

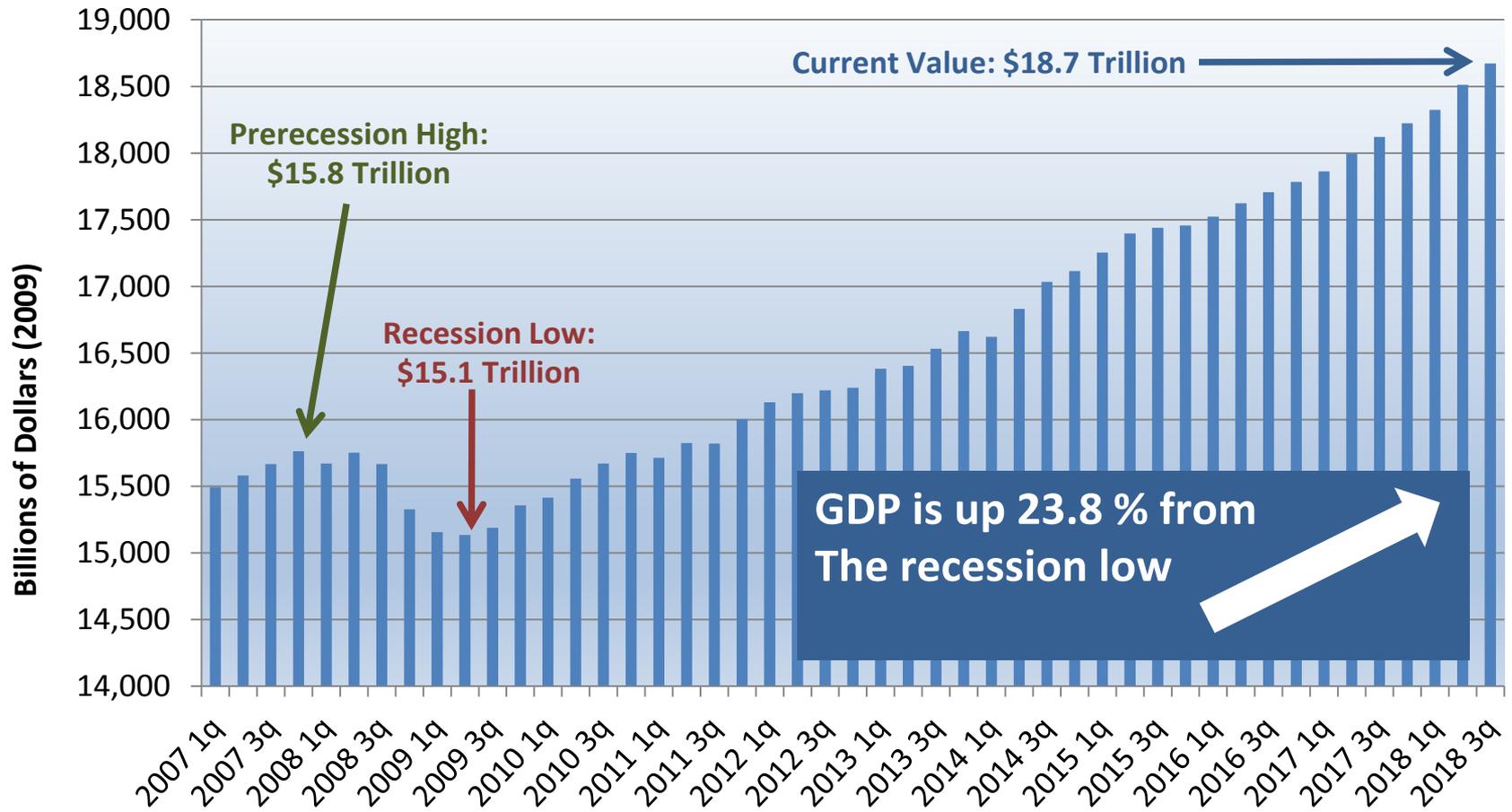
# 2019 Regional Economic Forecast

## Presented to the Hampton Roads Planning District Commission

Greg Grootendorst  
Chief Economist, HRPDC  
January 17, 2019

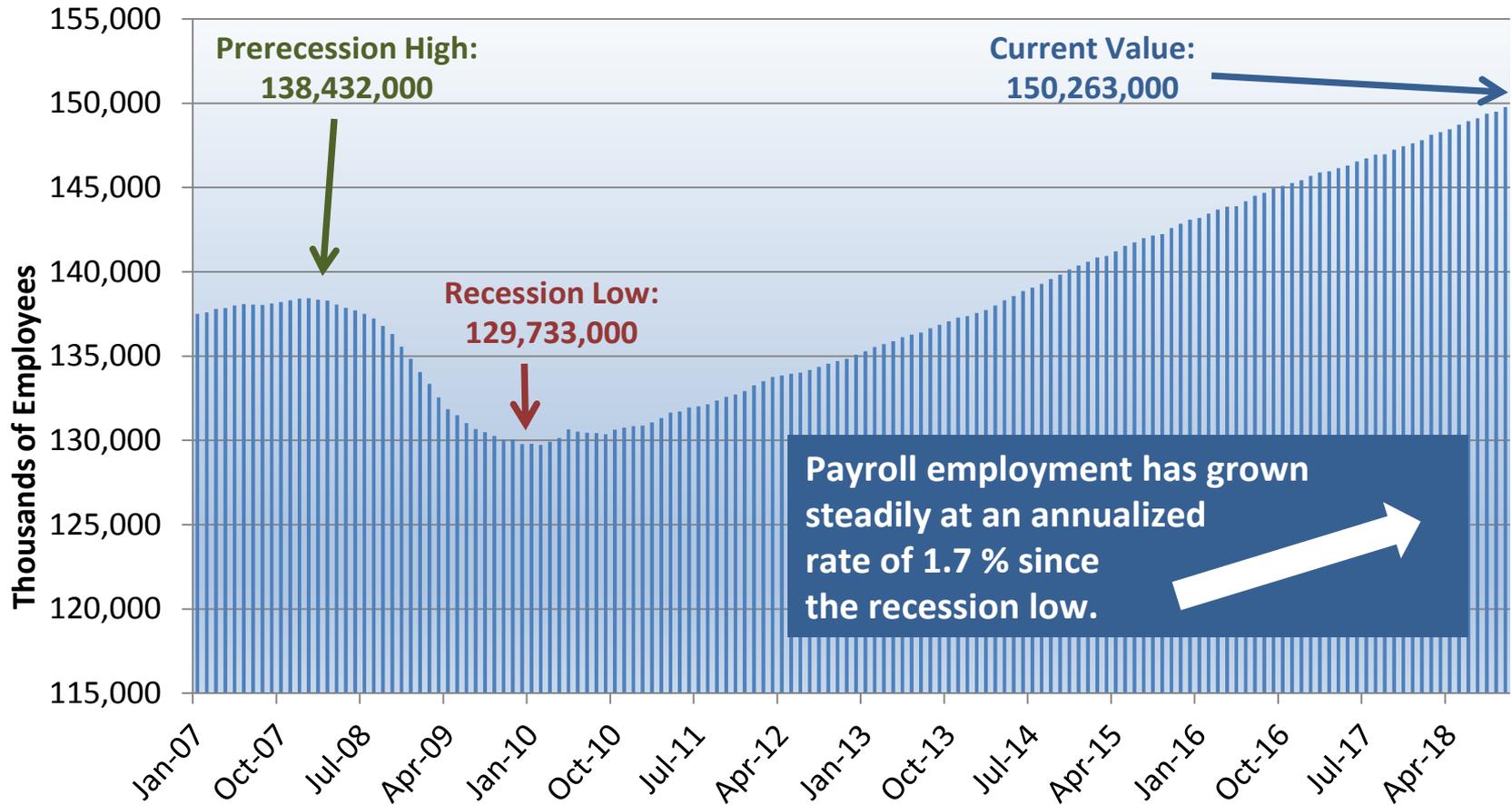


# U.S. Gross Domestic Product



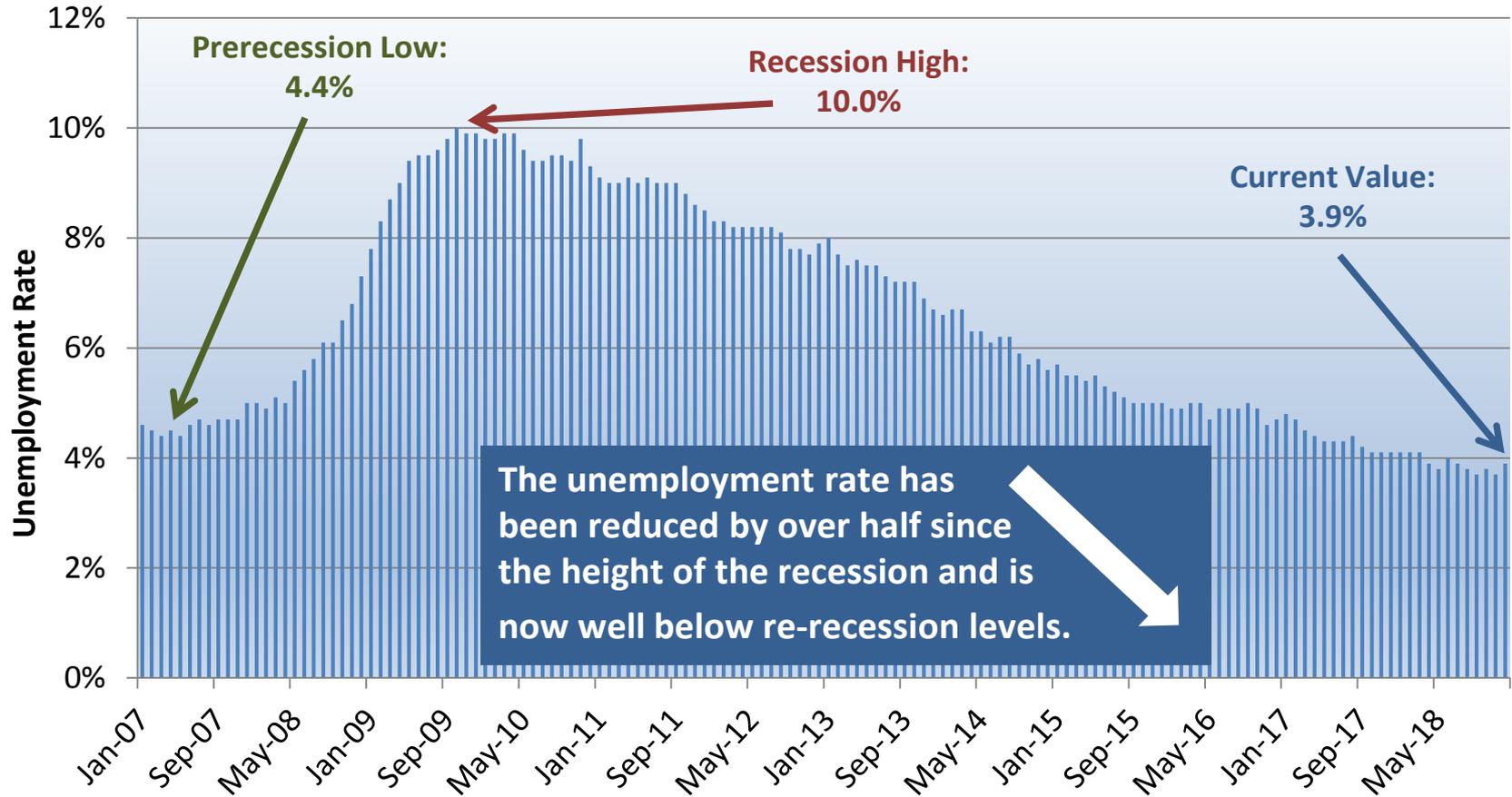
Source: Bureau of Economic Analysis and HRPDC

# U.S. Non-Farm Civilian Employment



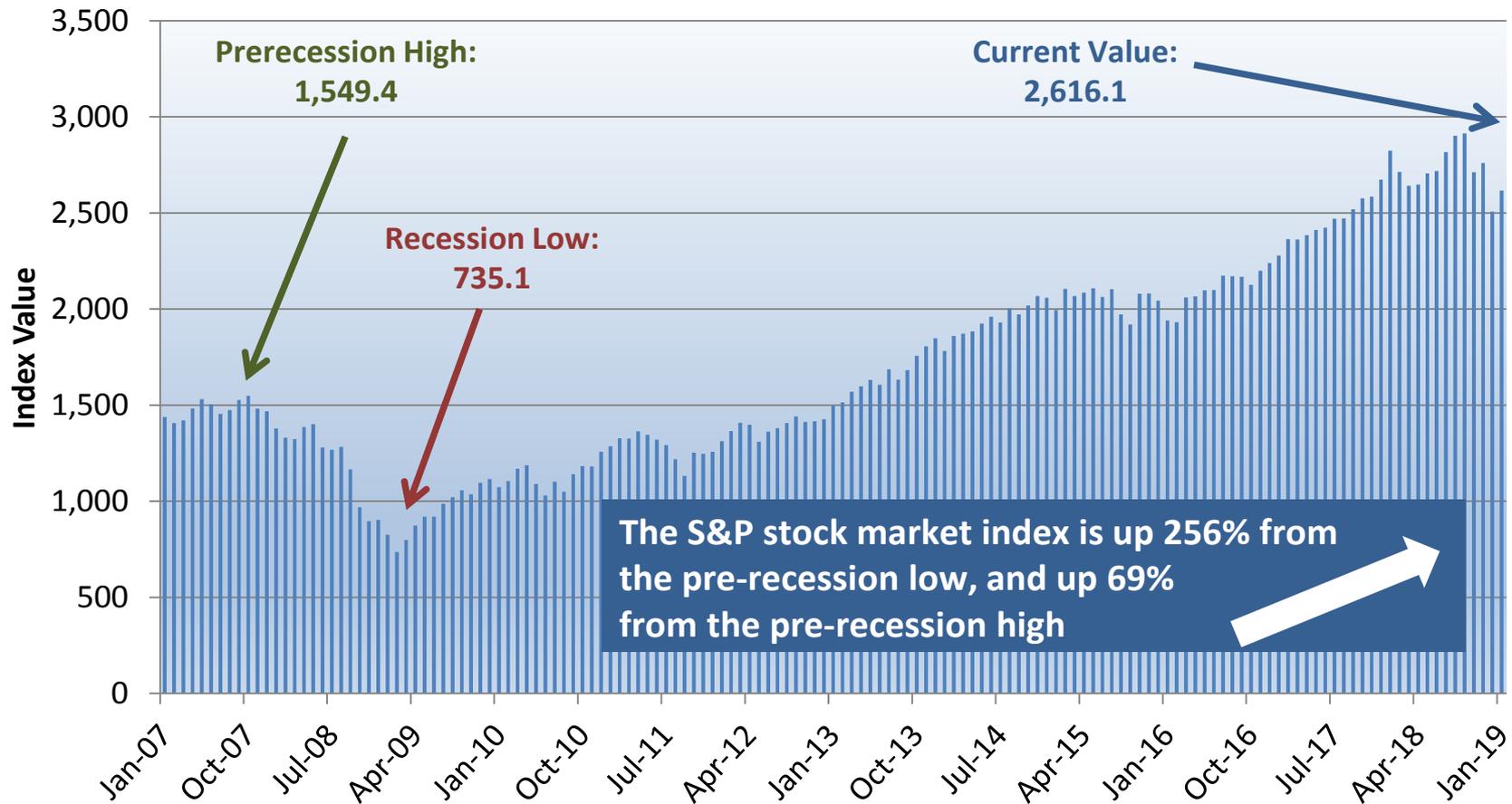
Source: Bureau of Labor Statistics and HRPDC

