

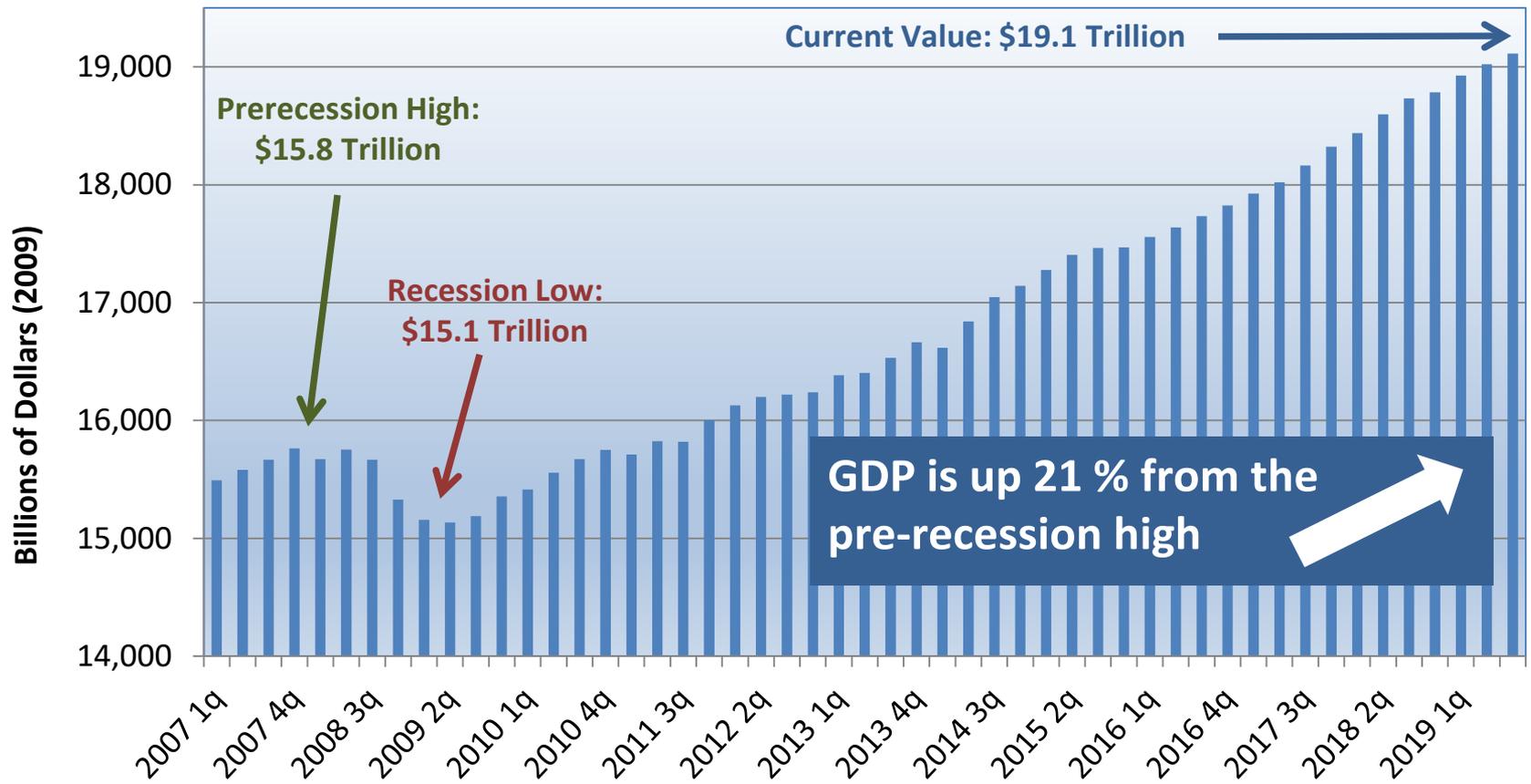
2020 Regional Economic Forecast

Presented to the Hampton Roads
Planning District Commission

Greg Grootendorst
Chief Economist, HRPDC
January 16, 2020

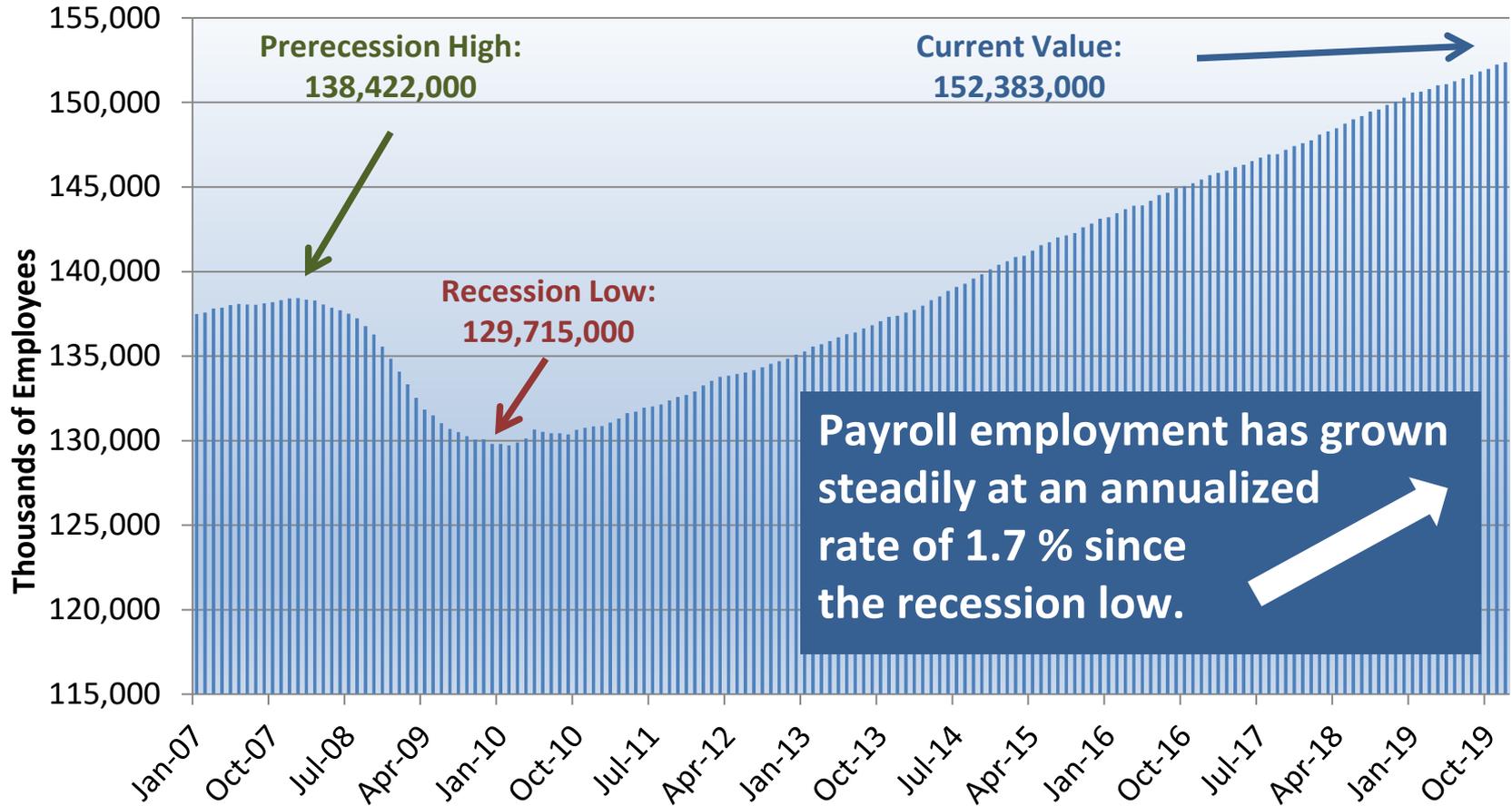


U.S. Gross Domestic Product



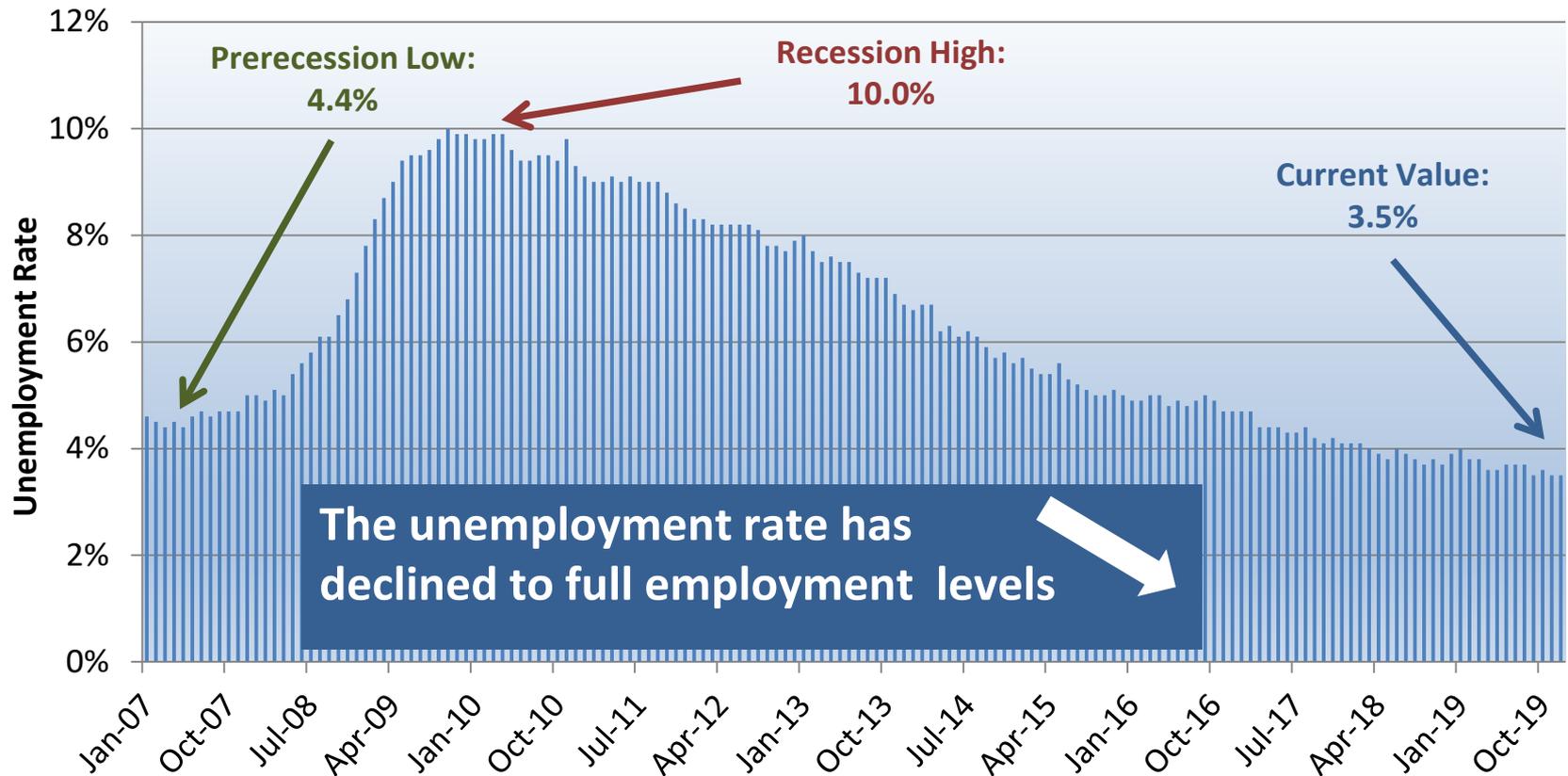
Source: Bureau of Economic Analysis and HRPDC

U.S. Non-Farm Civilian Employment



Source: Bureau of Labor Statistics and HRPDC

U.S. Unemployment Rate



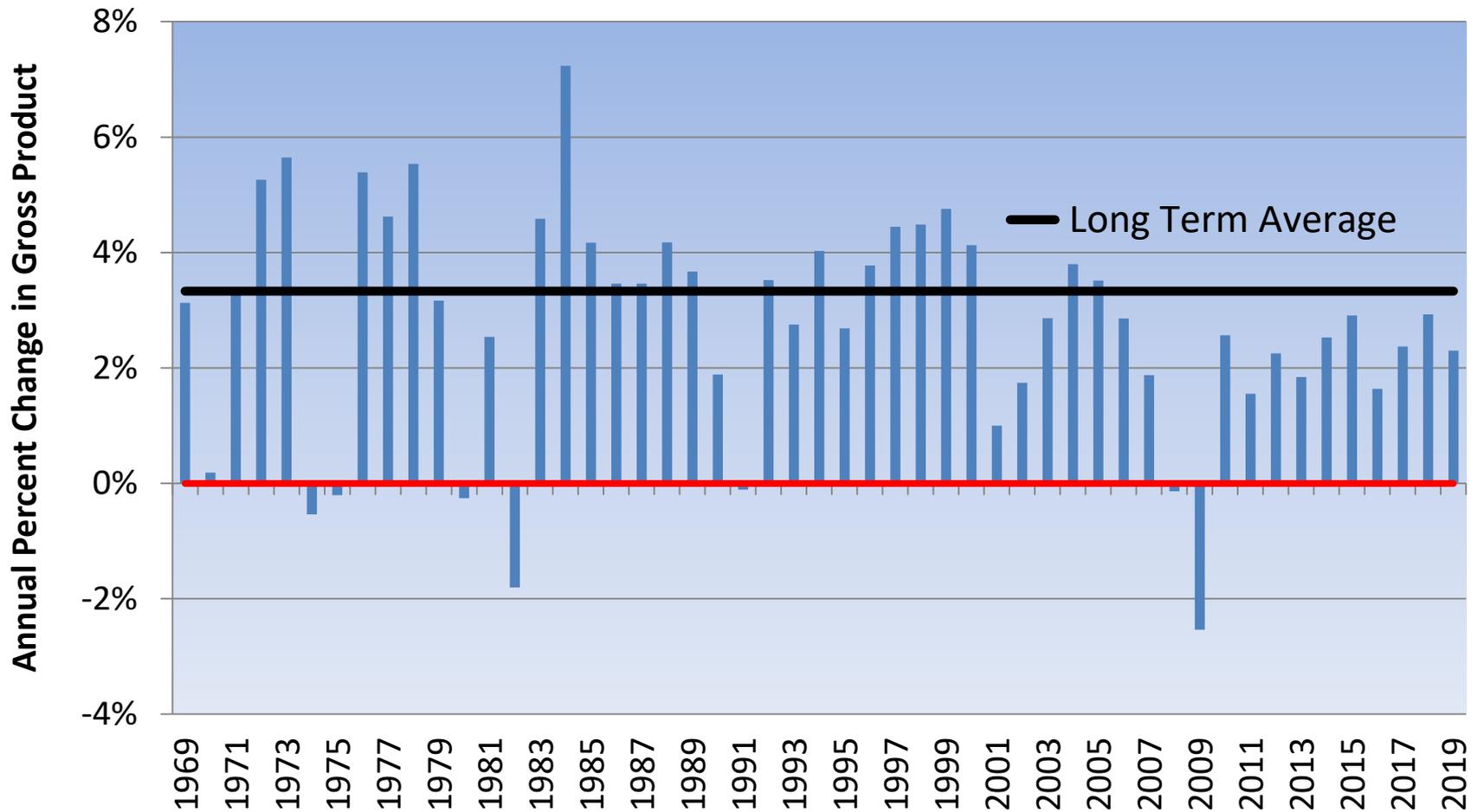
Source: Bureau of Labor Statistics and HRPDC

