

Hampton Roads Regional Forecast

2013

Hampton Roads Planning District Commission

Greg Grootendorst

Chief Economist

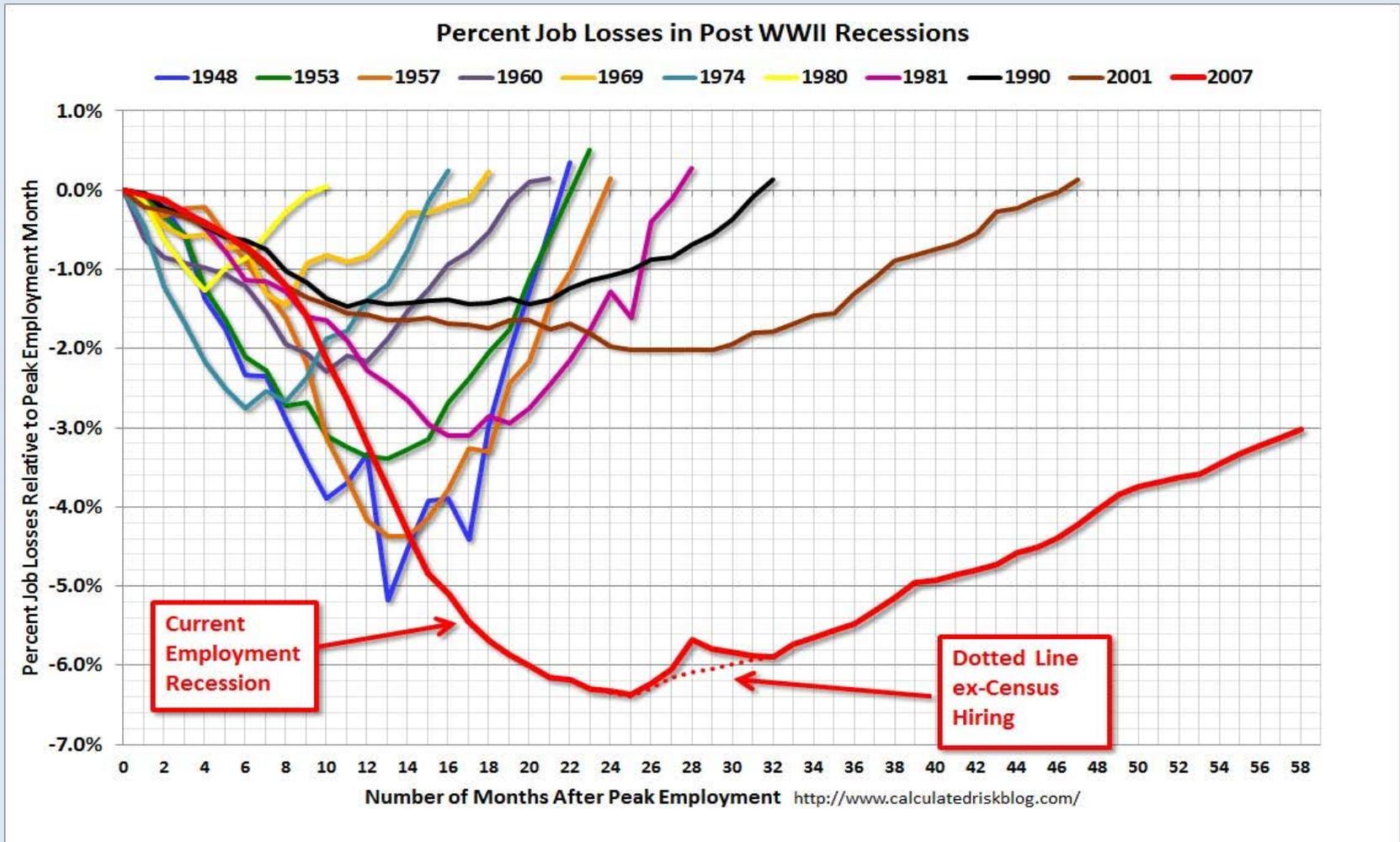
January 17, 2013



National Conditions

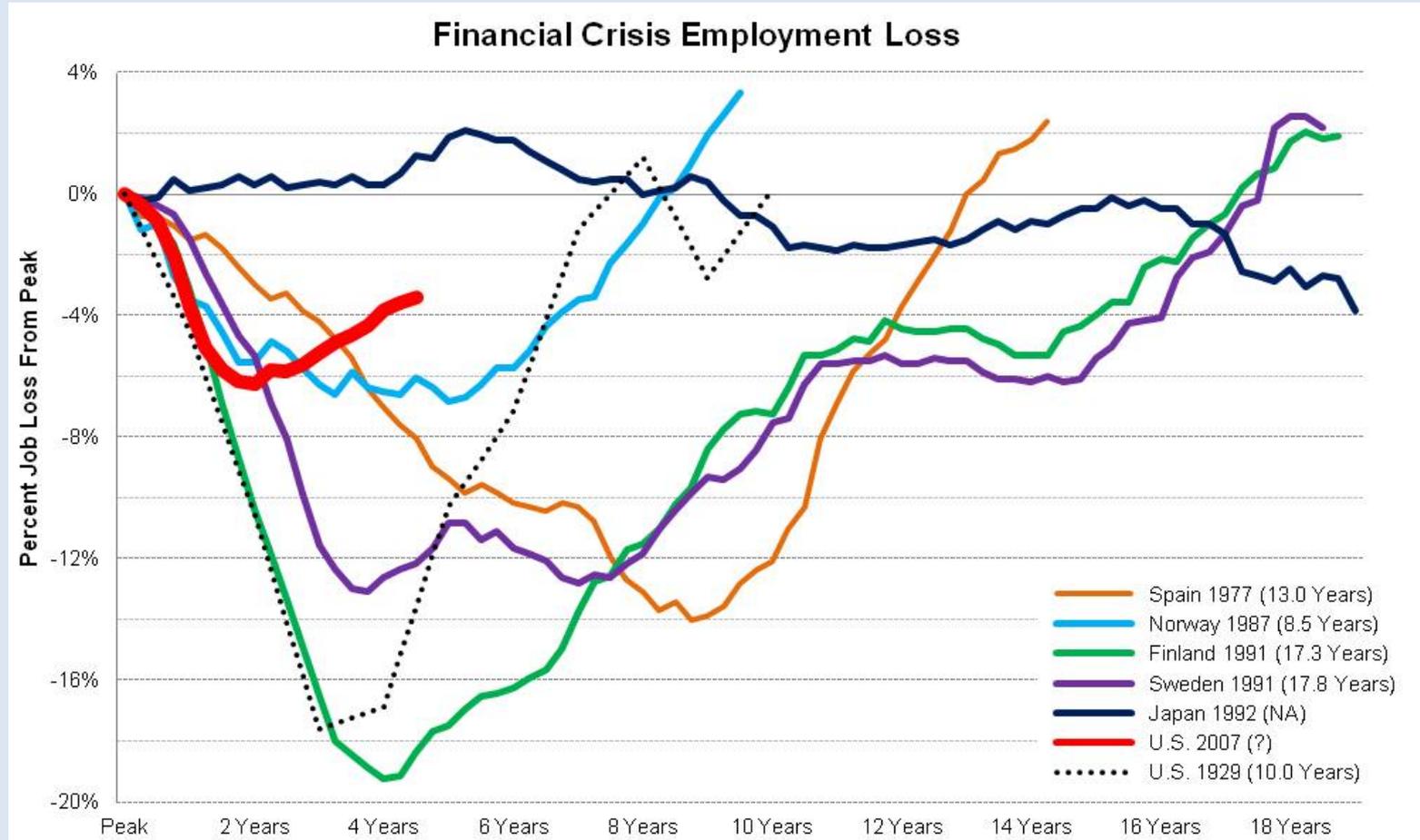
	Pre-Recession High	Recession Low	Current	Data '07-'13
Real GDP (trillions)	\$13.3	\$12.7	\$13.7	
Civilian Employment (thousands)	138,023	129,244	134,021	
Unemployment Rate	4.4%	10.0%	7.8%	
S&P	\$1,561.8	\$683.4	\$1,466.5	

The "Great Recession"