# U.S. Unemployment Rate



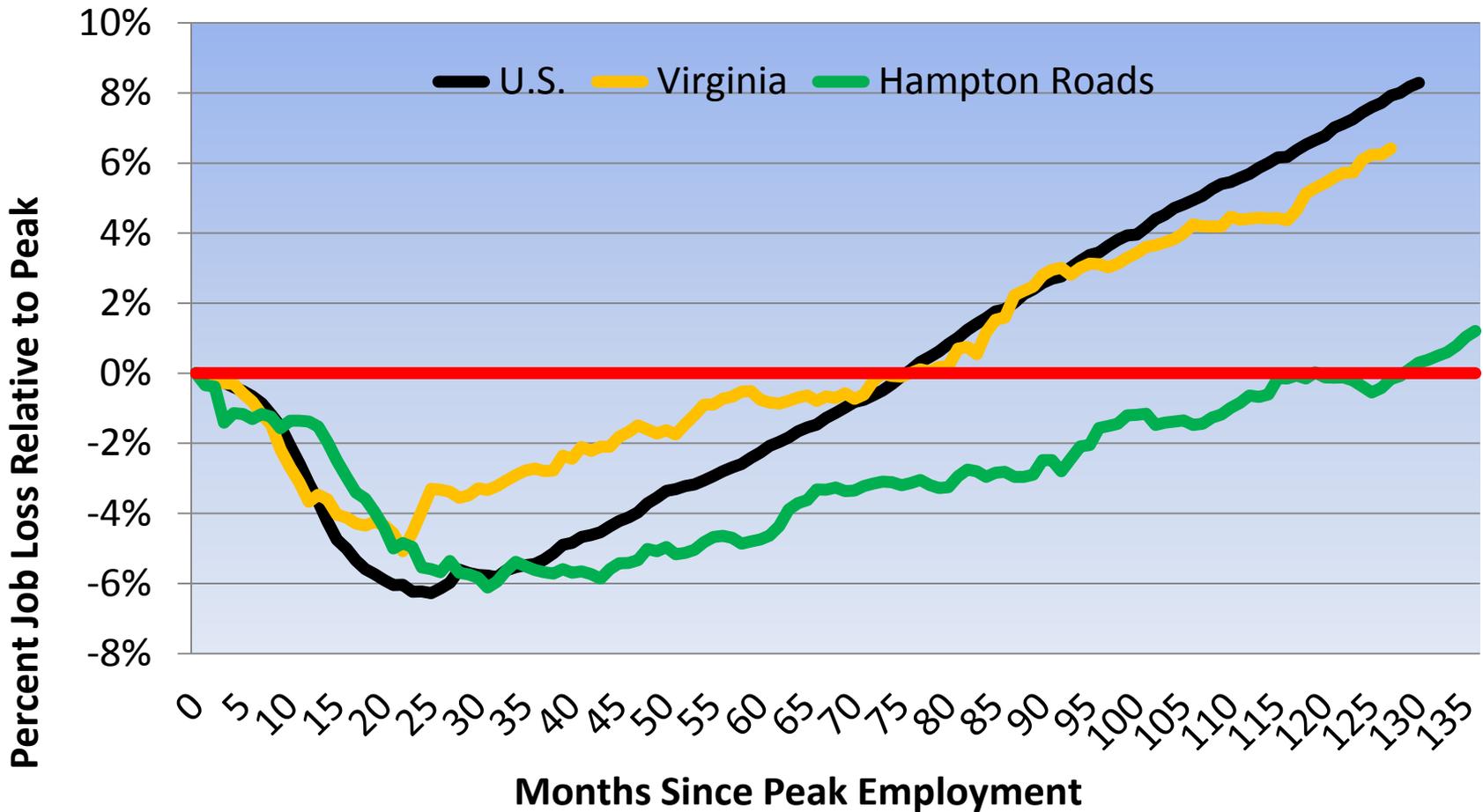
Source: Bureau of Labor Statistics and HRPDC

# S&P 500 Stock Market Index



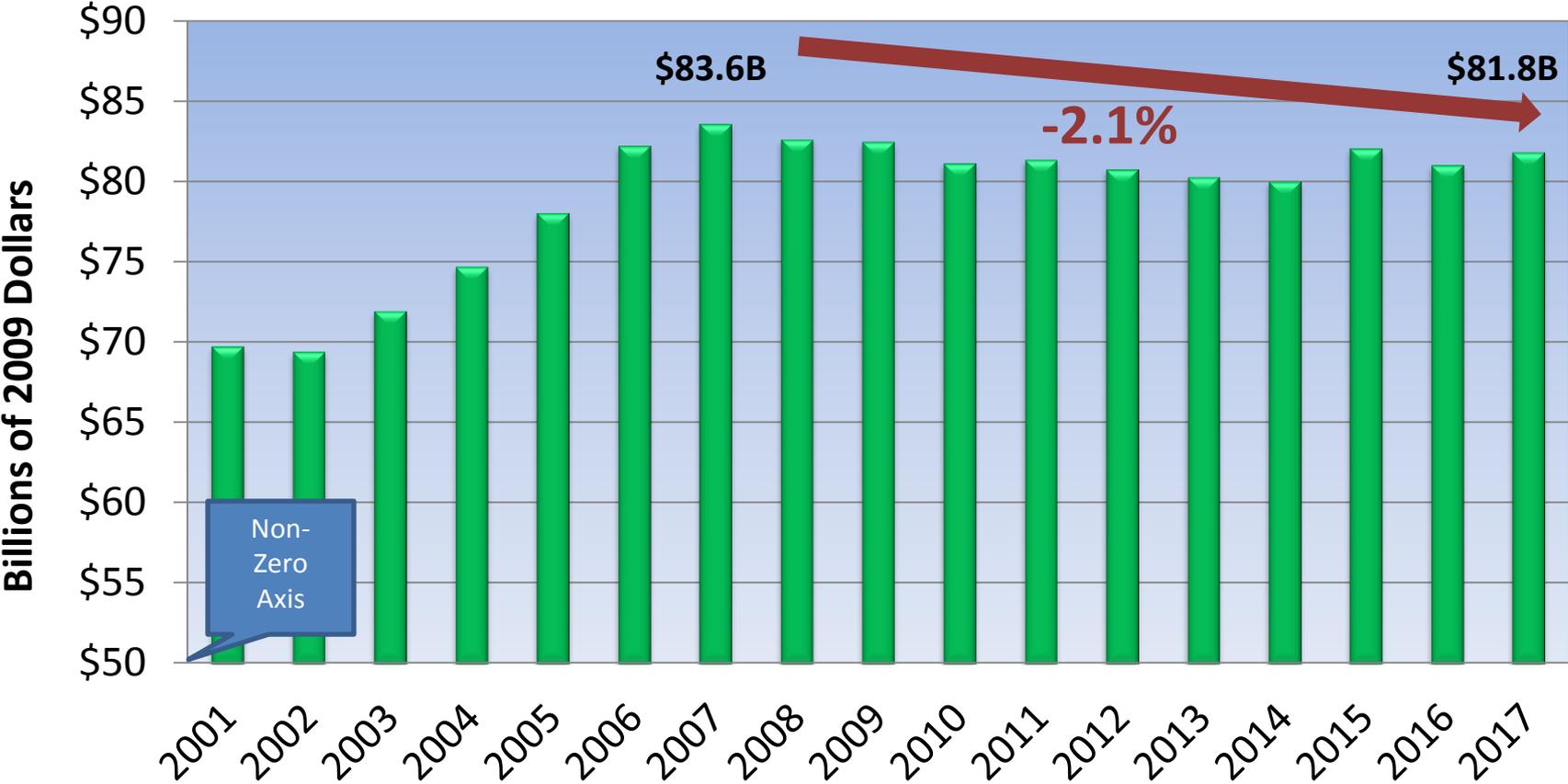
Source: Yahoo Finance and HRPDC

# Employment Decline and Recovery



Source: Bureau of Labor Statistics and HRPDC

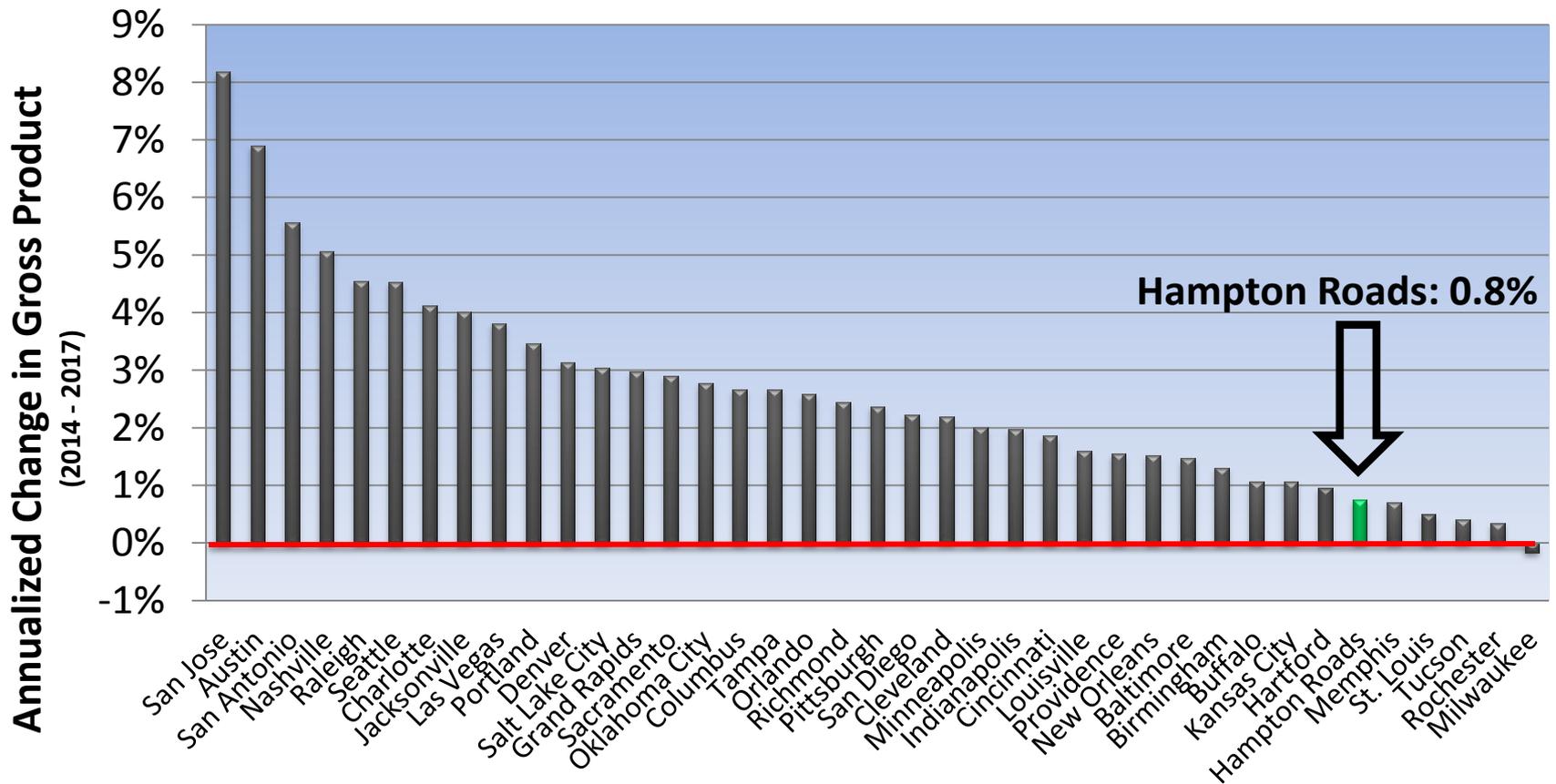
# Hampton Roads Gross Product



Source: Bureau of Economic Analysis, and HRPDC

# Annualized Growth in Gross Product

(Inflation-Adjusted)