S&P 500 Stock Market Index



Source: Yahoo Finance and HRPDC

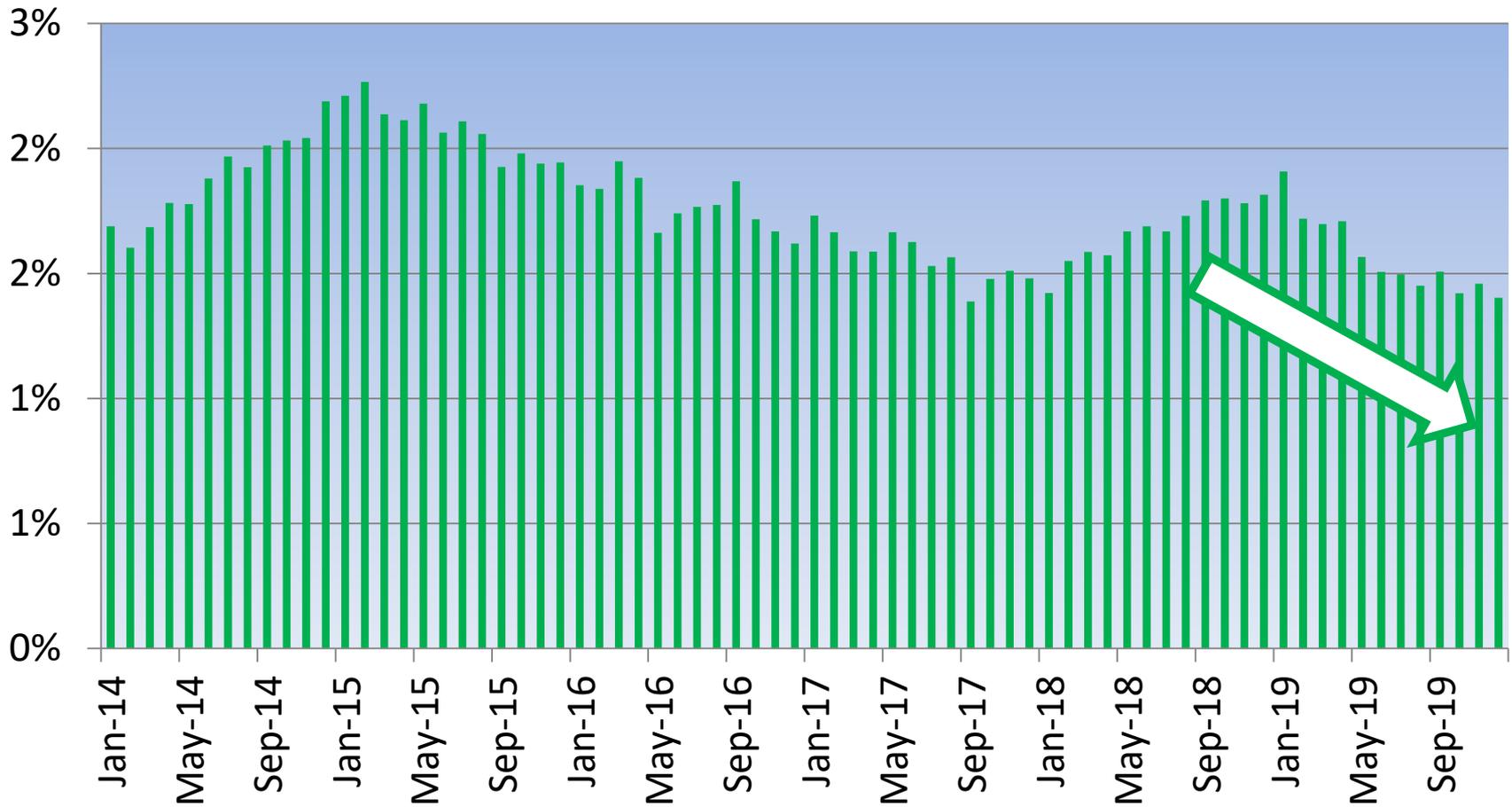
Growth Gross Domestic Product



Source: Bureau of Economic Analysis and HRPDC

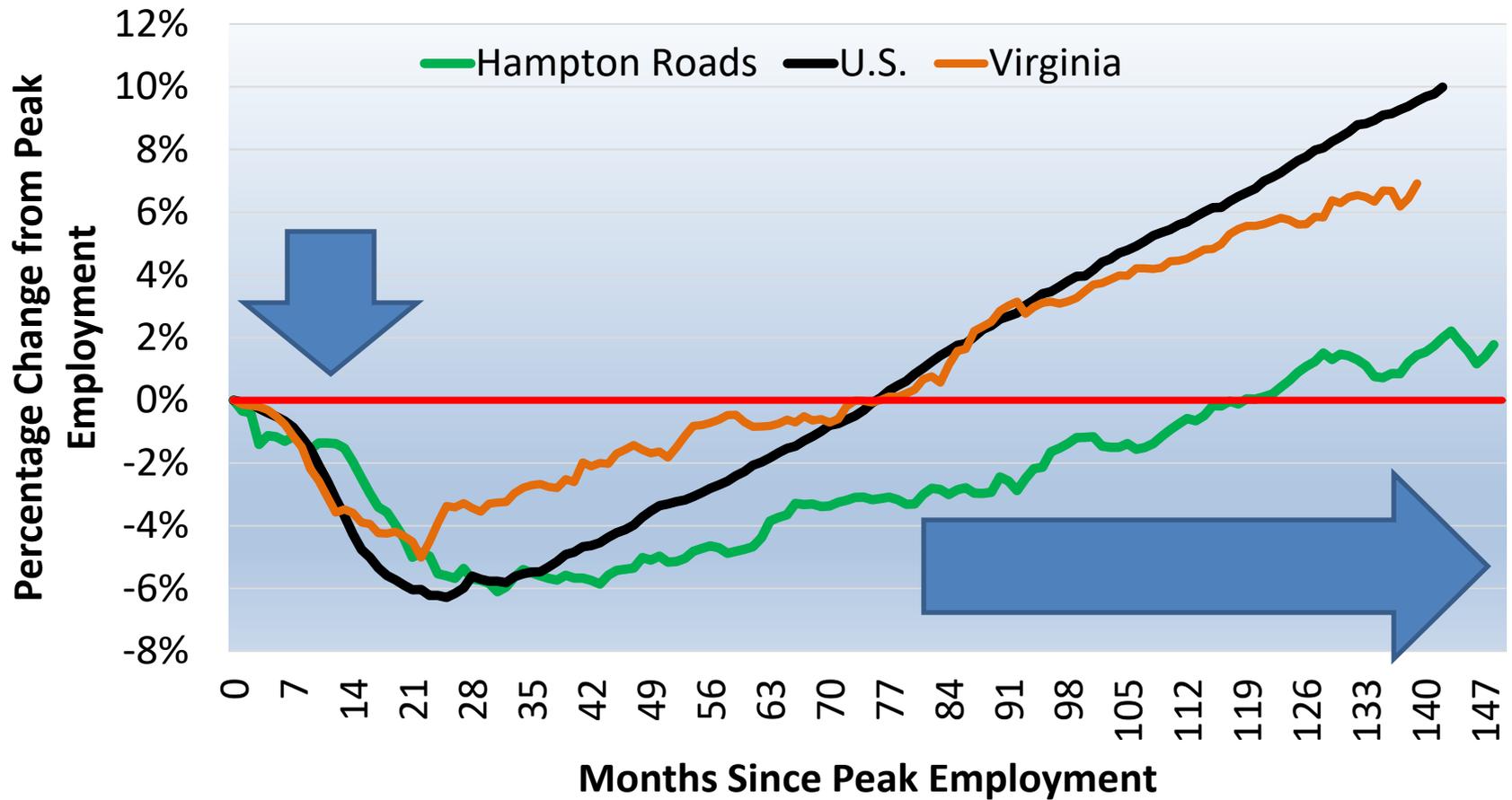
National Employment Growth

Year-over-Year

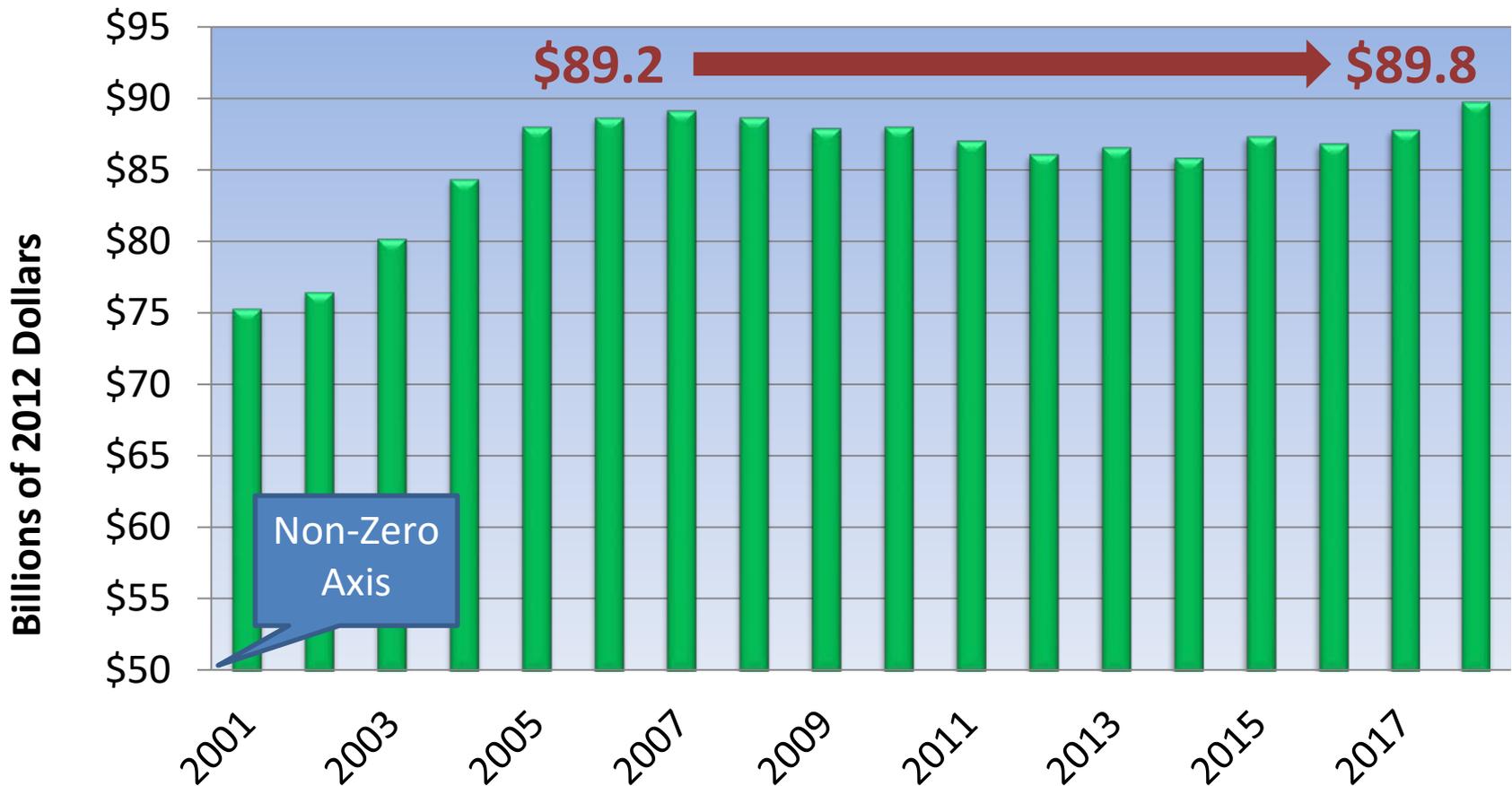


Source: Bureau of Labor Statistics and HRPDC

Employment Decline and Recovery



