

# Hampton Roads Economic Forecast

## 2016

**Hampton Roads Planning District Commission**

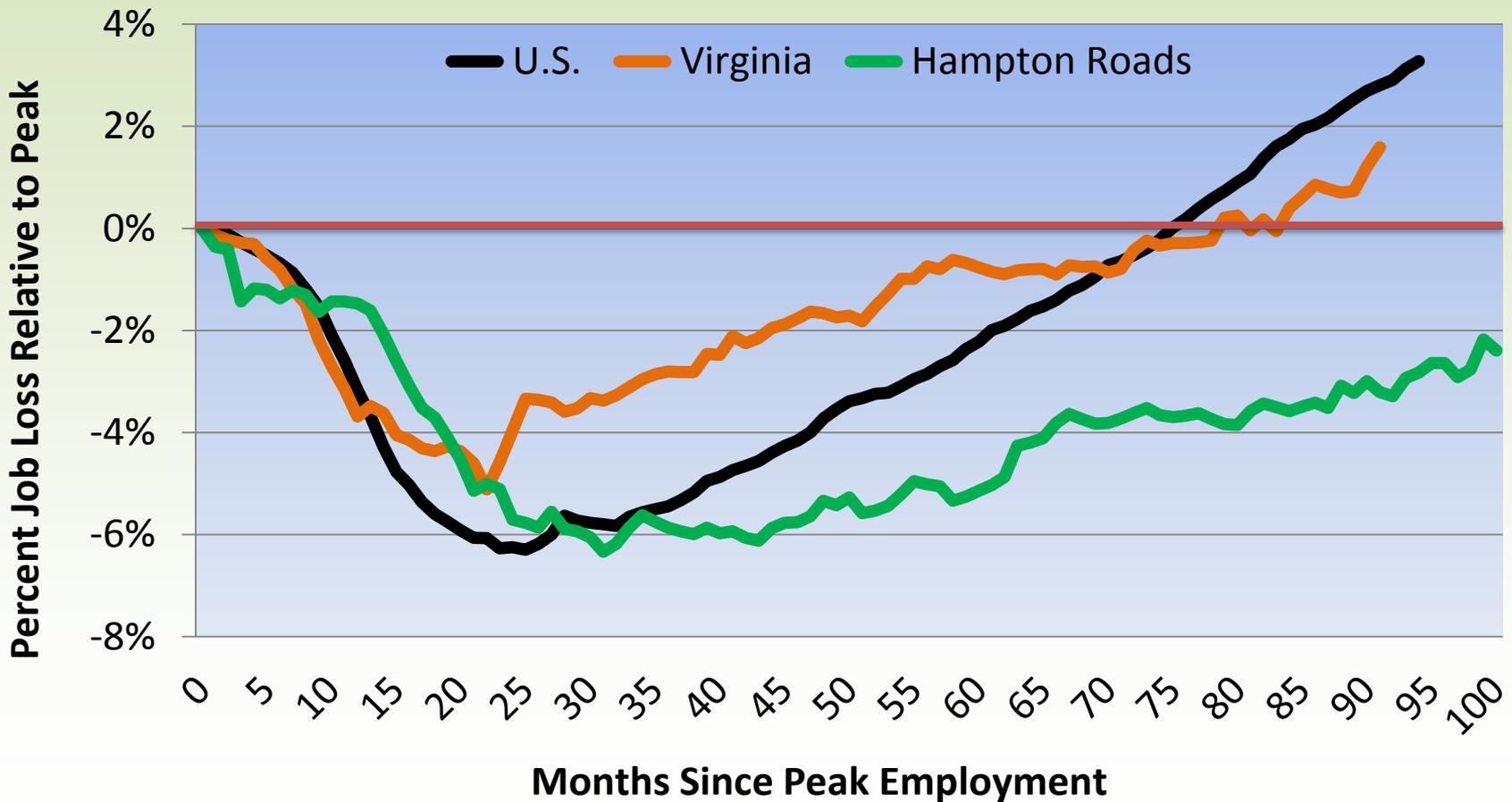
**James Clary**

**Senior Economist**

**January 21, 2016**



# Employment Since the Great Recession



Attachment 8

Source: Bureau of Labor Statistics, HRPDC

# Hampton Roads Projected Return to Peak Employment

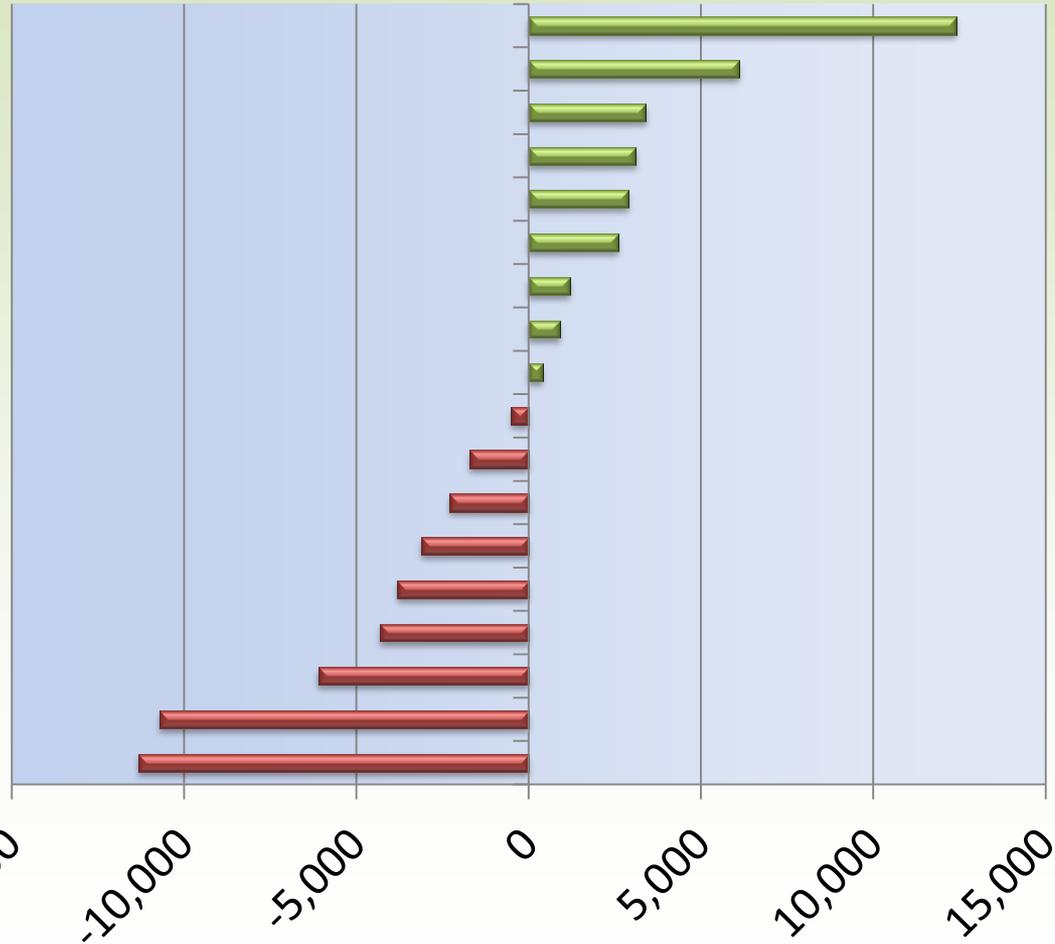


Source: Bureau of Labor Statistics, HRPDC

# Hampton Roads Employment Change:

Nov '07 - Nov '15

- Healthcare & Social Assistance
- Leisure & Hospitality
- Federal Government
- Other Services
- Scientific & Technical Services
- Education Services
- State Government
- Management
- Finance & Insurance
- Administrative & Support
- Transportation & Utilities
- Real Estate, Rentals, & Leasing
- Manufacturing
- Wholesale Trade
- Information
- Local Government
- Retail Trade
- Construction



