

## Richmond Economic Performance in Perspective

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**THE FEDERAL RESERVE BANK OF RICHMOND**

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# Richmond vs. Other Metros

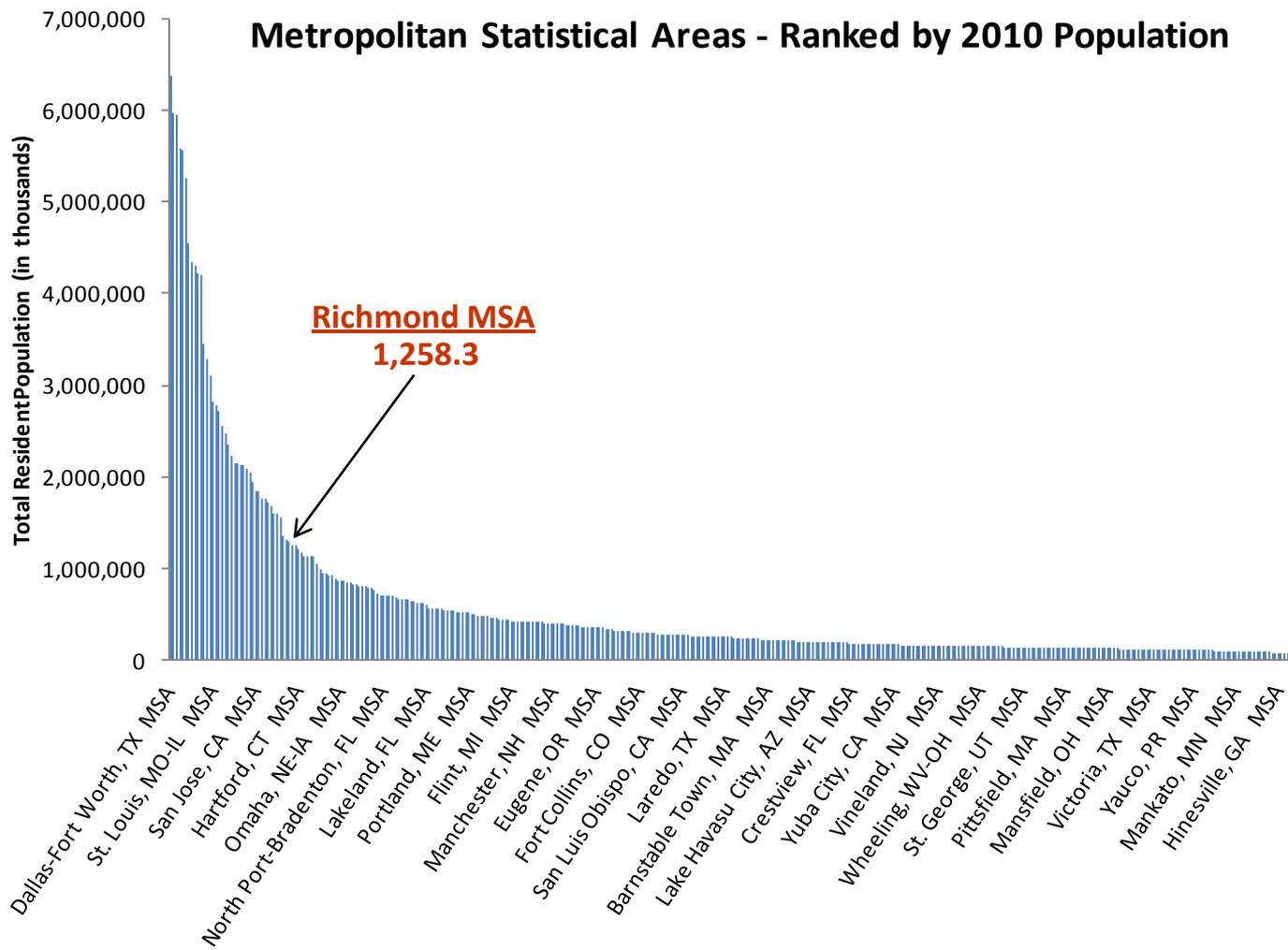


# Definition of Richmond MSA



- Definition of metropolitan statistical areas based on OMB definitions
- Richmond's metropolitan area includes:
  - 16 counties
  - and 4 cities







## Criteria:

- Selected metropolitan areas +/- 150,000 people
- ... or 12% above or below Richmond's population in 2010