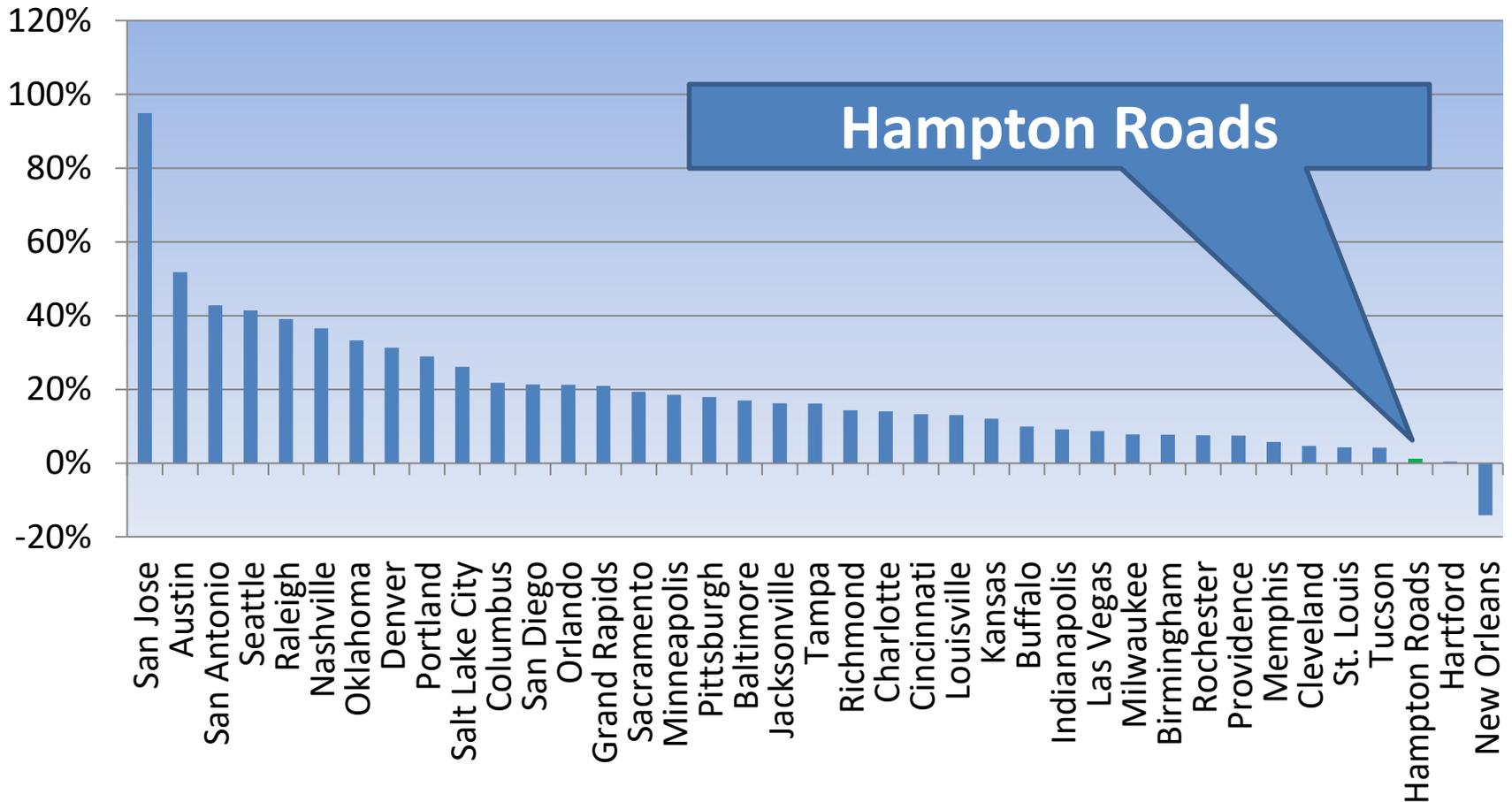
Hampton Roads Gross Product



Source: Bureau of Economic Analysis, and HRPDC

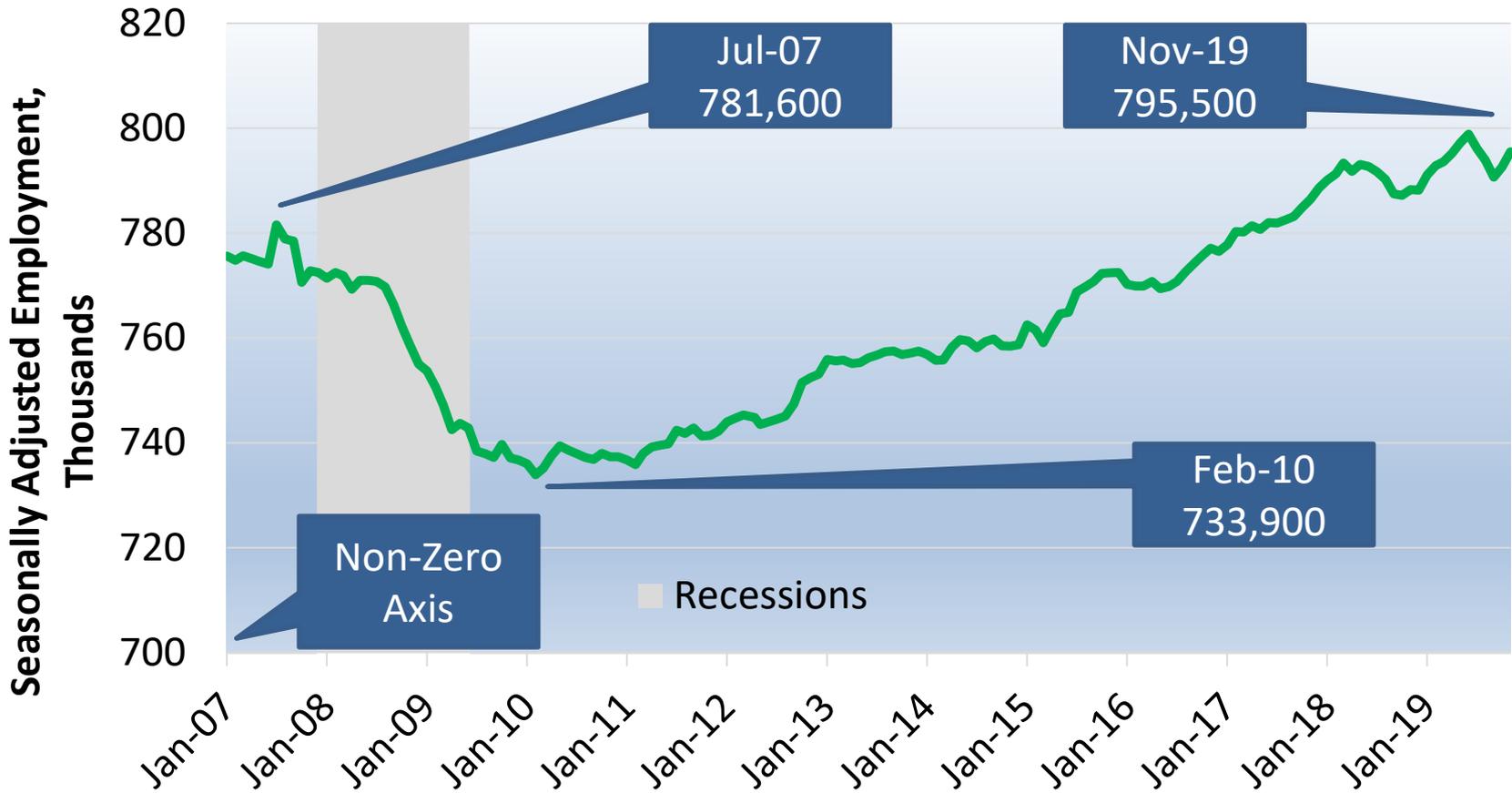
10 Year Growth in Gross Product

Metropolitan Areas with 1 – 4 Million Residents



Source: Bureau of Economic Analysis, and HRPDC

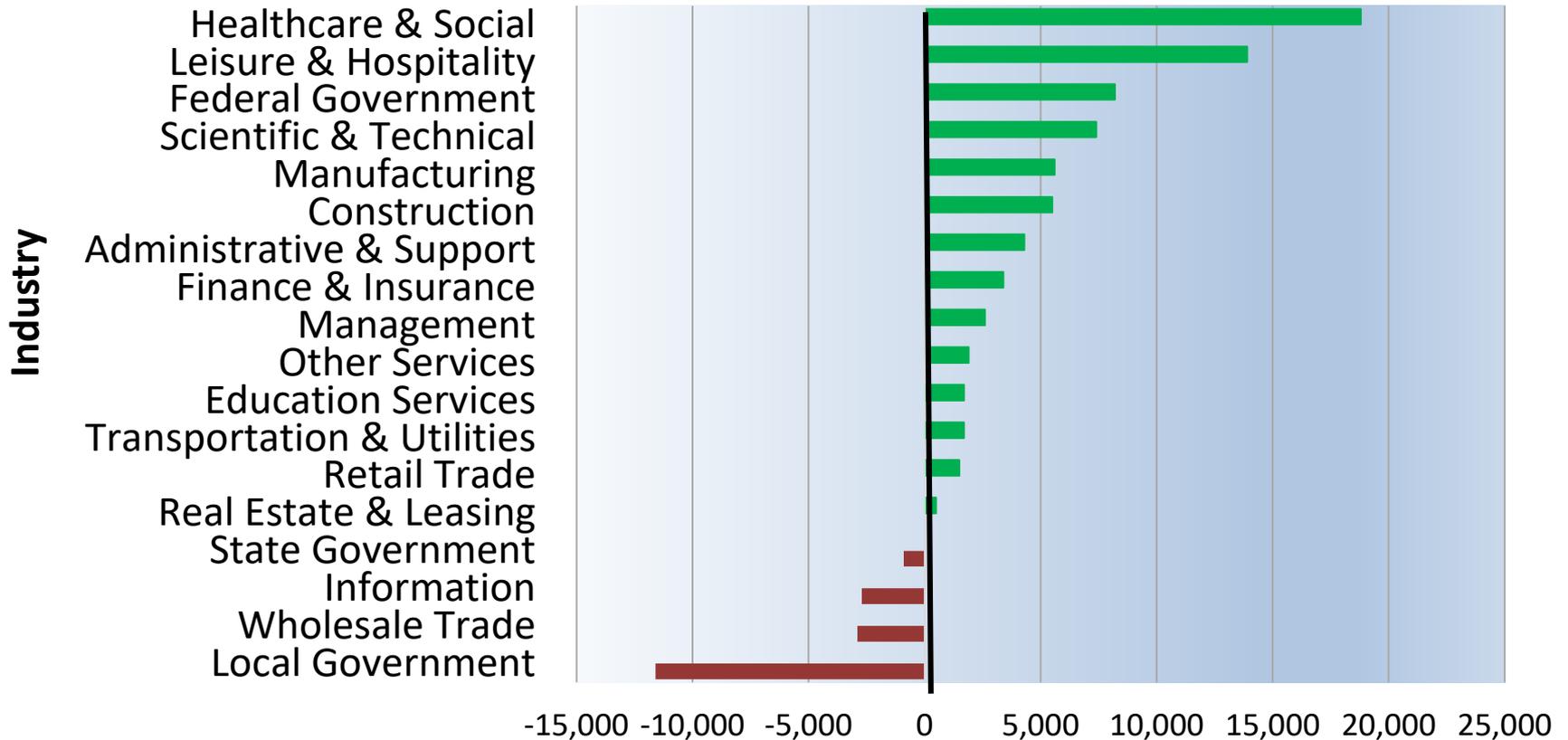
Nonfarm Civilian Employment (Jobs) in Hampton Roads



