

AGENDA NOTE – HRPDC EXECUTIVE COMMITTEE MEETING

ITEM #4: RETAIL SALES ANALYSIS FROM THE ECONOMIC QUARTERLY

SUBJECT:

An update on the state of retail sales in Hampton Roads.

BACKGROUND:

Since the Fall of 2008, the HRPDC has produced the Hampton Roads Economic Quarterly (HREQ). This document provides an update on the current condition of the Hampton Roads economy, including six indicator graphics that illustrate the performance of the region's economy. In addition, each edition of the Quarterly contains a main article which provides analysis of a major topic concerning the Hampton Roads economy. Recent editions have discussed the impact of sequestration, economic growth in Hampton Roads, the housing market, and the relative cost of living in this region.

The most recent HREQ provided a brief on the role of retail sales in the regional economy, the performance of the region's retail sector, and underlying dynamics of the headline retail sales numbers.

Mr. James A. Clary, Senior Economist, will provide a brief presentation on the current state of retail sales in Hampton Roads.

STAFF COMMENTARY:

The exchange of goods and services is the backbone of an integrated regional economy. The more exchanges that take place, the healthier an economy is likely to be. Retail sales are the best available measure of the exchange of goods and services in the regional market. When Hampton Roads' economy grows, retail sales grow even more quickly as increased income is quickly passed through to consumption of goods and services. Conversely, during the most recent recession retail sales shrunk considerably as individuals had to cut back on their purchases.

Regional retail sales continue to recover from their recession lows, but have been outpaced by retail sales in other metropolitan areas, and in the nation as a whole. Additionally, retail sales performance has varied considerably by business category, indicating that the recession has had very different impacts on the various businesses of Hampton Roads.