Source: Calculated Risk

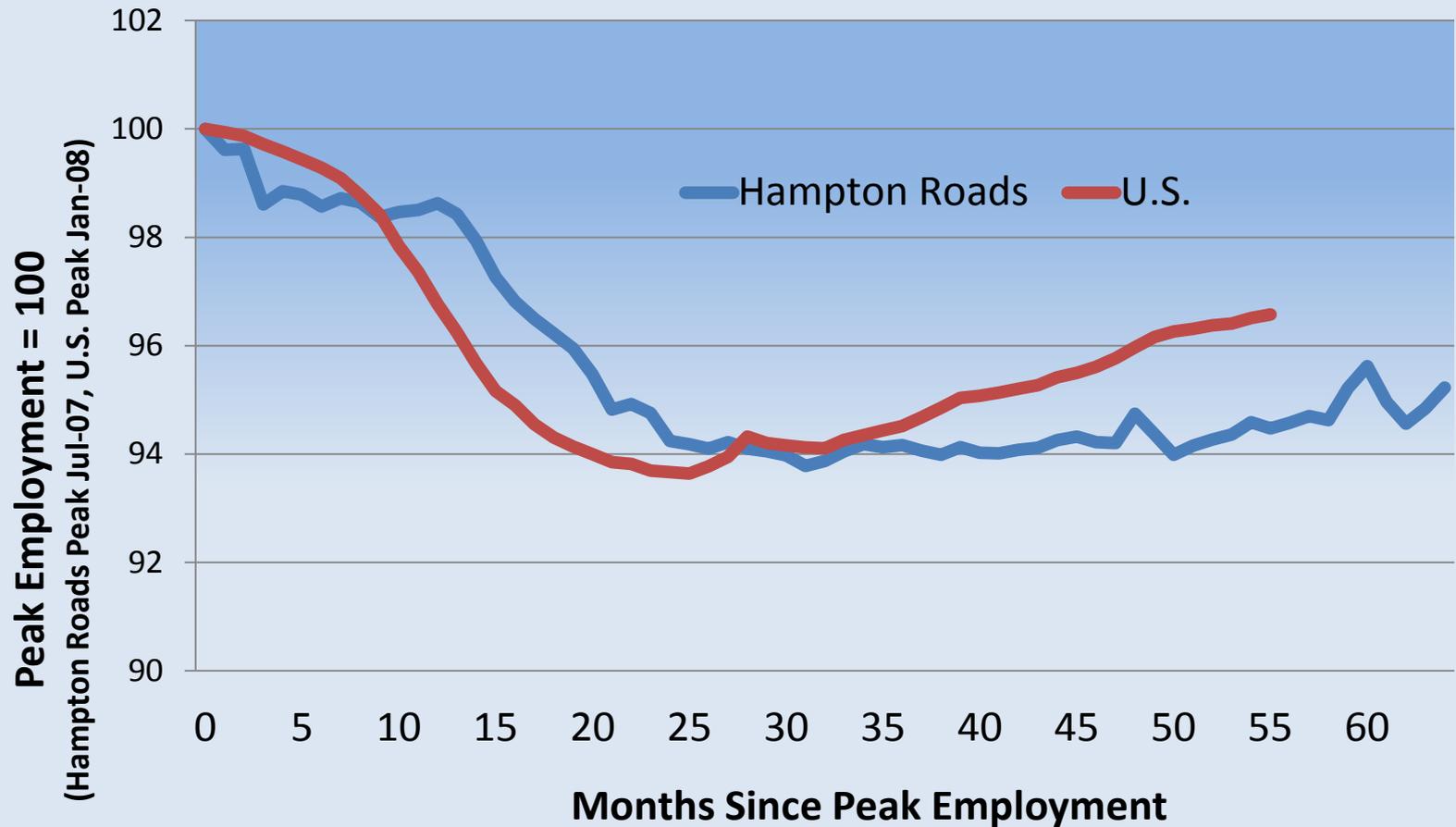
Other “Great Recessions”



Source: Calculated Risk

Indexed Employment

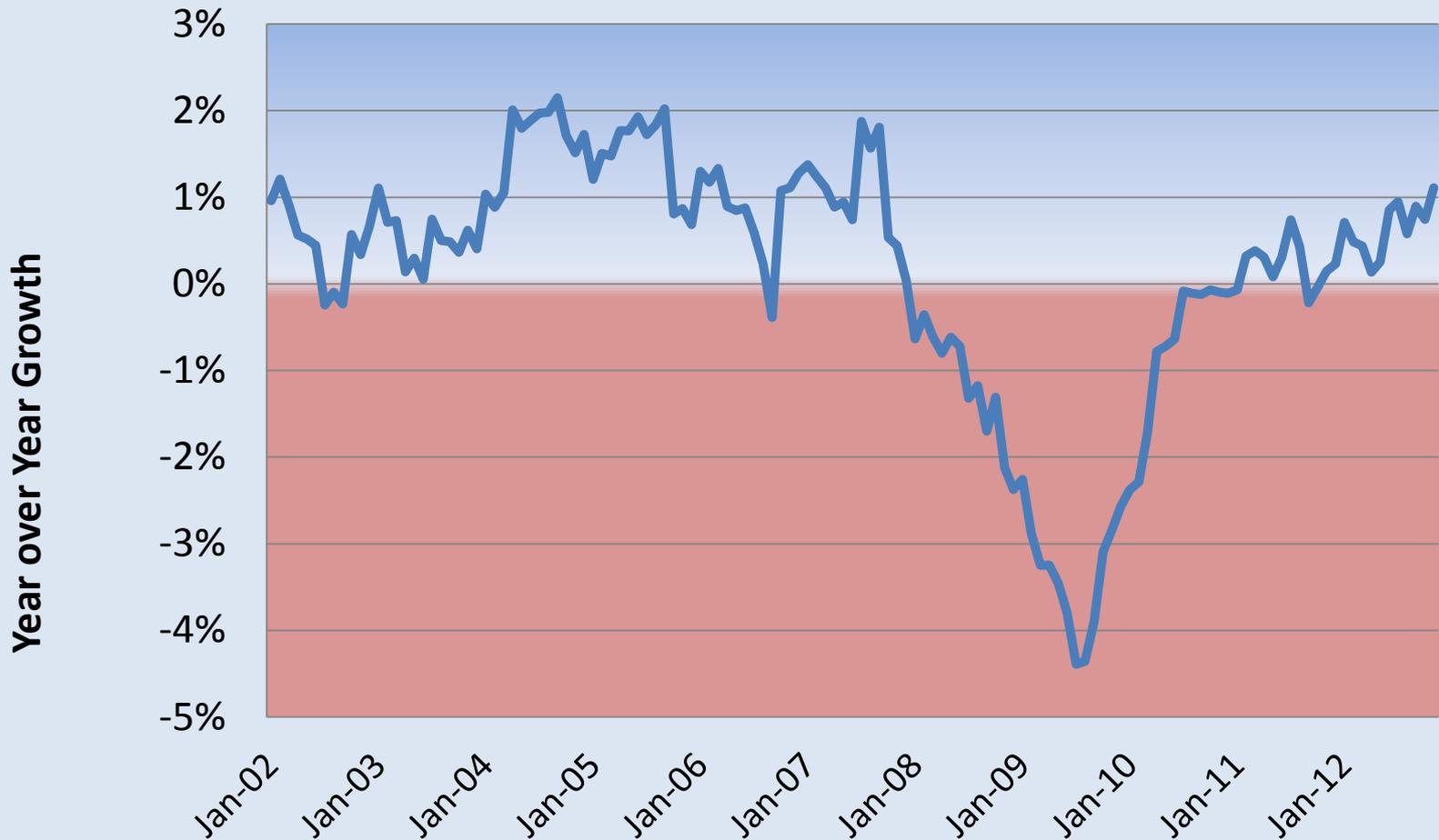
(Seasonally Adjusted Peak Employment = 100)