Source: Bureau of Labor Statistics and HRPDC

Hampton Roads Employment Change

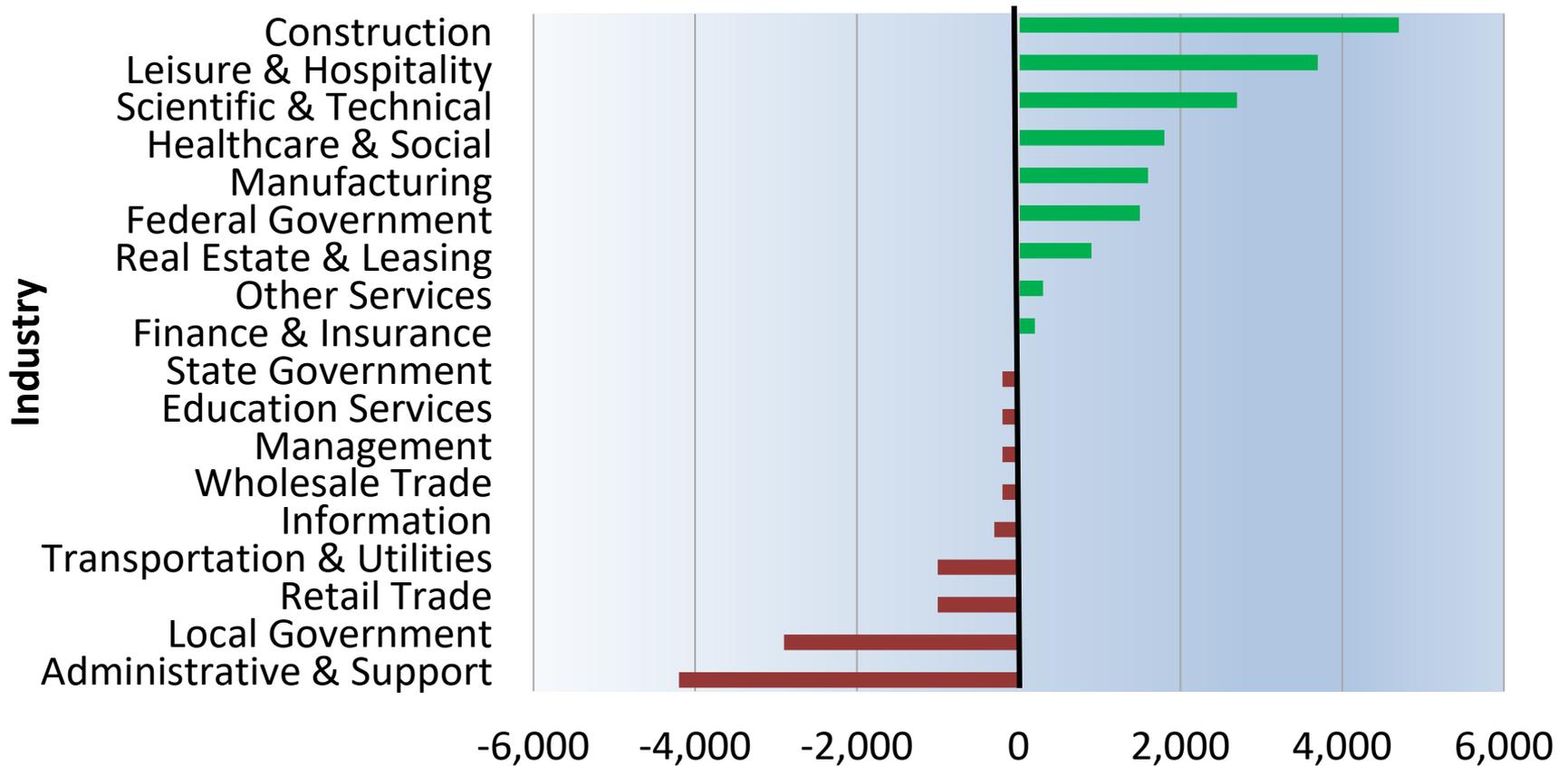
November '09 – November '19



Source: Bureau of Labor Statistics and HRPDC

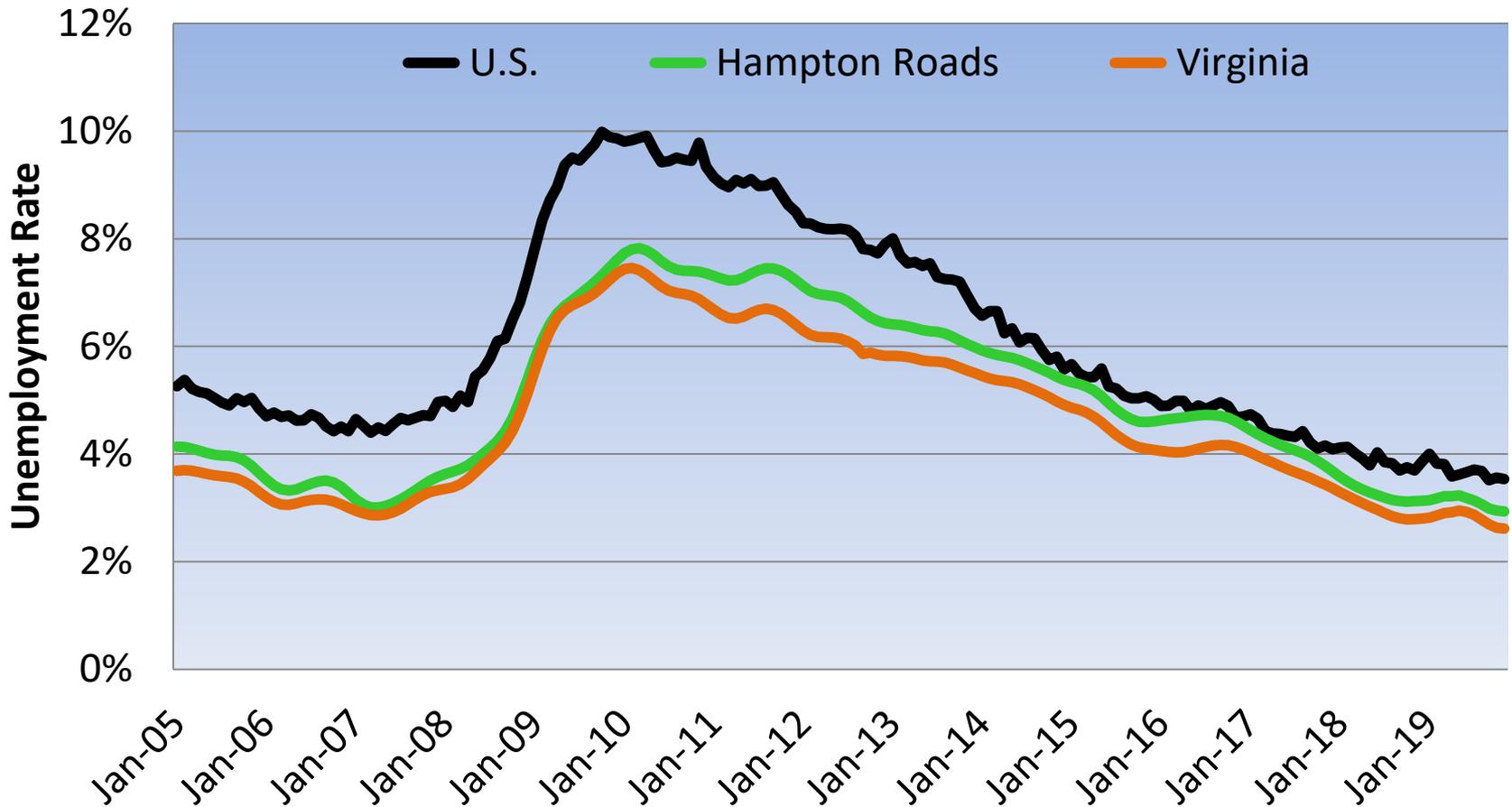
Hampton Roads Employment Change

November '18 – November '19



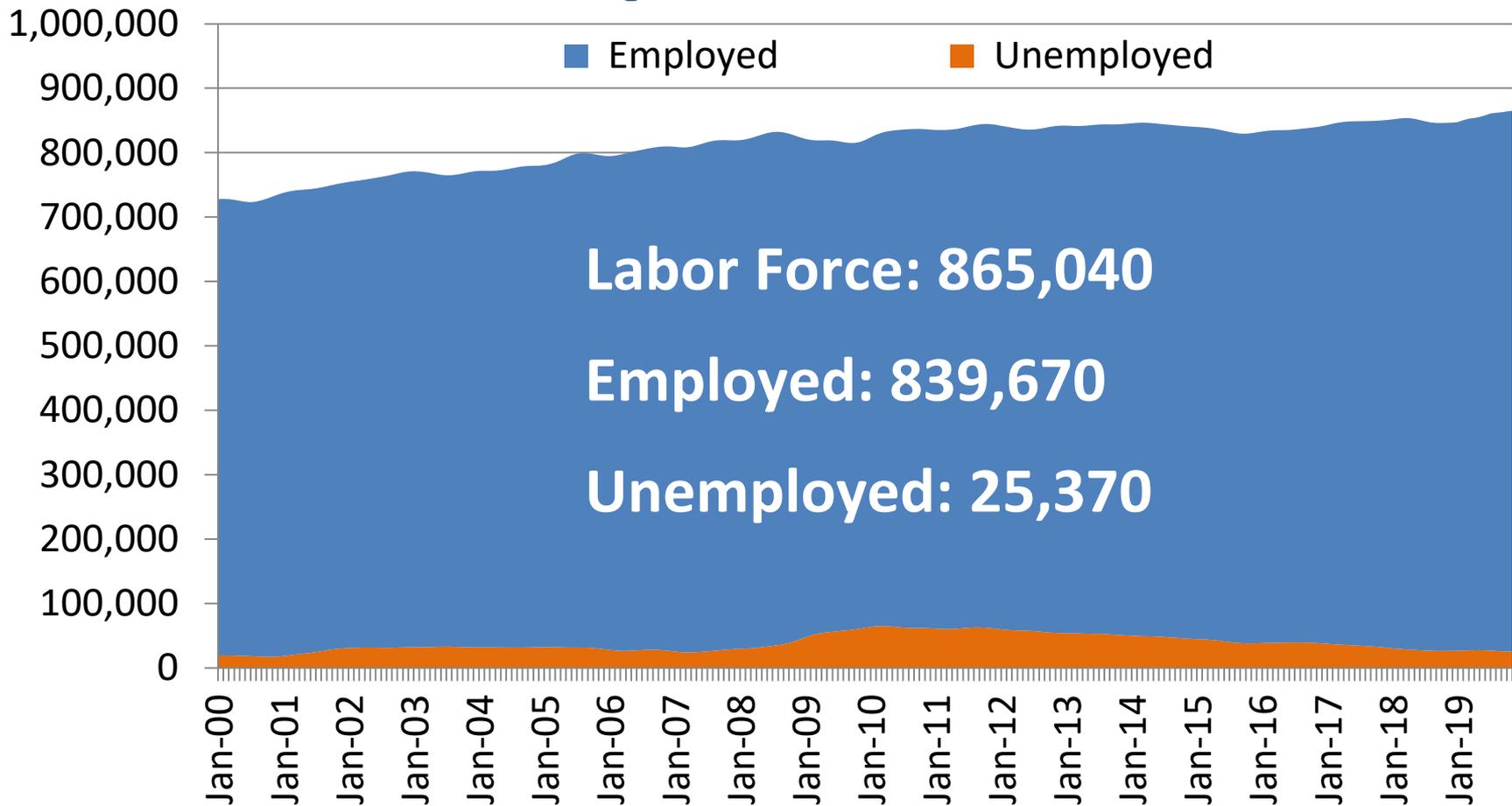
Source: Bureau of Labor Statistics and HRPDC

Unemployment Rates



Source: Bureau of Labor Statistics and HRPDC

Civilian Labor Force in Hampton Roads



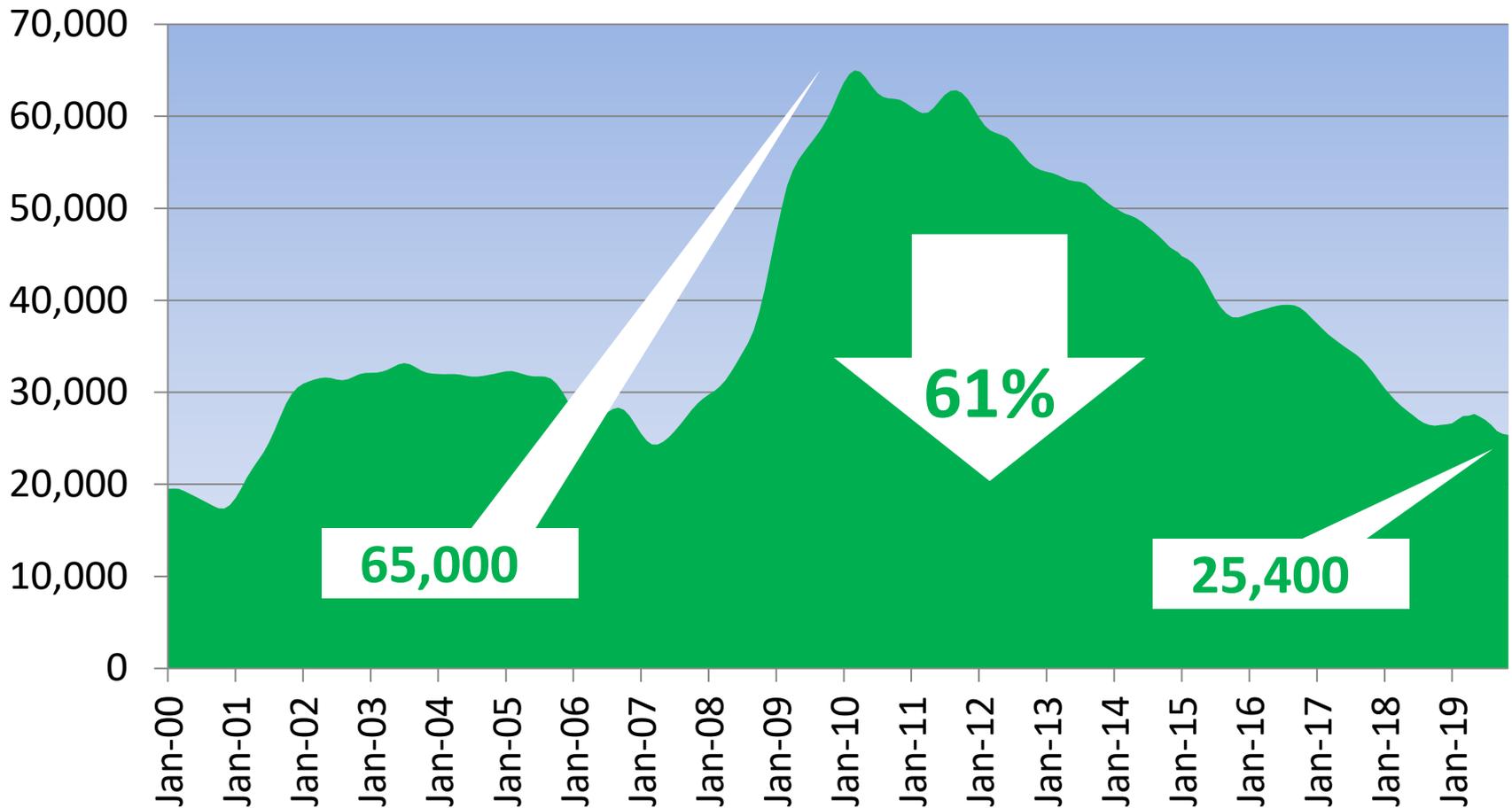
Labor Force: 865,040

Employed: 839,670

Unemployed: 25,370

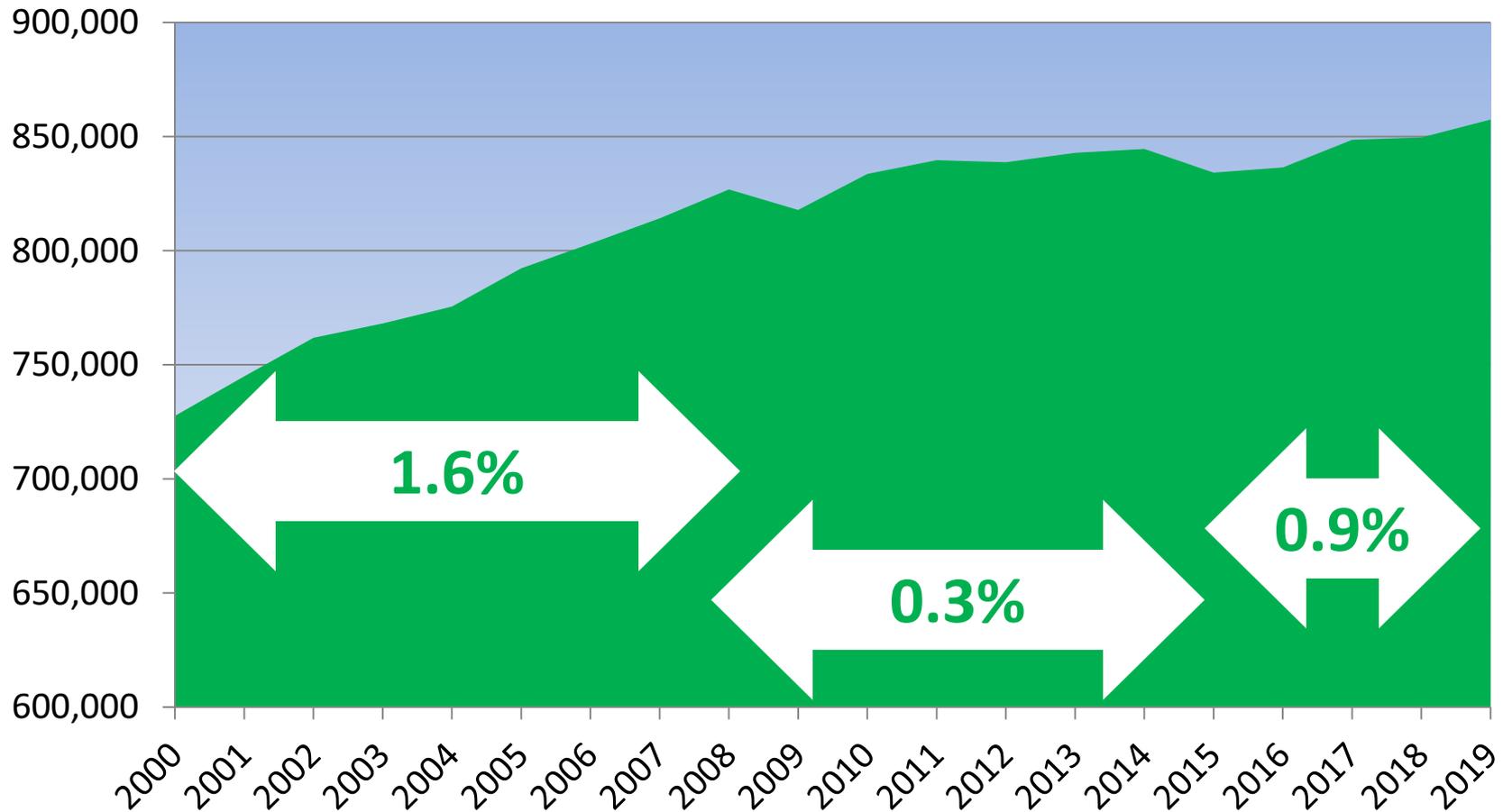
Source: Bureau of Labor Statistics and HRPDC