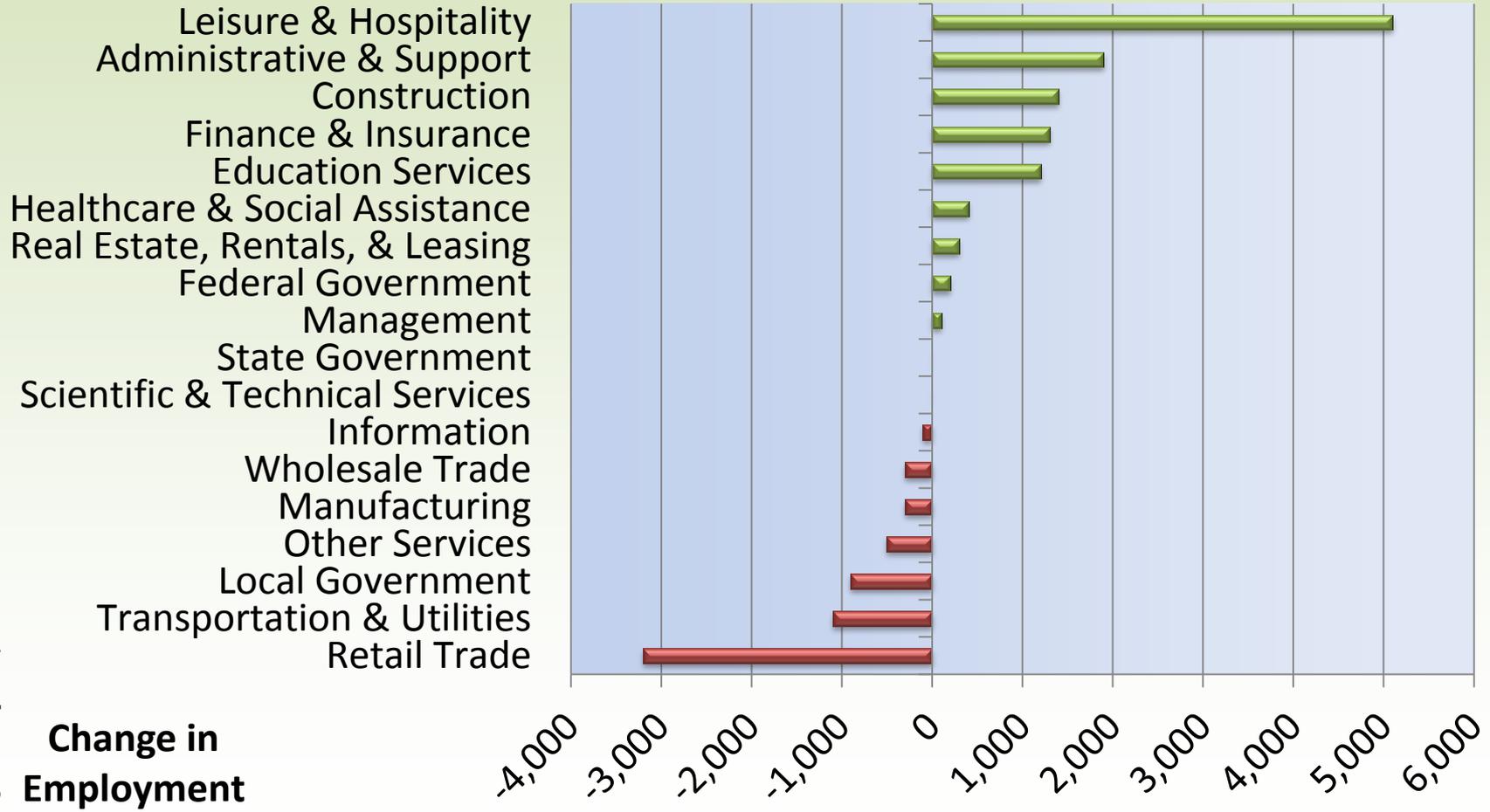
Change in  
Employment

Attachment 8

Source: Bureau of Labor Statistics, HRPDC

# Hampton Roads Employment Change:

Nov '14 - Nov '15



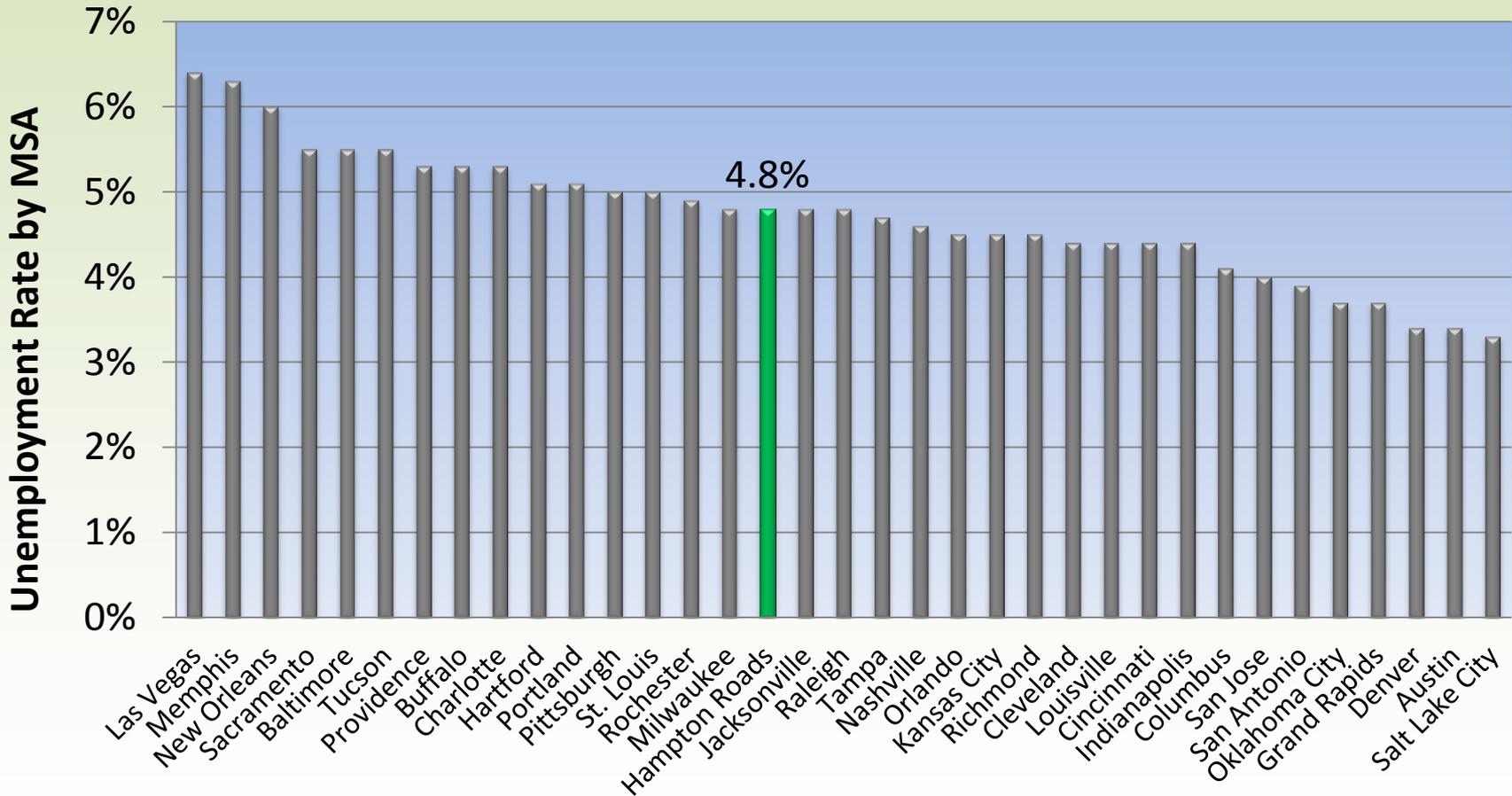
Attachment 8

**Change in  
Employment**