Source: Bureau of Labor Statistics, HRPDC

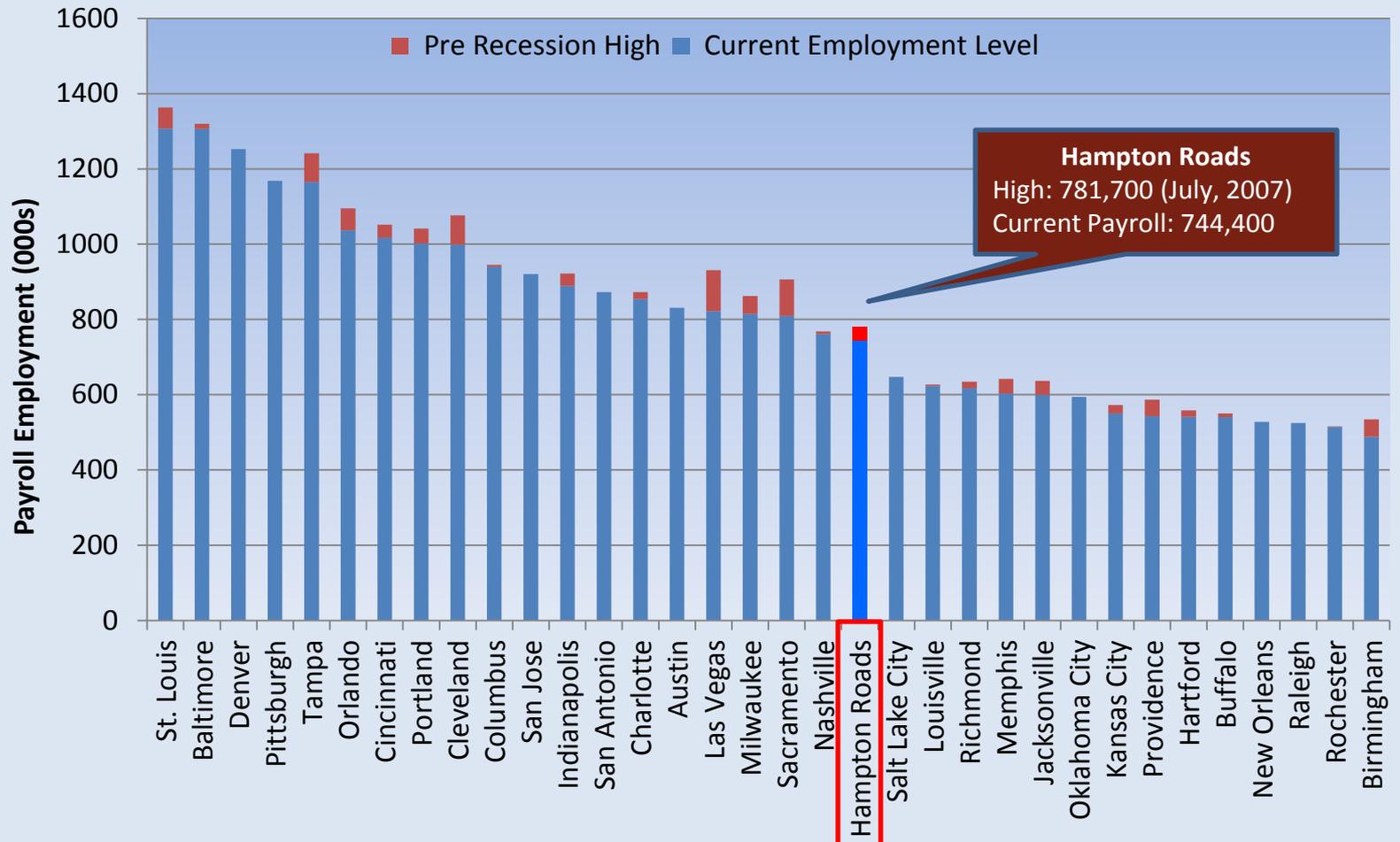
Hampton Roads Civilian Employment

(Percent Change Year-over-Year)