Unemployed People in Hampton Roads



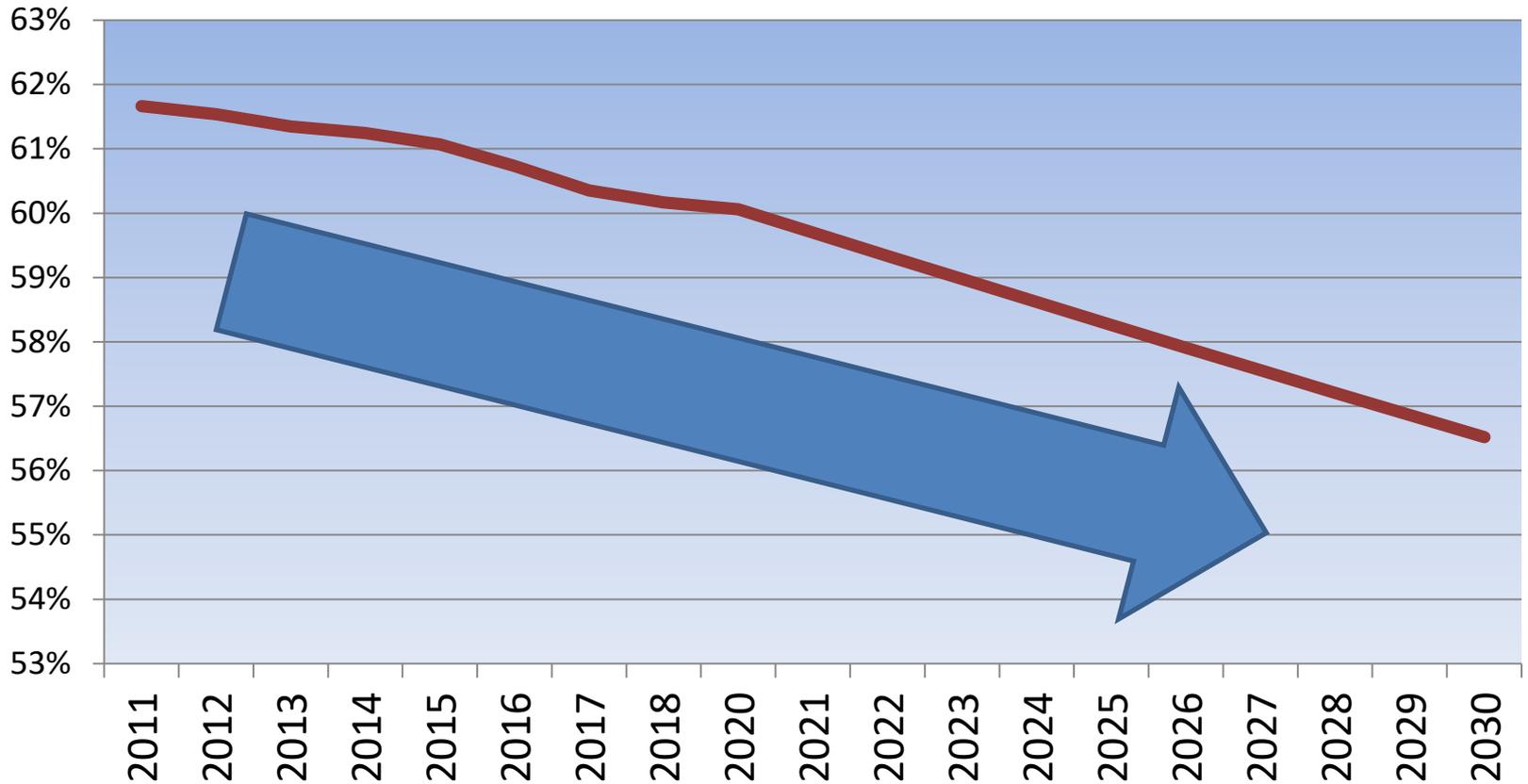
Source: Bureau of Labor Statistics and HRPDC

Hampton Roads Labor Force



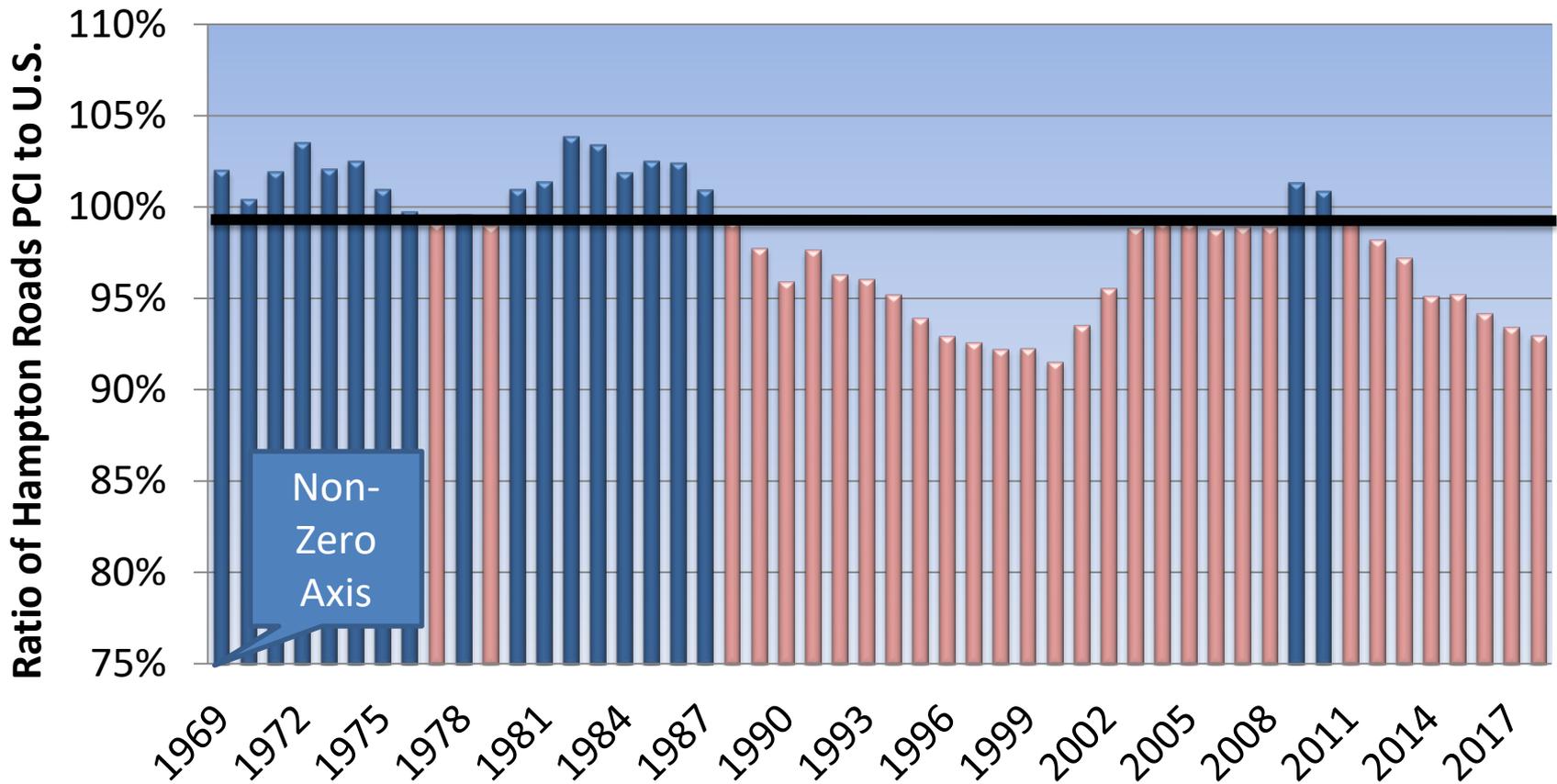
Source: Bureau of Labor Statistics and HRPDC

Percent of Hampton Roads Population of “Prime” Working Age



Source: Weldon Cooper Center and HRPDC

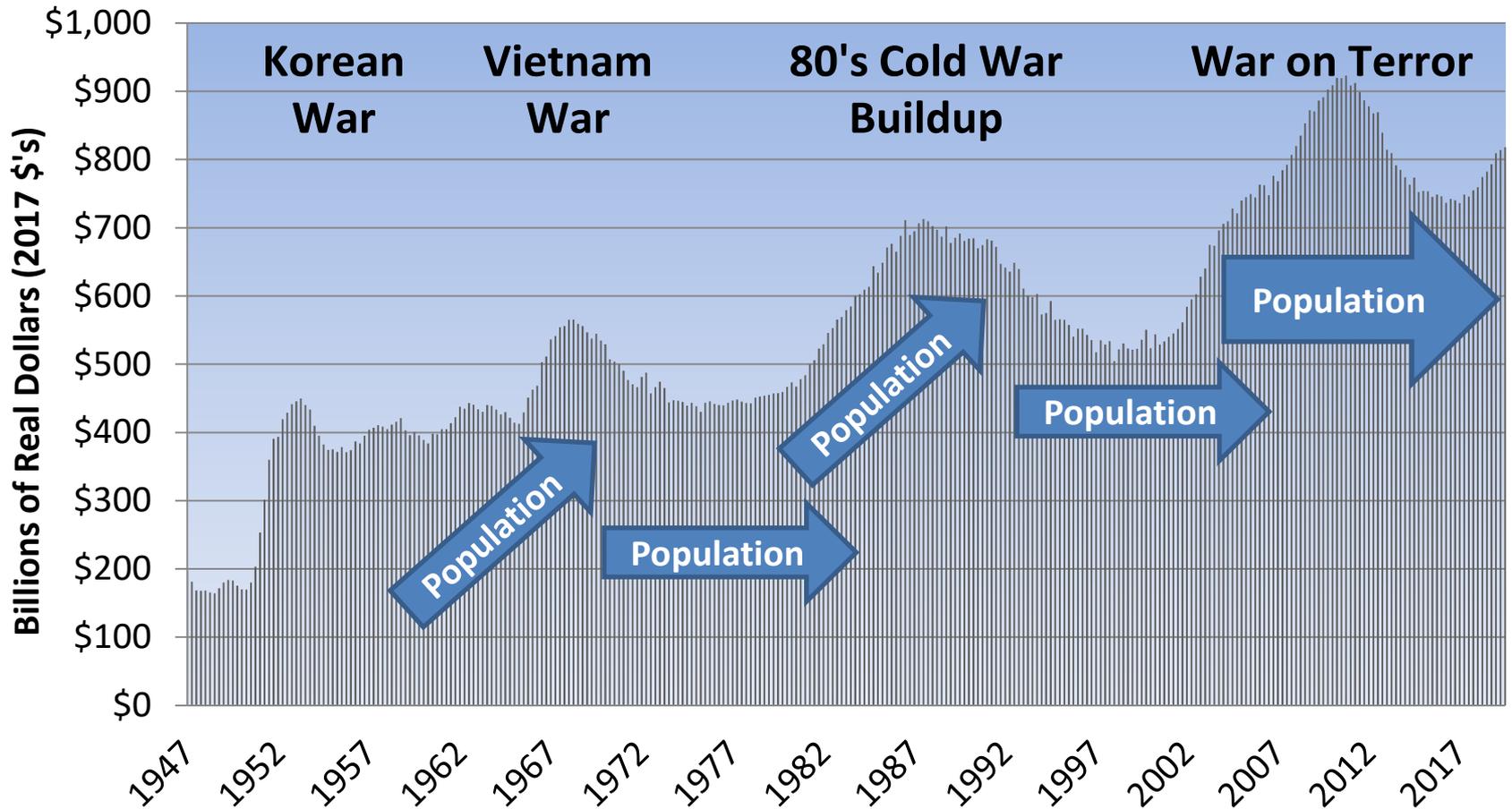
Per Capita Income in Hampton Roads Compared to the United States



Source: Bureau of Economic Analysis, and HRPDC

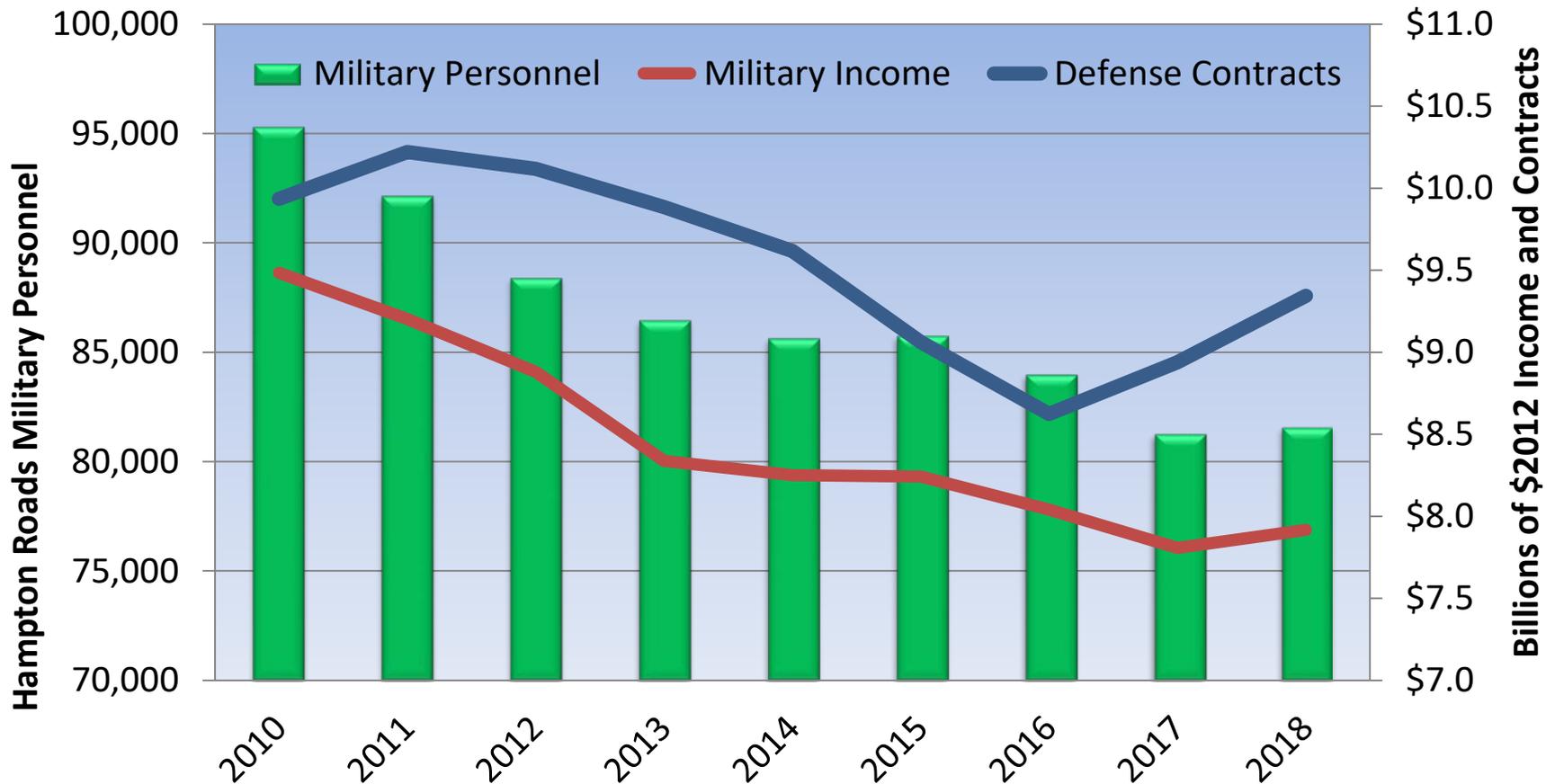
Annualized Real Defense Outlays

(U.S. Quarterly Data, Seasonally Adjusted)



