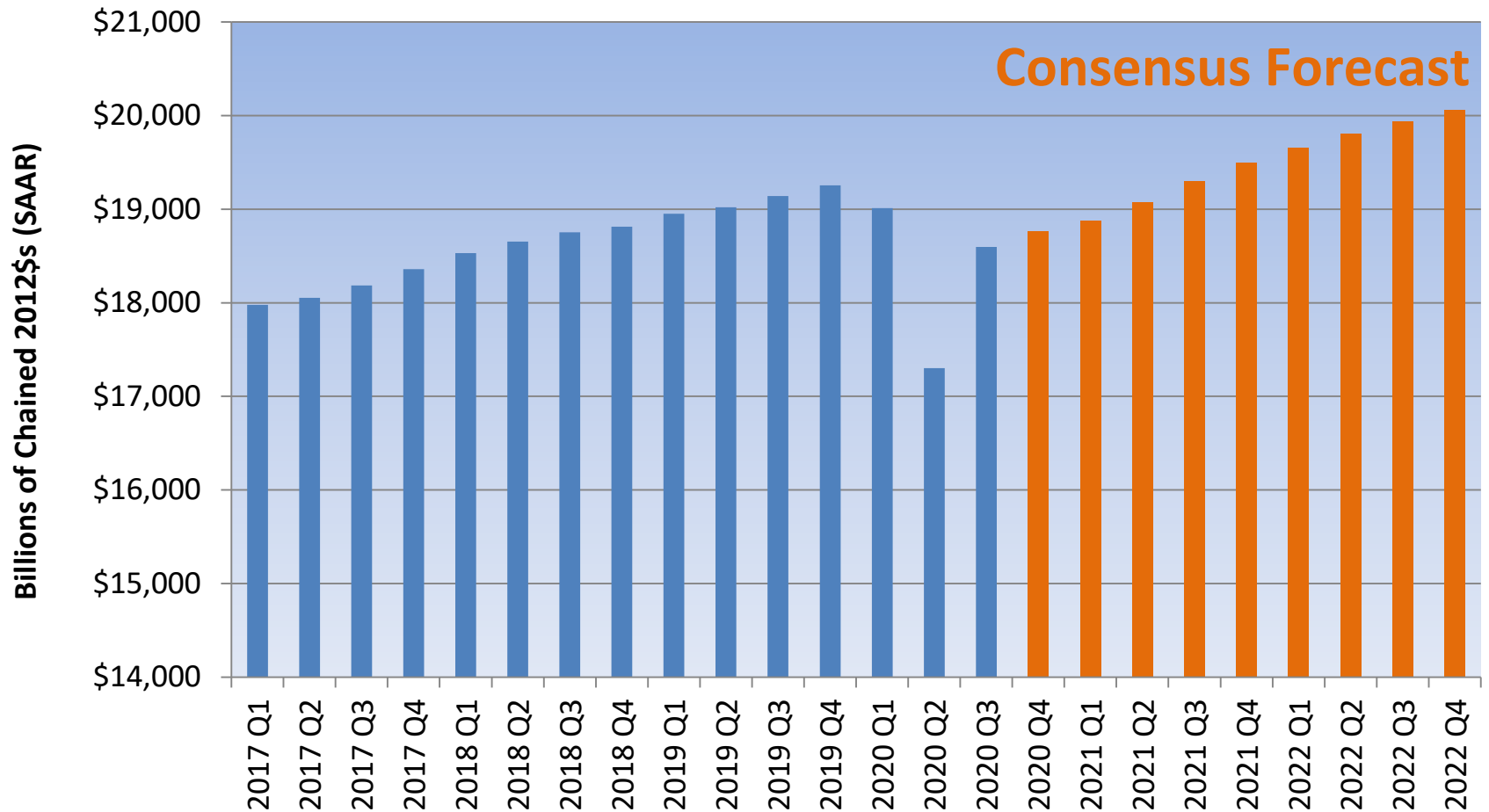
## Areas of Concern

- Continued Health Risks
  - Wellbeing and QoL
- Increased Disparity
- Structural Unemployment
- Ballooning Debt and Deficit
- Small Businesses
- Local Revenues

## Glimmers of Hope

- Vaccinations
  - Normalcy?
- Positive Restructuring
- Low Interest Rates
- Strong Housing Market
- Federal Expenditures
  - Short-term