## Exceptions:

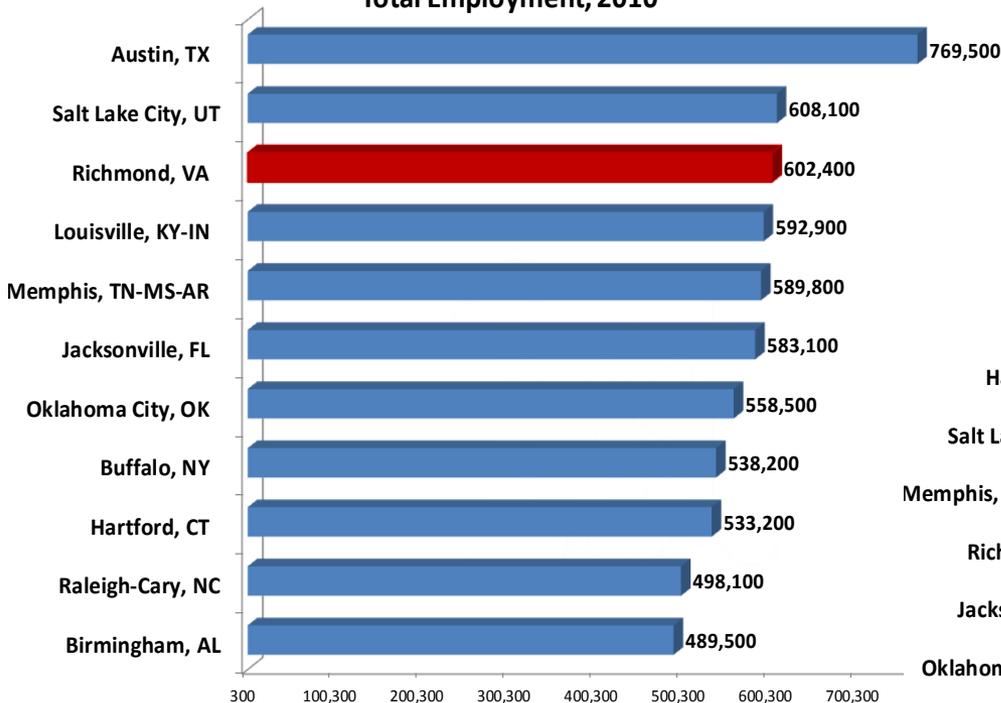
- New Orleans (excluded)
- Austin (included)

Metro Area	Population (2010)
Austin, TX	1,716,289
Jacksonville, FL	1,345,596
Memphis, TN	1,316,100
Louisville, KY	1,283,566
<b>Richmond, VA</b>	<b>1,258,251</b>
Oklahoma City, OK	1,252,987
Hartford, CT	1,212,381
Buffalo, NY	1,135,509
Raleigh-Cary, NC	1,130,490
Birmingham, AL	1,128,047
Salt Lake City, UT	1,124,197



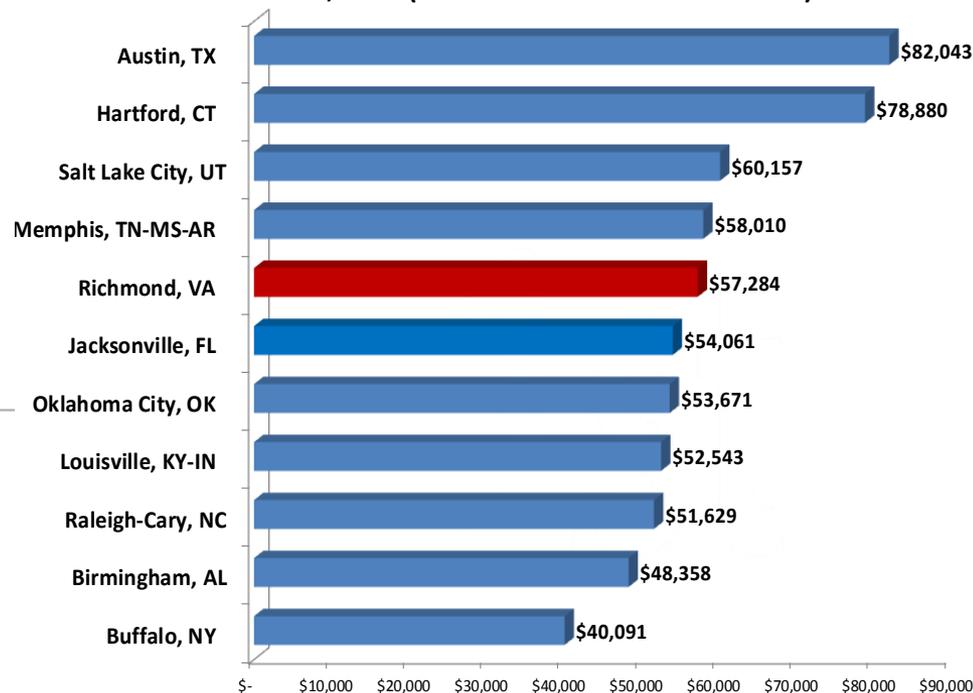
## Richmond Ranks 3rd in Total Employment