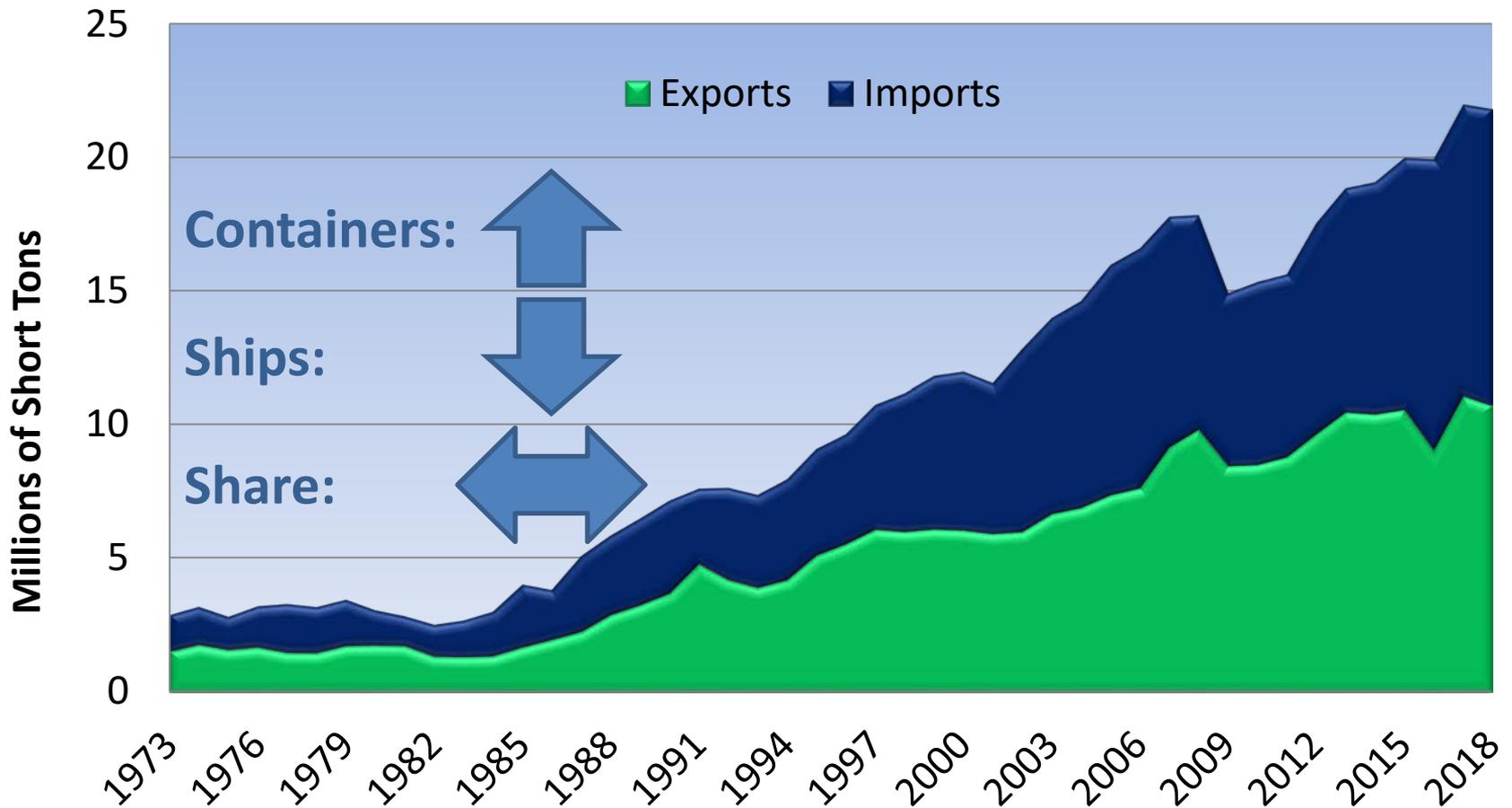
Source: Bureau of Economic Analysis, Weldon Cooper Center, and HRPDC

DoD Presence in Hampton Roads



Source: Bureau of Economic Analysis and HRPDC

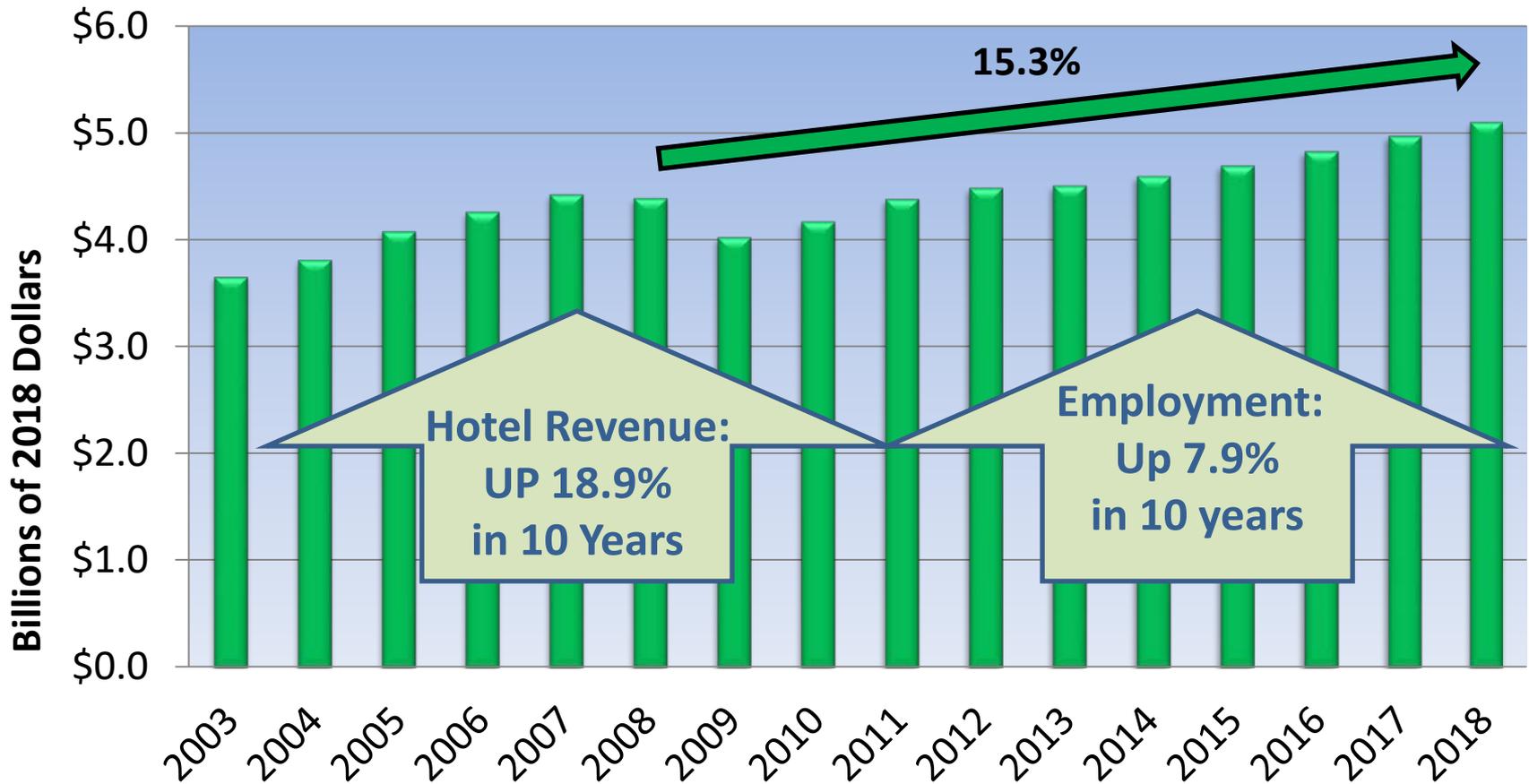
General Cargo in Hampton Roads



Source: Port of Virginia and HRPDC

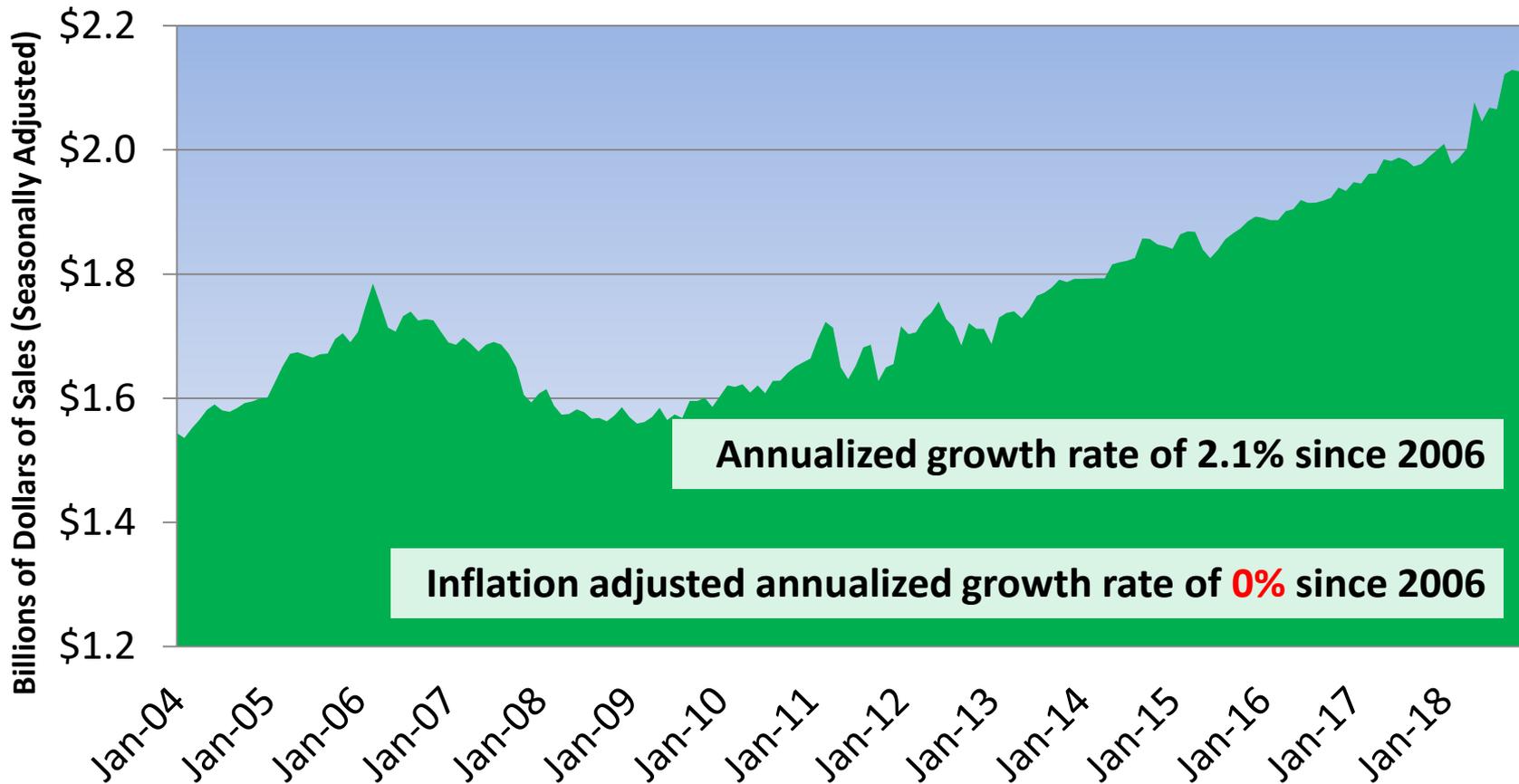
Tourism Expenditures in HR

(Inflation-Adjusted)



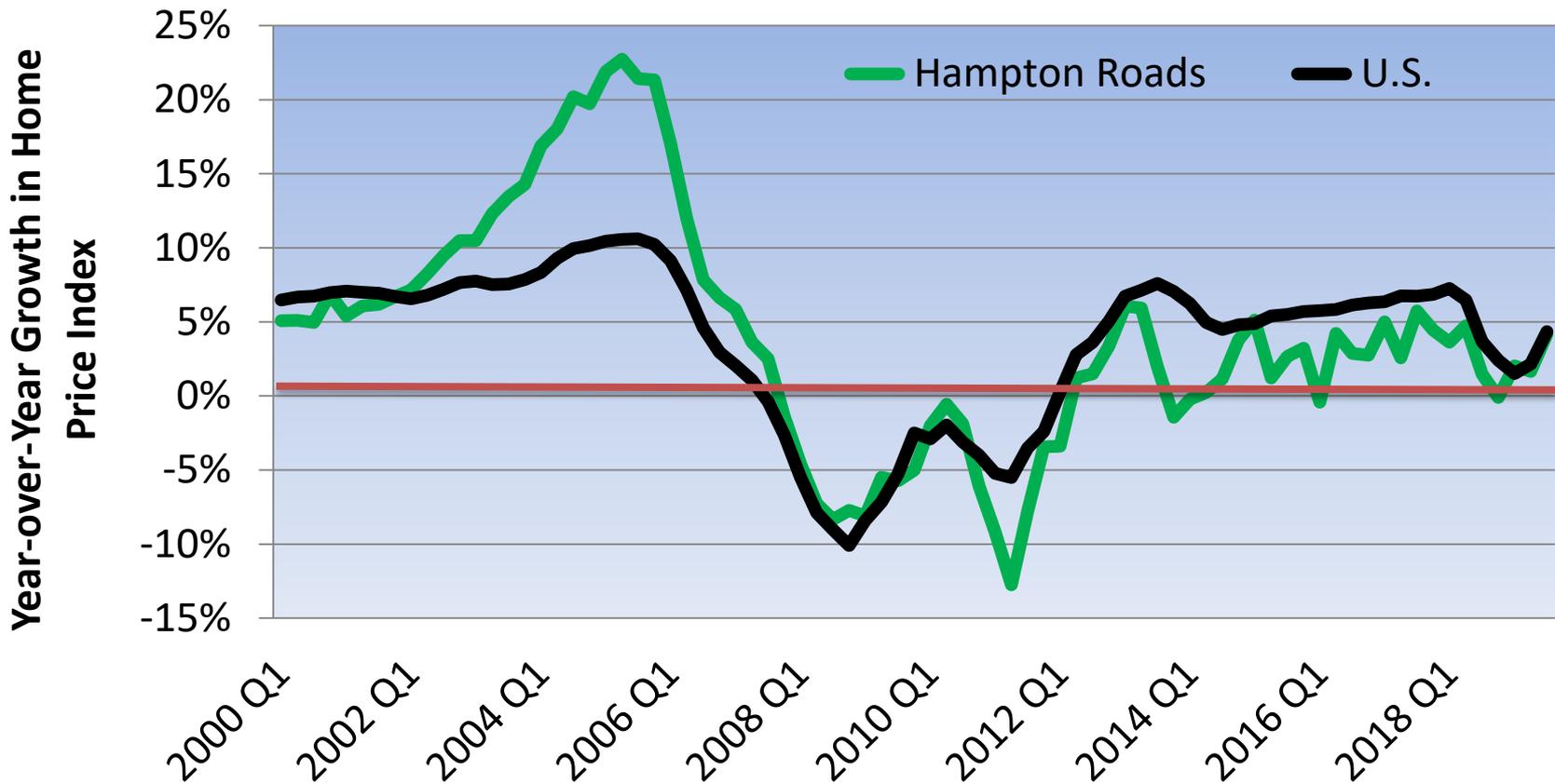
Source: Virginia Tourism Corporation and HRPDC