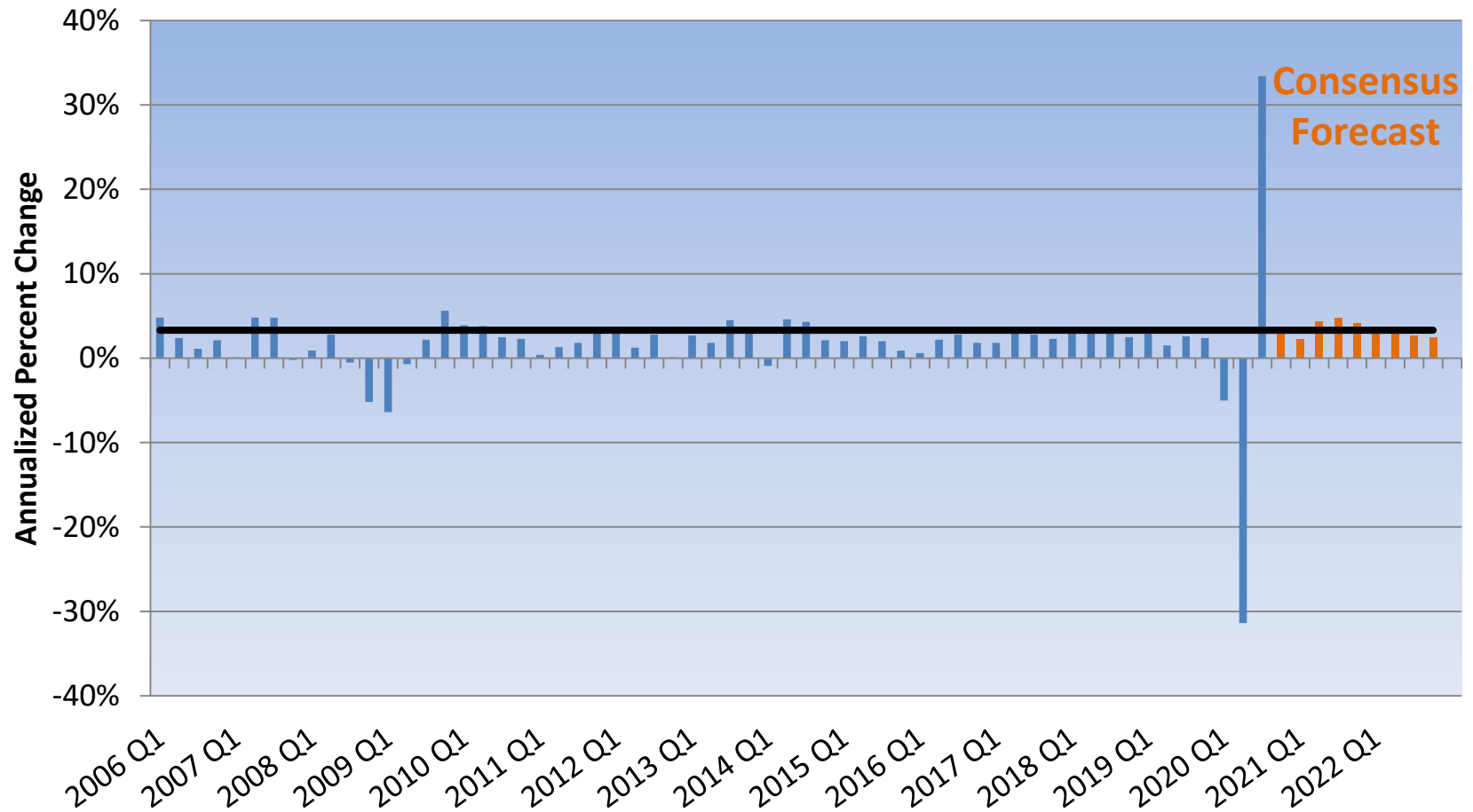
# Forecast of U.S. Gross Domestic Product