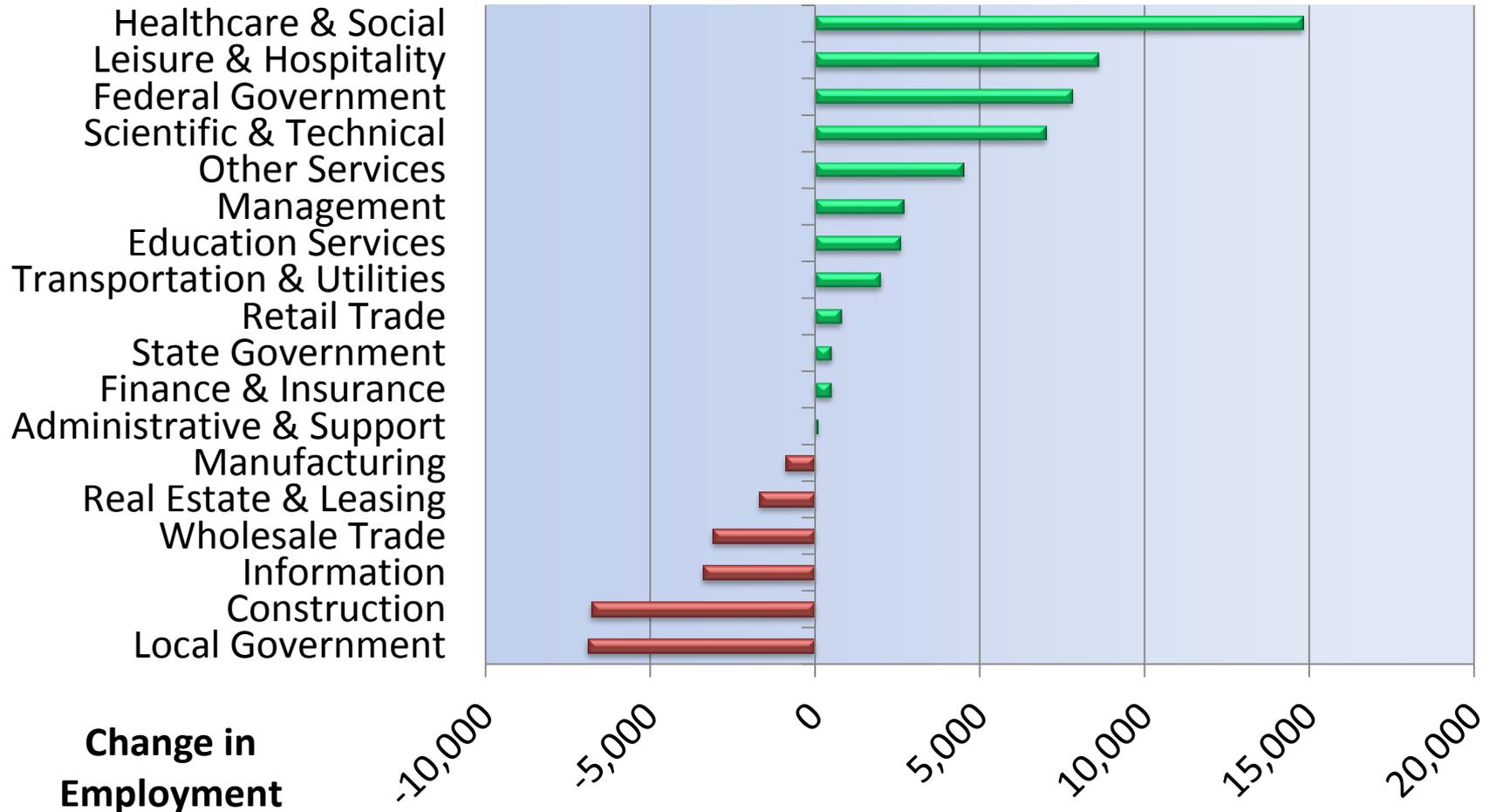


Metropolitan Areas with Population between 1 and 4 Million

Source: Bureau of Economic Analysis, and HRPDC

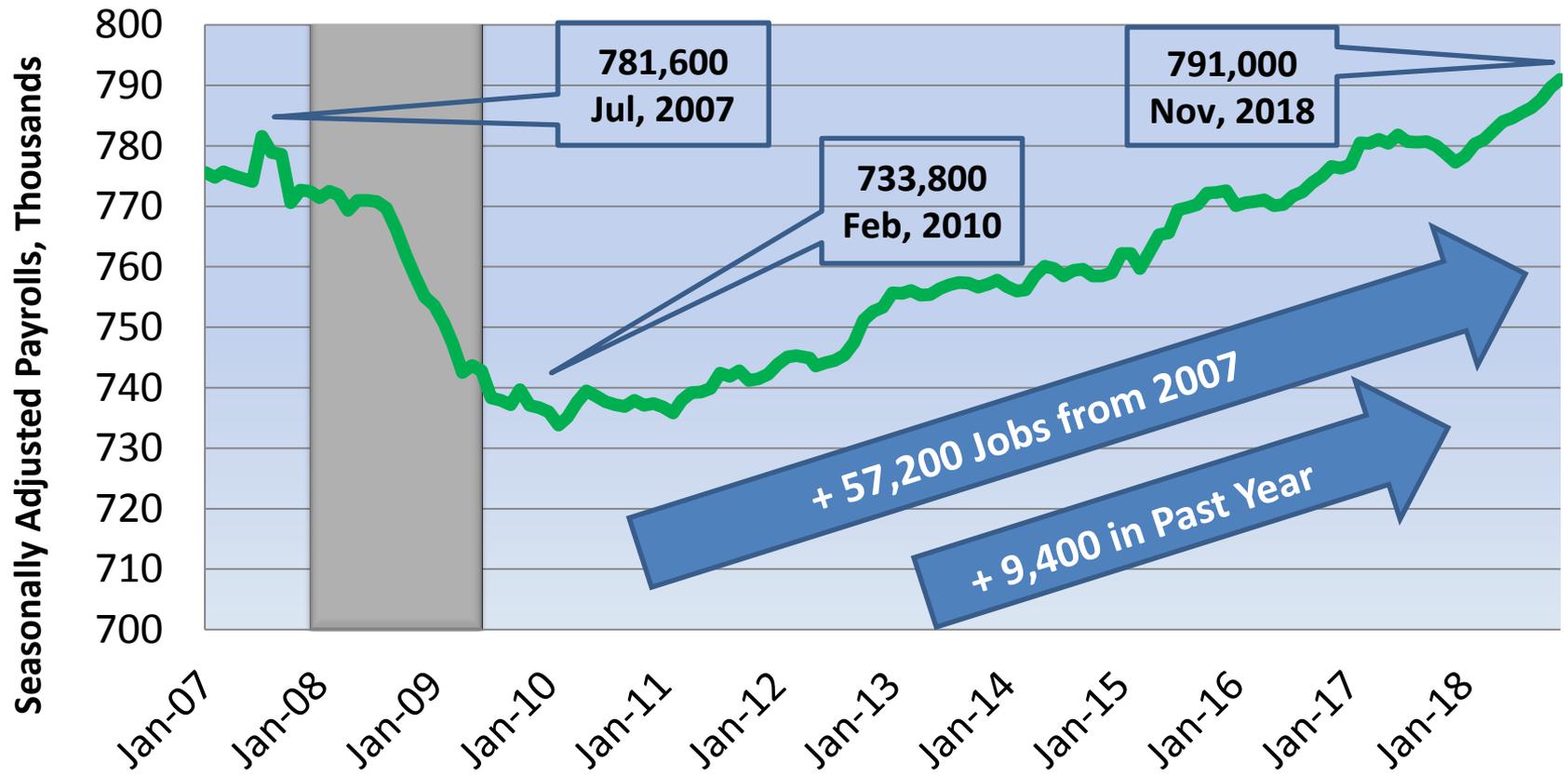
# Hampton Roads Employment Change

November '08 – November '18



Source: Bureau of Labor Statistics and HRPDC

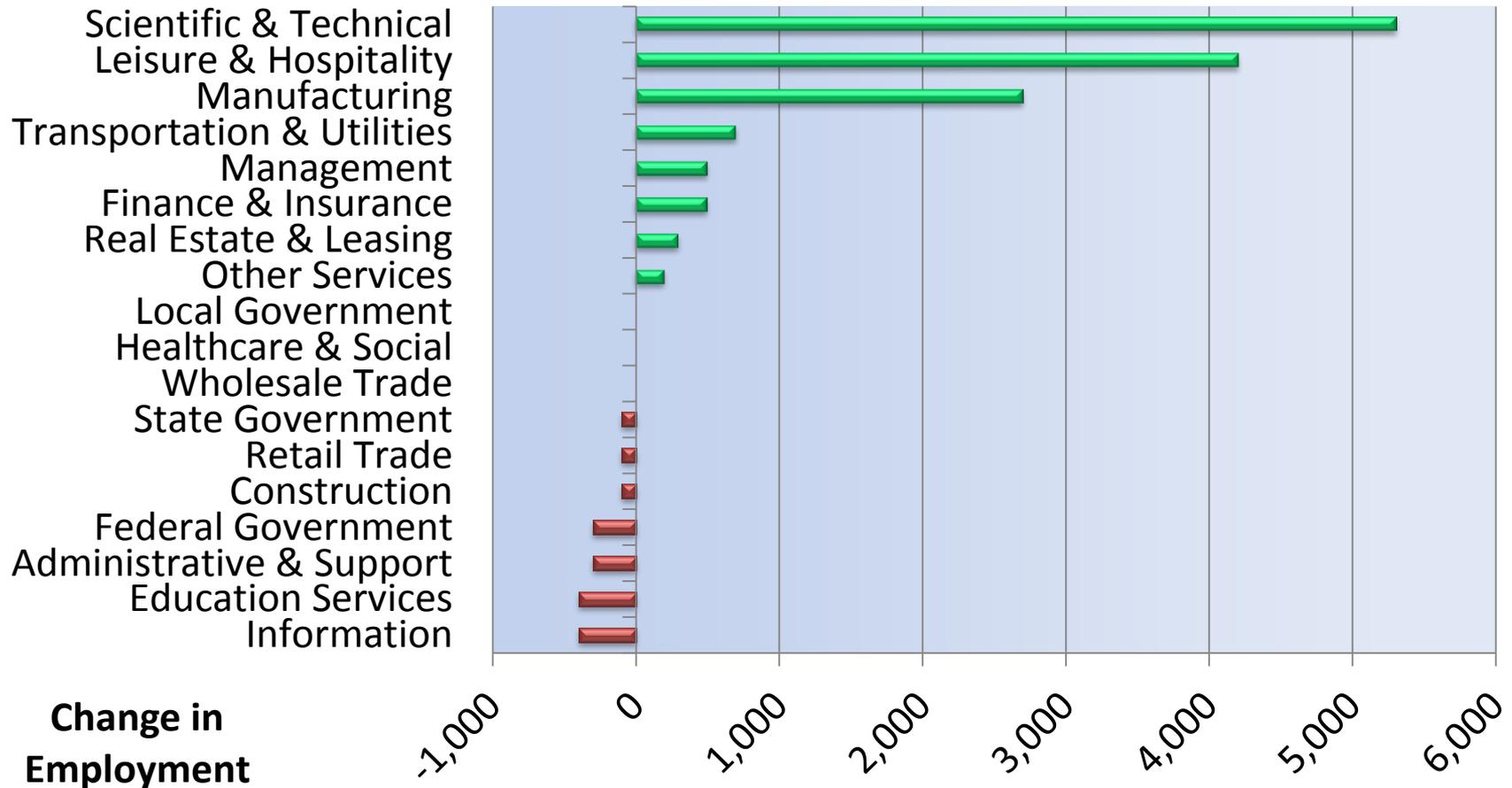
# Nonfarm Civilian Employment (Jobs) in Hampton Roads



Source: Bureau of Labor Statistics and HRPDC

# Hampton Roads Employment Change

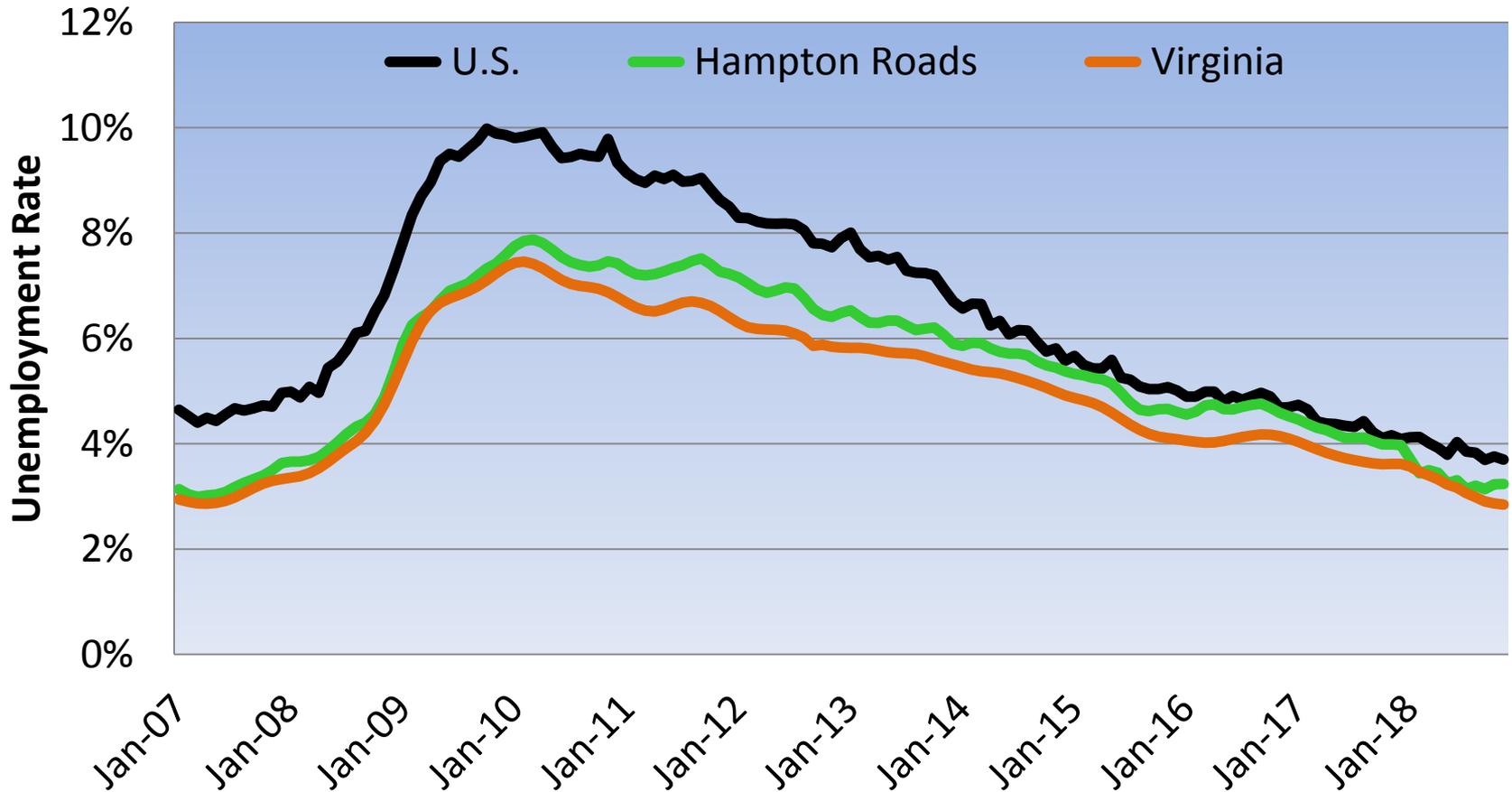
November '17 – November '18



Source: Bureau of Labor Statistics and HRPDC

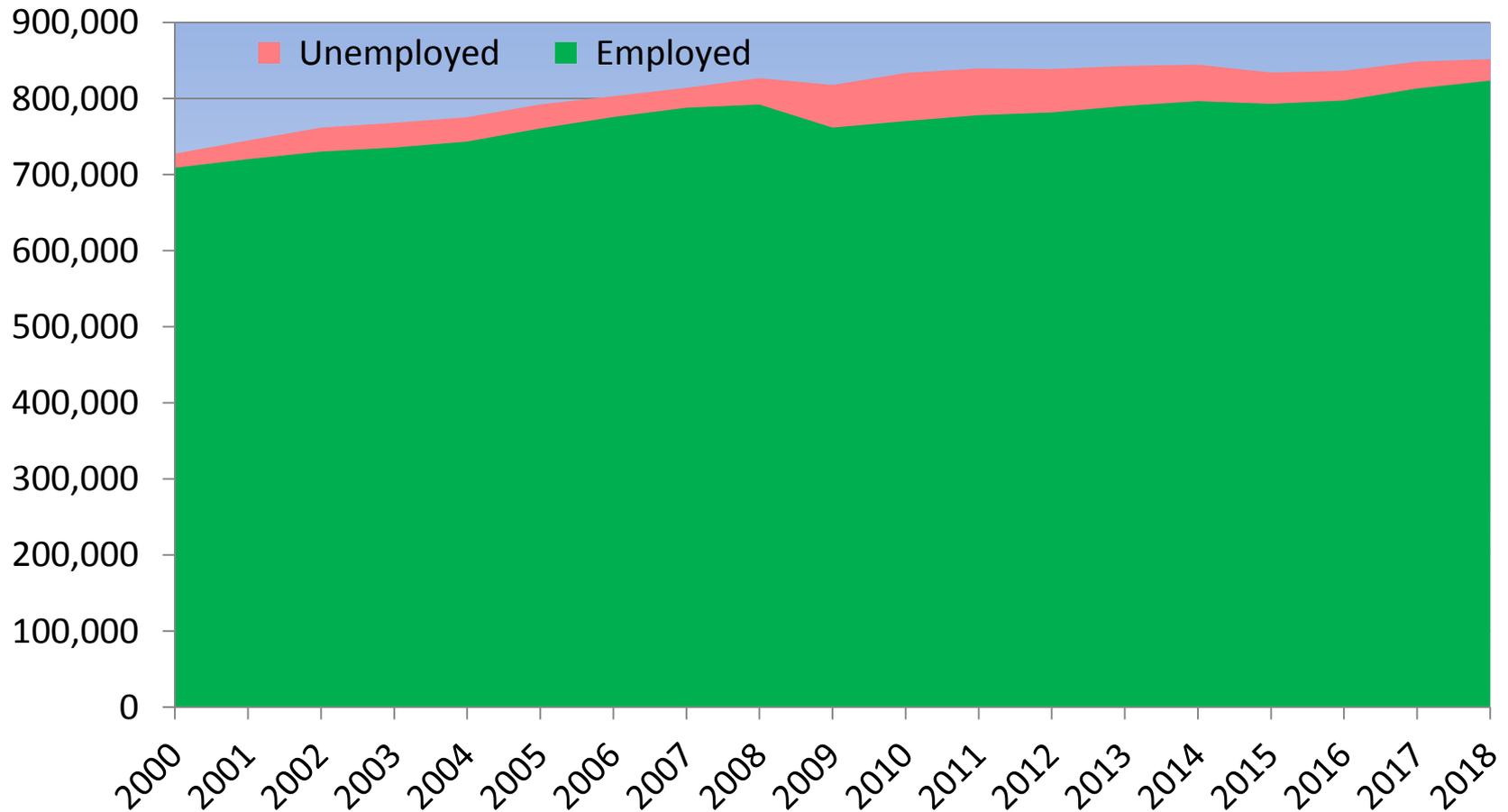
# Unemployment Rates

Seasonally Adjusted



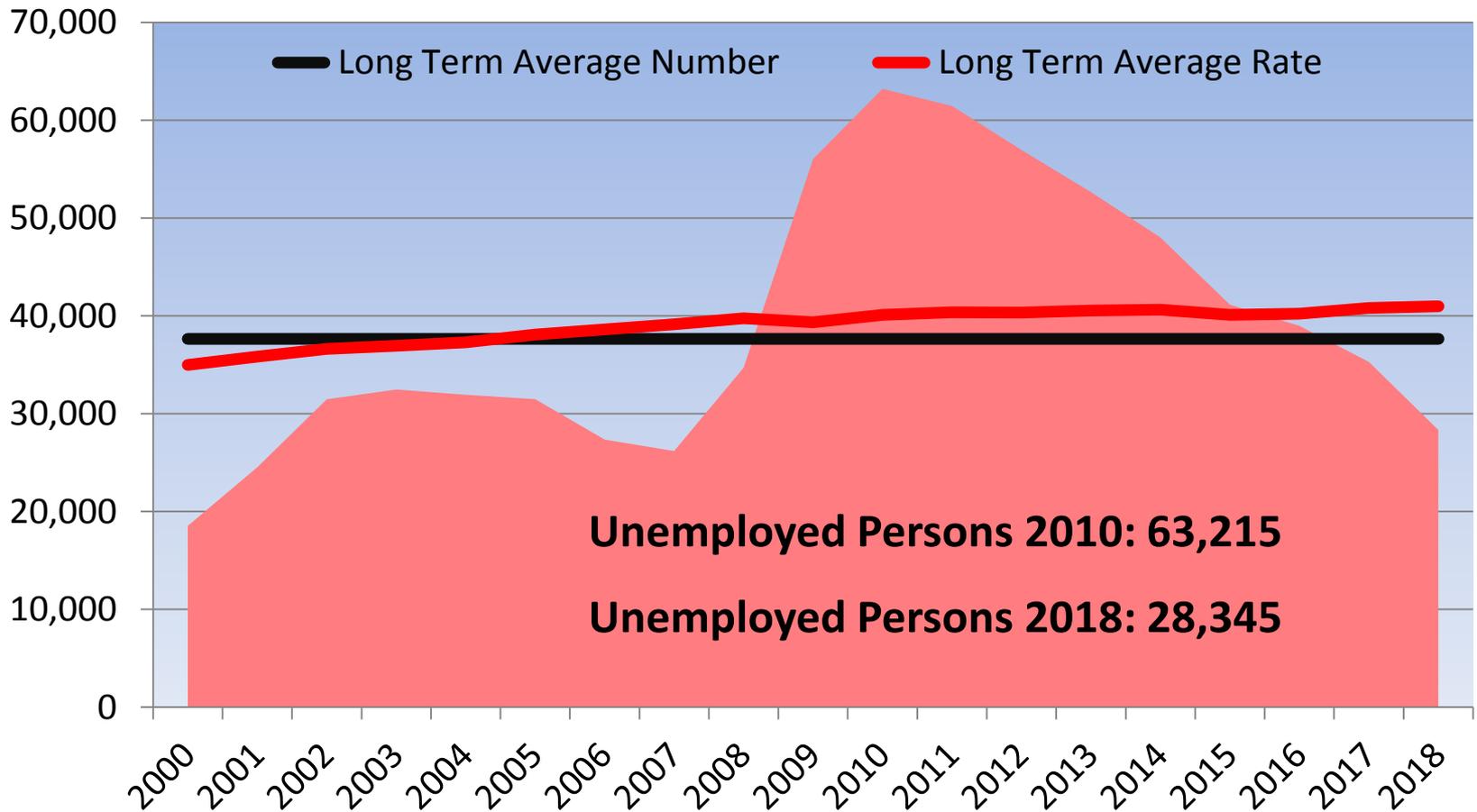
Source: Bureau of Labor Statistics and HRPDC

