

Presentation to the Hampton Roads Planning District Commission

The Hampton Roads Economy -Analysis and Strategies -

Part 1: The Role of the Military

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Purpose of Grant:
Develop Strategies to Diversify
and Strengthen the Regional
Economy

The HRPDC/OEA Project will
Extend from November 2003 to
April 2005

Work Elements

- Regional Overview/The Role of the Military – **Done**
- Regional Benchmarking – **In Progress**
- Identification of Industry Clusters/Subsystems – **In Progress**
- Encouraging Entrepreneurship – **In Progress**
- Encouraging Existing Business – **2005 Product**
- Enhancing Economic Development – **2005 Product**

Project Coordinated With

- **Office of Economic Adjustment**
- **Hampton Roads Partnership**
 - **Regional/Local Economic Development Alliances**
 - **Regional Workforce Agencies**
 - **Chambers of Commerce**
 - **Others**

First Product is Complete

- **Reviews the Long-Term Performance of the Regional Economy**
- **Assesses Impact of Military**
 - **Deployments & Wars**
 - **Changes in the Defense Spending Cycle**

Selected Findings on Growth

- **Hampton Roads economy is evolving**
 - **The region has a mix of industries that is less desirable than the U.S. mix with respect to growth but the mix is improving**
 - **The region is “competitive”**
- **Two sub-regional economies (Peninsula and South Hampton Roads) track each other closely**

Selected Findings on Growth

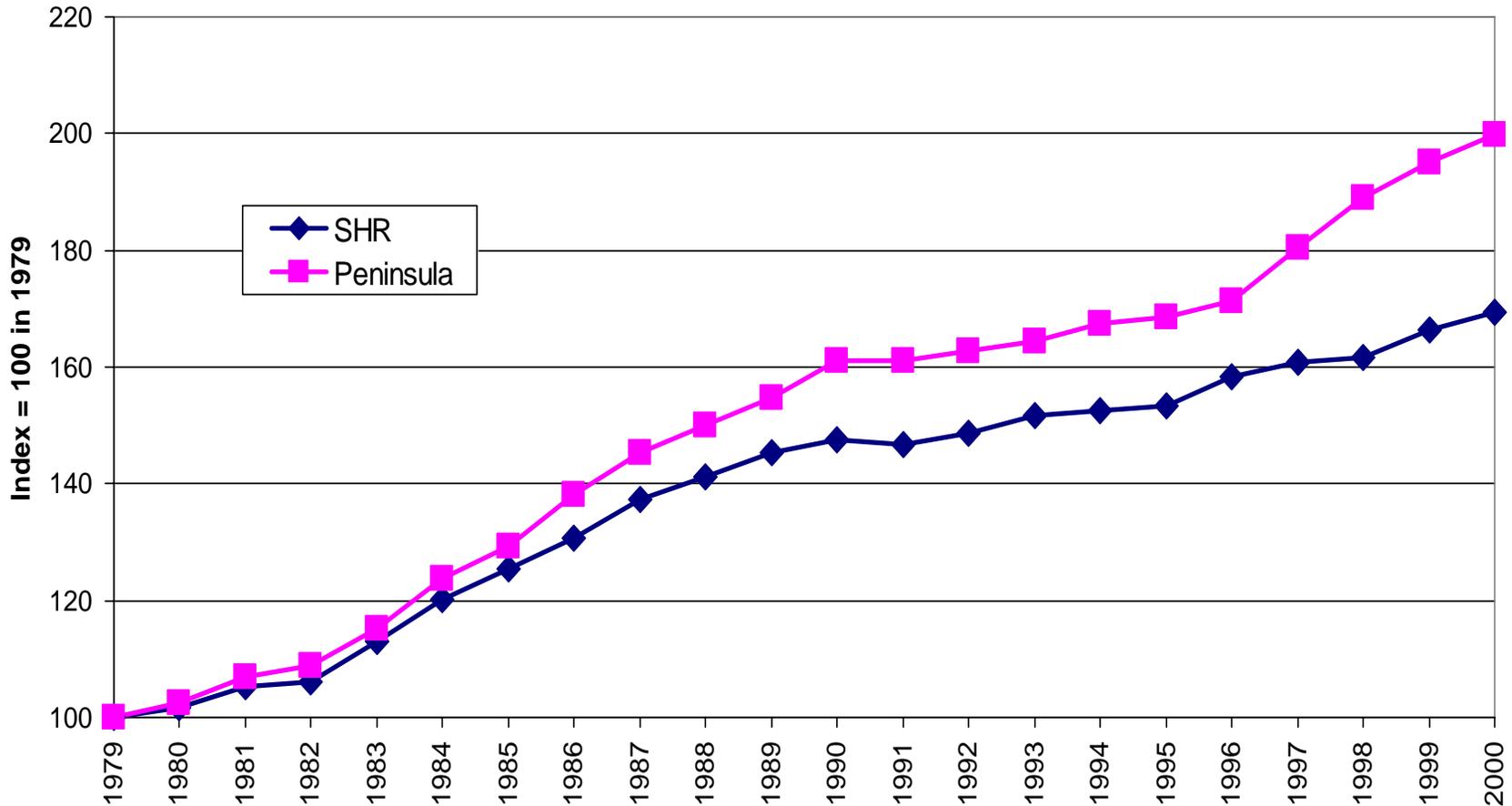
(Continued)

