2022 Regional Economic Update

Presented to the Hampton Roads Planning District Commission

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Chief Economist, HRPDC
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The National Economy – Gross Product

Sources: U.S. Congressional Budget Office, Bureau of Economic Analysis, National Bureau of Economic Research, and HRPDC
National Non-Farm Civilian Employment

National employment remains 1.4% below the pre-COVID high
There are currently 2.1 million fewer civilians jobs than 2 years ago

Sources: U.S. Bureau of Labor Statistics and HRPDC
Percent Change from Peak Employment

Percentage Change from the first Month of the Recession

-16% -14% -12% -10% -8% -6% -4% -2% 0% 2%

Months Since Peak Employment

1 13 25 37 49 61 73

2020 - COVID 1990 2001 2008 - Great Recession

Sources: U.S. Bureau of Labor Statistics, NBER and HRPDC
Indexed Employment – 2005 to 2021

Sources: U.S. Bureau of Labor Statistics and HRPDC
Indexed Employment - Jan ‘20 to Dec ‘21

Indexed Seasonally Adjusted Employment
HR, VA, & U.S.

Hampton Roads  Virginia  United States

Sources: U.S. Bureau of Labor Statistics and HRPDC
Civilian Employment in Hampton Roads

Seasonally Adjusted Employment (Thousands)

<table>
<thead>
<tr>
<th>Month</th>
<th>Employment (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul-07</td>
<td>781,600</td>
</tr>
<tr>
<td>Feb-10</td>
<td>733,900</td>
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<tr>
<td>Feb-20</td>
<td>803,800</td>
</tr>
<tr>
<td>Apr-20</td>
<td>699,800</td>
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<tr>
<td>Dec-21</td>
<td>772,800</td>
</tr>
</tbody>
</table>

-1.1%  
-3.9%  
U.S. -2.2%  
VA -2.5%

Sources: U.S. Bureau of Labor Statistics and HRPDC
Hampton Roads Industry Employment

December 2019 vs 2021

- Transportation & Utilities
- Education Services
- Federal Government
- Scientific & Technical
- Wholesale Trade
- Real Estate & Leasing
- Construction
- Finance & Insurance
- Administrative & Support
- Management
- Information
- State Government
- Retail Trade
- Other Services
- Manufacturing
- Leisure & Hospitality
- Healthcare & Social
- Local Government

-8,000 -4,000 0 4,000 8,000 12,000

December 2020 vs 2021

- Leisure & Hospitality
- Administrative & Support
- Education Services
- Transportation & Utilities
- Other Services
- Retail Trade
- Wholesale Trade
- State Government
- Real Estate & Leasing
- Information
- Federal Government
- Finance & Insurance
- Local Government
- Manufacturing
- Management
- Healthcare & Social
- Construction
- Scientific & Technical

-8,000 -4,000 0 4,000 8,000 12,000

Sources: U.S. Bureau of Labor Statistics and HRPDC
Hampton Roads Labor Force

2-Year Decrease in LF
- U.S. - 1.4%
- VA - 4.4%
- HR - 5.1%

2-Year Increase in UE
- U.S. - 8.1%
- VA - 24.1%
- HR - 22.8%

Sources: U.S. Bureau of Labor Statistics and HRPDC
Defense Contracts in Hampton Roads

Inflation-Adjusted

Sources: USA spending.gov and HRPDC

Millions of 2021 Dollars (5-Year Moving Average)

Fiscal Year


$0 2,000 4,000 6,000 8,000 10,000 12,000 14,000

$14,000 $12,000 $10,000 $8,000 $6,000 $4,000 $2,000

TEUs at the Port of Virginia

Sources: Port of Virginia and HRPDC
Hampton Roads Hotel Revenue

Regional Accommodation Sales (Millions of $s, S.A.)

Sources: Virginia Department of Taxation and HRPDC
Hampton Roads Housing Market

Average # of Days on the Market

Days on Market (Residential Closings)

Jan-00 Jan-02 Jan-04 Jan-06 Jan-08 Jan-10 Jan-12 Jan-14 Jan-16 Jan-18 Jan-20 Jan-22

Median Sales Price

Jan-00 Jul-02 Jan-05 Jul-07 Jan-10 Jul-12 Jan-15 Jul-17 Jan-20

Median Home Sales Price

$0 $50,000 $100,000 $150,000 $200,000 $250,000 $300,000 $350,000

Sources: Real Estate Information Network and HRPDC
Retail Sales in Hampton Roads

Sources: Virginia Department of Taxation, Bureau of Labor Statistics, and HRPDC
Inflation

Consumer Price Index

12-Month Price Change

Sources: Bureau of Labor Statistics and HRPDC
Average Fuel Prices in Hampton Roads

Average Price for 1-Gallon Regular Unleaded Gasoline

Nominal  Inflation Adjusted  Current Price

Sources: AAA Fuel Gauge Report, HRTPO, and HRPDC
COVID in Hampton Roads

Number of COVID Cases in Hampton Roads

Sources: Virginia Department of Health and HRPDC
Forecast of U.S. Gross Domestic Product

(Annualized Percent Change from Prior Quarter)

Sources: Blue Chip Economic Indicators and HRPDC
# HRPDC Forecast for 2022

<table>
<thead>
<tr>
<th></th>
<th>2020 Actual</th>
<th>2021 (Year to Date)</th>
<th>2022 Forecast</th>
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<tbody>
<tr>
<td><strong>U.S.</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Real GDP</td>
<td>-3.7%</td>
<td>5.8%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Consumer Price Index</td>
<td>1.3%</td>
<td>4.7%</td>
<td>6.0%</td>
</tr>
<tr>
<td><strong>Interest Rates</strong></td>
<td></td>
<td></td>
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<tr>
<td>Short Government Rates</td>
<td>0.4%</td>
<td>0.1%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Long Government Rates</td>
<td>0.9%</td>
<td>1.4%</td>
<td>2.2%</td>
</tr>
<tr>
<td><strong>Hampton Roads</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Product</td>
<td>-3.9%</td>
<td>NA</td>
<td>2.3%</td>
</tr>
<tr>
<td>Civilian Employment</td>
<td>-5.3%</td>
<td>1.2%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>6.8%</td>
<td>4.6%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Retail Sales</td>
<td>6.2%</td>
<td>16.9%</td>
<td>6.1%</td>
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Ongoing Regional Initiatives

• Over $5 Billion in transportation infrastructure projects
• Interconnected regional fiber network
• Economic development sites readiness
• Implementation of a restructured regional model for economic development through the Hampton Roads Alliance
• Revenue sharing model (EVRIFA)
• Offshore wind
• Focused effort on regional supply chain opportunities
• Regional approach to workforce development
Discussion

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