# Labor Force in Hampton Roads



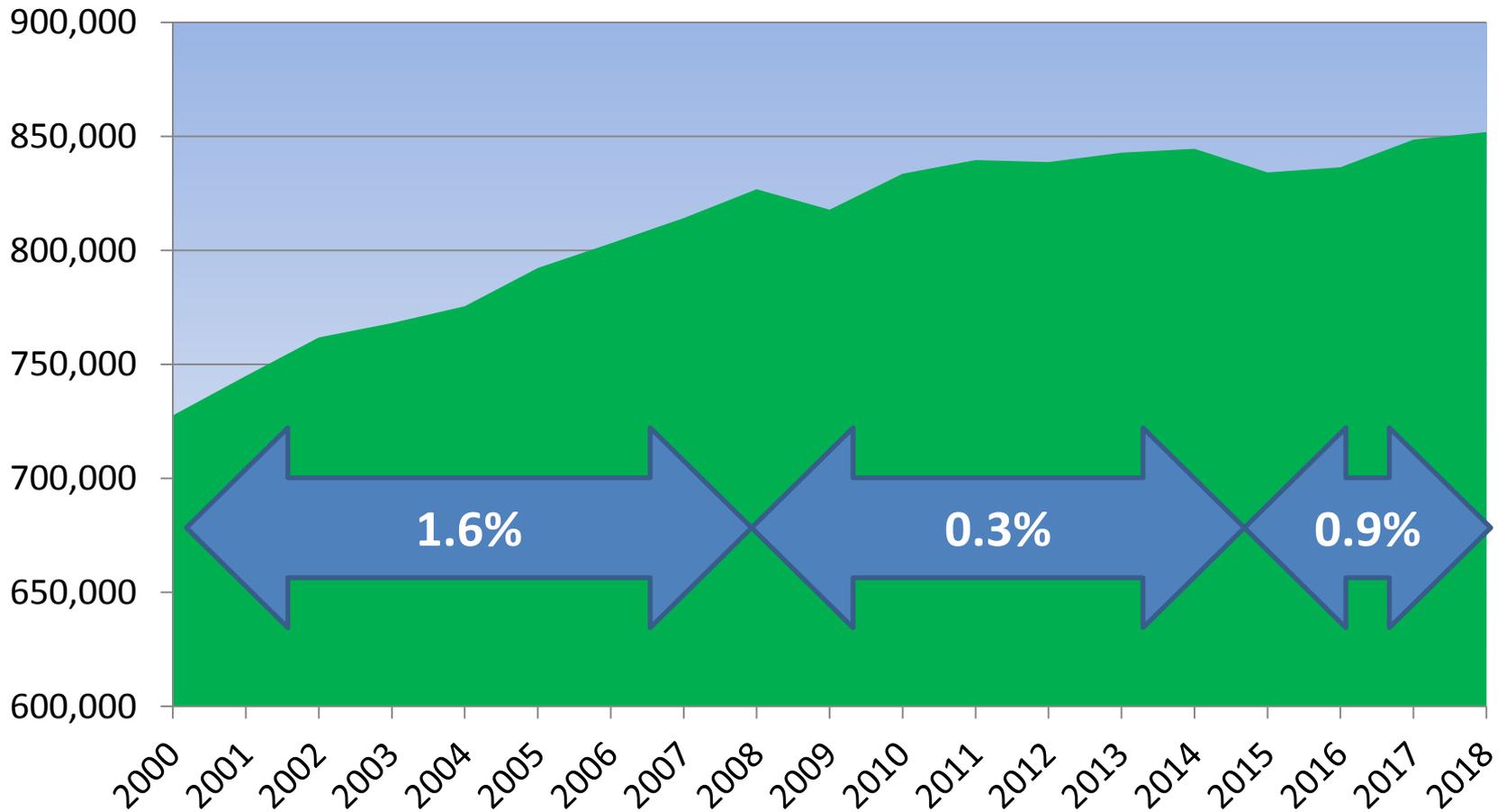
Source: Bureau of Labor Statistics and HRPDC

# Unemployed in Hampton Roads



Source: Bureau of Labor Statistics and HRPDC

# Hampton Roads Labor Force



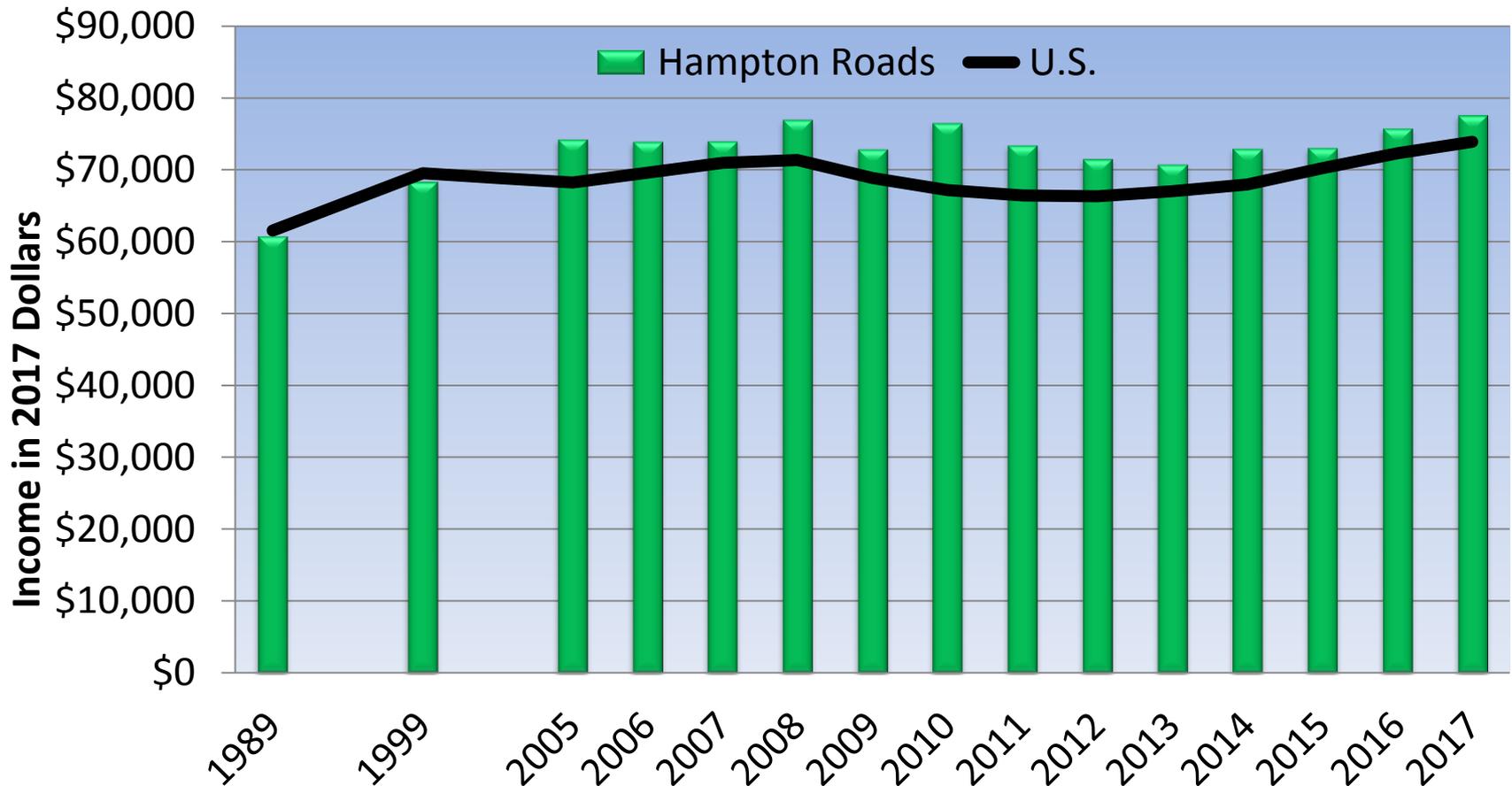
Source: Bureau of Labor Statistics and HRPDC

# Income in Hampton Roads Compared to the United States



Source: Bureau of Economic Analysis, and HRPDC

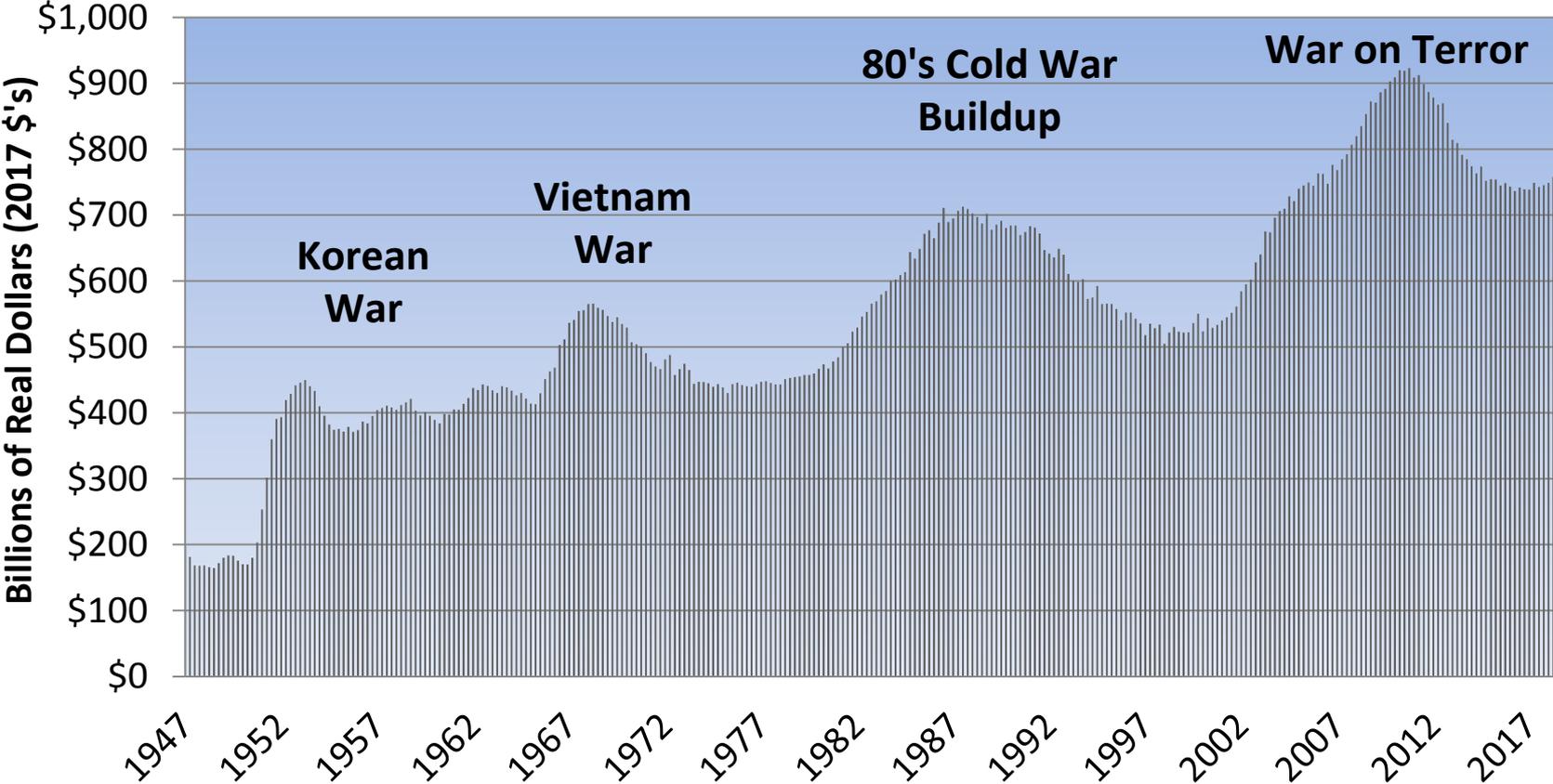
# Median Family Incomes



Source: U.S. Census Bureau and HRPDC

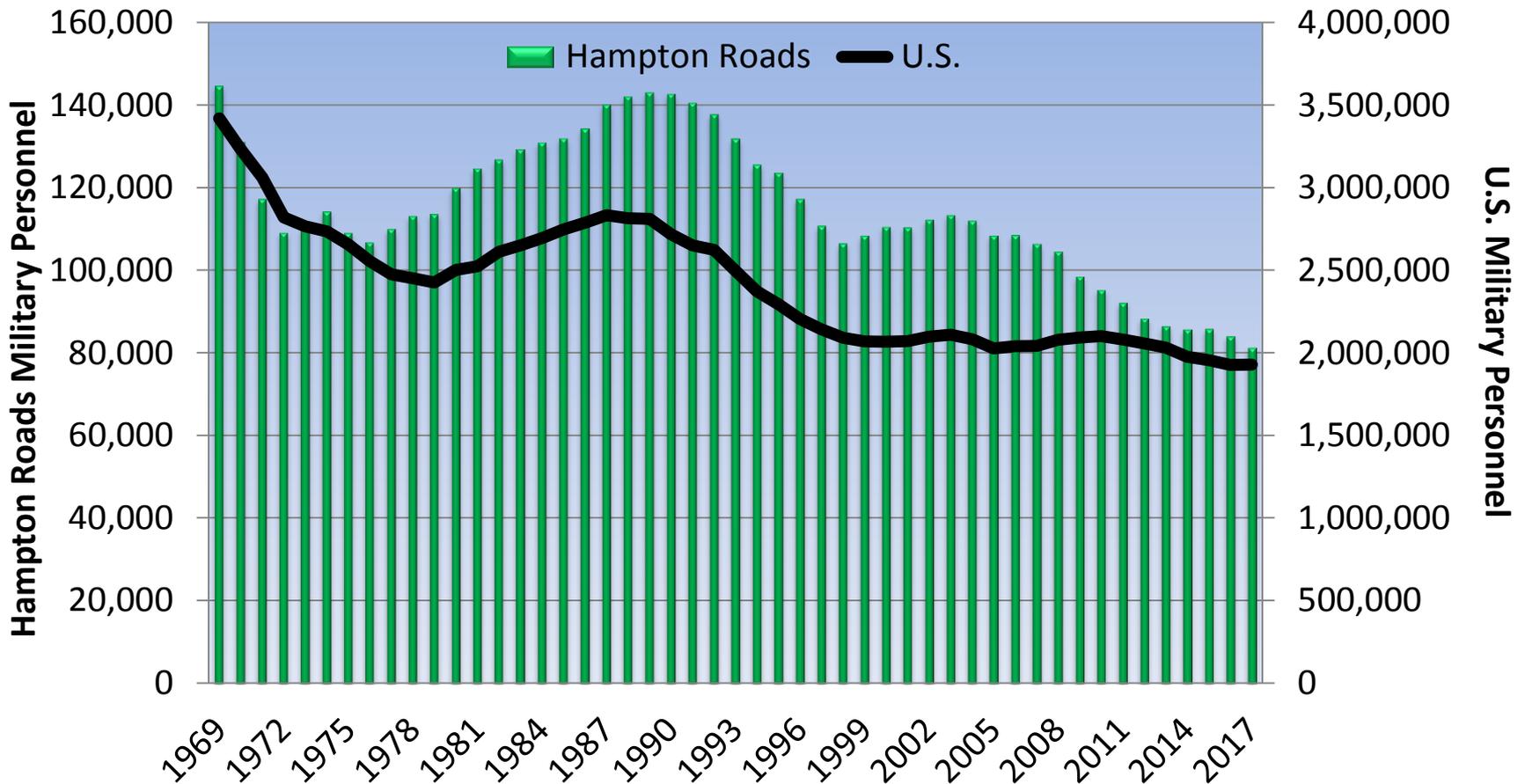
# Annualized Real Defense Outlays

(U.S. Quarterly Data, Seasonally Adjusted)