Source: Bureau of Labor Statistics, HRPDC

# Unemployment Rate in Nov 2015

MSAs with Population between 1-3 Million

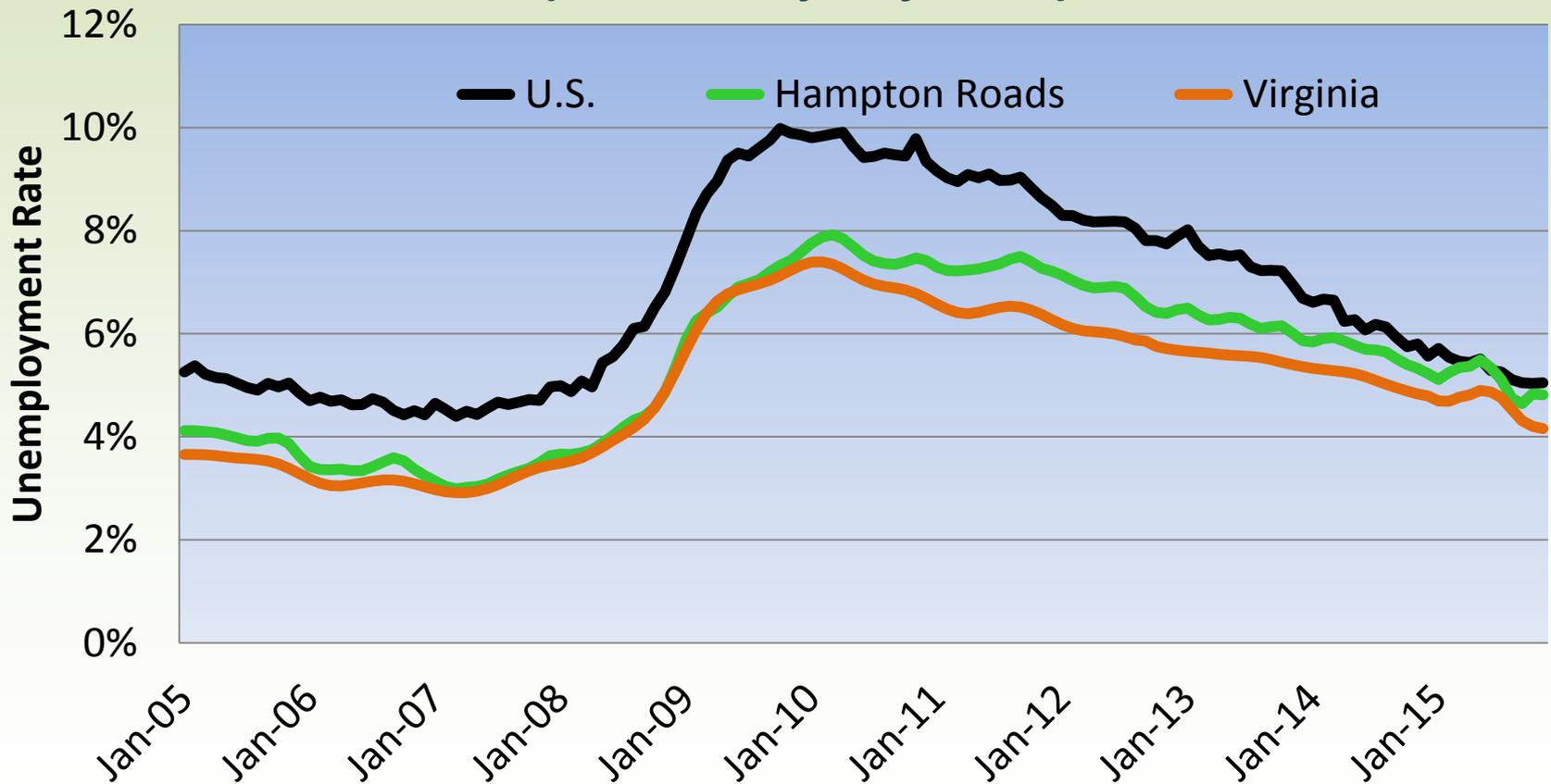


Attachment 8

MSAs

Source: Bureau of Labor Statistics, HRPDC