Source: Blue Chip Economic Indicators and HRPDC

# Forecast of U.S. Gross Domestic Product

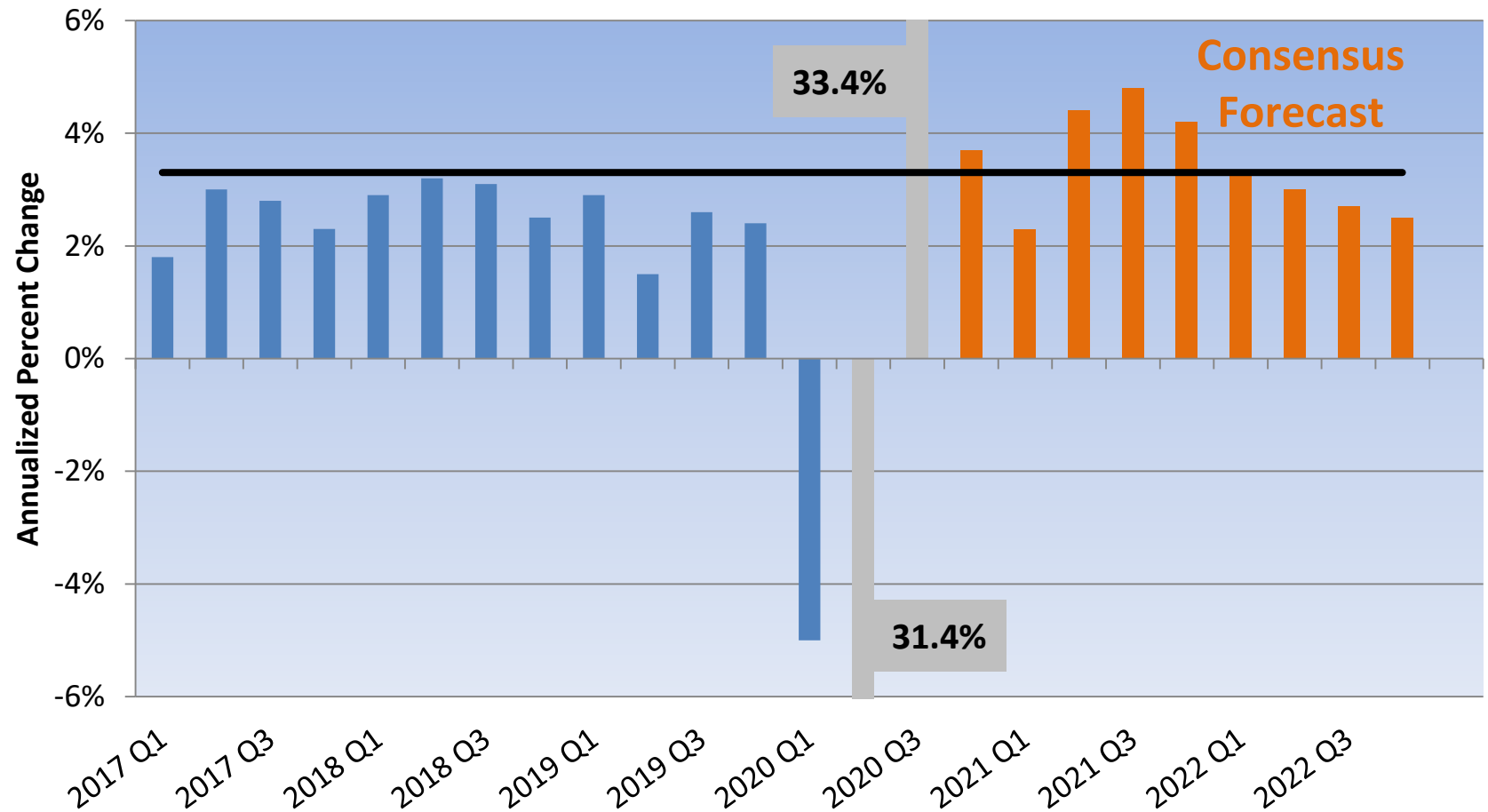
(Annualized Percent Change from Prior Quarter)



Source: Blue Chip Economic Indicators and HRPDC

# Forecast of U.S. Gross Domestic Product

(Annualized Percent Change from Prior Quarter)



