

REGIONAL COMPETITIVENESS

Elements of Growth and Implications for Hampton Roads

Presented to the Hampton Roads Planning District Commission
Greg C. Grootendorst
Chief Economist
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RECURRENT TASKS . . .

REVENUE GENERATION SCENARIOS		Estimated Revenue
Strategy	Local income tax of one-half of one percent (0.5%) ¹	
\$	\$ 103,006,332	
\$	\$ 188,332,567	
\$	\$ 4,484,511	
	145,328	
	509,300	
	13,983,280	
	42,496,583	
	5,747,435	
	15,301,103	
	10,467,300	
	\$3,500,000	
	1,663,663	

Employment Figures Revised

Economists recognize that the monthly data produced through the Current Employment Survey (CES) serves as a sensitive gauge to the relative health of the economy. The CES, commonly referred to as payroll data, faces the tradeoff between timeliness of reporting data, expenses collecting responses, and the potential errors inherent to all surveys. This year errors in the payroll estimates led to significant revisions of the payroll series for both the State of Virginia and for the Hampton Roads metropolitan area.

The Federal and State Governments collaborate on the CES program. The State collects information from employers, estimates employment on the State and metropolitan level, and reports both the data and its estimates to the Bureau of Labor Statistics (BLS). The Virginia Employment Commission (VEC), which estimates the non-farm employment for Virginia and its constituent regions, is able to produce data on a timely basis using surveys of state businesses (the BLS determines the businesses to be surveyed). The responsible agency estimates the employment in the nation/state/region by surveying a significant sample of the businesses contained in the geographic area of interest (in Virginia the VEC surveys 13,000- to both sampling error and non-sampling error. Poor sample selection, which results in a sample that poorly represents the population of interest, is the primary source of sampling error, while non-sampling errors stem from issues both in the recording of the survey and in the processing/calculating of the statistics).

The VEC annually benchmarks the employment figures, primarily using the state unemployment insurance tax records, which are the most accurate total employment counts currently available. The payroll estimates were replaced by actual employment numbers from April 2007 to March 2008, and using models updated with the most recent data, new payroll estimates were made for the months from April 2008 to the present. In addition to

Comparison of Estimates for Hampton Roads Non-Farm Payrolls

Month	Old Estimate	New Estimate
Jan 06	750,000	750,000
Jul 06	770,000	770,000
Jan 07	760,000	760,000
Jul 07	740,000	740,000
Jan 08	760,000	760,000
Jul 08	780,000	780,000
Jan 09	770,000	770,000

COMPETITION AROUND THE GLOBE



ECONOMIC GROWTH, WHAT IS IT?

- Population
- Employment
- Per Capita Income
- Economic Diversity
- Gross Regional Product
- Quality of Life

ASSESSING GROWTH ...

- Short-term vs. Long-term
- Cause vs. Effect
- Controlled vs. Uncontrolled Variables
- Distribution
- Factors that Contribute to Growth
- Factors that Restrict Growth

SCOPE OF WORK

- Evaluate Regional Assets
 - Defense
 - Tourism
 - Ports
 - Location
 - Educational Institutions
 - Other
- Assess Industrial & Occupational Structure
- Determine Growth Factors that are Relevant to Hampton Roads

COMMENTS