Total Employment, 2010



## Richmond Ranks 5th in Real GDP

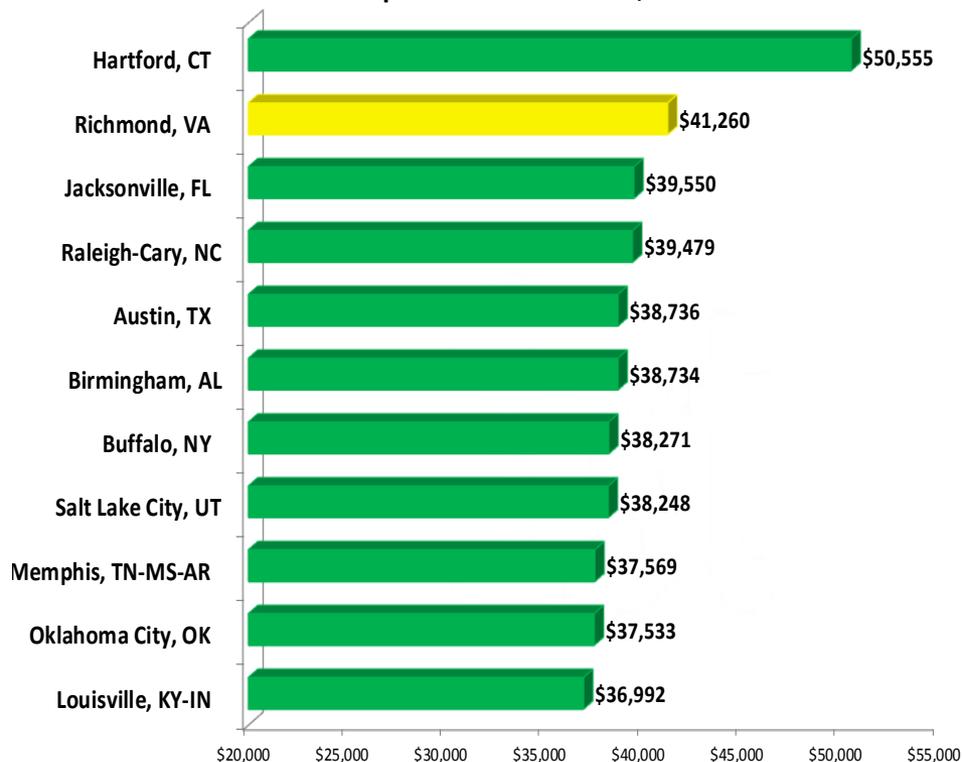
Real GDP, 2010 (millions of chained 2005 dollars)





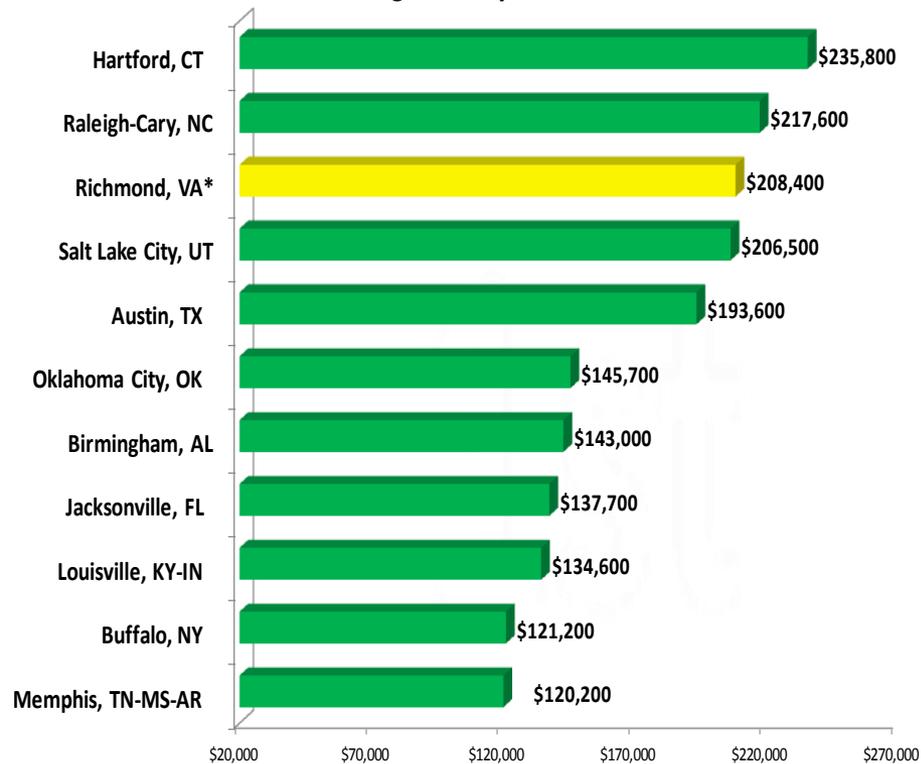
## Richmond Ranks 2nd in Per Capita Personal Income