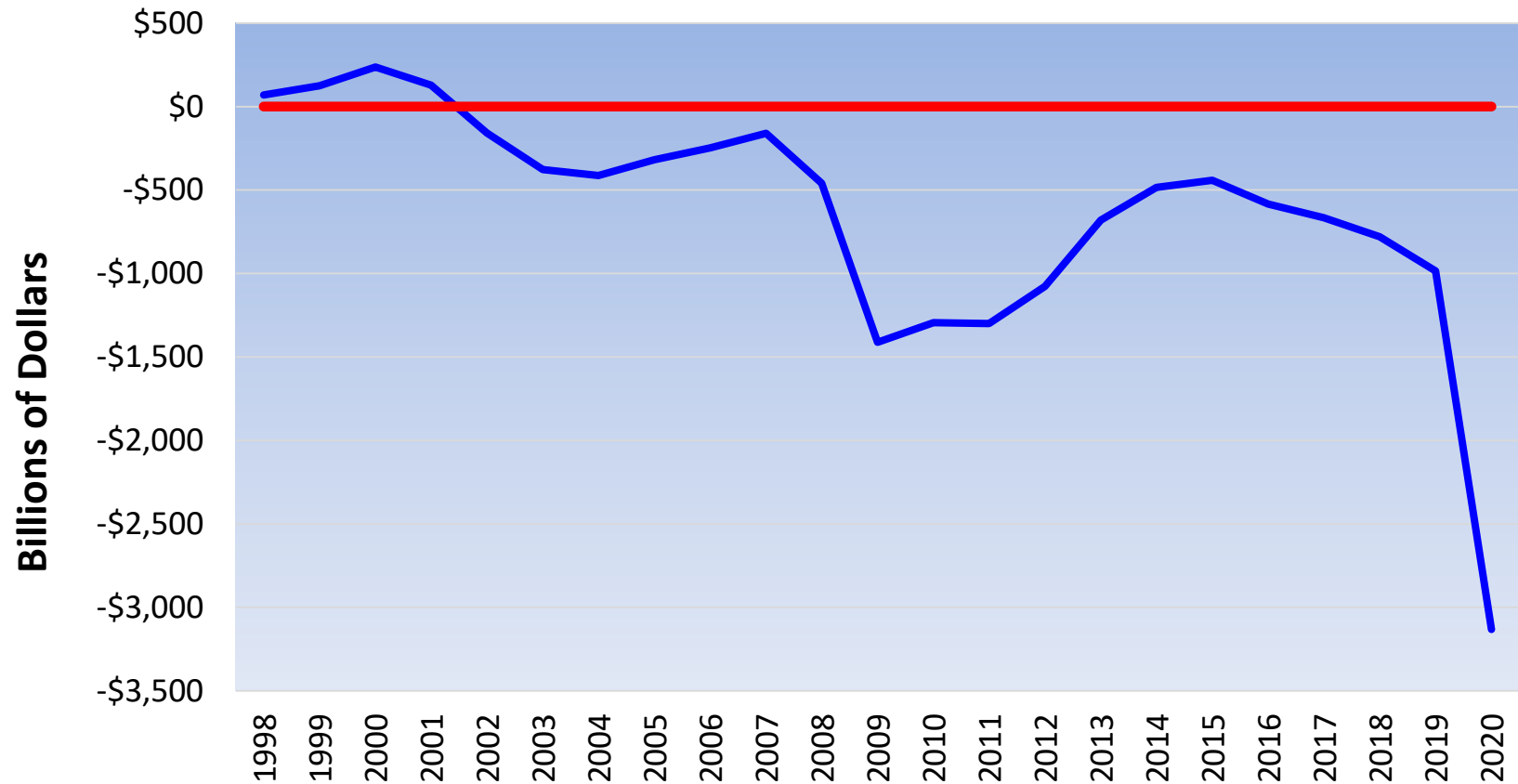
Source: Blue Chip Economic Indicators and HRPDC

# HRPDC Forecast for 2021

	2019 Actual	2020 (Year to Date)	2021 Forecast
<b>U.S.</b>			
Real GDP	2.2%	-3.5%	4.2%
Interest Rates			
Short Government Rates	2.1%	0.4%	0.1%
Long Government Rates	2.2%	0.9%	1.2%
<b>Hampton Roads</b>			
Gross Product	1.9%	-2.3%	2.2%
Civilian Employment	0.4%	-4.4%	1.7%
Unemployment Rate	3.1%	6.9%	4.6%
Retail Sales	4.8%	5.9%	1.8%
Value of Single-Family Residential Building Permits	-6.7%	17.7%	6.0%