# U.S., Virginia, & Hampton Roads Unemployment Rate (Seasonally Adjusted)

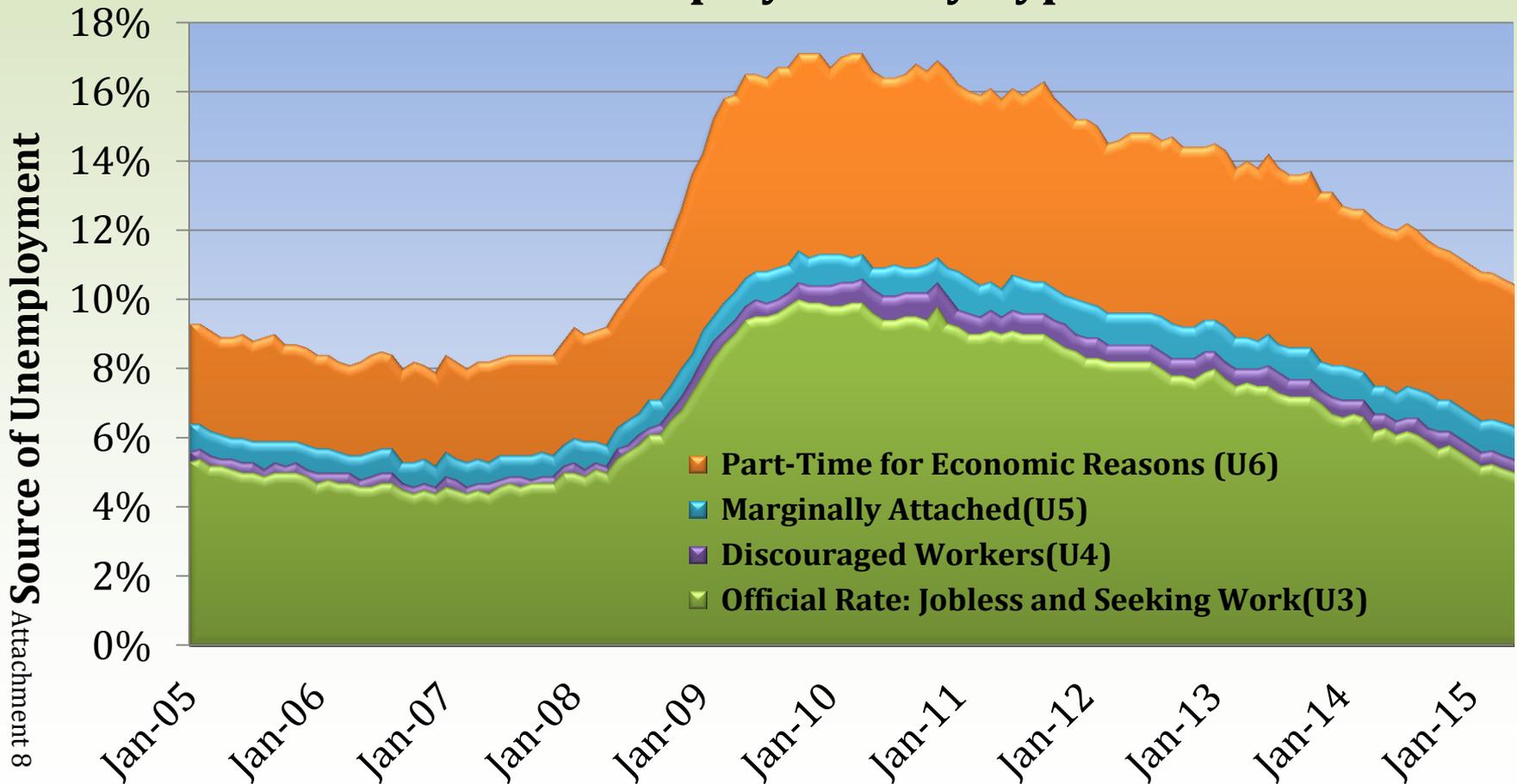


Attachment 8

Source: Bureau of Labor Statistics, HRPDC

# The Real Unemployment Rate

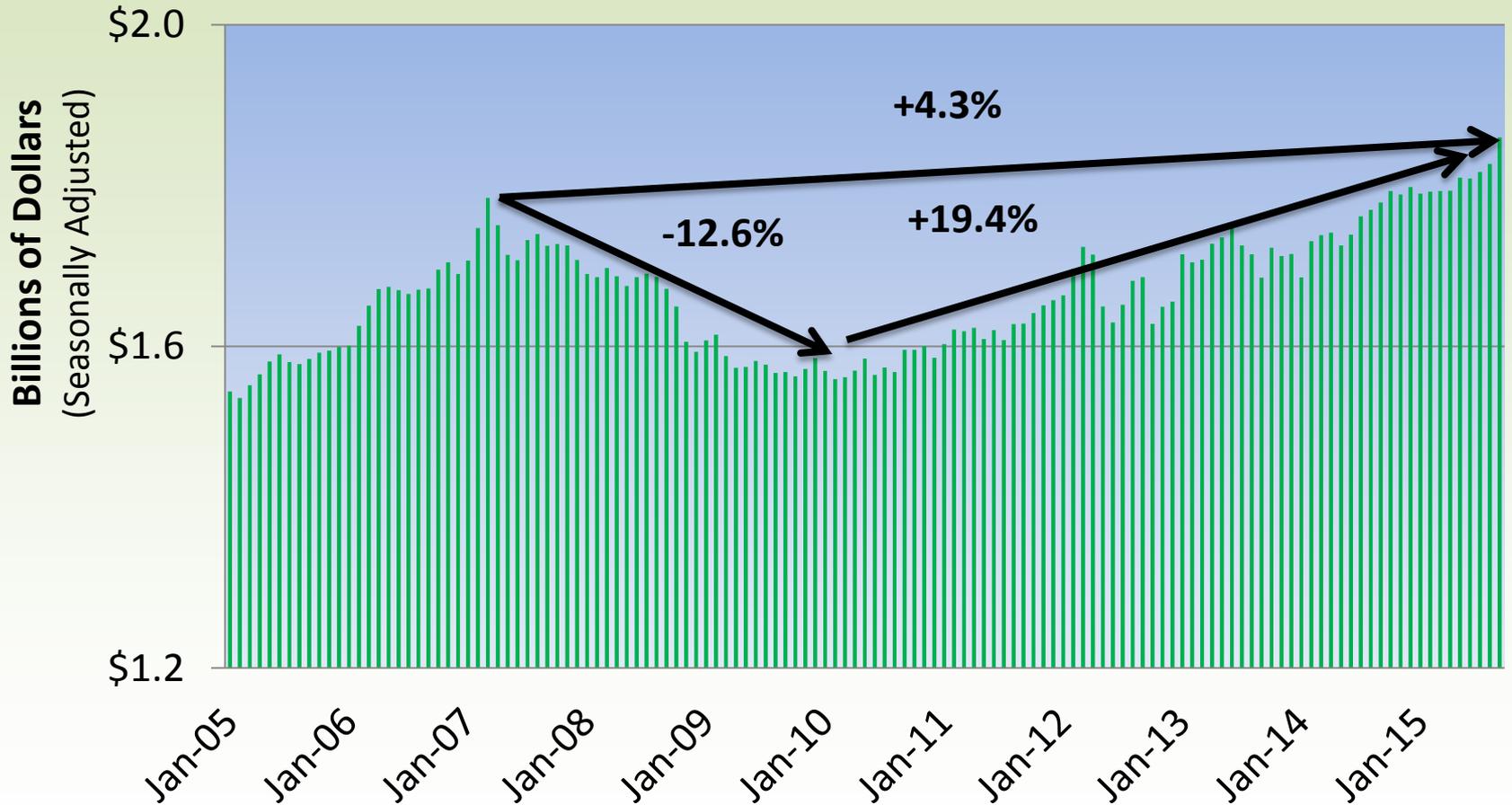