Per Capita Personal Income, 2010



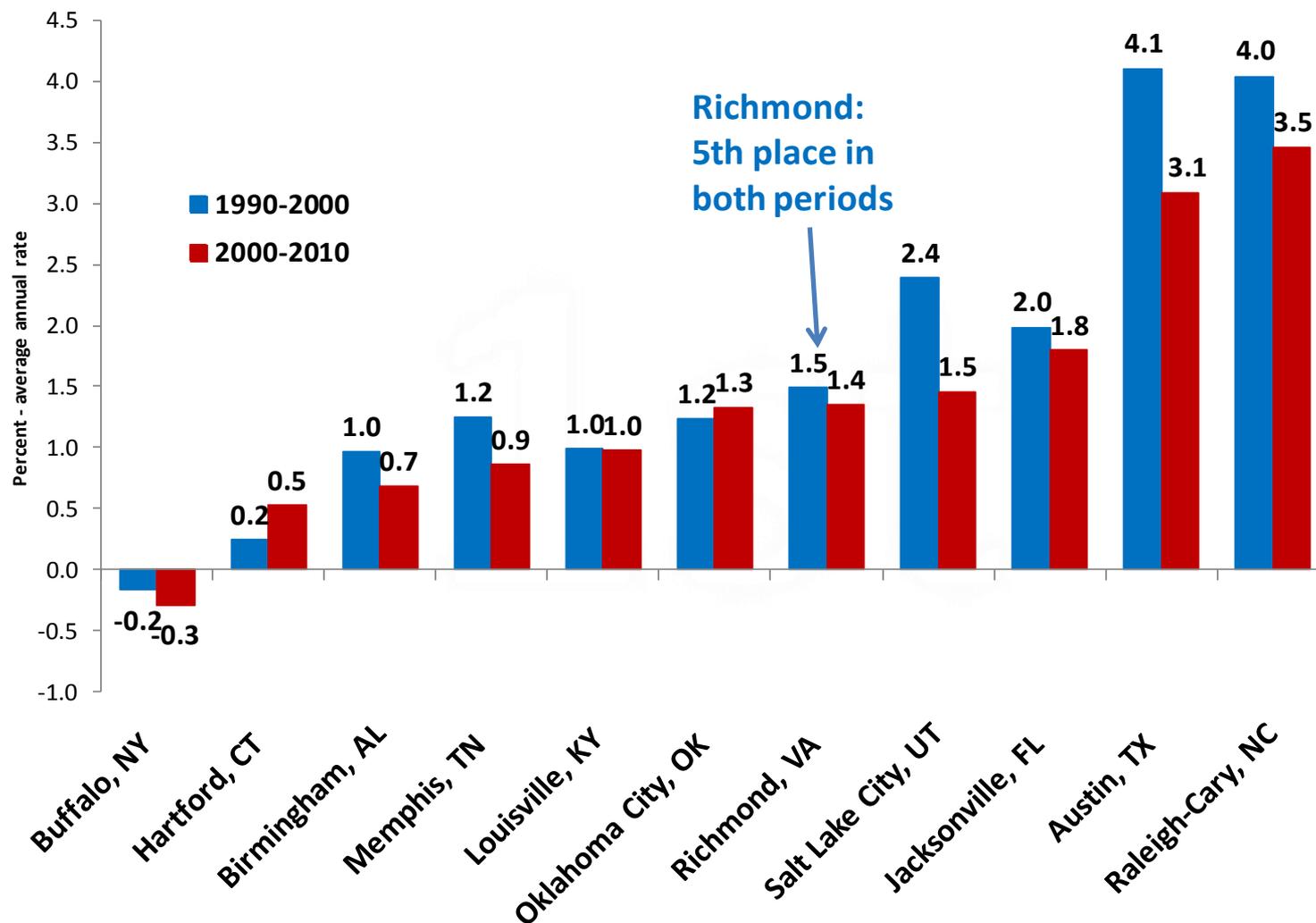
## Richmond Ranks 3rd in Median Home Sales Price