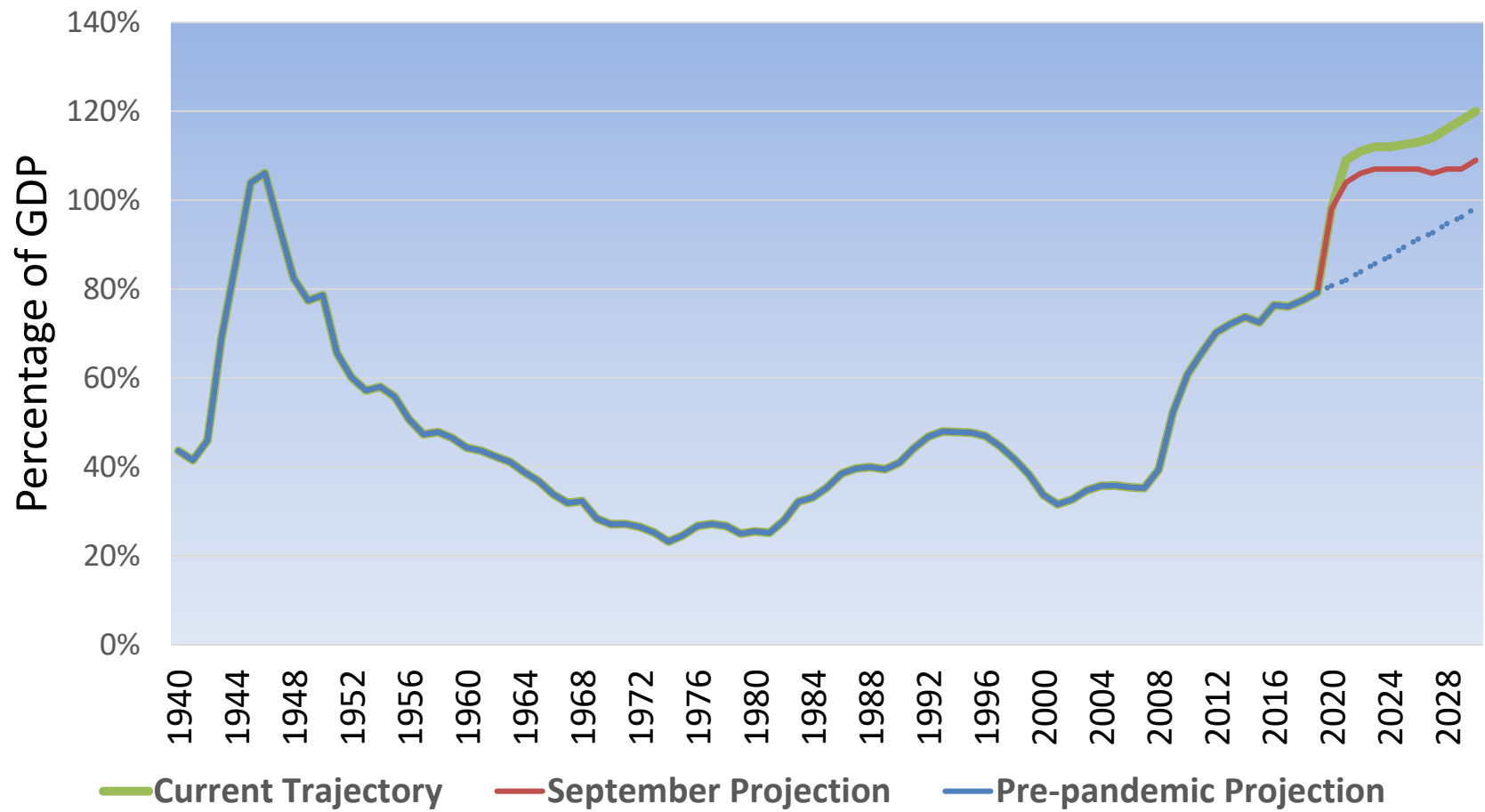


# Federal Budget Balance