## U.S. Unemployment by Type



Source: Bureau of Labor Statistics, HRPDC

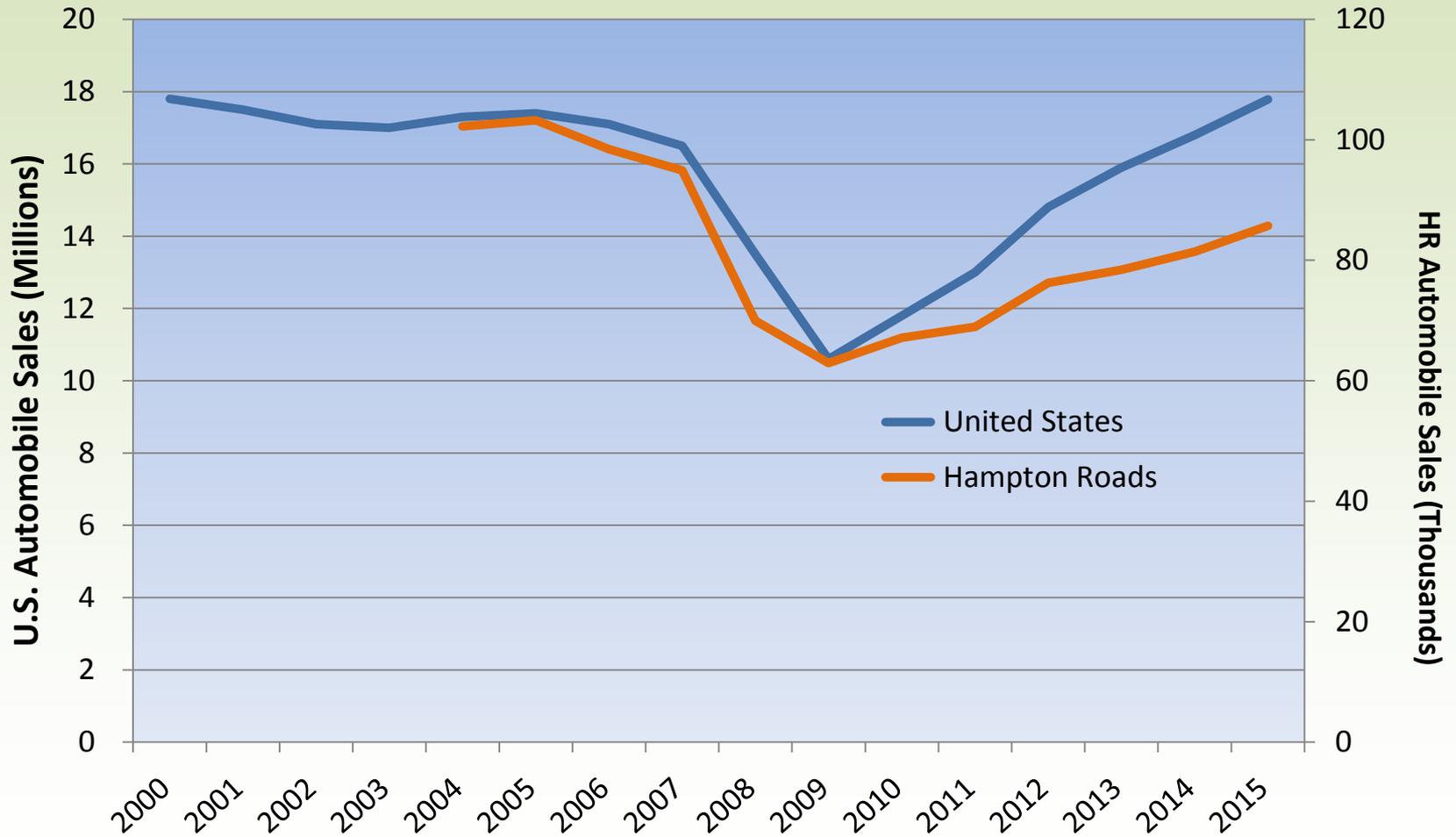
# Hampton Roads Retail Sales

## (3 Month Moving Average)



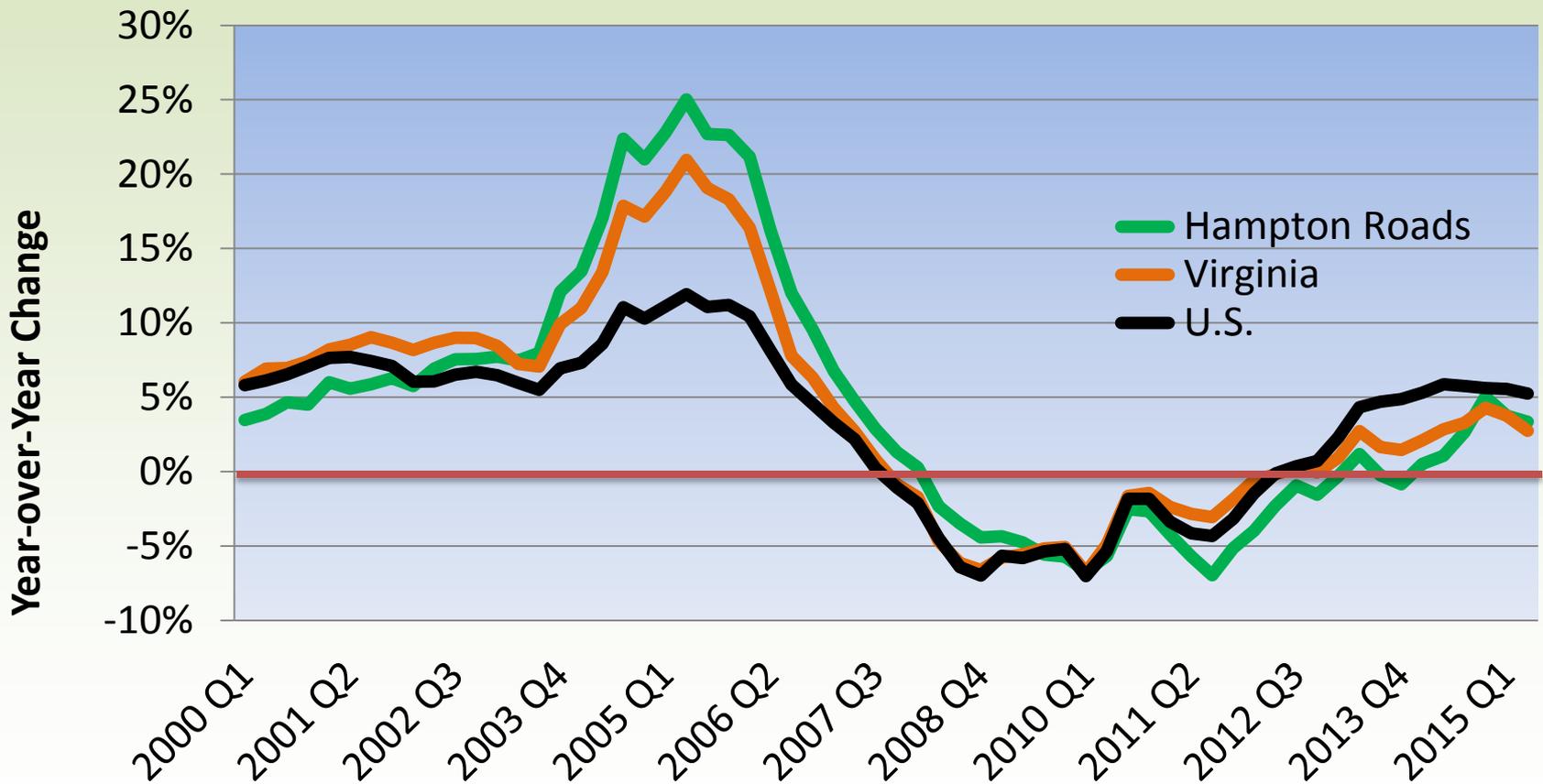
Source: Virginia Department of Taxation, HRPDC