Median Single-Family Home Price, 2010



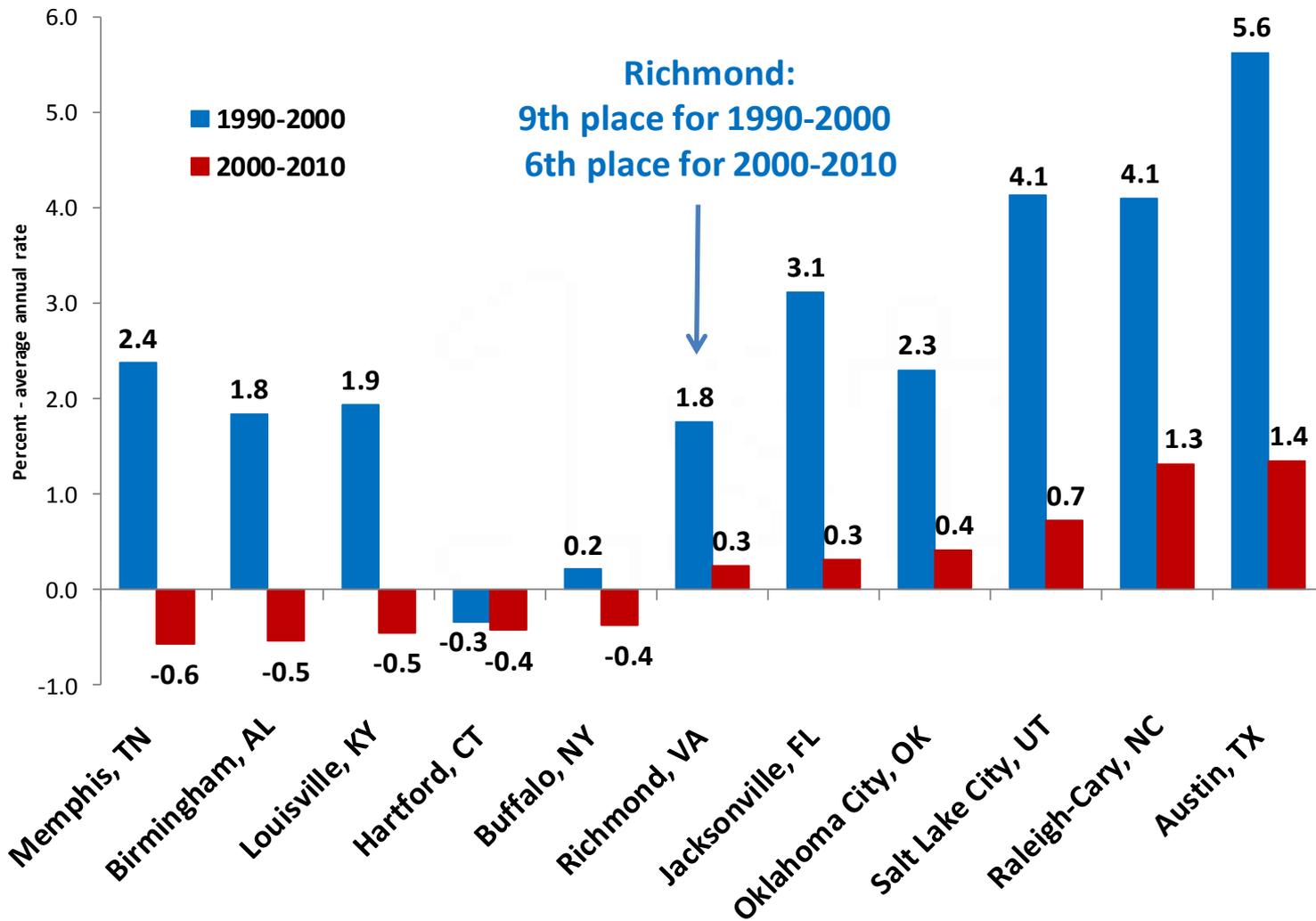


## Population Growth - Average Annual Rate



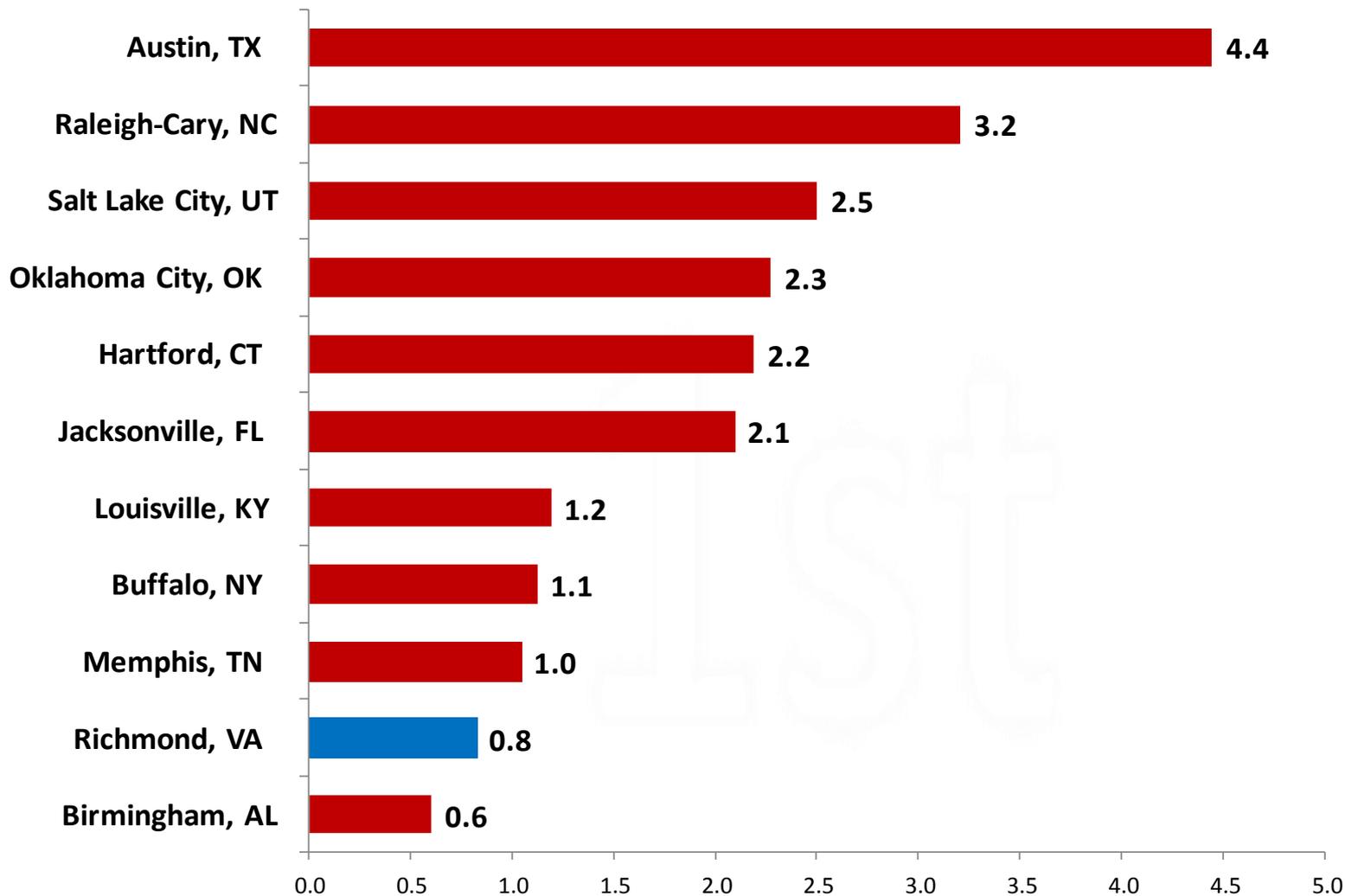


## Total Employment Growth - Average Annual Rate



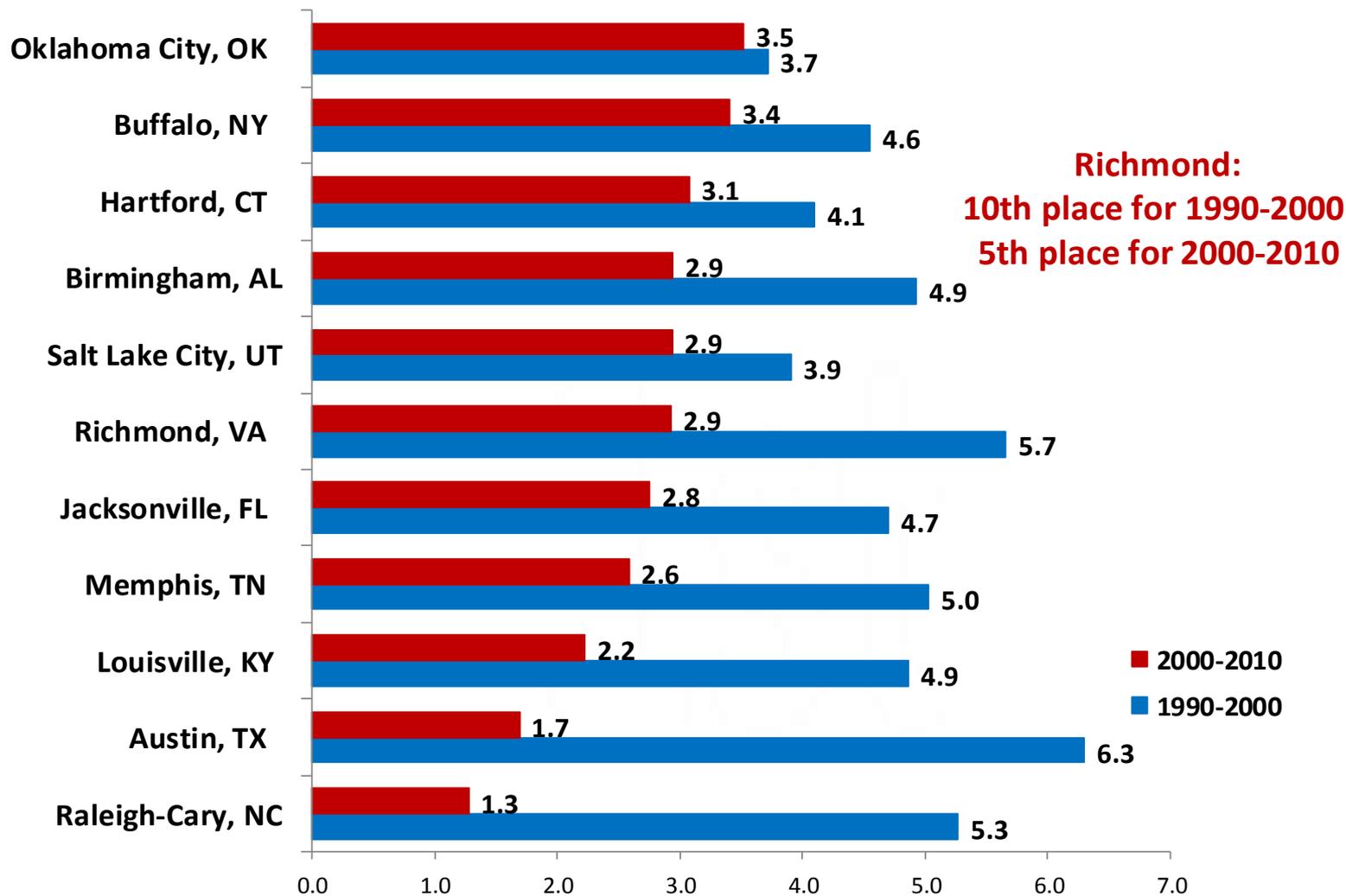


## Real GDP Growth - Average Annual Rate, 2001-2010





## Per Capita Personal Income Growth - Average Annual Rate





# Drivers of Metropolitan Growth





## ❖ Agglomeration economies

- Declining average cost as more production occurs in a geographic area
  - Diversification
  - Specialization



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## ❖ Key ingredient is human capital

“Between 1980 and 2000, the population of metropolitan areas where **less than 10 percent** of adults had college degrees in 1980, grew on average by **13 percent**. Among metropolitan areas where **more than 25 percent** of adults had college degrees, the average population growth rate was **45 percent**.”