Source: Bureau of Labor Statistics, HRPDC

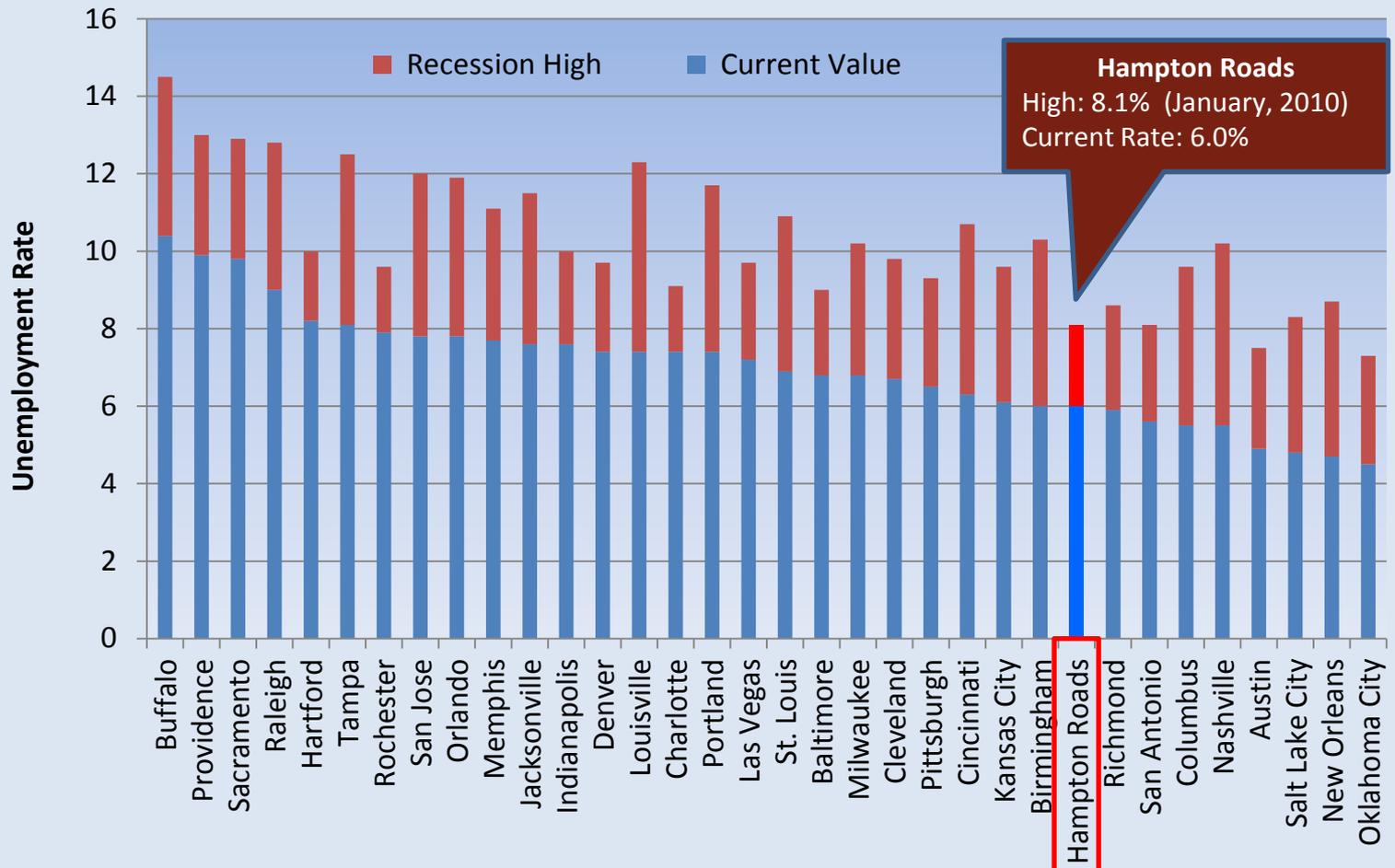
Metro Area Payroll Employment



Metro Areas with Populations between 1 million and 3 million

Source: Bureau of Labor Statistics, HRPDC

Metro Area Unemployment Rates

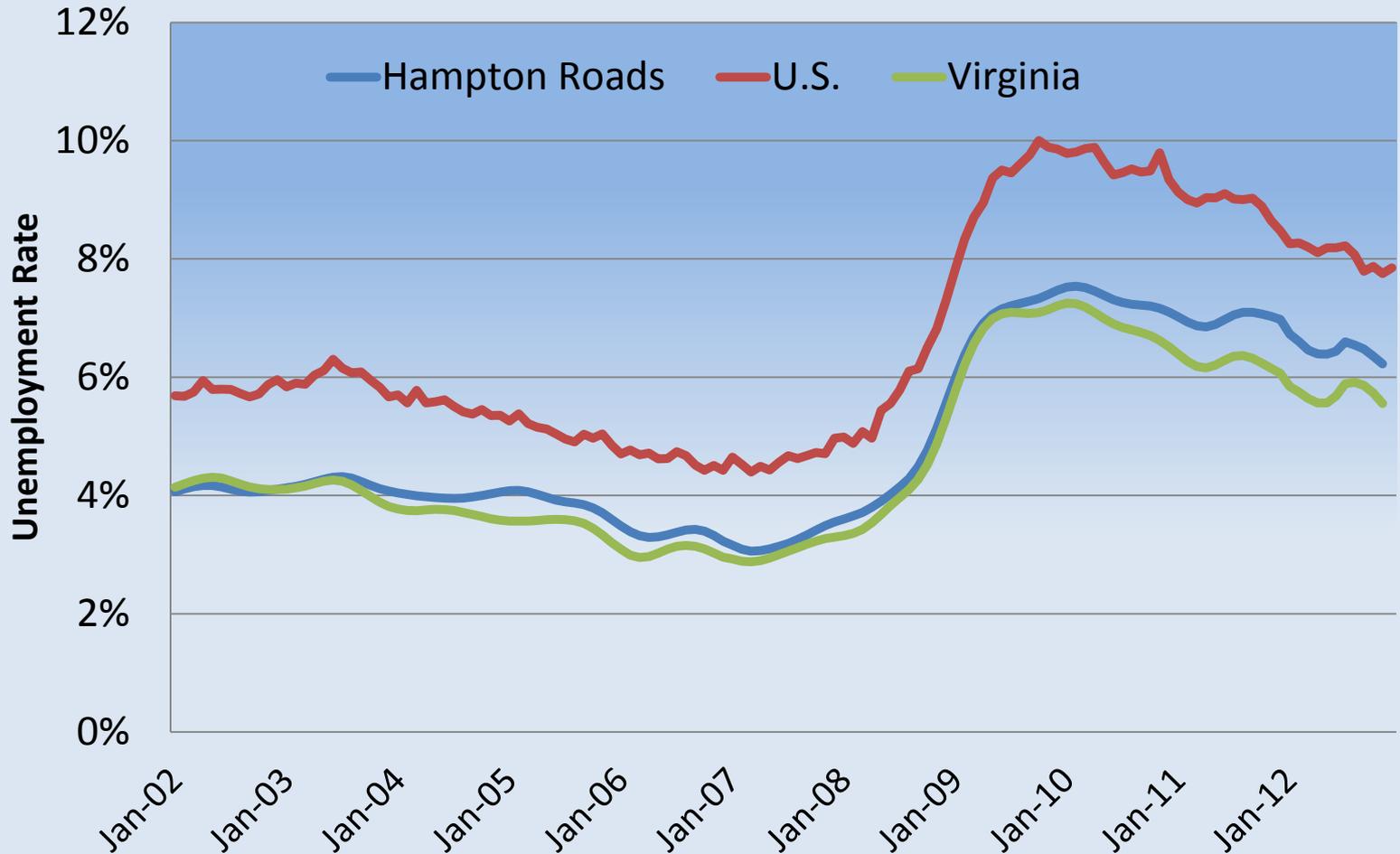


Metro Areas with Populations between 1 million and 3 million

Source: Bureau of Labor Statistics, HRPDC

Unemployment Rates

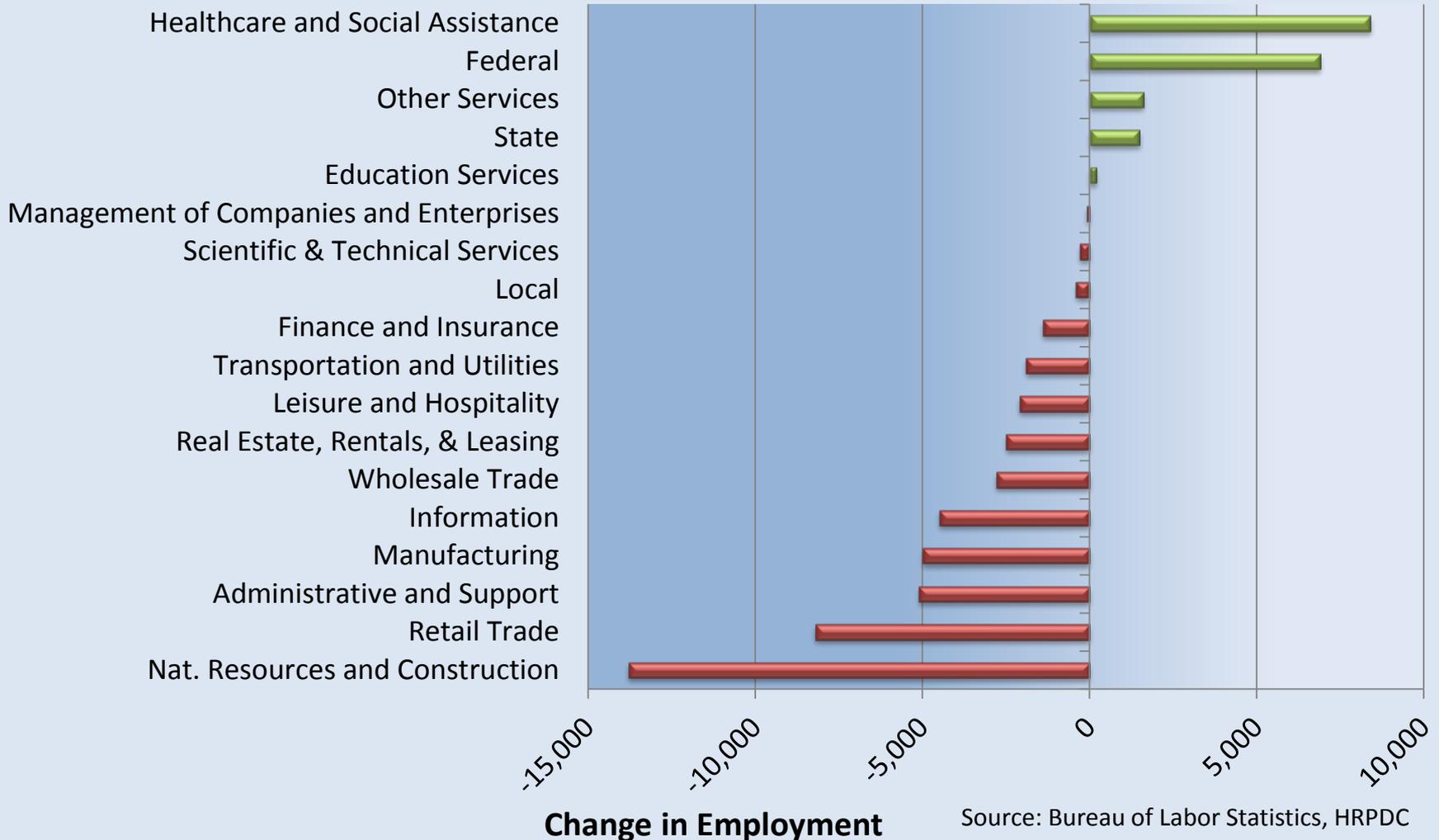
(Seasonally Adjusted)