# Automobile Sales



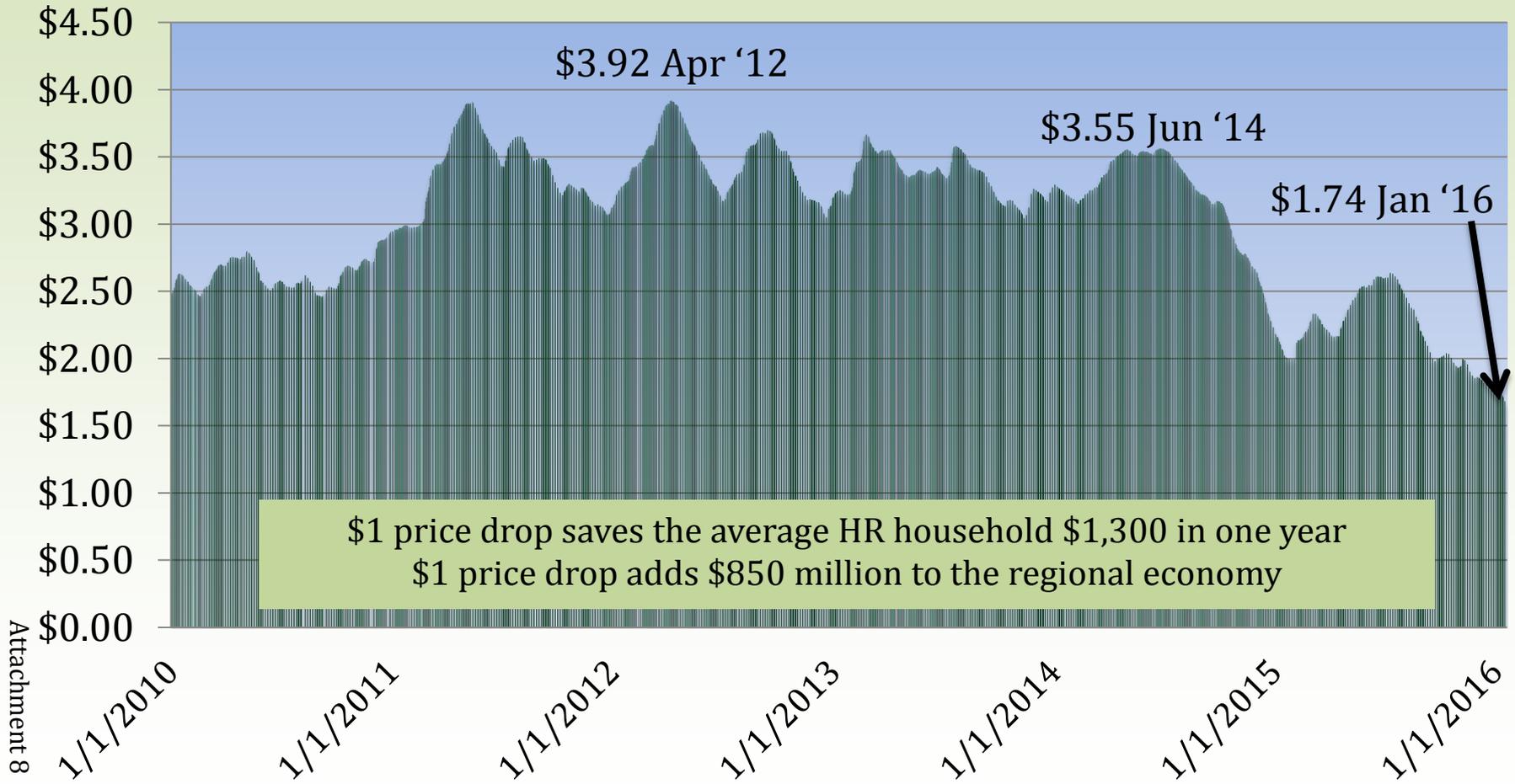
Sources: Bureau of Economic Analysis, Virginia Automobile Dealers Association, HRPDC

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



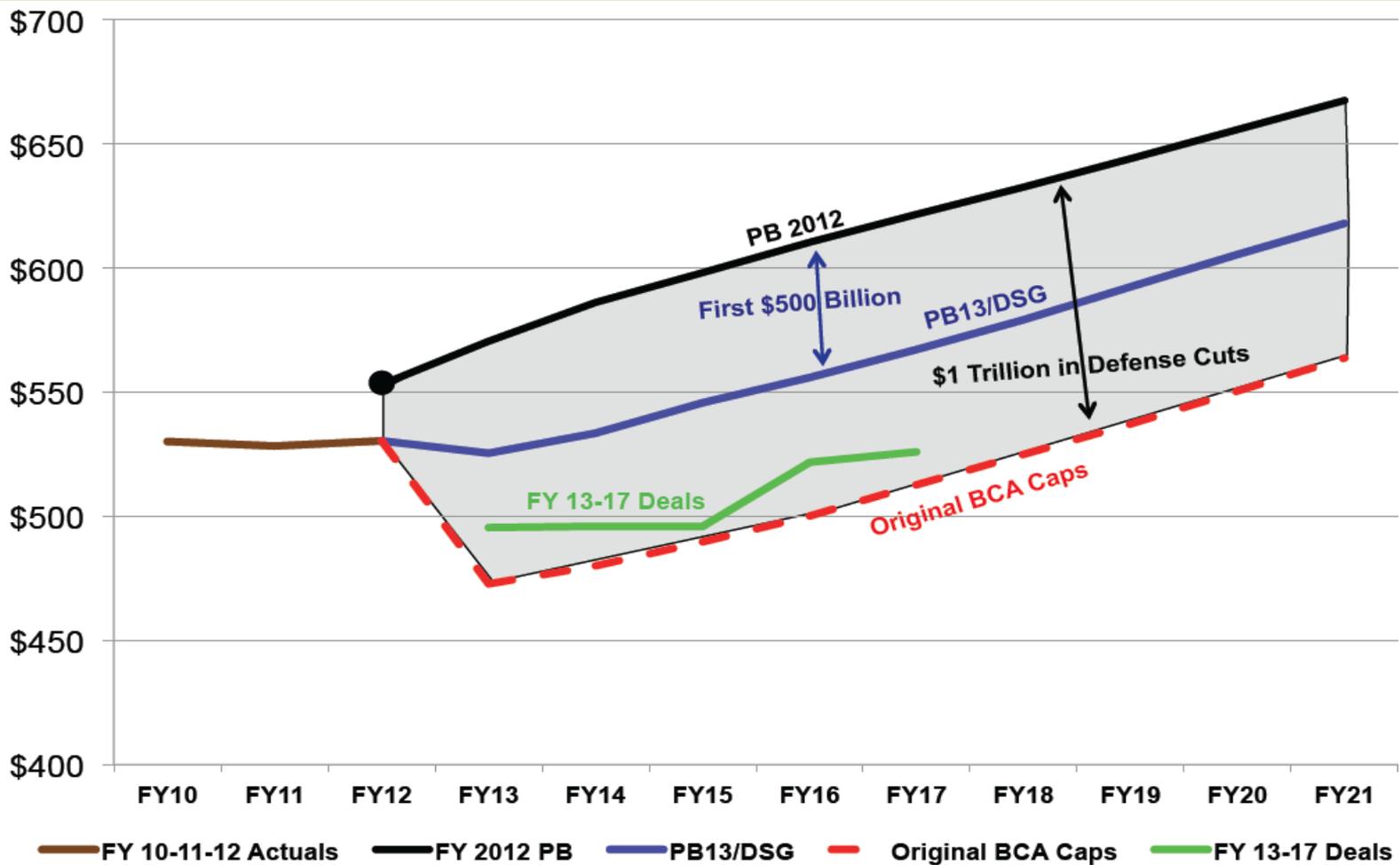
Source: Federal Housing Finance Agency, HRPDC