[Glaeser and Saiz, 2004]





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## ❖ Amenities (favorable climate, others) also matter, but skills matter more





## Richmond ranks high in terms of college educated population – and has maintained this edge

Metro Area	Percent of population over 25 with at least a Bachelor's Degree			
	2000	Rank	2010	Rank
Austin, TX	36.8	2	39.4	2
Jacksonville, FL	22.9	9	26.9	8
Memphis, TN-MS-AR	22.7	10	25.1	11
Louisville, KY-IN	22.2	11	25.8	10
<b>Richmond, VA</b>	<b>29.2</b>	<b>4</b>	<b>31.7</b>	<b>4</b>
Oklahoma City, OK	24.5	7	27.6	7
Hartford, CT	29.8	3	34.6	3
Buffalo, NY	23.2	8	28.3	6
Raleigh-Cary, NC*	39.0	1	41.0	1
Birmingham, AL	24.7	6	26.3	9
Salt Lake City, UT	26.5	5	29.0	5



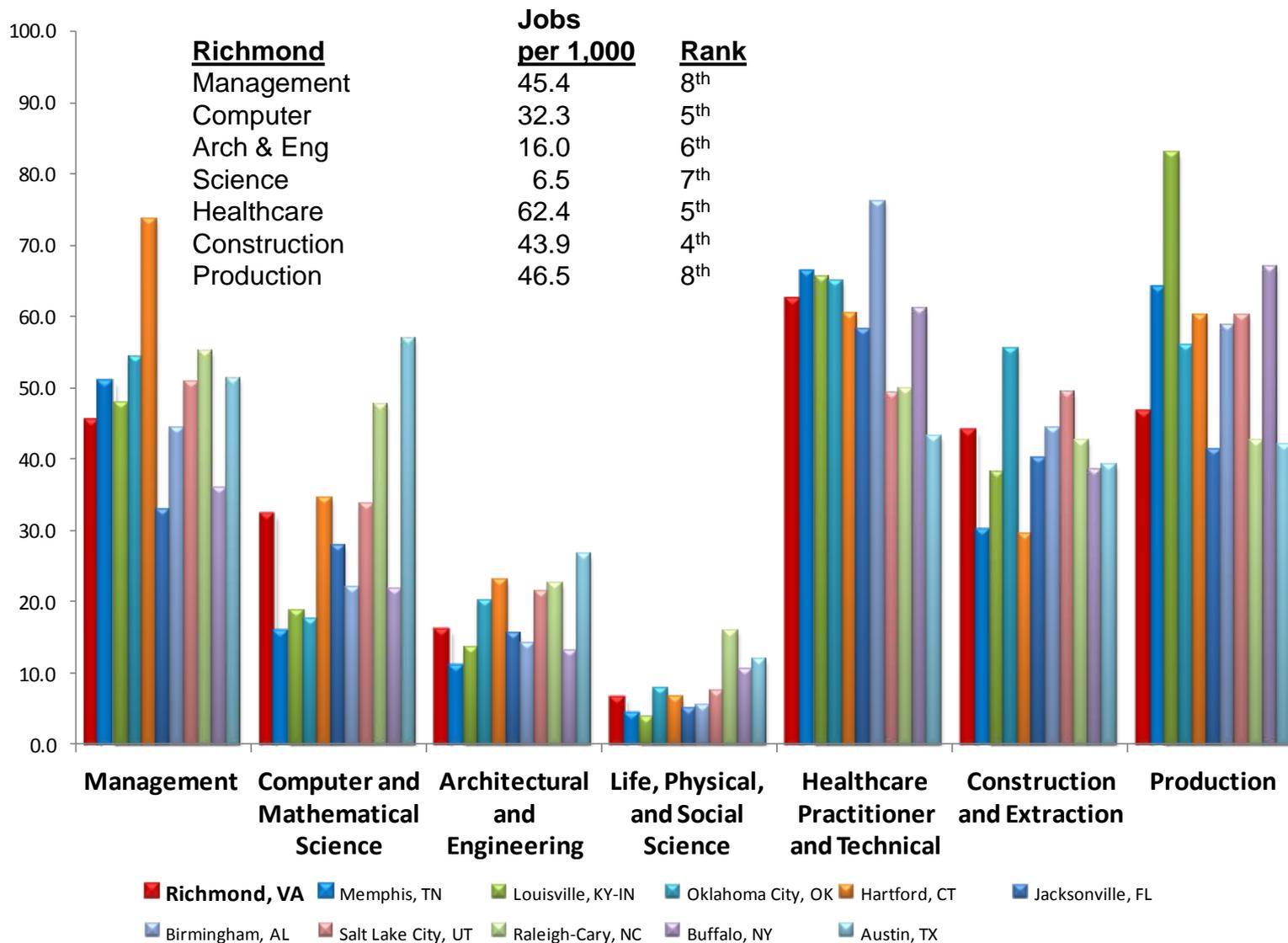


... but Richmond does *not* compare well in high school level educational attainment