Source: Bureau of Labor Statistics, HRPDC

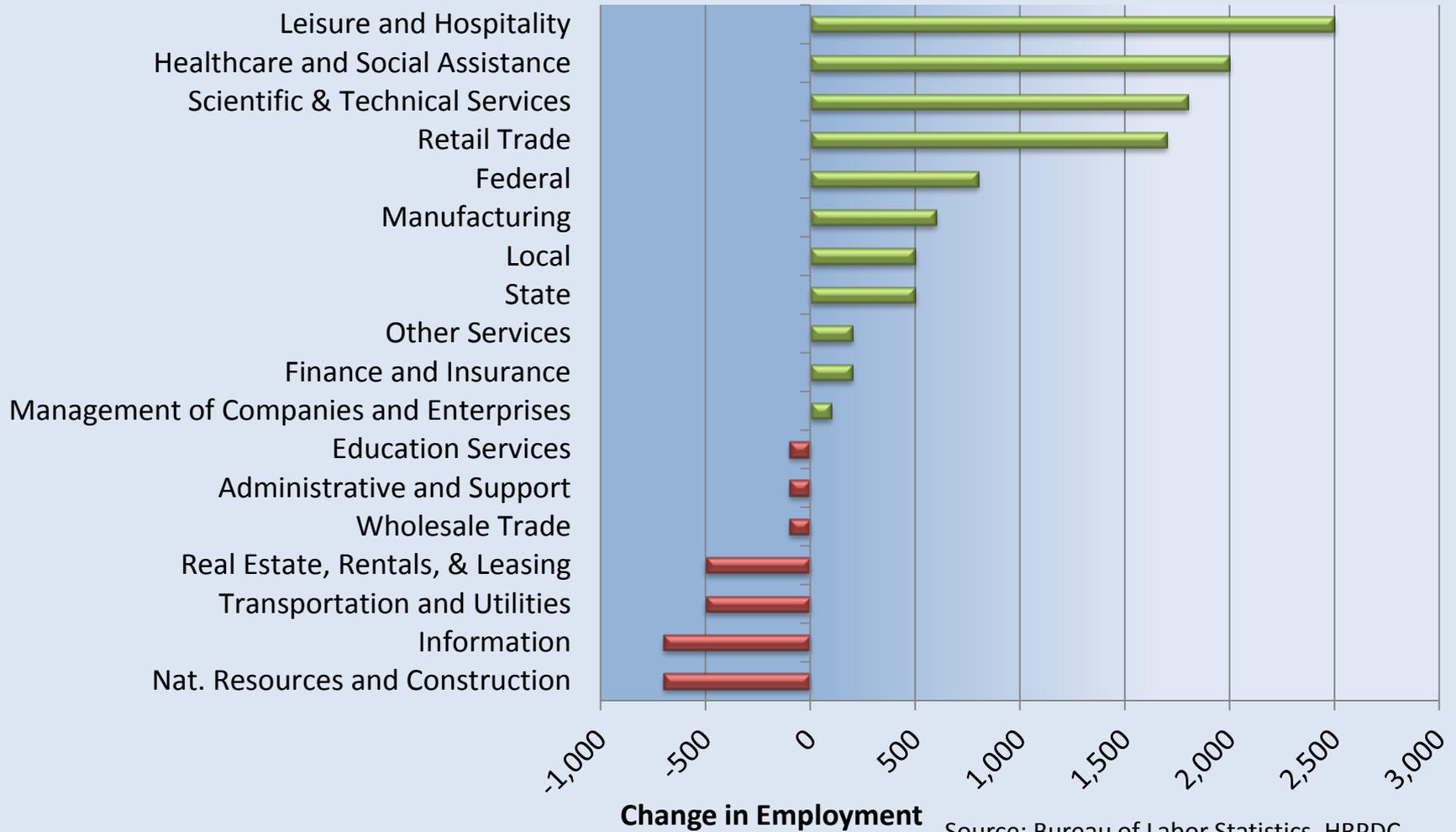
Industry Employment in Hampton Roads

Change Between Nov-07 and Nov-12



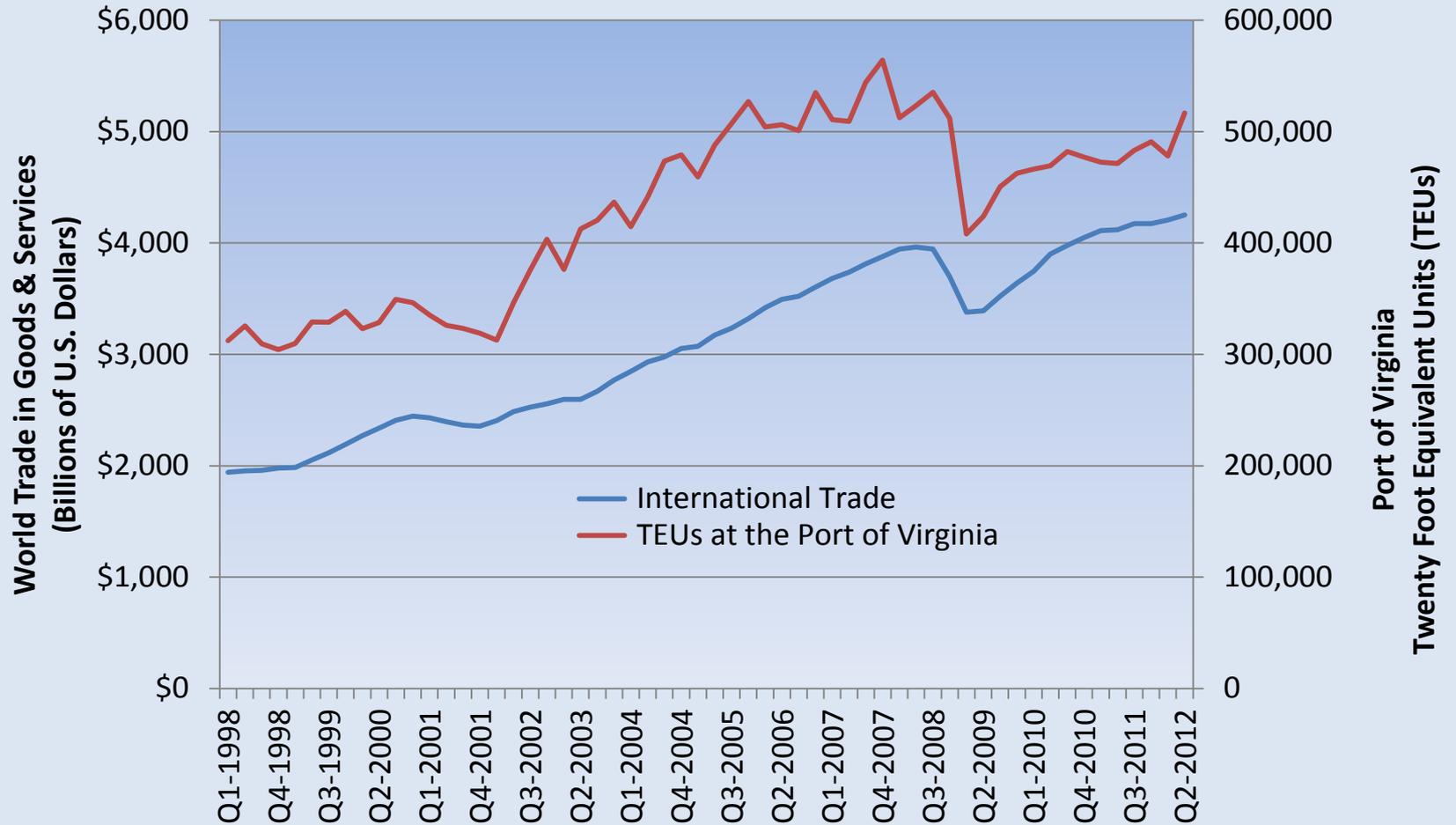
Industry Employment in Hampton Roads

Change Between Nov-11 and Nov-12



Source: Bureau of Labor Statistics, HRPDC

Trade & the Port of Virginia



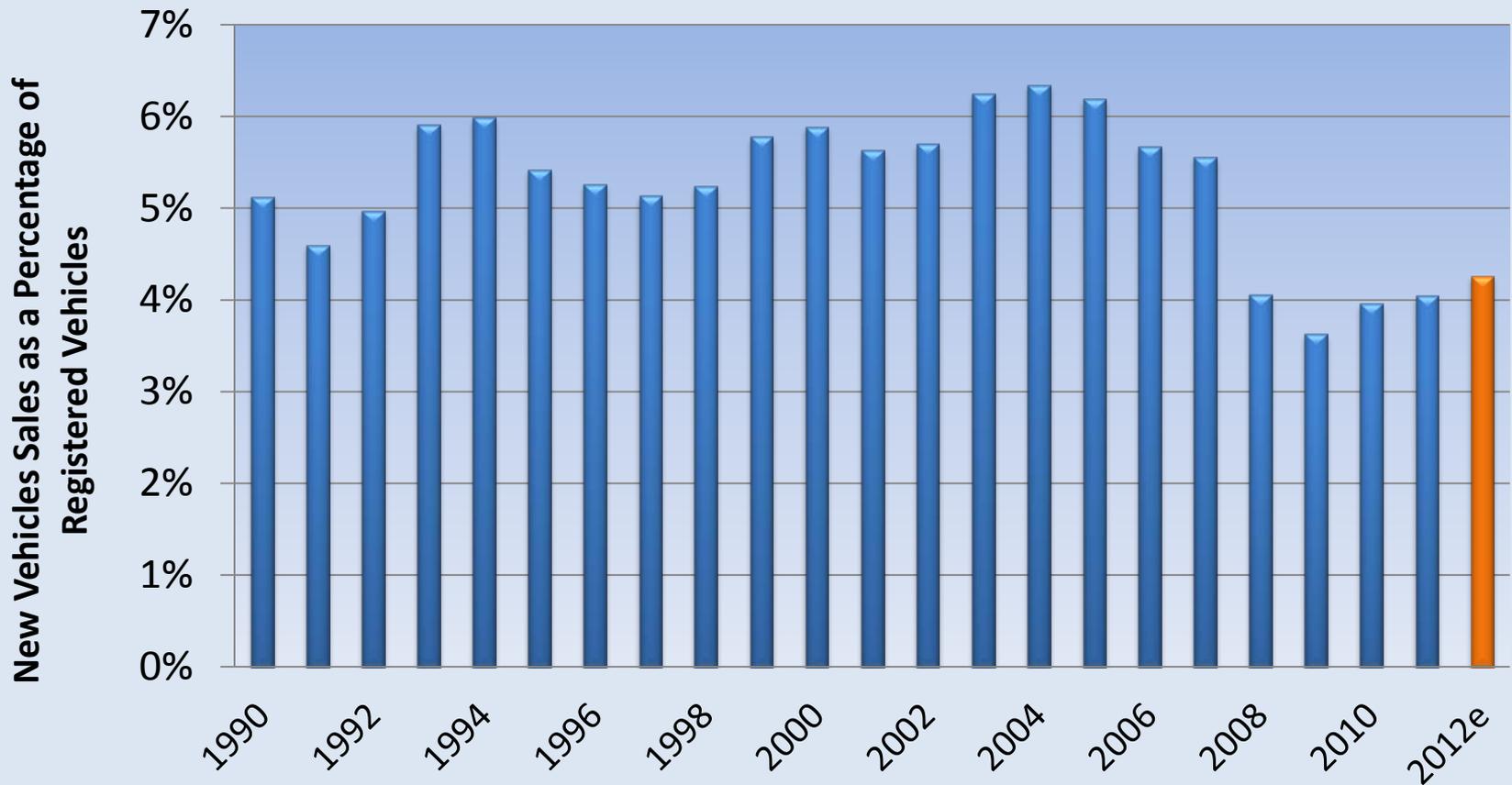
Sources: OECD, Virginia Port Authority & HRPDC

