2020 Regional Economic Forecast

Presented to the Hampton Roads Planning District Commission

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U.S. Gross Domestic Product

Prerecession High: $15.8 Trillion

Recession Low: $15.1 Trillion

GDP is up 21% from the pre-recession high

Source: Bureau of Economic Analysis and HRPDC
Payroll employment has grown steadily at an annualized rate of 1.7% since the recession low.

Prerecession High: 138,422,000
Recession Low: 129,715,000
Current Value: 152,383,000

Source: Bureau of Labor Statistics and HRPDC
The unemployment rate has declined to full employment levels.
The S&P stock market index is up 348% from the pre-recession low, and up 112% from the pre-recession high.
Growth Gross Domestic Product

Annual Percent Change in Gross Product

Long Term Average

Source: Bureau of Economic Analysis and HRPDC
National Employment Growth

Year-over-Year

Source: Bureau of Labor Statistics and HRPDC
Employment Decline and Recovery

Source: Bureau of Labor Statistics and HRPDC

Hampton Roads Gross Product

Source: Bureau of Economic Analysis, and HRPDC

Billions of 2012 Dollars

$50 $55 $60 $65 $70 $75 $80 $85 $90 $95

2001 2003 2005 2007 2009 2011 2013 2015 2017

$89.2 $89.8

Non-Zero Axis
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

Seasonally Adjusted Employment, Thousands

- Jul-07: 781,600
- Nov-19: 795,500
- Feb-10: 733,900

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
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

Hampton Roads Military Personnel

Billions of $2012 Income and Contracts

Source: Bureau of Economic Analysis and HRPDC
General Cargo in Hampton Roads

Countainers:

Ships:

Source: Port of Virginia and HRPDC
Tourism Expenditures in HR
(Inflation-Adjusted)

Hotel Revenue: Up 18.9% in 10 Years

Employment: Up 7.9% in 10 years

Source: Virginia Tourism Corporation and HRPDC
Hampton Roads Retail Sales

Inflation adjusted annualized growth rate of 0% since 2006

Annualized growth rate of 2.1% since 2006

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

![Graph showing housing permits in Hampton Roads]

Permits (12-Month Moving Average)

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

Forecast of U.S. Gross Domestic Product

Source: Blue Chip Economic Indicators and HRPDC

Consensus Forecast

Long-term Average 3.3%
Forecast Average 1.8%

Source: Blue Chip Economic Indicators and HRPDC
# HRPDC Forecast for 2020

<table>
<thead>
<tr>
<th></th>
<th>2019 (Year to Date)</th>
<th>2020 Forecast</th>
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<tbody>
<tr>
<td><strong>U.S.</strong></td>
<td></td>
<td></td>
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<tr>
<td>Real GDP</td>
<td>2.3%</td>
<td>1.8%</td>
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<tr>
<td><strong>Interest Rates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short Government Rates</td>
<td>2.1%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Long Government Rates</td>
<td>2.2%</td>
<td>1.9%</td>
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<tr>
<td><strong>Hampton Roads</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Product</td>
<td>2.3%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Civilian Employment</td>
<td>0.5%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>3.1%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Retail Sales</td>
<td>4.0%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Value of Single-Family Residential Building Permits</td>
<td>-10.5%</td>
<td>2.9%</td>
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</tbody>
</table>
Growth in Gross Product

![Chart showing the annual percent change in real gross product for the United States and Hampton Roads from 2010 to 2020. The chart indicates variability in growth rates with peaks and troughs. The source is the Bureau of Economic Analysis, and HRPDC.](chart.png)
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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