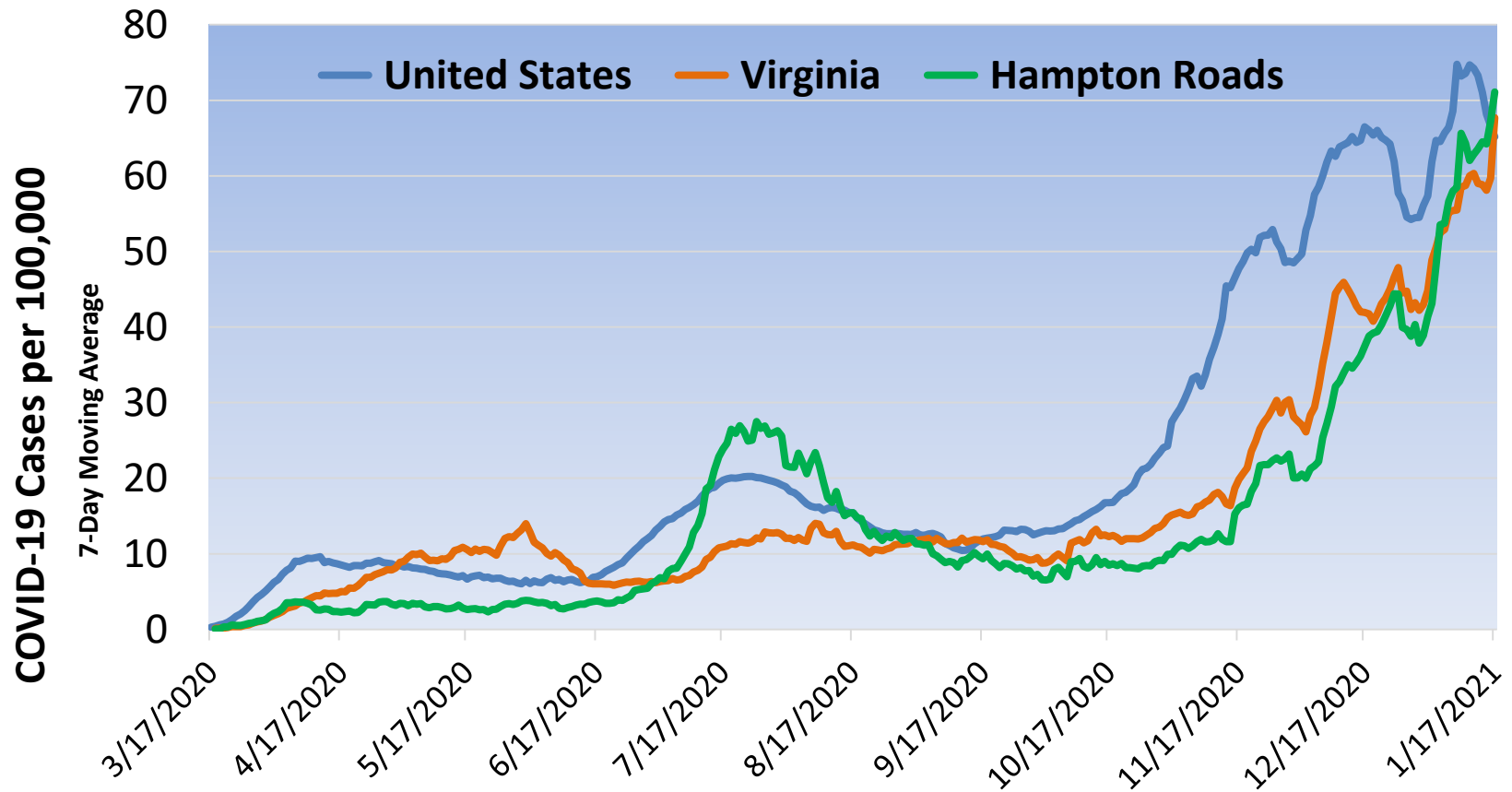
Source: U.S. Department of the Treasury and HRPDC