Tourism Expenditures in Hampton Roads



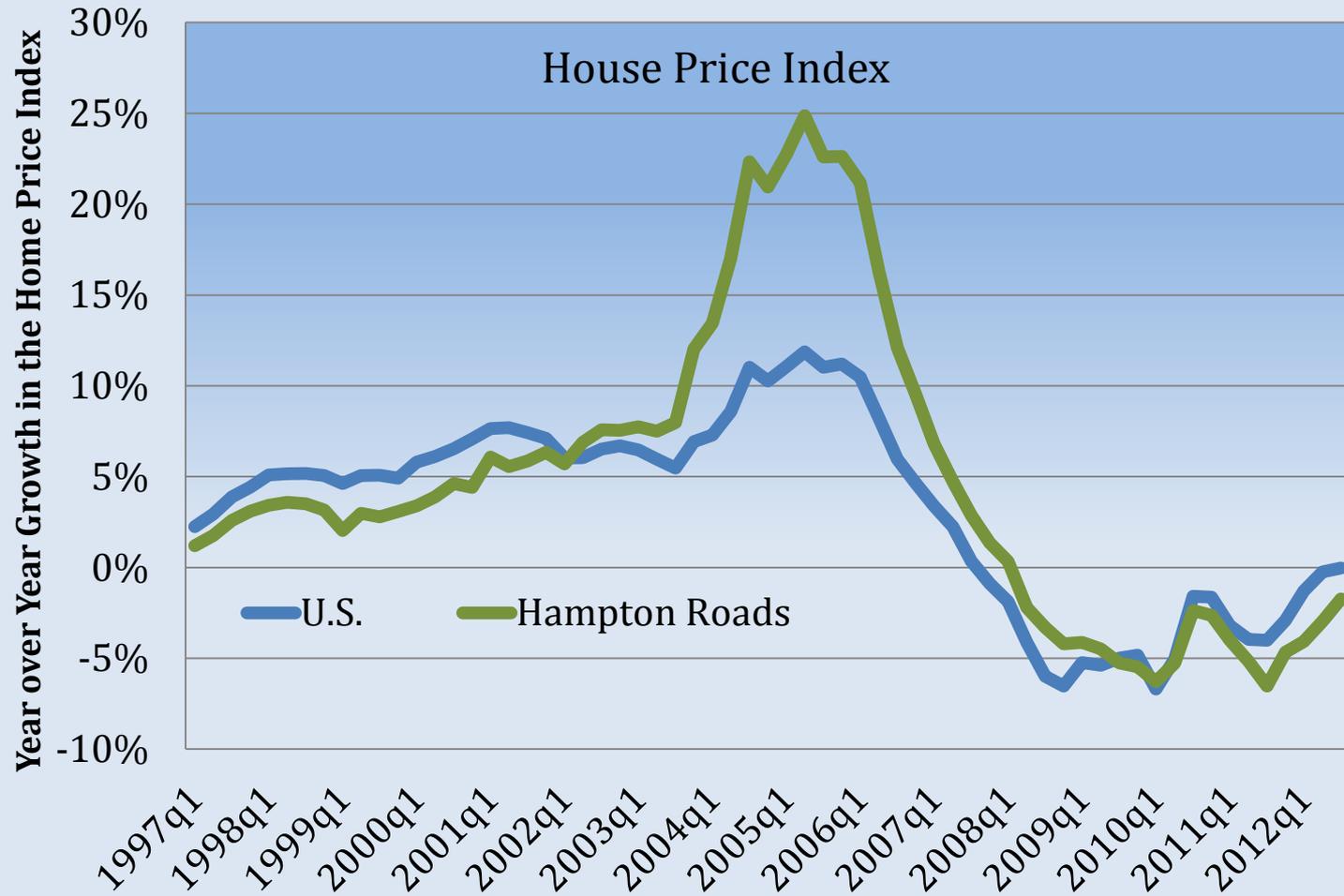
Source: Virginia Tourism Corporation, HRPDC

New Vehicles Sales as a Percentage of Registered Vehicles in Hampton Roads



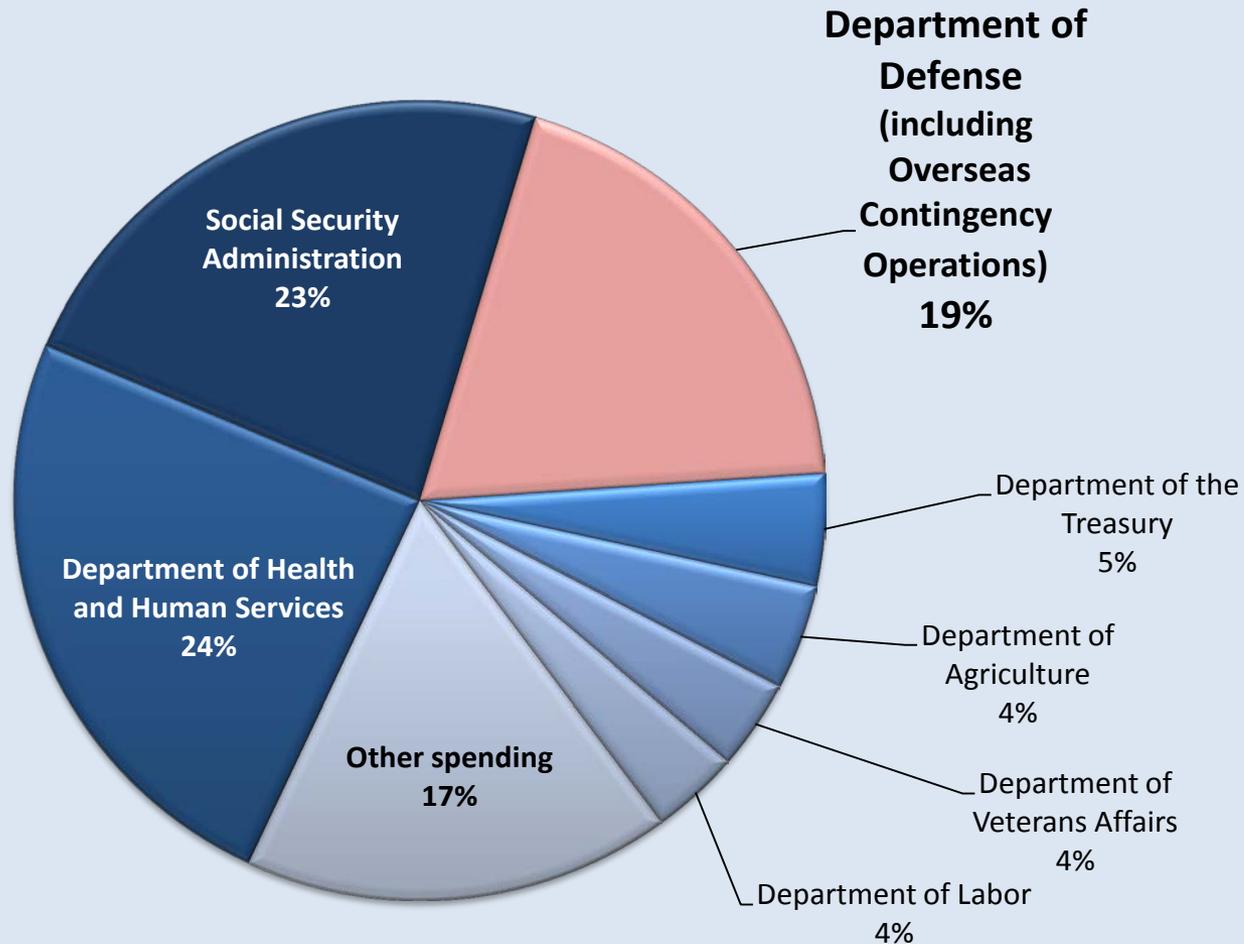
Source: Virginia Department of Transportation, Virginia Automobile Dealers Association & HRPDC