Hampton Roads Retail Sales



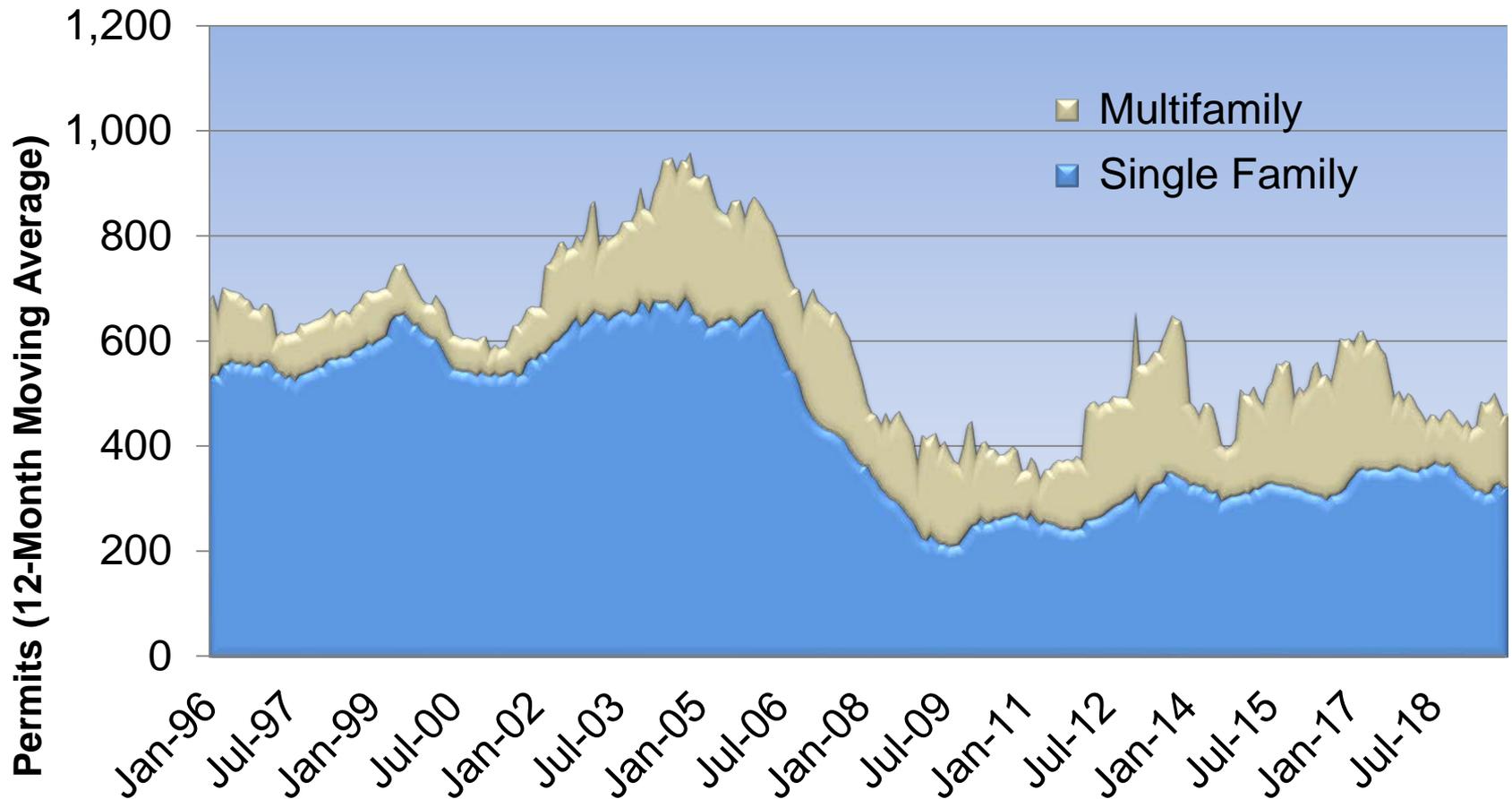
Source: Virginia Department of Taxation and HRPDC

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



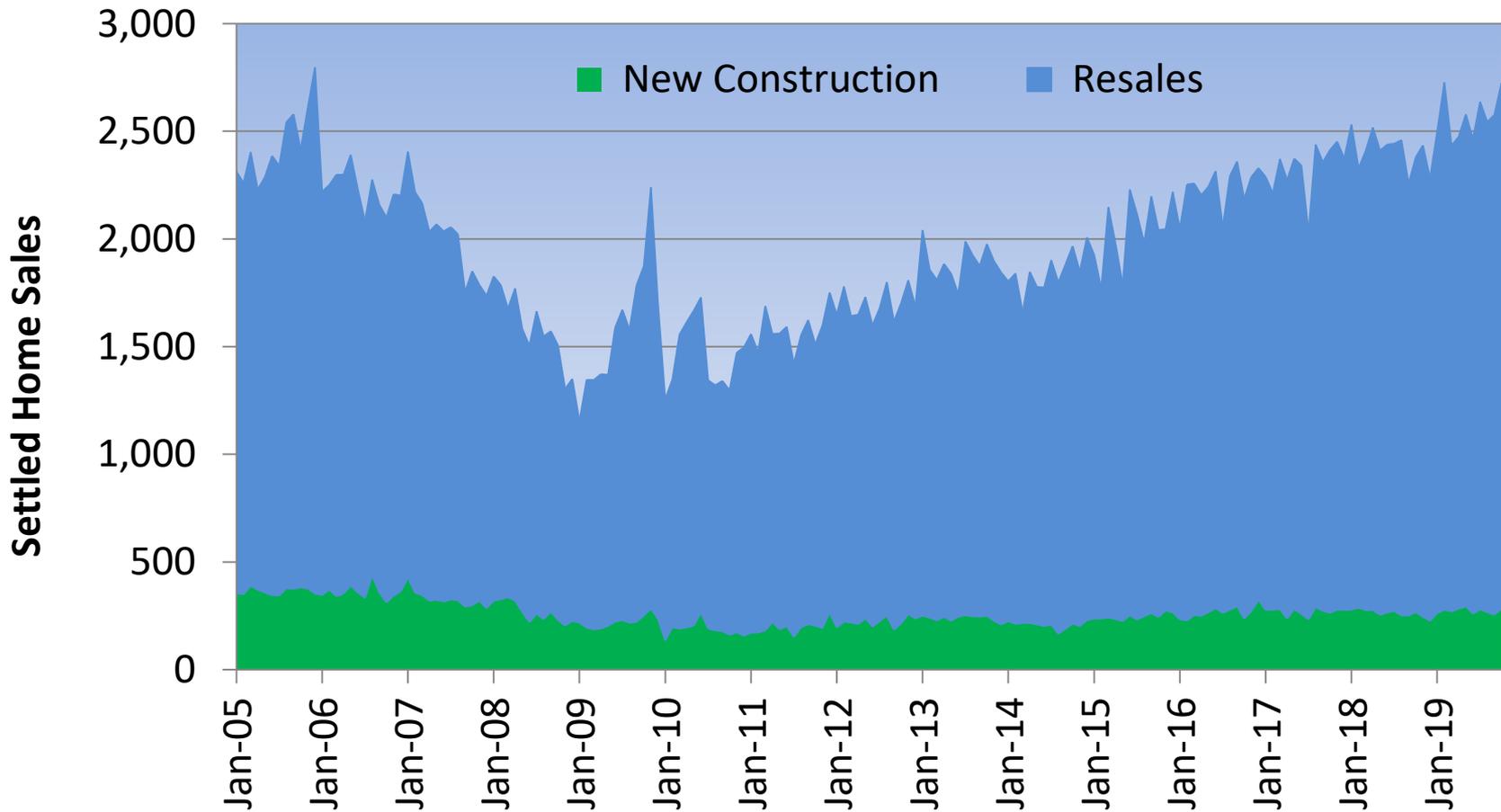
Source: Federal Housing Finance Agency, HRPDC

Housing Permits in Hampton Roads



Source: U.S. Census Bureau, HRPDC

Hampton Roads Housing Market Settled Sales



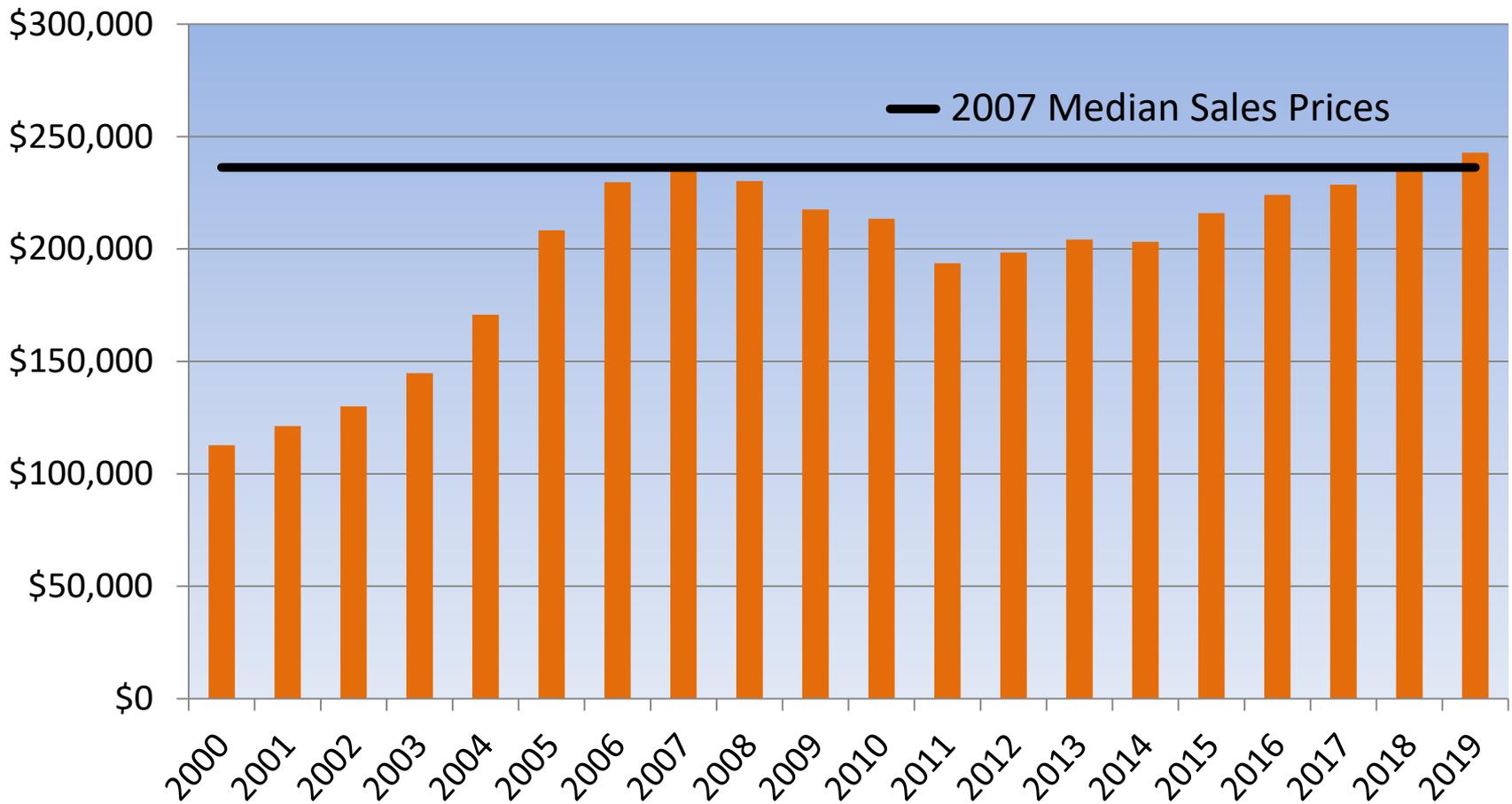
Source: Real Estate Investment Network, HRPDC

Average "Sold" Market Time (Seasonally Adjusted)