# Gasoline Prices in Hampton Roads



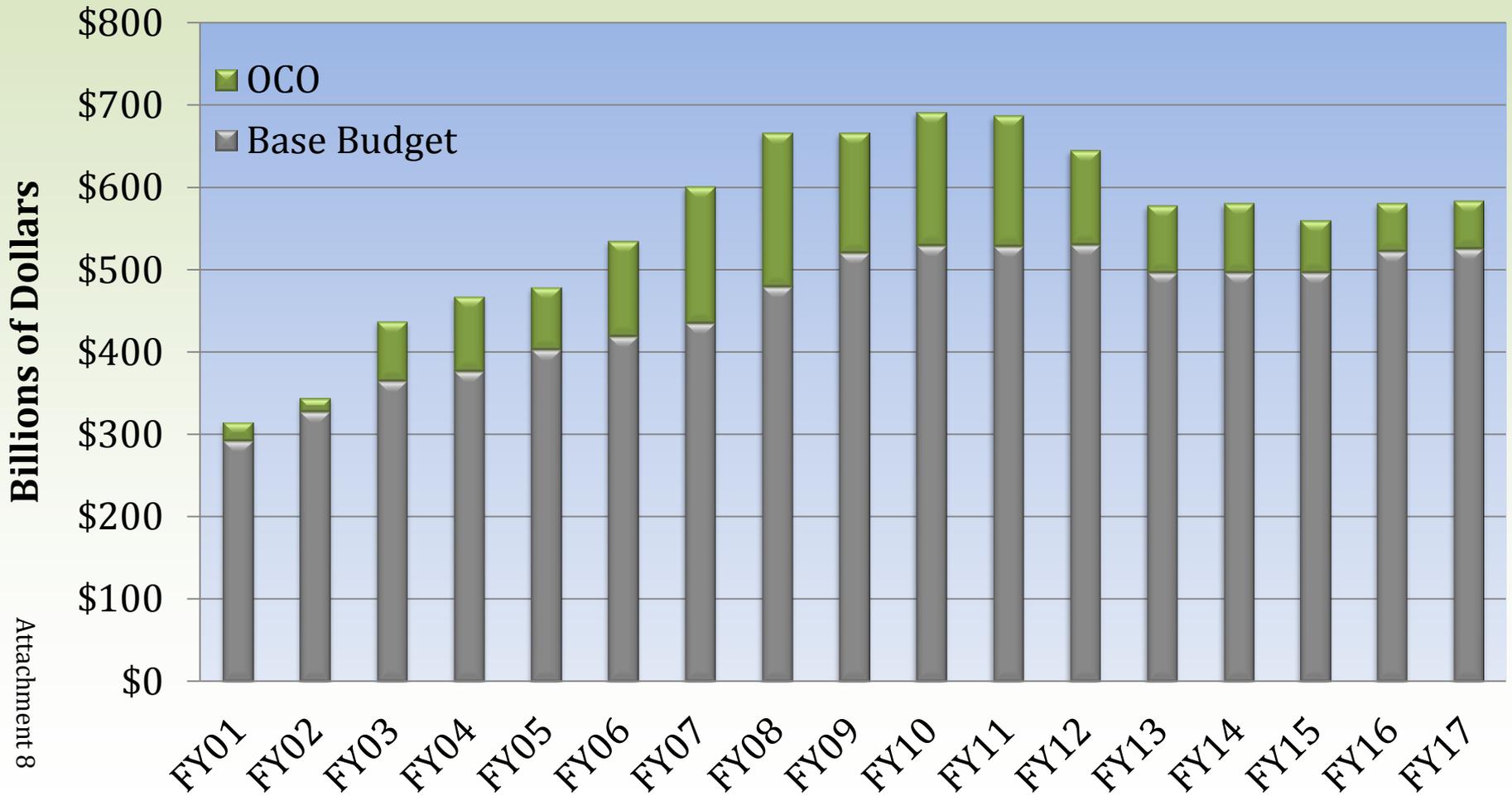
Source: AAA Fuel Gauge Report, HRPDC

# DoD Budget- Deals Don't Close Gap



Attachment 8

# National Defense Expenditures



Attachment 8

# The Year Ahead...

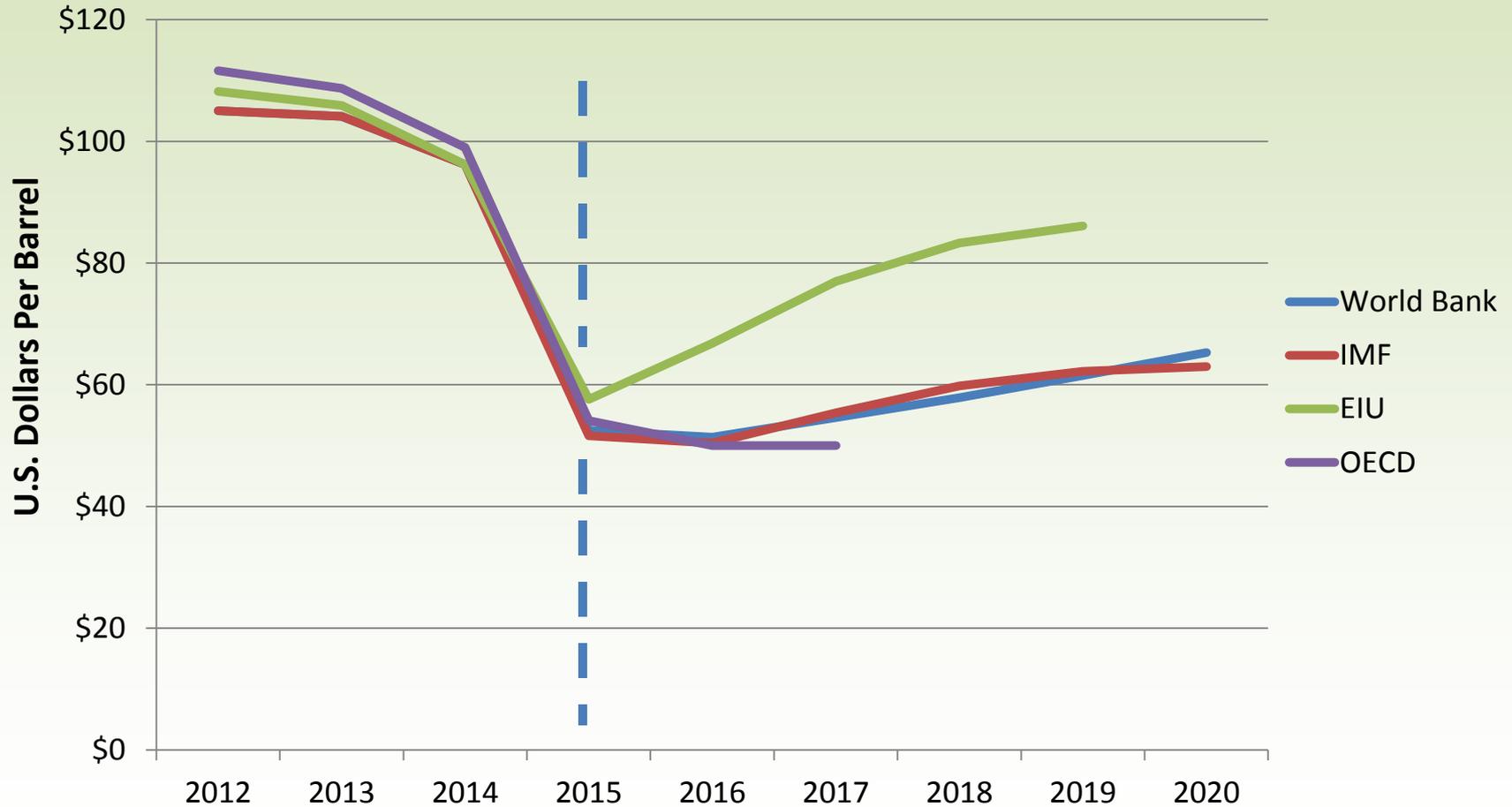
## The Good:

- Federal budget adds a degree of certainty
- Growing national economy
- Consumer spending is strong
- Low energy prices
- Interest rates continue to remain low
- Corporate investment and office space leasing is up

## The Bad:

- Federal spending continues to be tight
- Loss of local Navy personnel
- Region's housing market remains weak
- Dollar is high
  - Tourism impacts
  - Factory activity is down
- Slow growth outside of the U.S.

# Crude Oil Price Forecast



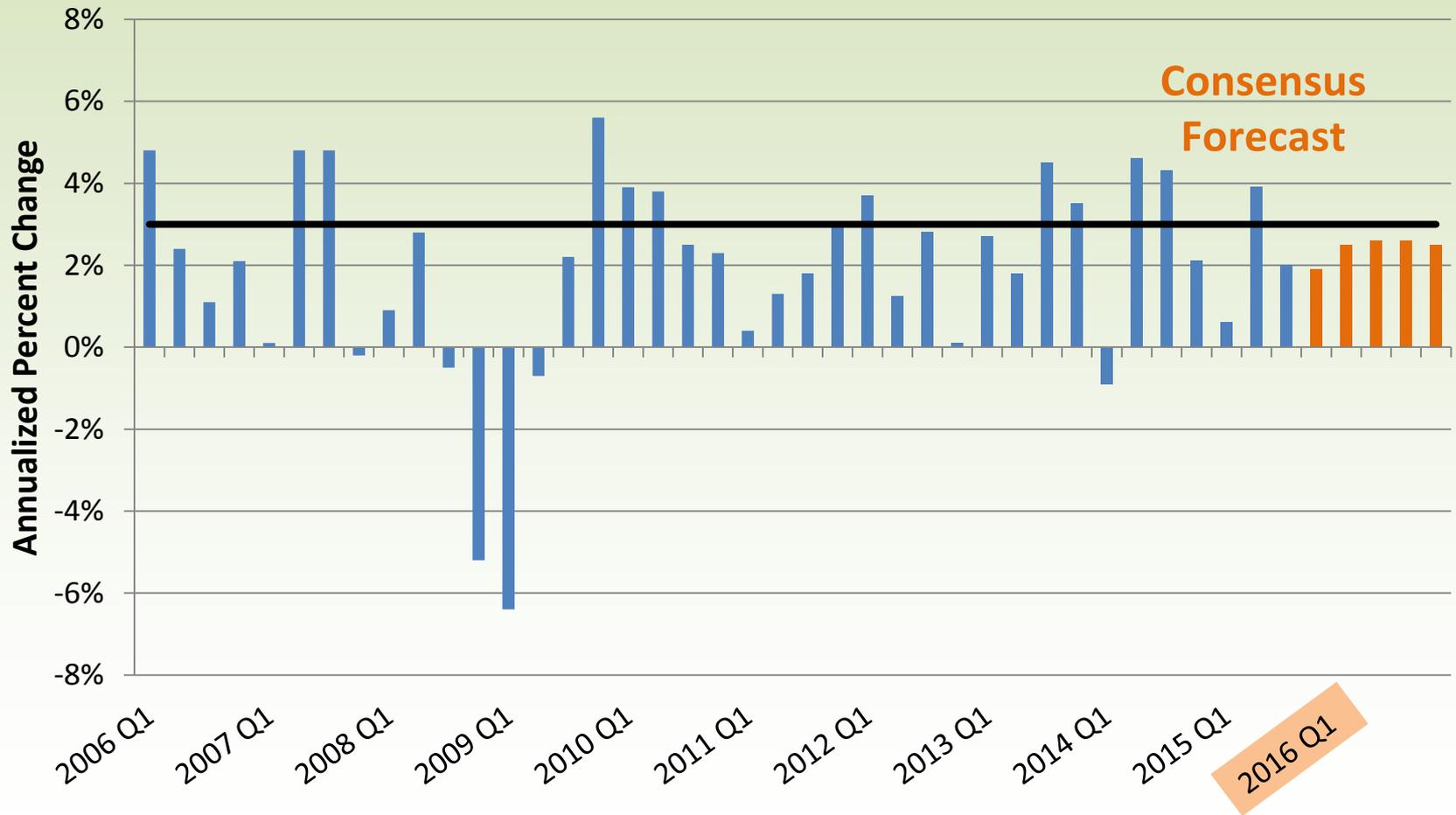
Sources: Knoema.com, HRPDC

# Impact of Fed Rate Hike

- Mortgage Rates
- Auto Loans
- Credit Cards
- Saving rates
- Investment Market



# Annualized Percent Change in U.S. Gross Domestic Product



Attachment 8

# HRPDC Forecast for 2016

	2015 (Year to Date)	2016 Forecast
<b>U.S.</b>		
<b>Real GDP</b>	<b>2.6%</b>	<b>2.5%</b>
<b>Interest Rates</b>		
<b>Short Government Rates</b>	<b>0.0%</b>	<b>0.7%</b>
<b>Long Government Rates</b>	<b>2.1%</b>	<b>2.7%</b>
<b>Hampton Roads</b>		
<b>Gross Product</b>	<b>NA</b>	<b>1.3%</b>
<b>Civilian Employment</b>	<b>0.8%</b>	<b>0.8%</b>
<b>Unemployment Rate</b>	<b>4.8%</b>	<b>4.7%</b>
<b>Retail Sales</b>	<b>3.6%</b>	<b>4.1%</b>
<b>Auto and Truck Sales</b>	<b>5.2%</b>	<b>4.5%</b>
<b>Value of Single-Family Residential Building Permits</b>	<b>7.6%</b>	<b>2.3%</b>

# Discussion

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