Housing Prices



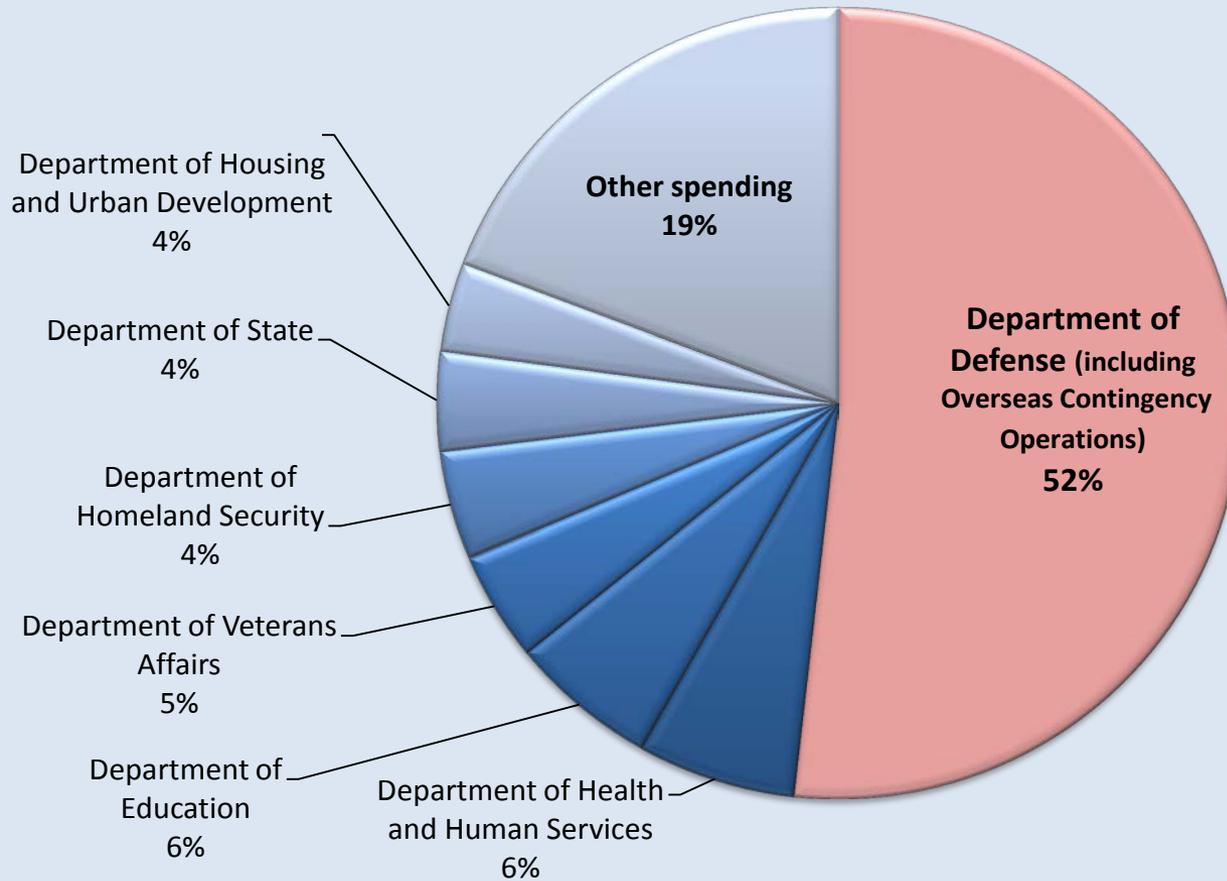
Source: Federal Finance Housing Agency & HRPDC

Federal Budget in FY 2012



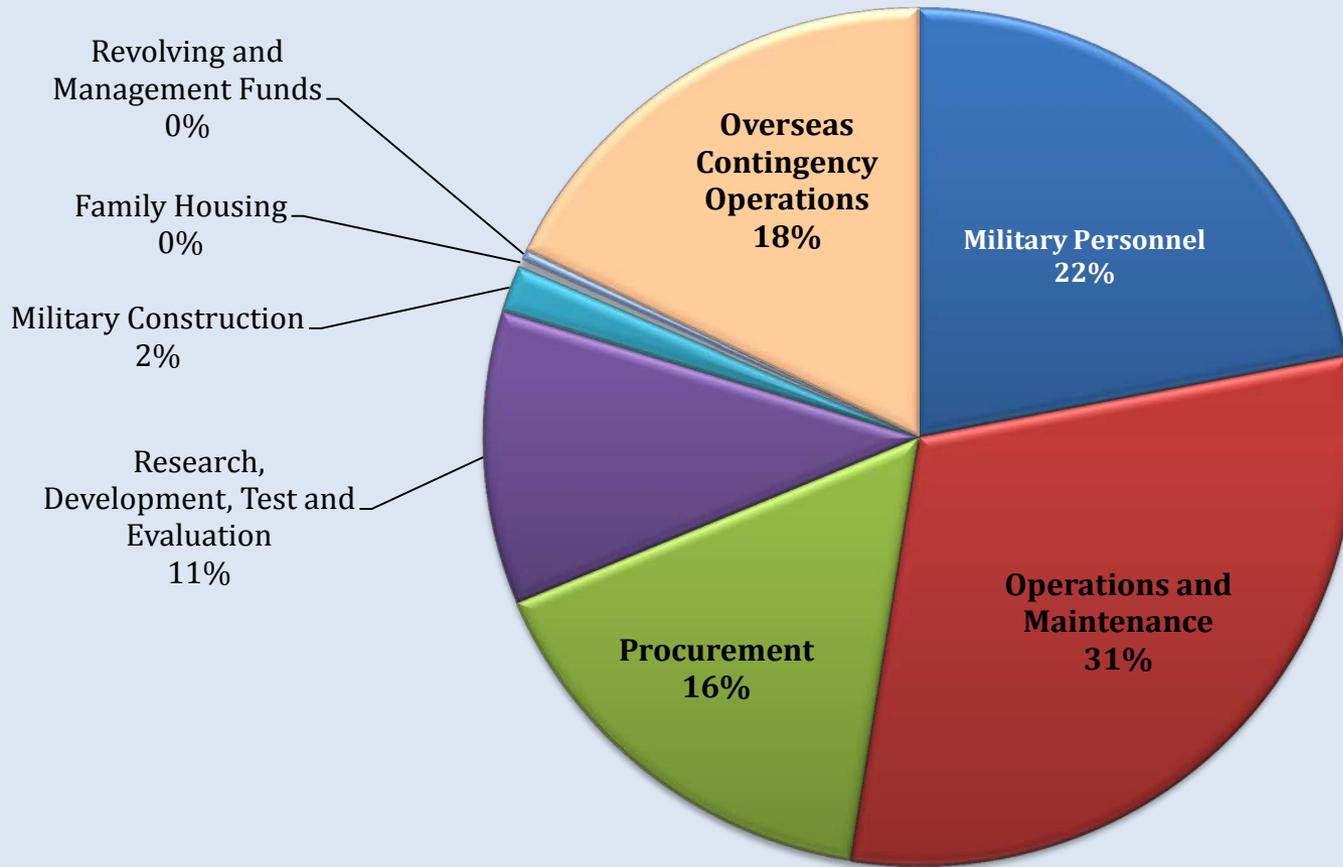
Source: Budget of the United States Government