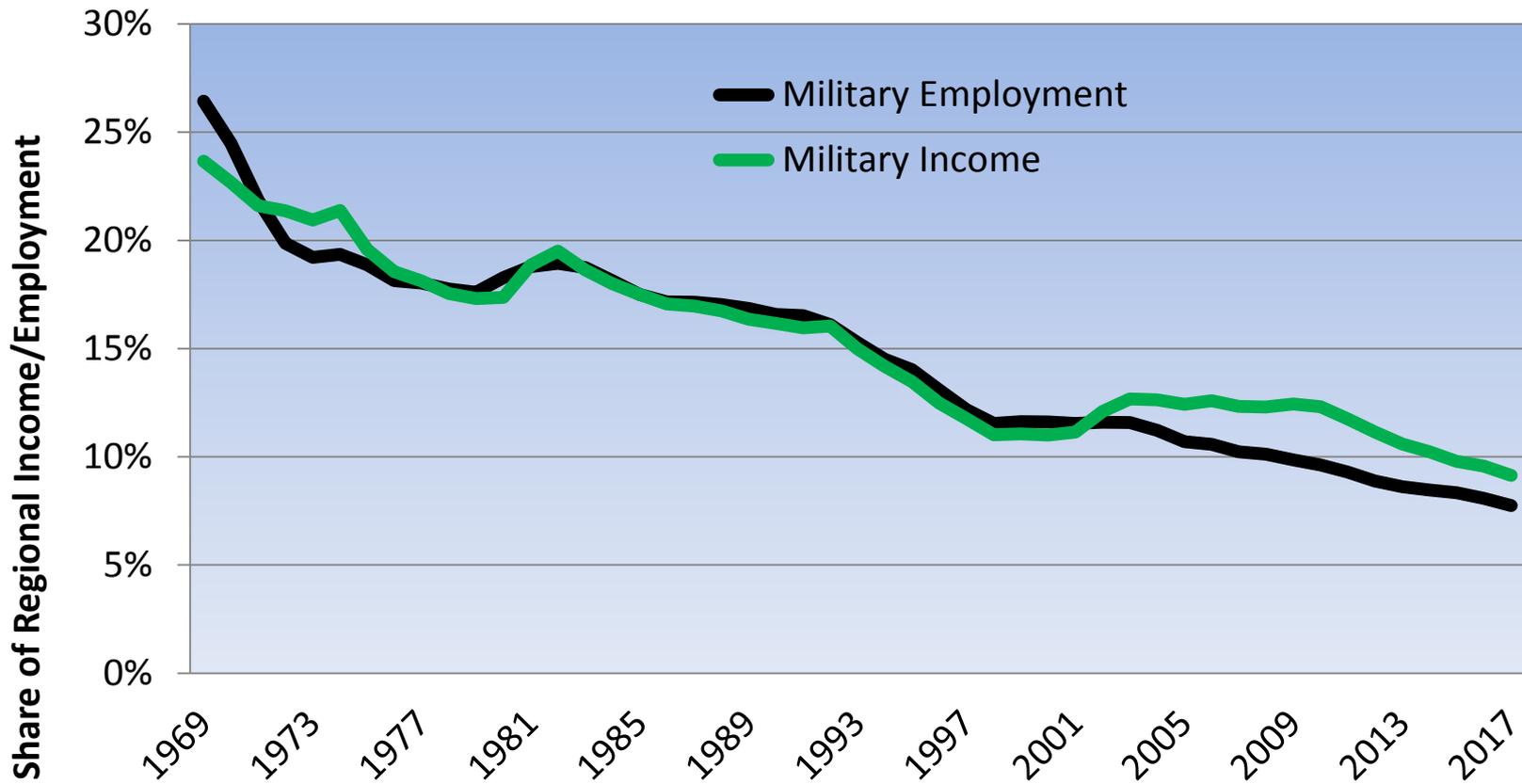
Source: Bureau of Economic Analysis and HRPDC

# Military Personnel in HR and the U.S.



Source: Bureau of Economic Analysis and HRPDC

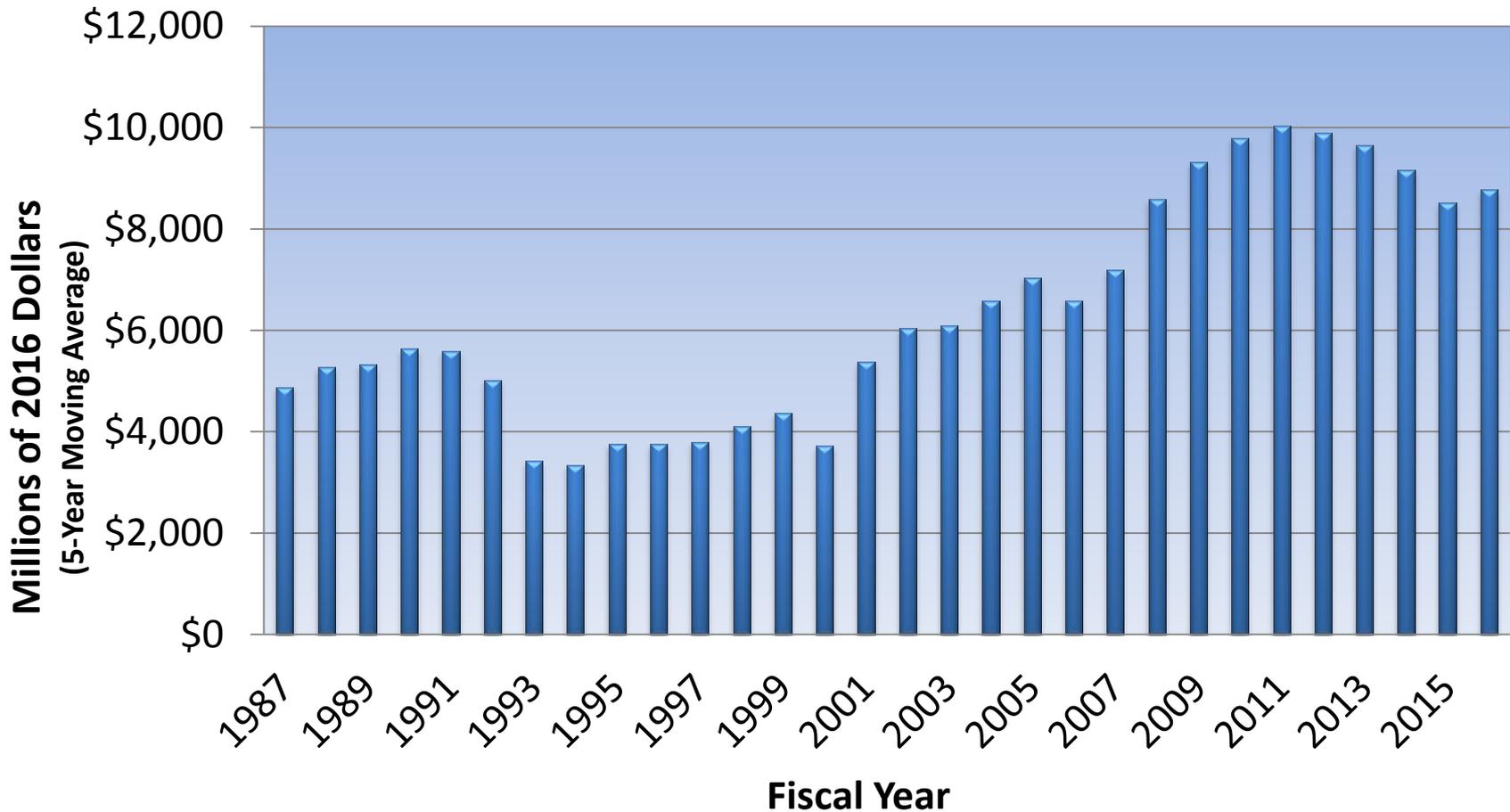
# Military Personnel and Income as a Share of the Hampton Roads Economy



Source: Bureau of Economic Analysis and HRPDC

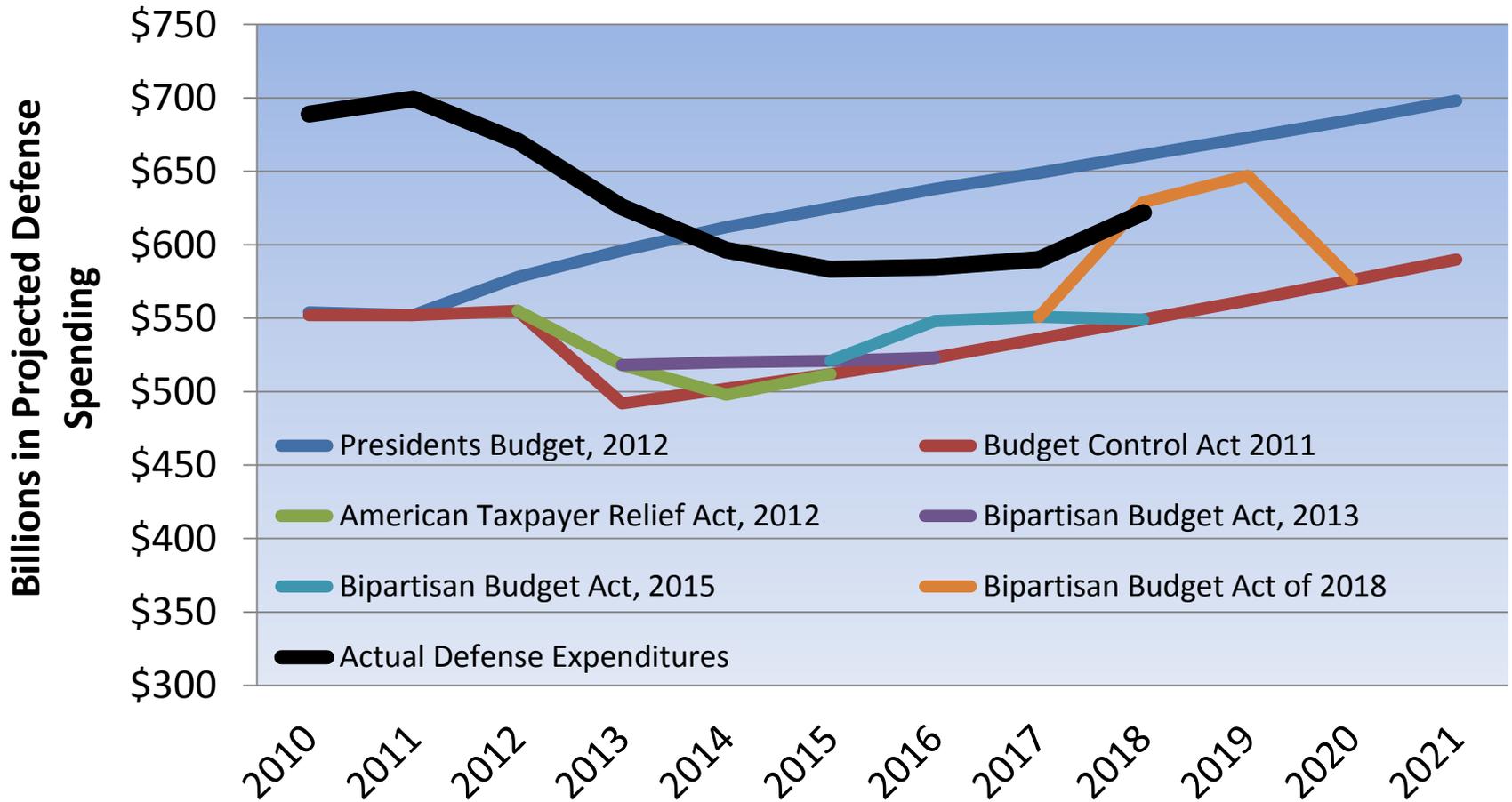
# Defense Contracts in Hampton Roads

(Inflation-Adjusted)



