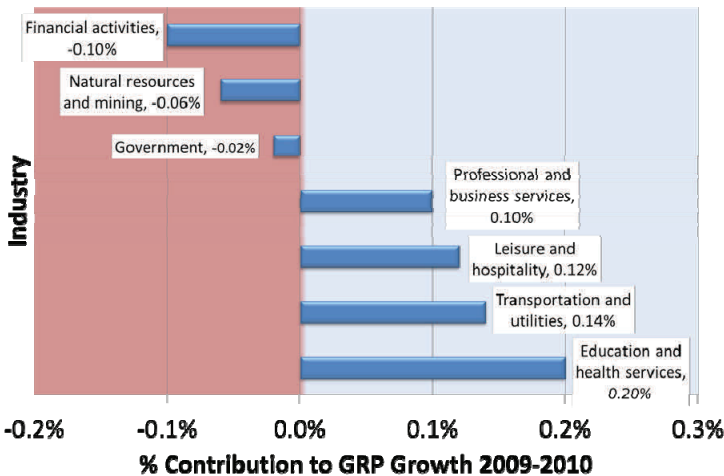


Special Report: Slow Growth in Hampton Roads



On Tuesday, September 13th, the Bureau of Economic Analysis (BEA) released 2010 estimates for metropolitan areas' gross regional product (GRP). Like the national measure GDP, this measure attempts to capture the level of economic activity within the region to better estimate regional growth. The Hampton Roads economy grew 0.39% between 2009 and 2010, following a 1.02% decline in 2009 and a 0.41% increase in 2008, the first year of the recession. Over the past year, the U.S. grew by 3.03%, reaffirming the trend where Hampton Roads typically fares better than the nation during recessions but is slower to recover during expansionary periods.

Contribution to Hampton Roads Growth

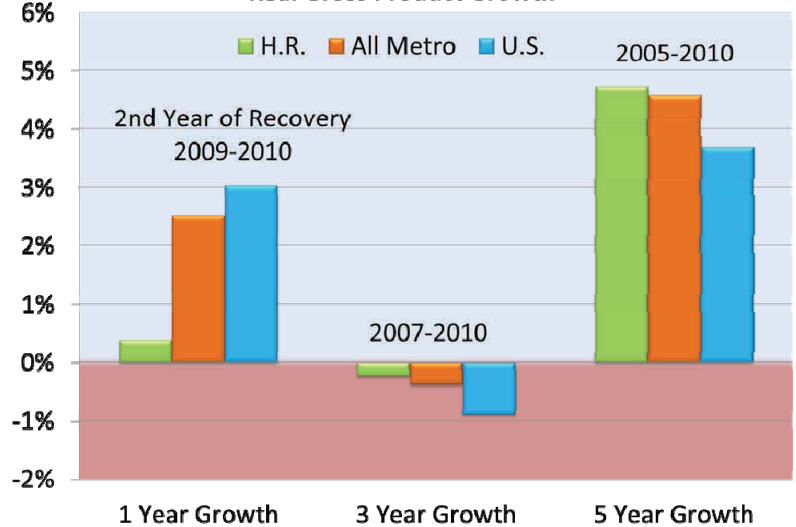


The chart to the top right shows how the region lagged behind the U.S. over the short term, but has performed better over the three and five year time horizons. The

bottom chart also shows how the nation and region performed in similar fashion through the past decade, with a slight divergence developing during the recession.

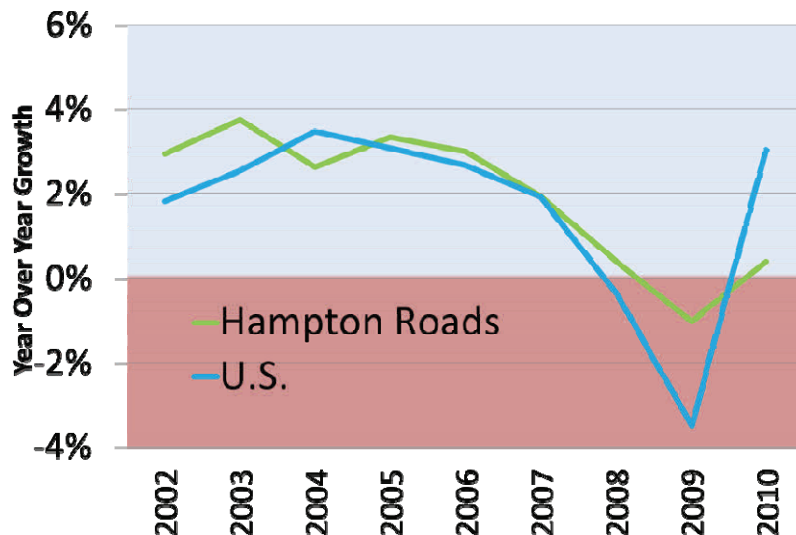
Over the past year, several industries within the region expanded while other industries contracted. Financial activities continued to decline, as did natural resource and government jobs in the region. The leisure and hospitality industry as well as transportation and utilities continued to make gains. Education and healthcare also continued to grow, as they have throughout the past decade.

Real Gross Product Growth



The HRPDC recently released the Hampton Roads Regional Competitiveness Report (available at: http://hrpdcva.gov/ECON/ECON_TechReports.asp). This report emphasizes the need to focus policy on long term growth driven by regional competitive advantages and productivity gains. While annual GRP numbers are a useful benchmark for assessing regional progress, both development strategies and growth policies must focus on long-term sustainable efforts. Today, planning for the region's economic future will be especially prudent, given the region's historical dependence on federal dollars and Washington's newfound attempts to rein in spending.

Hampton Roads and U.S. Gross Product Change



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Source for Charts: Bureau of Economic Analysis, HRPDC

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