Discretionary Federal Spending in FY2012



Source: Budget of the United States Government

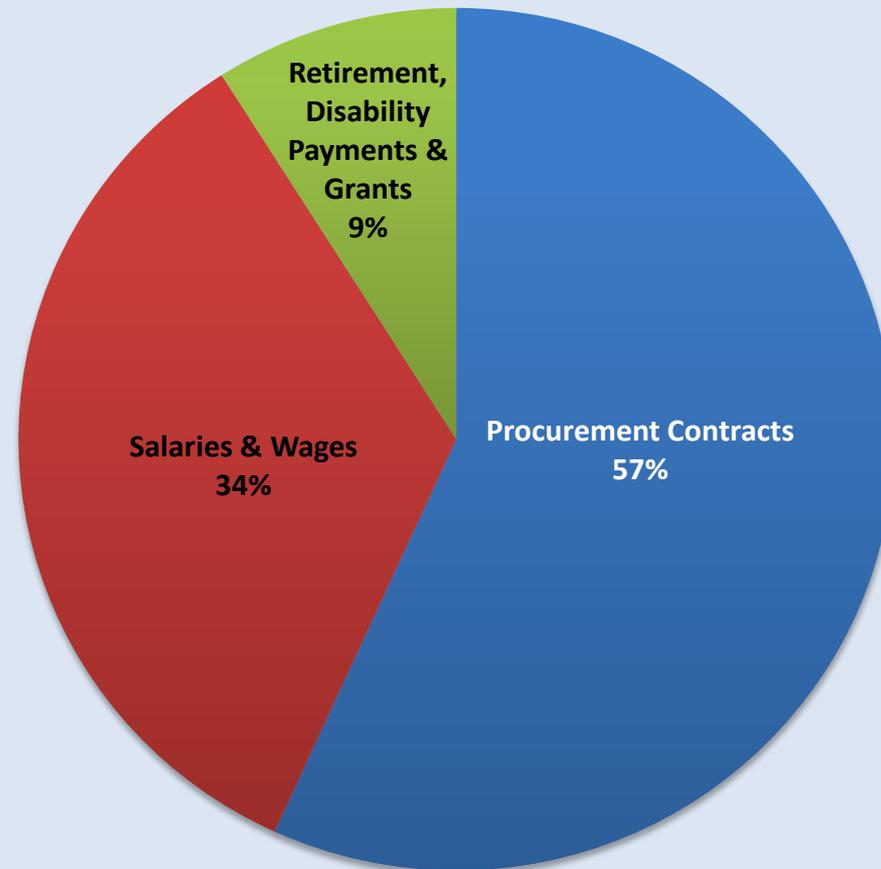
Defense Spending by Category



Source: Budget of the United States Government

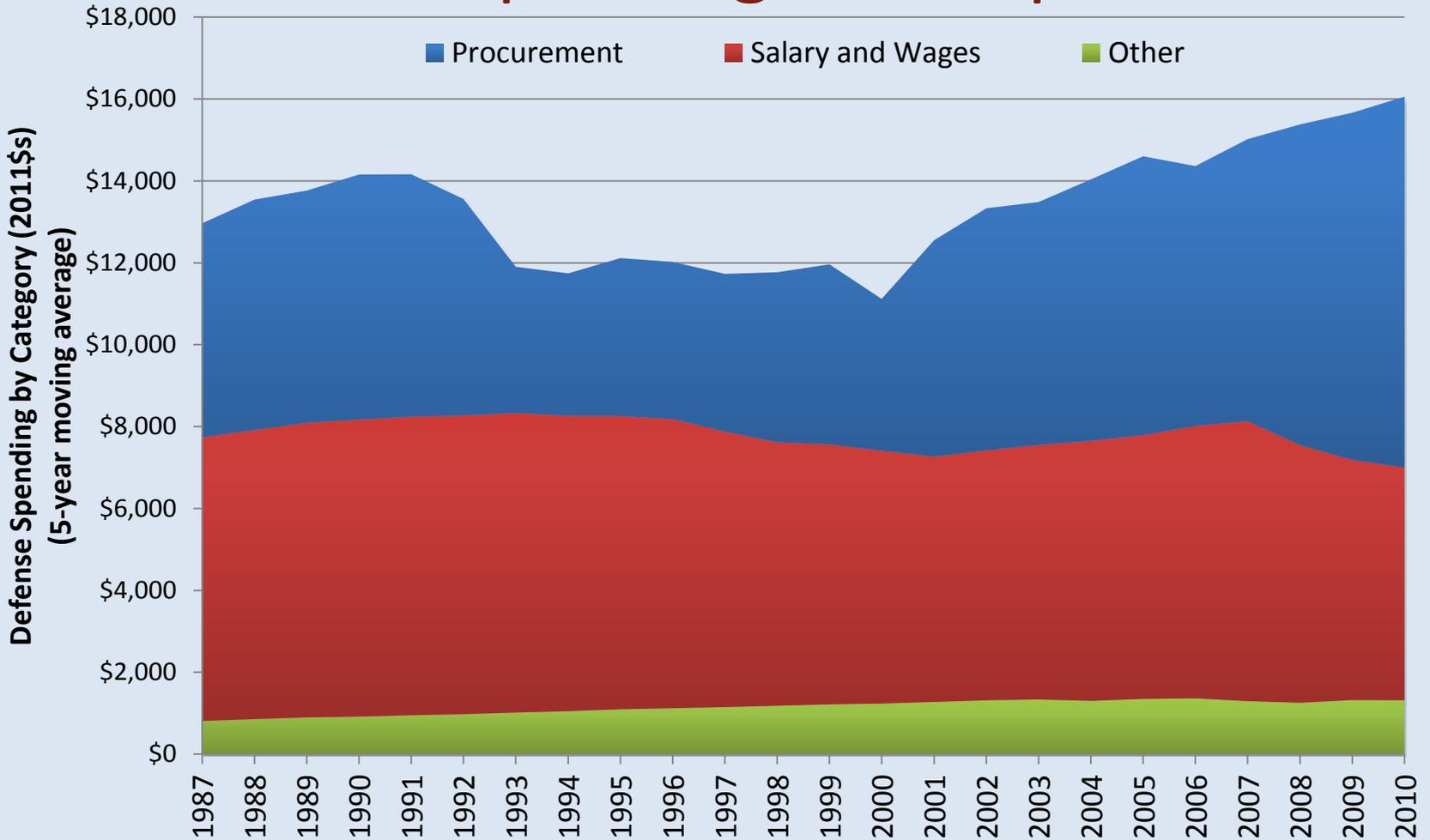
Defense Spending

Hampton Roads Spending in 2010



Source: Consolidated Federal Funds Report

Real Defense Spending in Hampton Roads



Sources: Consolidated Federal Funds Report, Bureau of Labor Statistics & HRPDC

The Year Ahead . . . **THE GOOD**

- Housing bottom
- State and local government (less drag)
- Banks easing lending requirements
- Energy prices expected to remain low
- Low inflation & low interest rates
- Corporate balance sheets

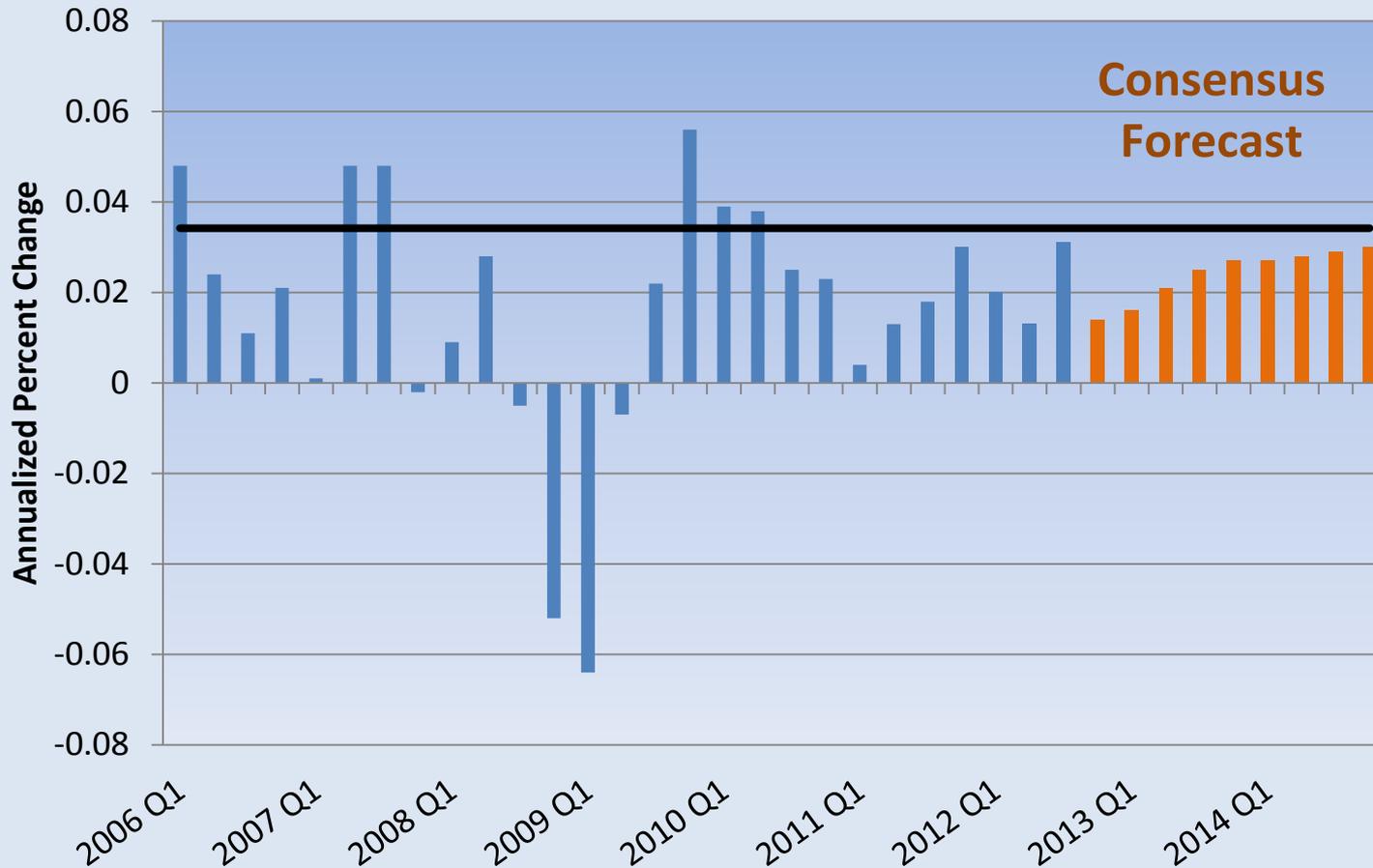
The Year Ahead . . . **THE BAD**

- Higher taxes (payroll)
- Short sales still rising
- Oil prices – political risk
- Eurozone – in recession
- Continued high unemployment

The Year Ahead . . . **THE UGLY**

- **Uncertainty**
 - Debt ceiling
 - Sequestration
- Potential port strike

Gross Domestic Product (Annualized Percent Change)



Source: Blue Chip Economic Indicators & HRPDC

2013 HRPDC Forecast

	2012 (Year to Date)	2013 Forecast
U.S.		
Real GDP	2.2%	2.0%
Interest Rates		
Short Government Rates	0.1%	0.1%
Long Government Rates	1.8%	2.0%
Hampton Roads		
Gross Product	NA	1.9%
Civilian Employment	0.7%	0.8%
Unemployment Rate	6.5%	6.1%
Retail Sales	2.6%	2.1%
Auto and Truck Sales	10.6%	3.4%
Value of Single-Family Residential Building Permits	17.9%	5.0%

Discussion

approval requested under agenda item 9e