# National Debt Held by the Public



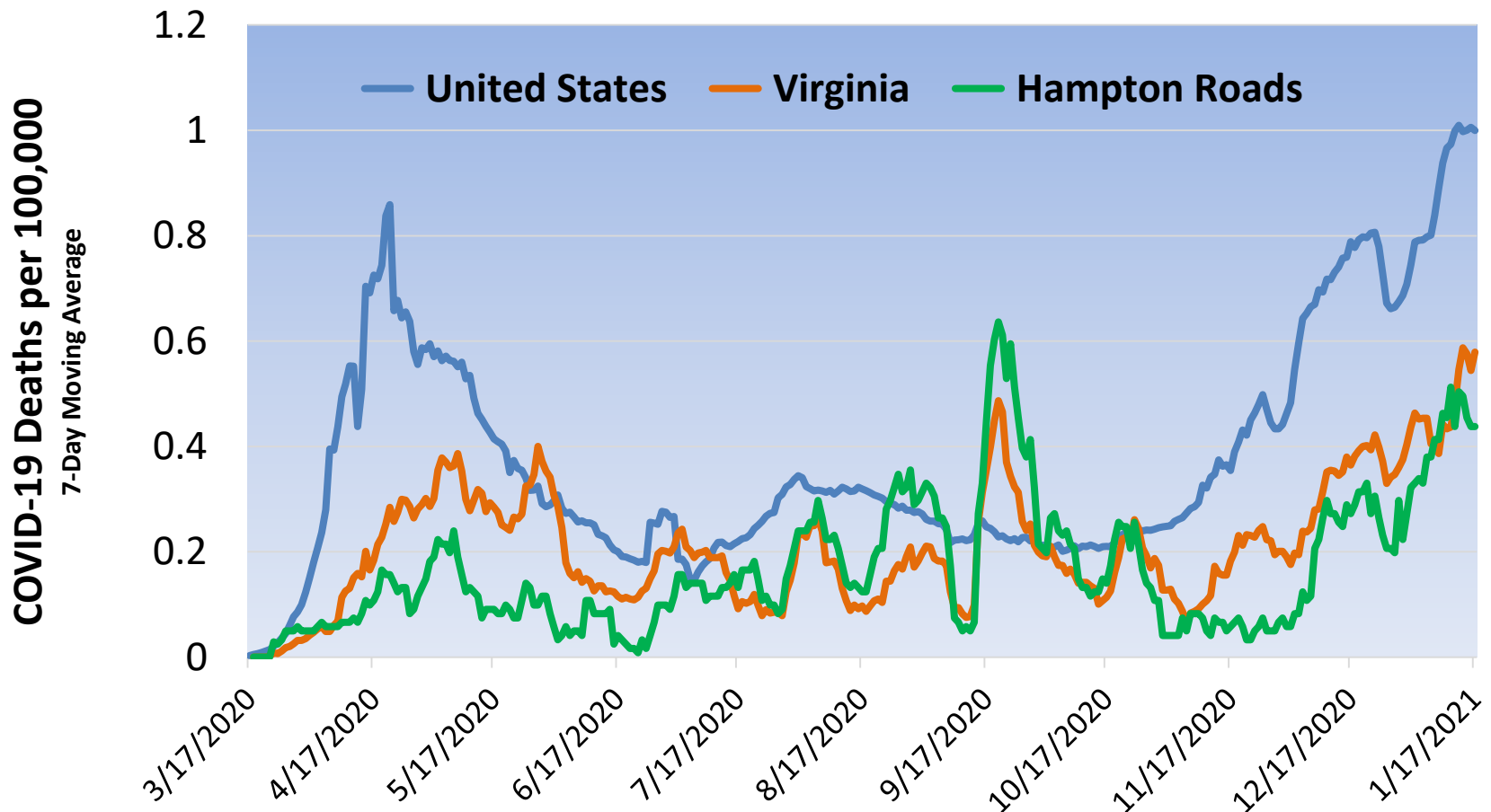
Source: Congressional Budget Office, C.R.F.B, and HRPDC