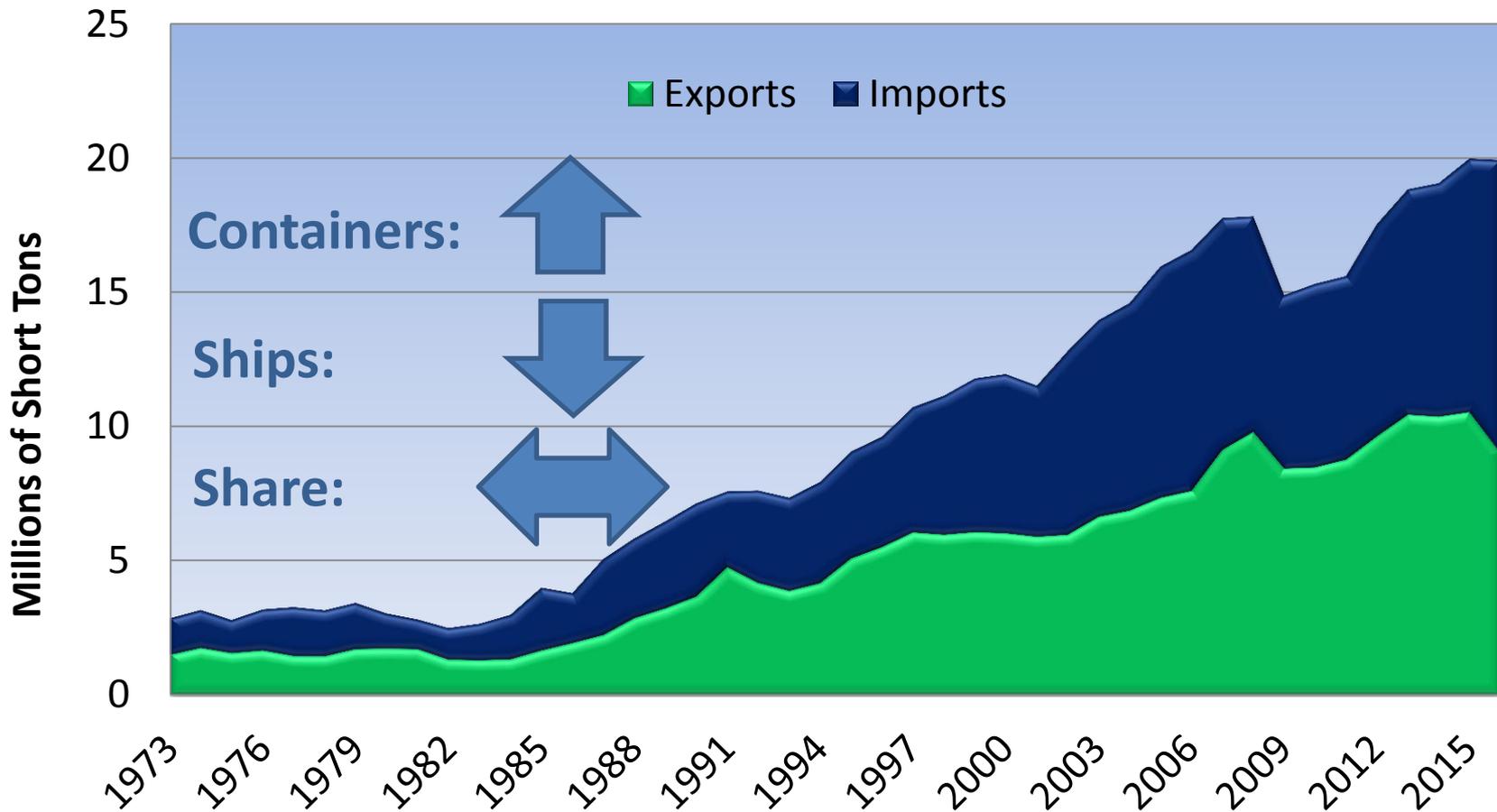
Source: USAspending.gov and HRPDC

# CBO Projected Defense Outlays, Statutory Budget Caps



Source: Congressional Budget Office, USAspending.gov and HRPDC

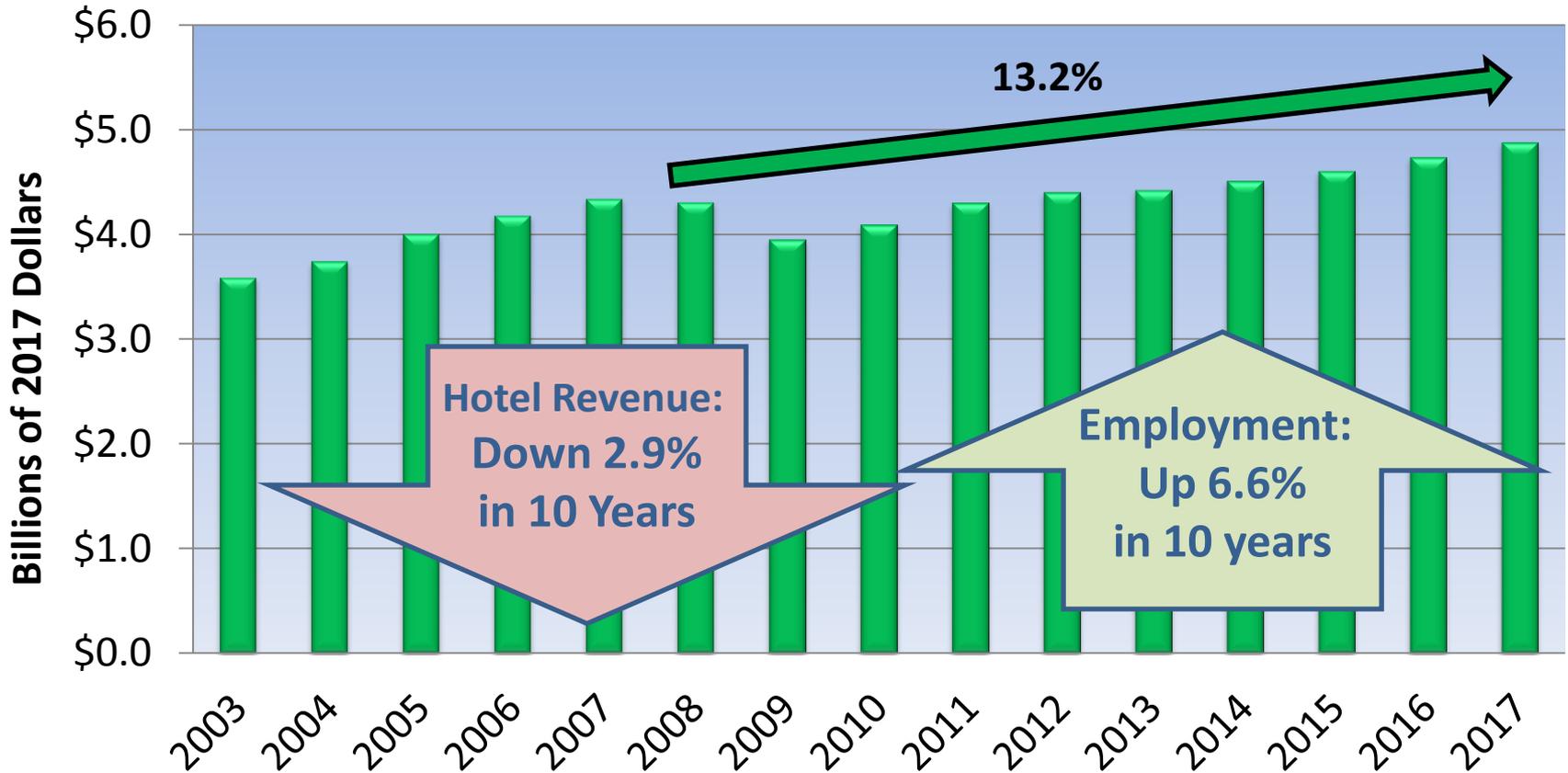
# General Cargo in Hampton Roads



Source: Port of Virginia and HRPDC

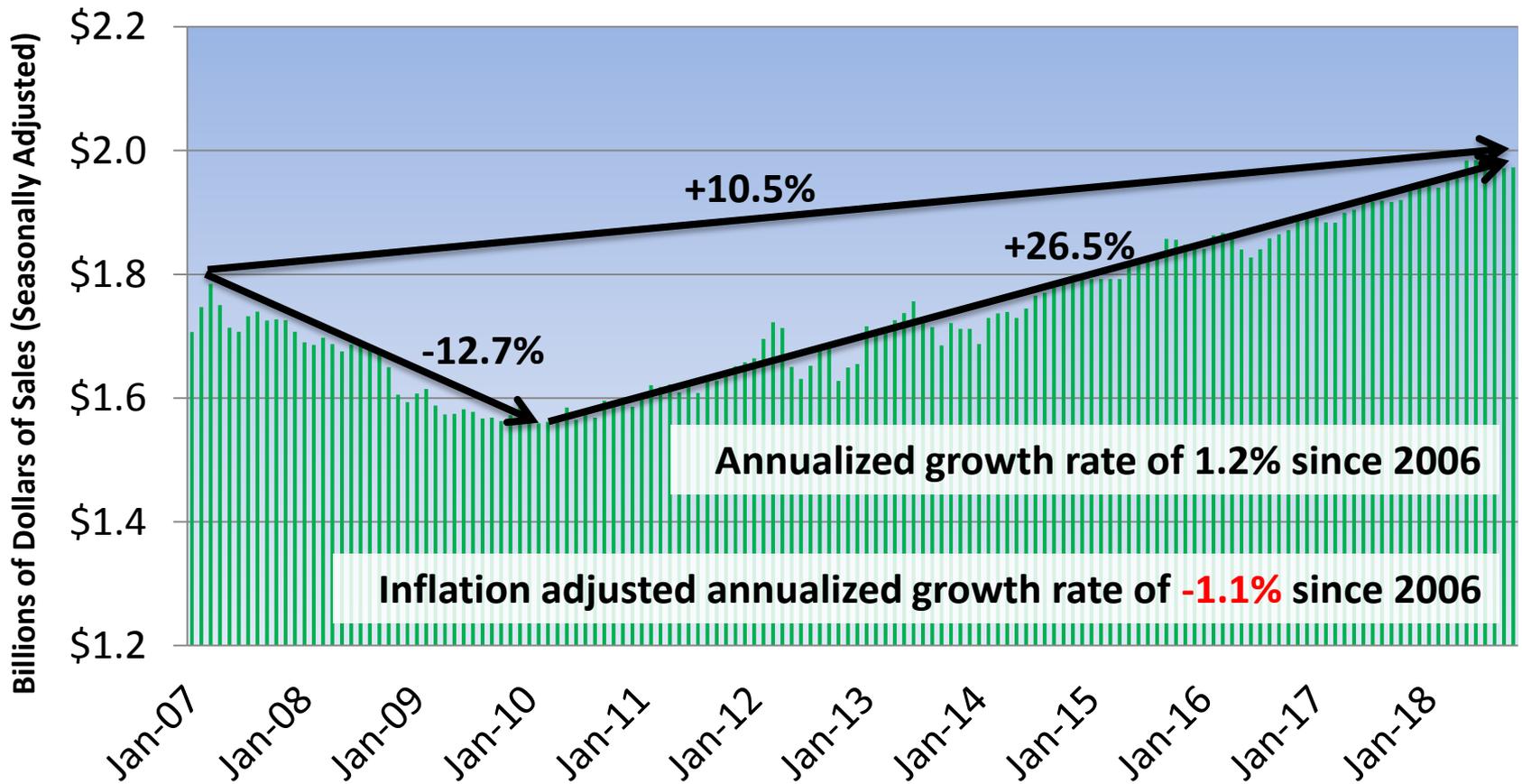
# Tourism Expenditures in HR

(Inflation-Adjusted)



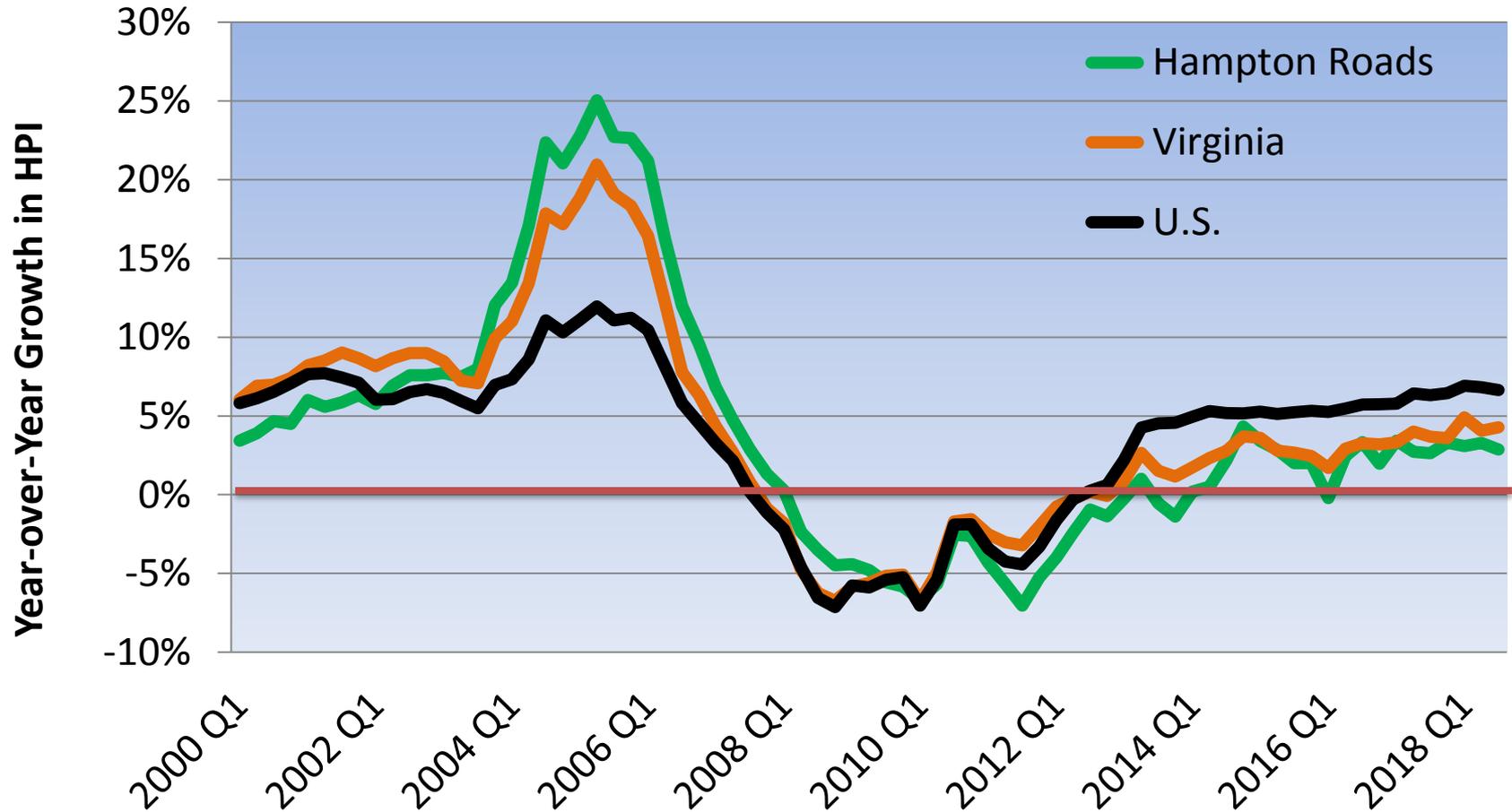
Source: Virginia Tourism Corporation and HRPDC

# Hampton Roads Retail Sales



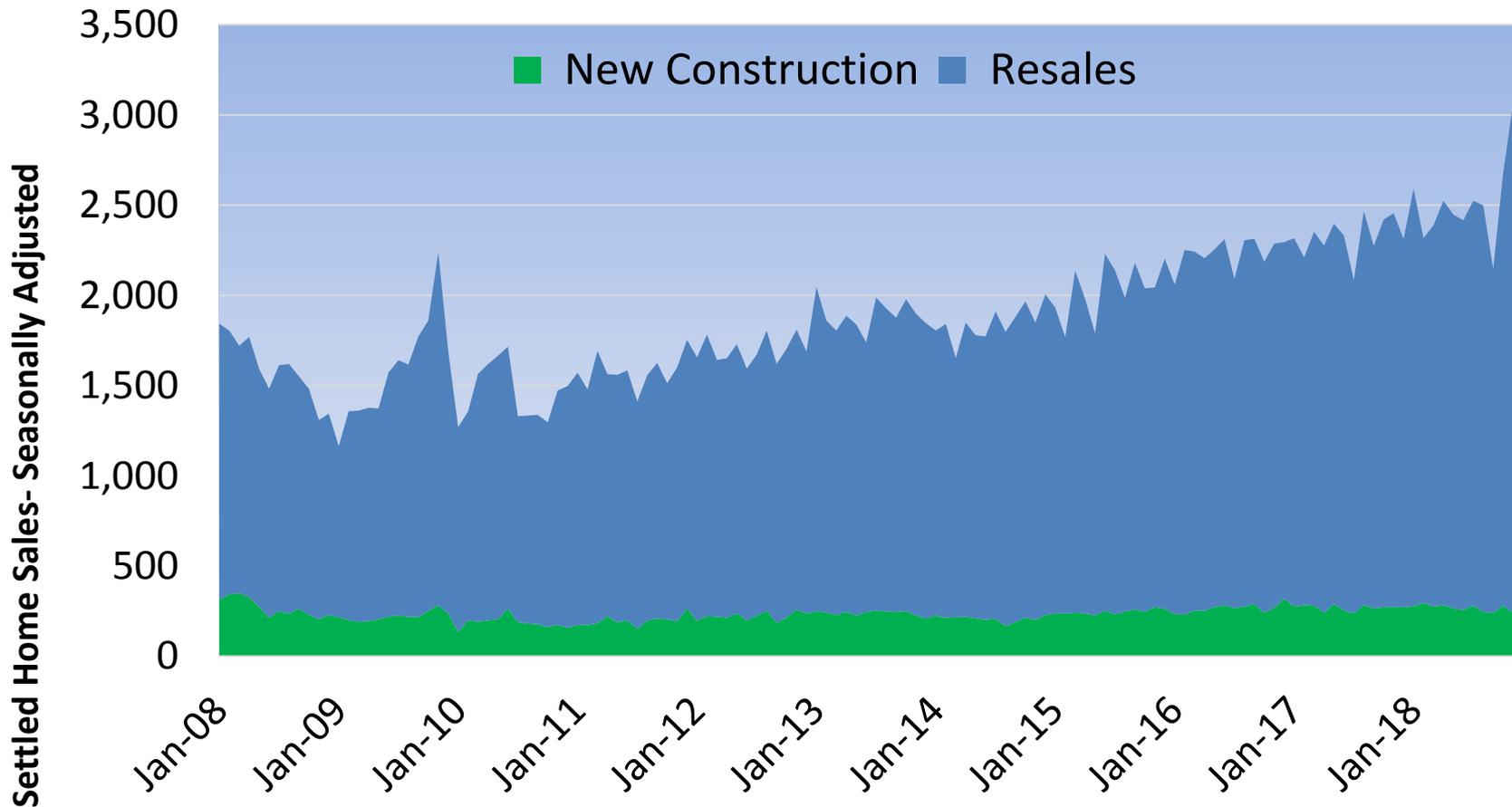
Source: Virginia Department of Taxation and HRPDC