- Peninsula's economy has grown faster than the South Hampton Roads economy since 1979 – and has done so with greater stability
- Peninsula has grown faster than South Hampton Roads because ...
 - Mix of faster growing industries
 - More competitive

Demonstration #1

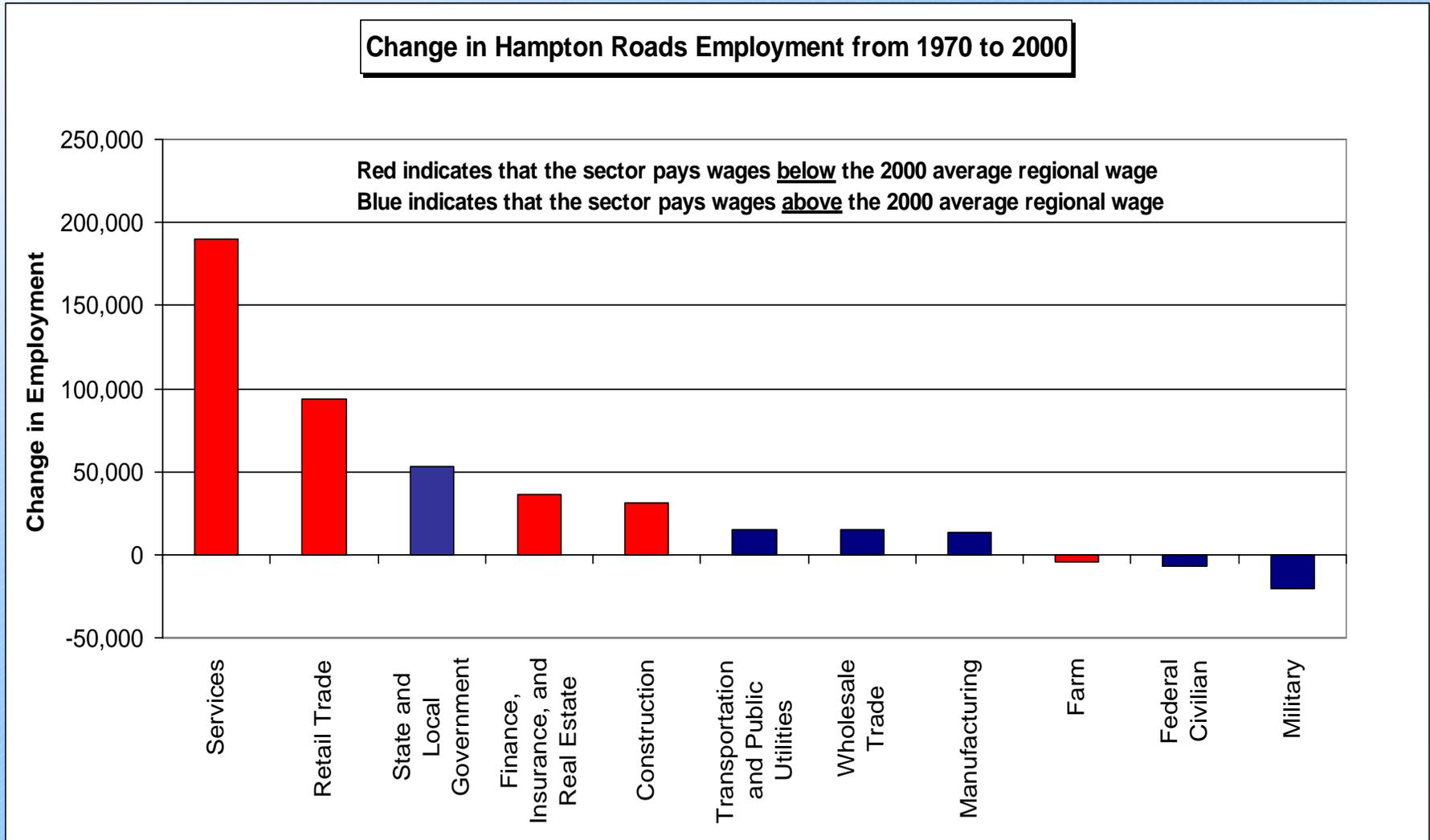
Faster Peninsula Growth

Growth in Real Gross Regional Product on Each Side of Hampton Roads



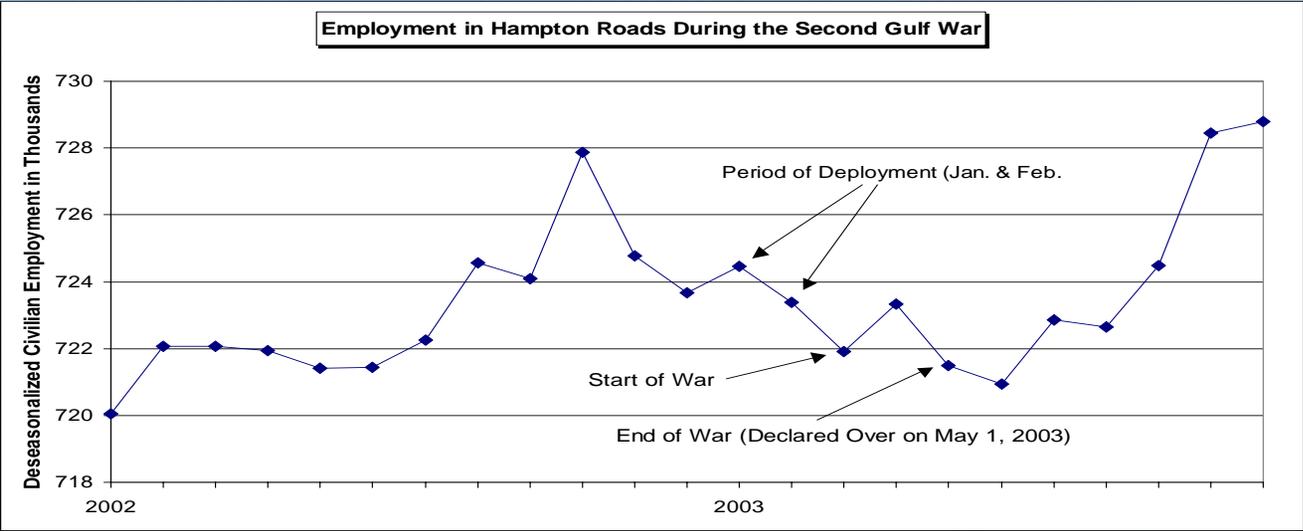
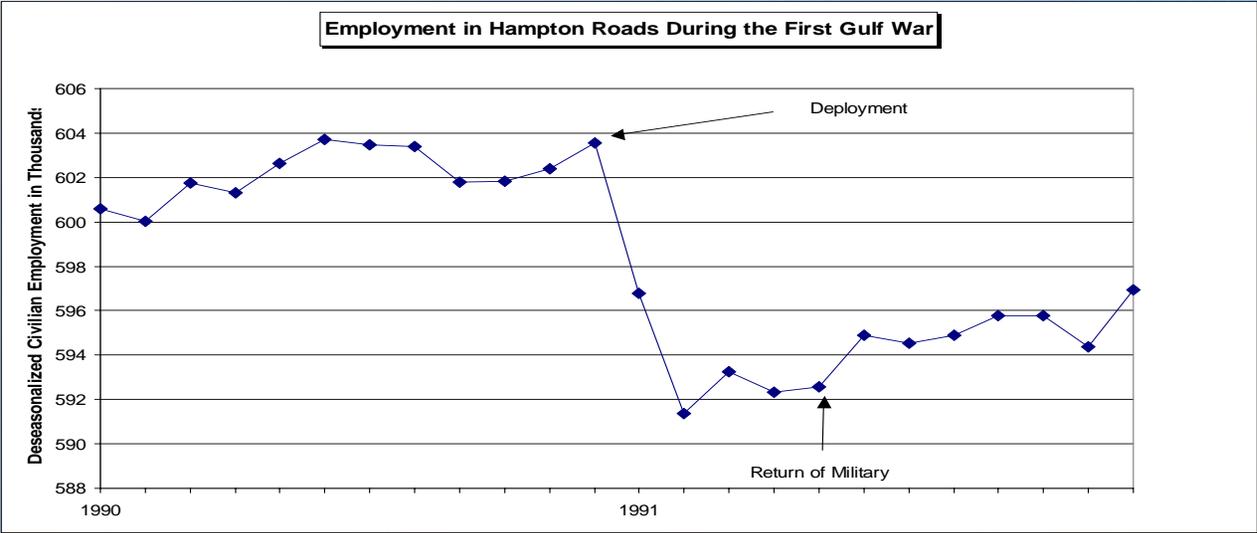
Demonstration #2

Rotating into Lower Paying Sectors



Military/Defense Impacts

Region Suffered from Deployments and Wars



Communities Differ In Terms of Their Sensitivity to Deployments/War

- **High Sensitivity**: James City Co., Williamsburg, York Co., Norfolk, Virginia Beach
- **Limited Sensitivity**: Suffolk, Hampton, Poquoson
- **No Measured Sensitivity**: Newport News, Portsmouth, Chesapeake, Franklin, Southampton Co., Surry Co., Gloucester Co., Isle of Wight Co.

The End