Source: Real Estate Investment Network, HRPDC

Median Sales Prices in Hampton Roads



Source: Real Estate Investment Network, HRPDC

The Year Ahead

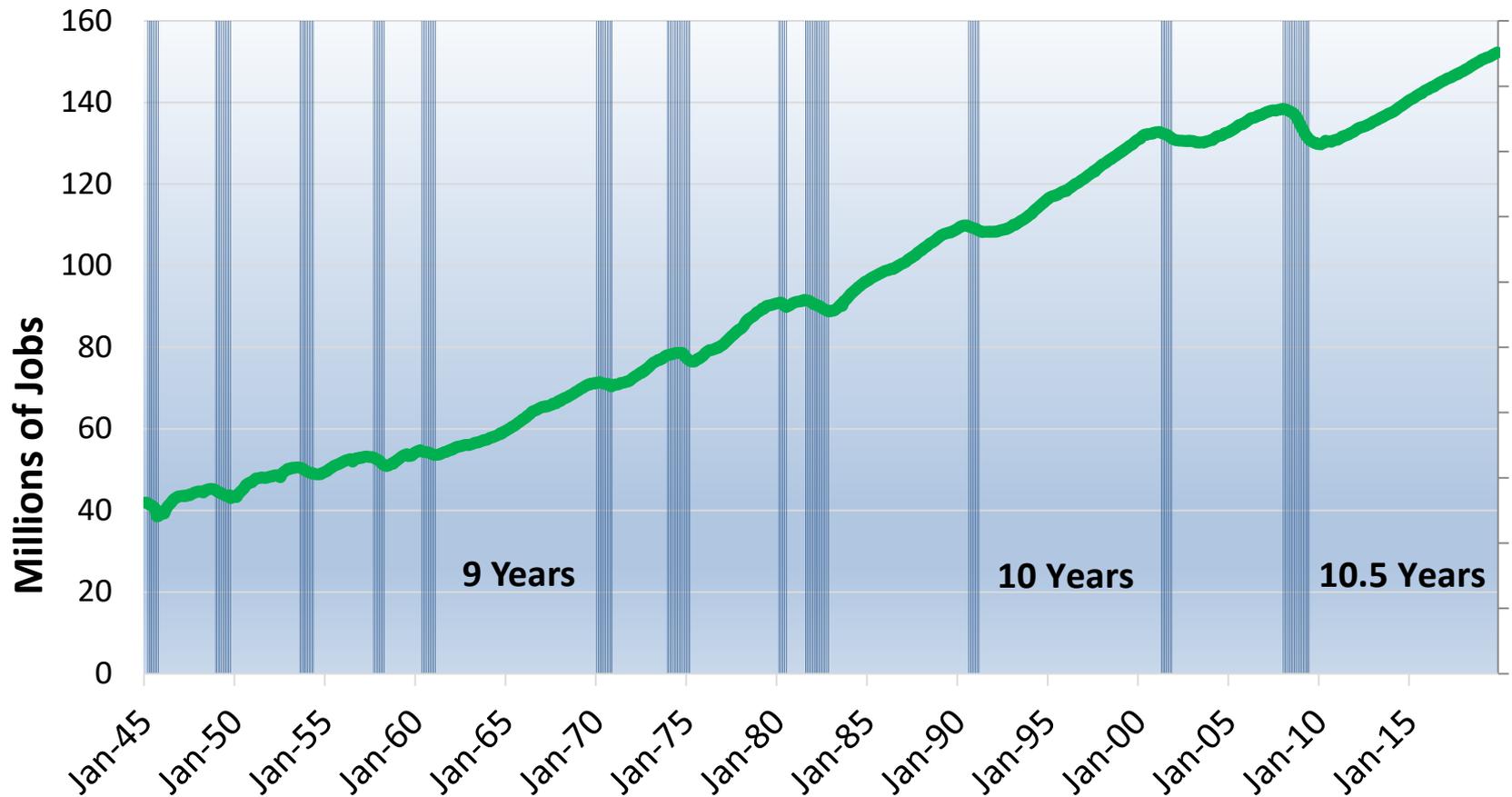
On the One Hand

- Continued growth in defense spending
- Consumer spending remains positive
- Slowly increasing wages
- Low energy prices
- Continued national growth
- Easy monetary policy
- Construction in Hampton Roads!!

On the Other...

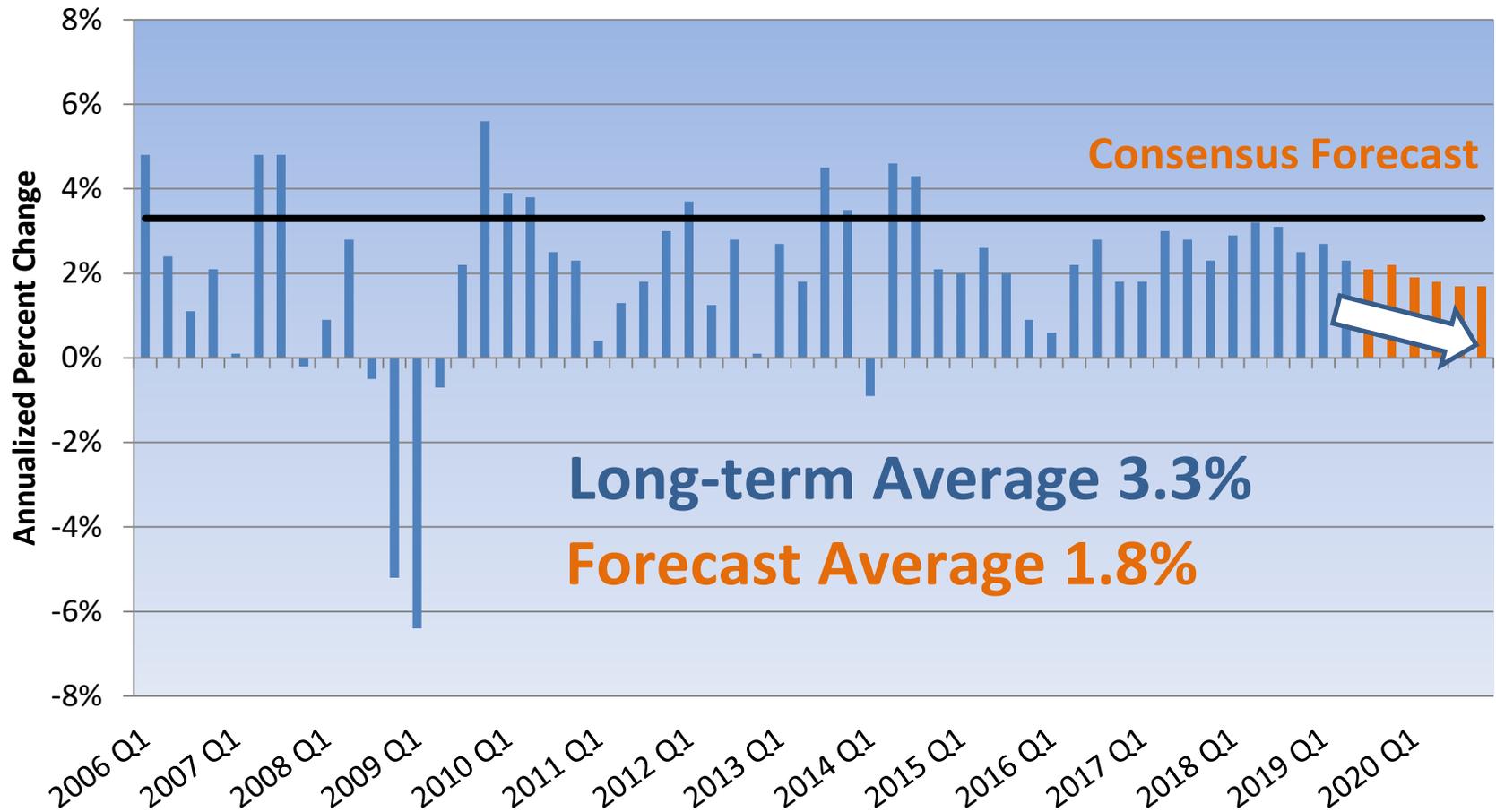
- Global trade tensions
 - dissipating but volatile
- Global economy
- Softening of home prices
- Slowly increasing wages
- Divided government
- Slowing of the U.S. economy

U.S. Civilian Employment



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

Forecast of U.S. Gross Domestic Product

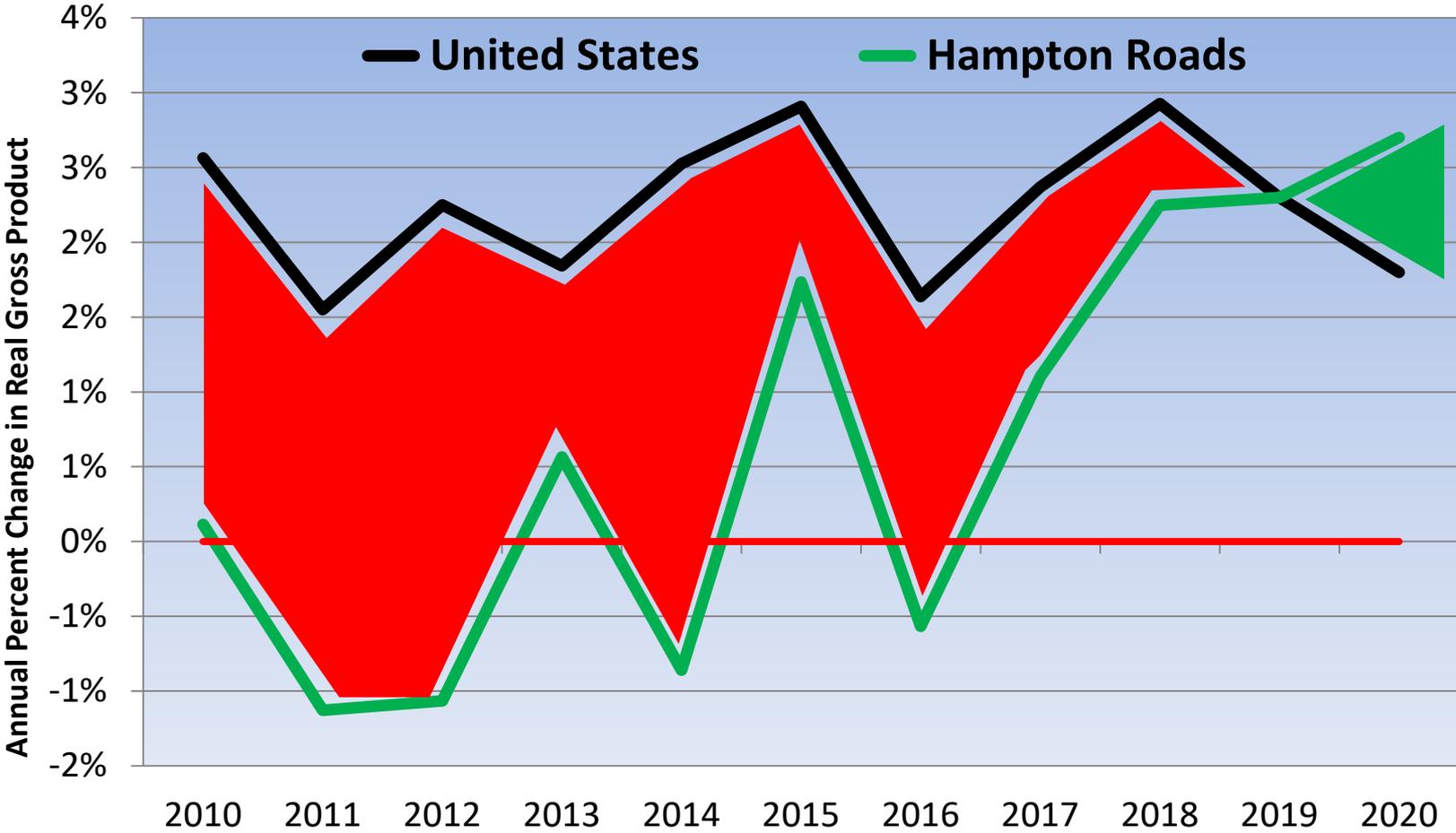


Source: Blue Chip Economic Indicators and HRPDC

HRPDC Forecast for 2020

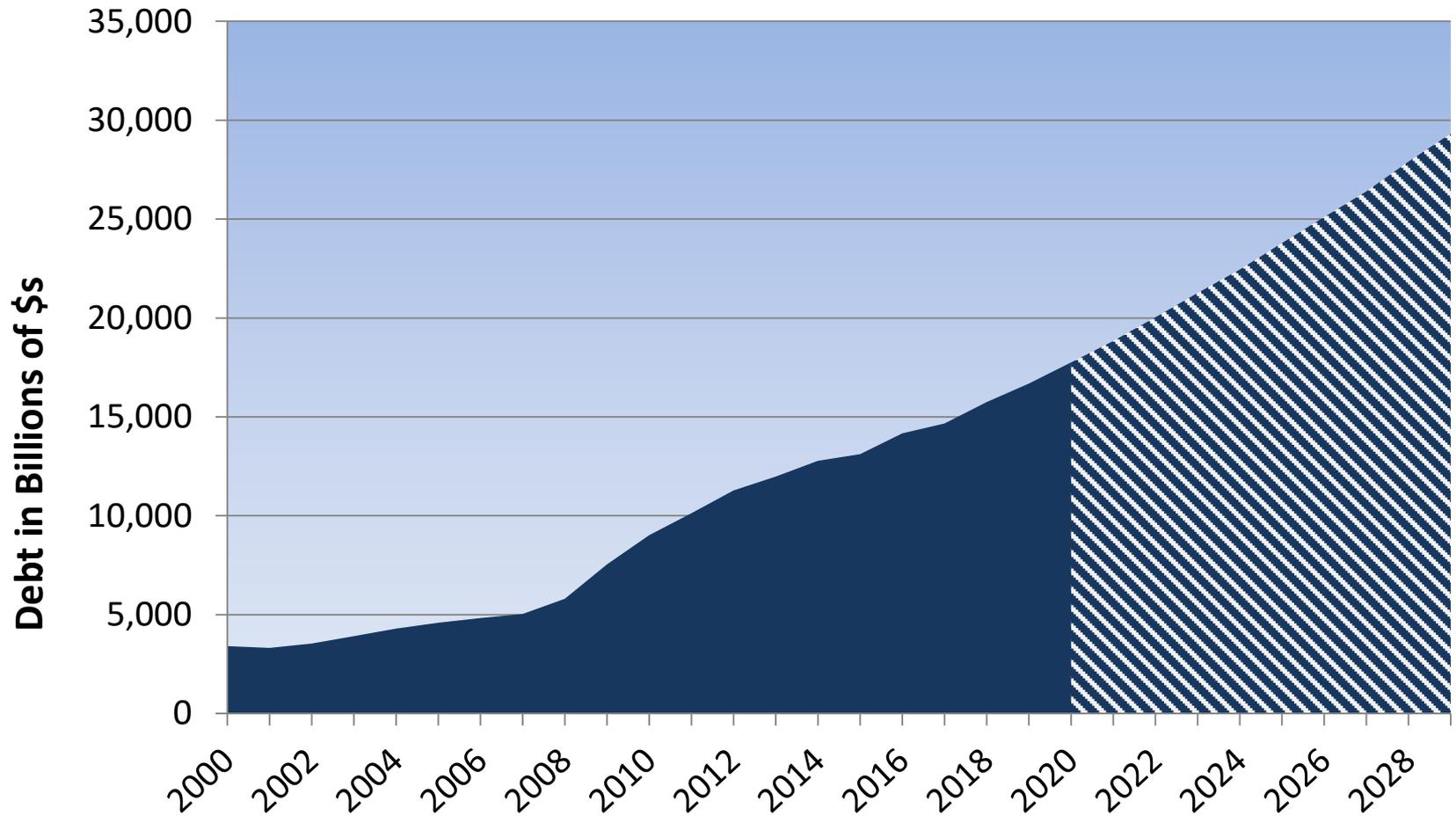
| | 2019 (Year to Date) | 2020 Forecast |
|---|------------------------|------------------|
| U.S. | | |
| Real GDP | 2.3% | 1.8% |
| Interest Rates | | |
| Short Government Rates | 2.1% | 1.5% |
| Long Government Rates | 2.2% | 1.9% |
| Hampton Roads | | |
| Gross Product | 2.3% | 2.7% |
| Civilian Employment | 0.5% | 1.9% |
| Unemployment Rate | 3.1% | 2.8% |
| Retail Sales | 4.0% | 1.5% |
| Value of Single-Family Residential Building Permits | -10.5% | 2.9% |

Growth in Gross Product



Source: Bureau of Economic Analysis, and HRPDC

National Debt



Source: Congressional Budget Office and HRPDC

Ongoing Regional Initiatives

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

Discussion

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