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



Source: Federal Housing Finance Agency, HRPDC

# Hampton Roads Housing Market Settled Sales

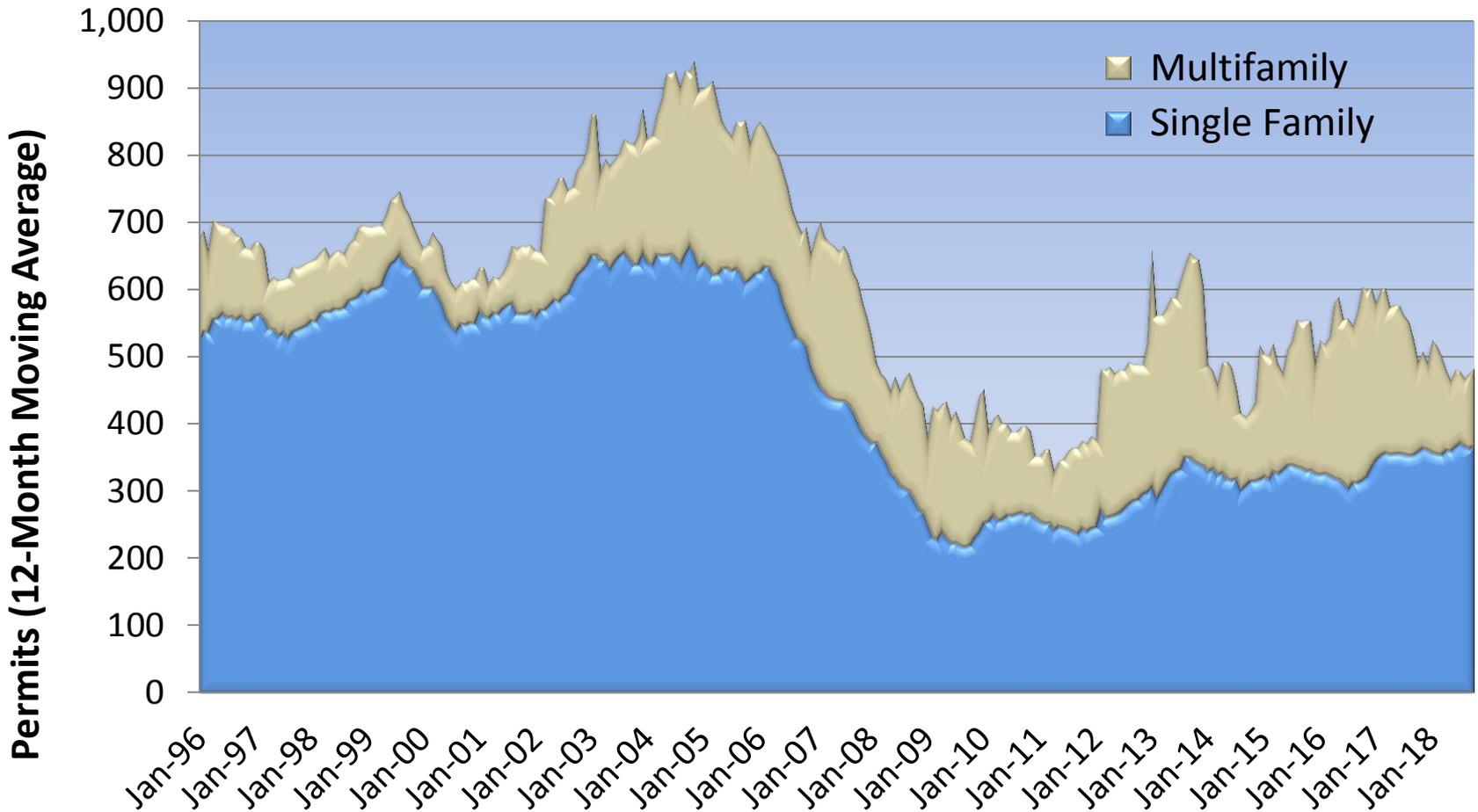


Source: Real Estate Investment Network, HRPDC

# Average "Sold" Market Time (Seasonally Adjusted)

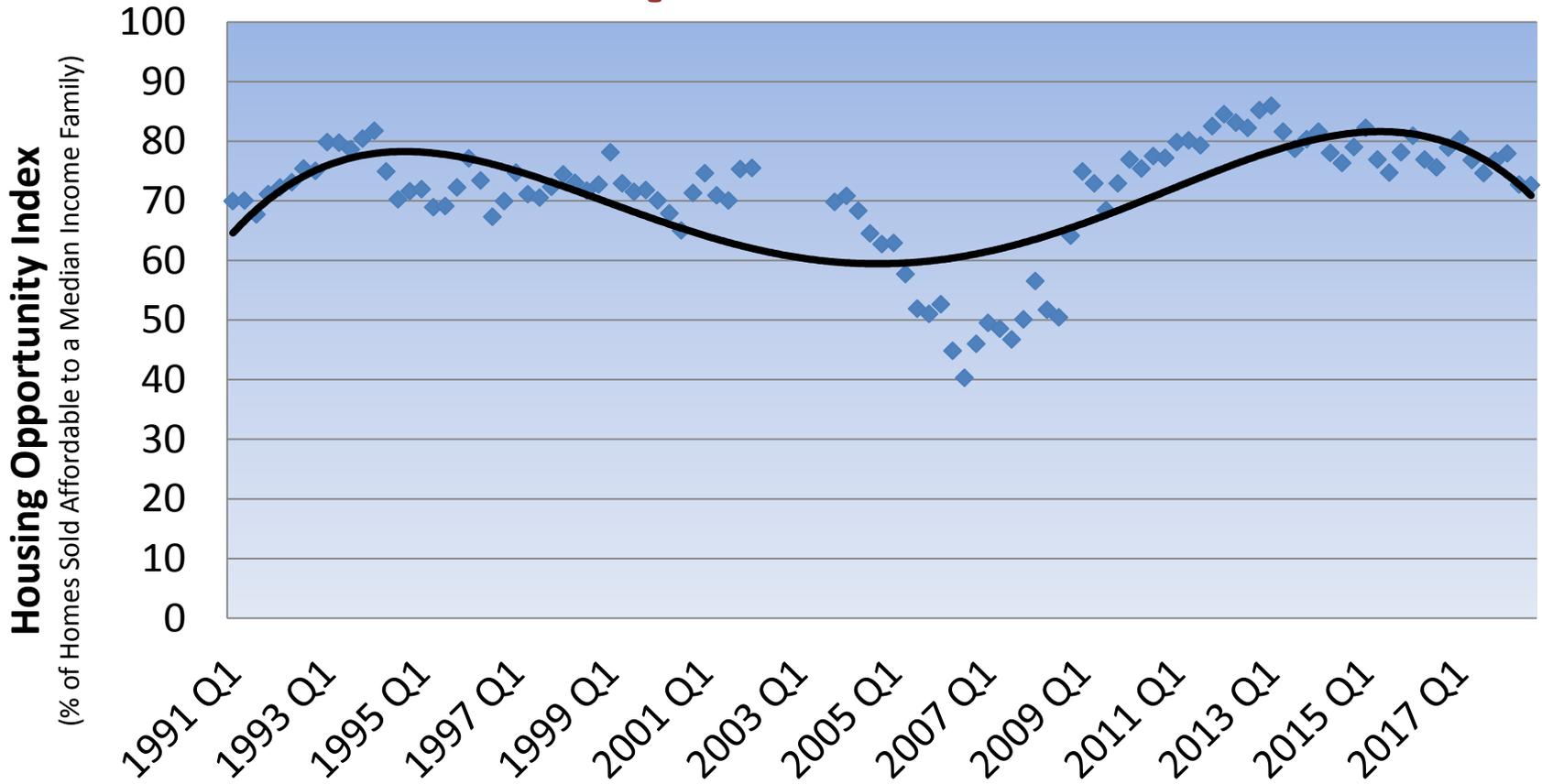


# Housing Permits in Hampton Roads



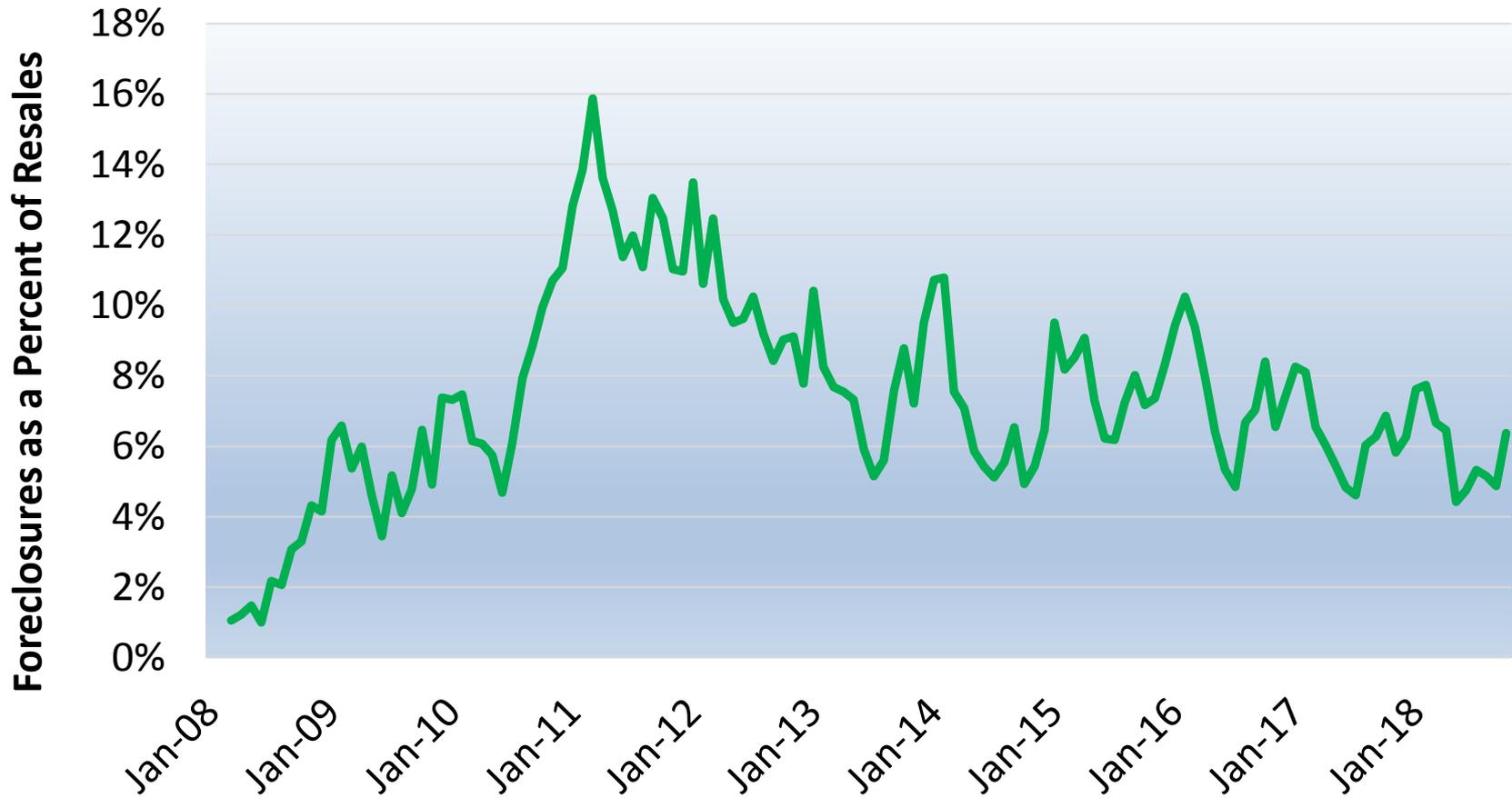
Source: U.S. Census Bureau, HRPDC

# Housing Opportunity Index in Hampton Roads



Source: NAHB/Wells Fargo, HRPDC

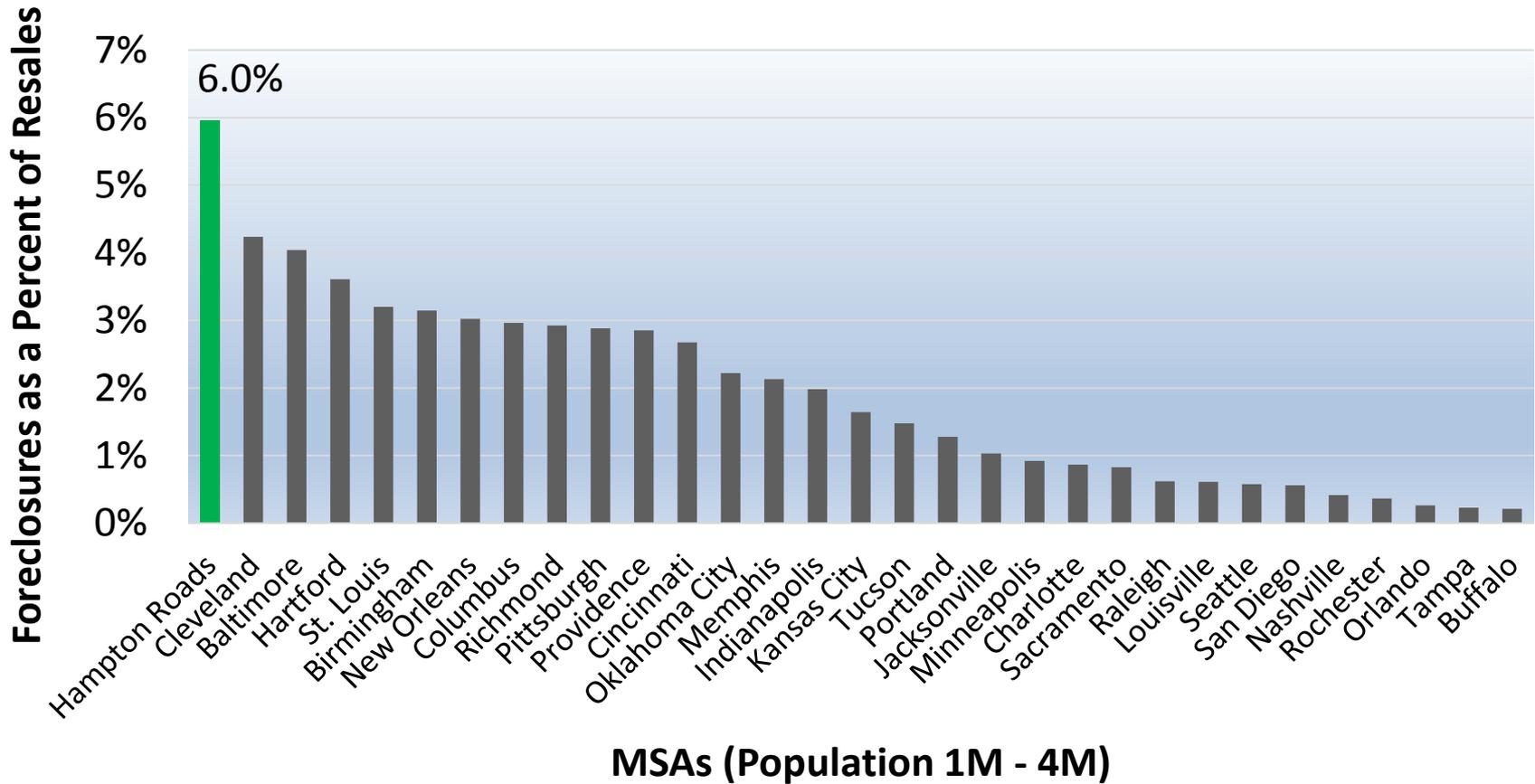
# Hampton Roads Foreclosures as a Share of Resales