# Daily COVID-19 Cases



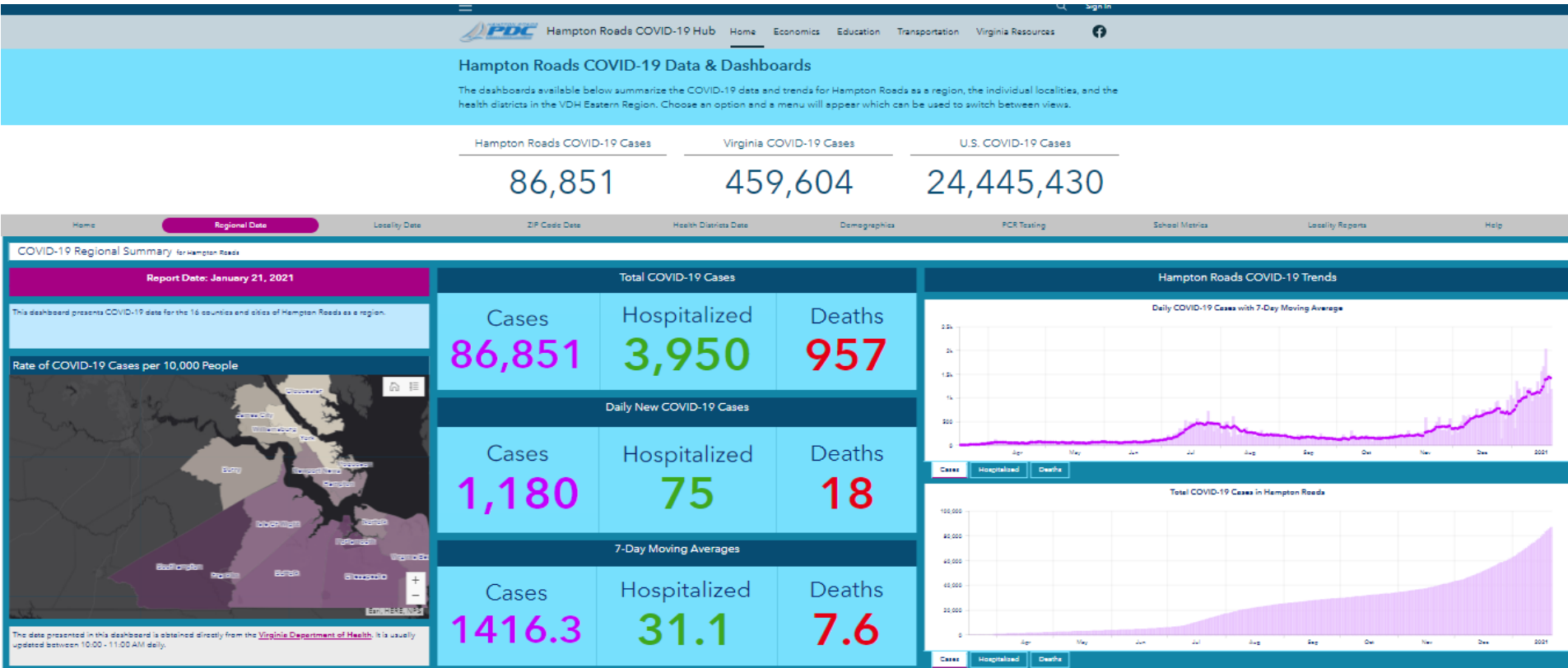
Sources: CDC, VDH, U.S. Census Bureau, Weldon Cooper Center, and HRPDC

# Daily COVID-19 Deaths



Sources: CDC, VDH, U.S. Census Bureau, Weldon Cooper Center, and HRPDC

# <https://hrcovid19-hrpdc-gis.hub.arcgis.com/>



### Local Government COVID-19 Information

- City of Chesapeake COVID-19
- City of Franklin COVID-19 Updates
- Gloucester County COVID-19 Updates
- City of Hampton COVID-19 Information
- Isle of Wight County COVID-19 Updates
- James City County COVID-19 Updates
- City of Newport News COVID-19 Updates
- City of Norfolk Coronavirus Information Hub
- City of Poquoson COVID-19 Information
- City of Portsmouth Coronavirus Response Hub
- Southampton County COVID-19 Information
- City of Suffolk Coronavirus Updates
- Surry County COVID-19 Updates
- City of Virginia Beach Coronavirus Information
- City of Williamsburg COVID-19 Information
- York County COVID-19 Resources

# Ongoing Regional Initiatives

- **\$5 Billion in transportation infrastructure projects**
- **Interconnected regional fiber network**
- **Economic development sites readiness**
- **Regional branding initiative**
- **Restructuring regional economic development**
- **Revenue sharing model**
- **Development of offshore wind**

# Discussion

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Hampton Roads Planning District Commission

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757.420.8300