Source: Zillow, HRPDC

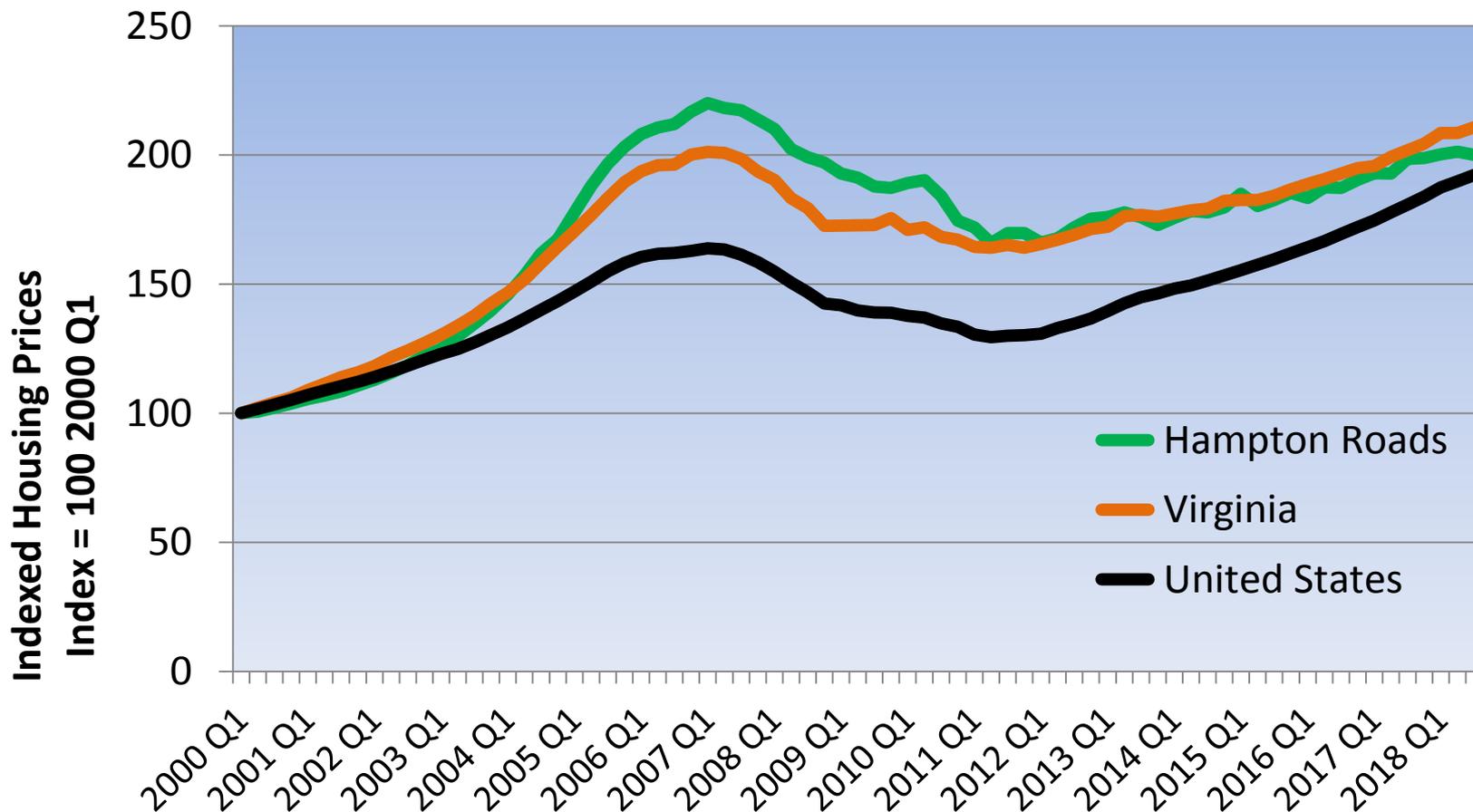
# Zillow Foreclosure for MSAs

(12-Month Average: Nov-17 to Oct-18)



Source: Zillow, HRPDC

# FHFA Home Price Index in Hampton Roads, Virginia, and the U.S.



Source: Federal Housing Finance Agency, HRPDC

# The Year Ahead

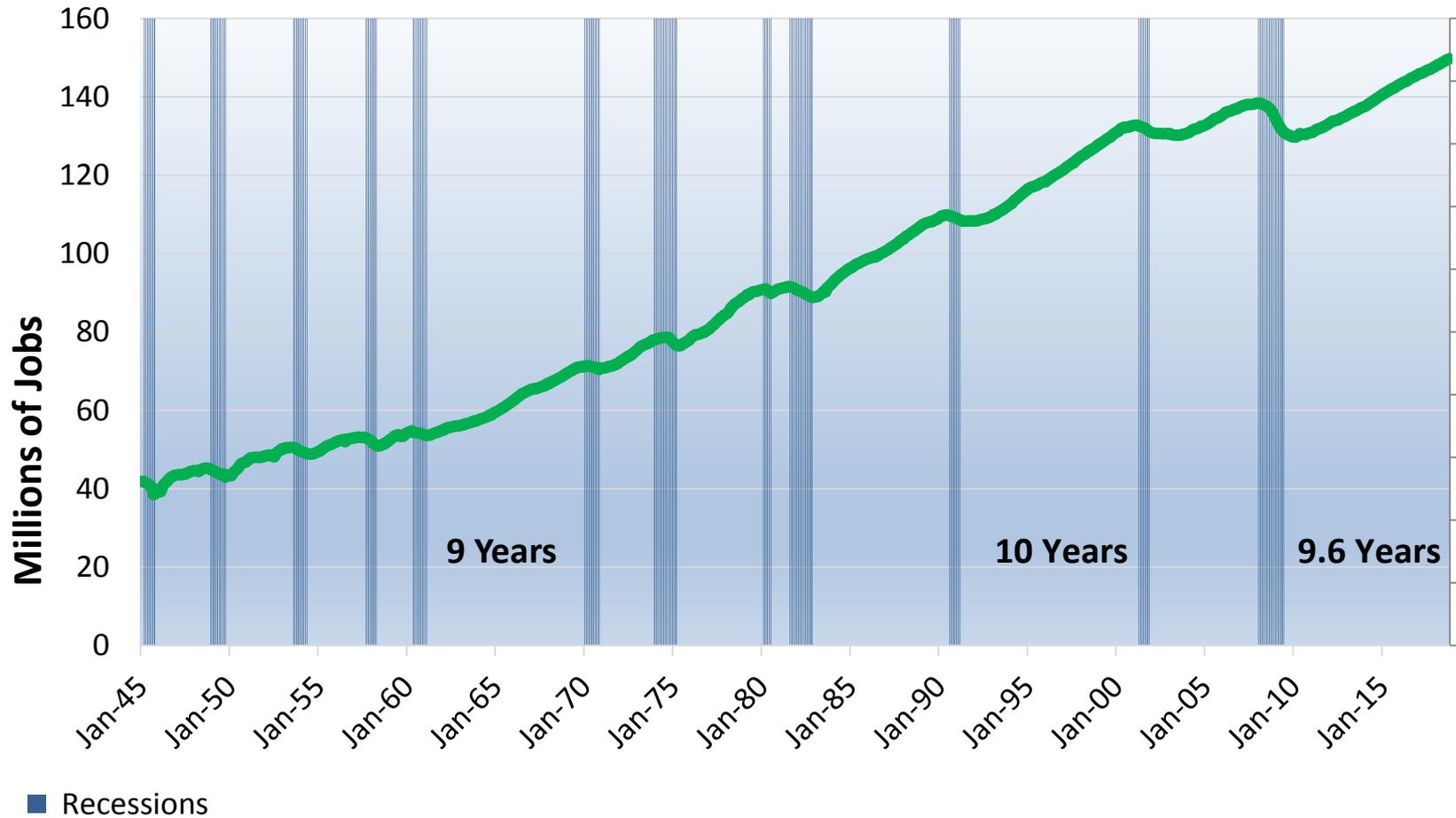
## On the One Hand

- Strong defense spending
  - DoD funded through Sept.
- Strong consumer spending
- Increasing wages
- Corporate profits
- Low energy prices
- Continued national growth

## On the Other...

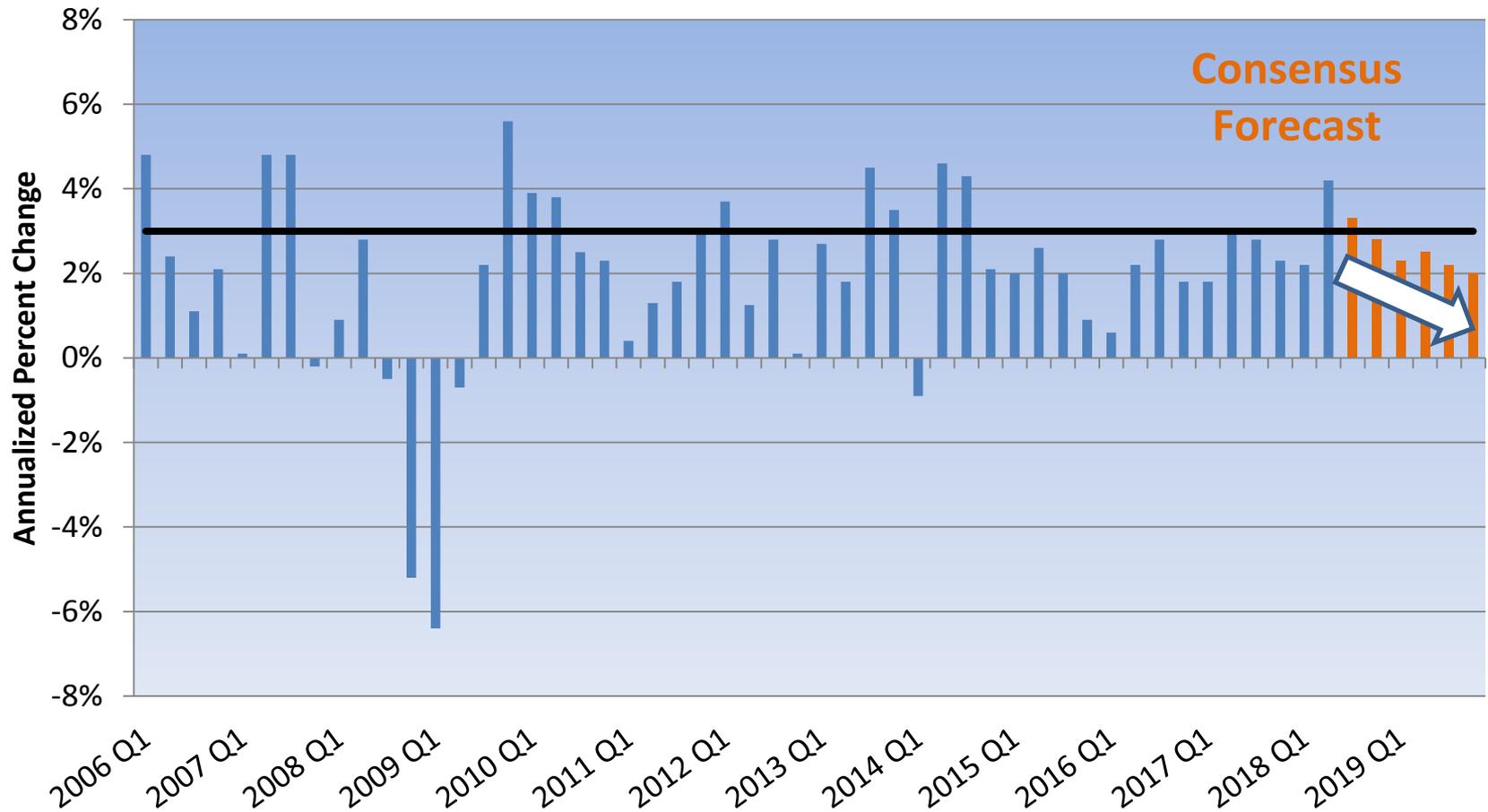
- Growing risk of recession
- National home price deceleration
- Global trade tensions (China)
- European slow-down
- Rising interest rates
- Divided government

# U.S. Civilian Employment



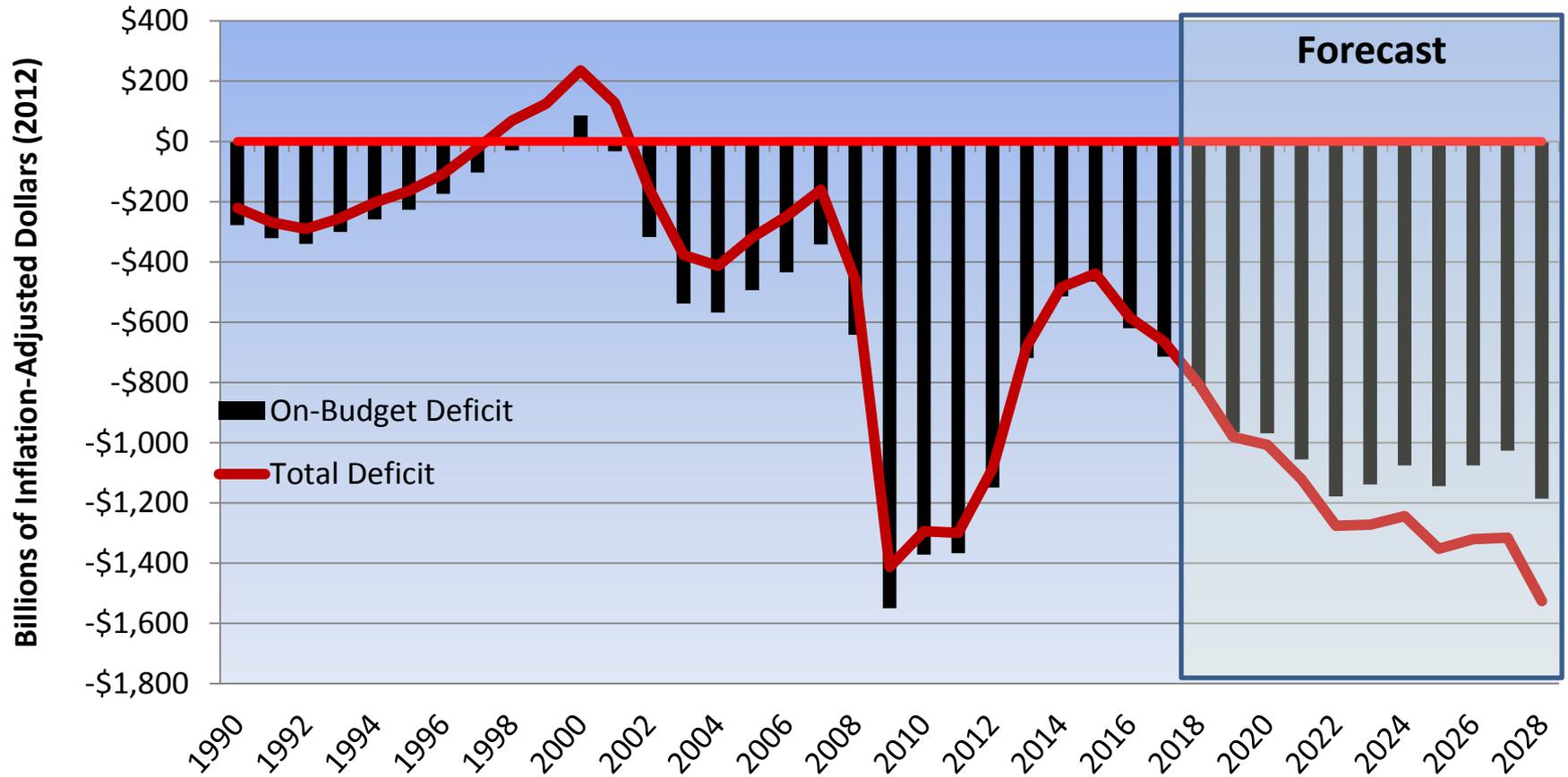
Source: National Bureau of Economic Research, Bureau of Labor Statistics and HRPDC

# Forecast of U.S. Gross Domestic Product



Source: Blue Chip Economic Indicators and HRPDC

# Federal Budget Deficits



Source: Congressional Budget Office and HRPDC

# HRPDC Forecast for 2019

	2018 (Year to Date)	2019 Forecast
<b>U.S.</b>		
Real GDP	2.9%	2.6%
Interest Rates		
Short Government Rates	2.0%	2.8%
Long Government Rates	2.9%	3.3%
<b>Hampton Roads</b>		
Gross Product	NA	2.2%
Civilian Employment	0.6%	1.2%
Unemployment Rate	3.3%	3.2%
Retail Sales	3.3%	3.4%
Auto and Truck Sales	-1.3%	-0.9%
Value of Single-Family Residential Building Permits	2.6%	3.0%



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