Metro Area	Percent of population over 25 with at least a High School Degree or Equivalent			
	2000	Rank	2010	Rank
Austin, TX	85.1	3	87.5	6
Jacksonville, FL	83.7	5	89.1	3
Memphis, TN-MS-AR	79.9	11	85.6	10
Louisville, KY-IN	81.4	9	86.9	8
<b>Richmond, VA</b>	<b>82.7</b>	<b>8</b>	<b>86.0</b>	<b>9</b>
Oklahoma City, OK	83.8	4	87.5	6
Hartford, CT	83.6	6	89.0	4
Buffalo, NY	83.0	7	89.6	2
Raleigh-Cary, NC*	85.5	2	90.9	1
Birmingham, AL	80.6	10	84.6	11
Salt Lake City, UT	87.5	1	88.4	5



# Human Capital Indicators - Occupations

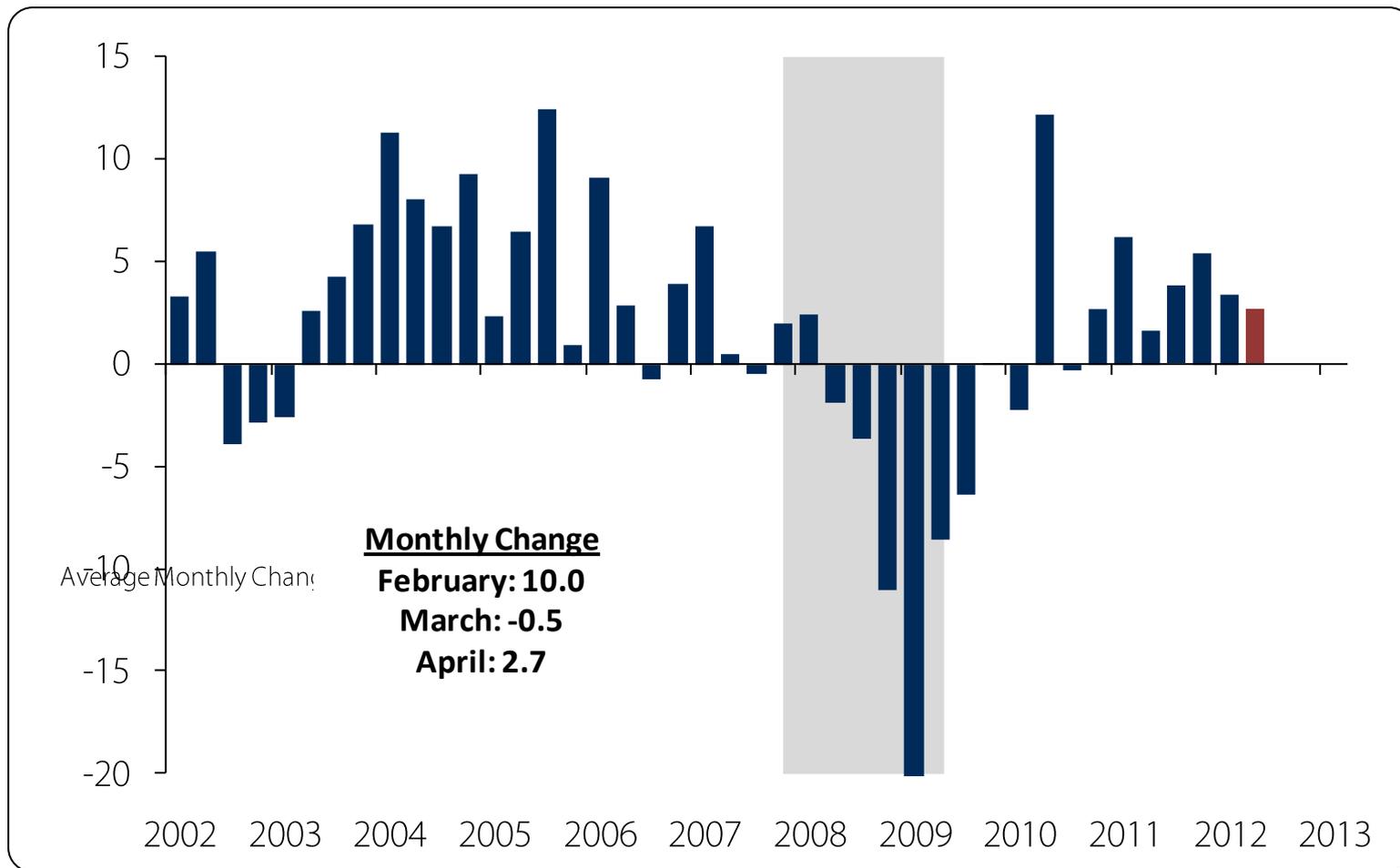




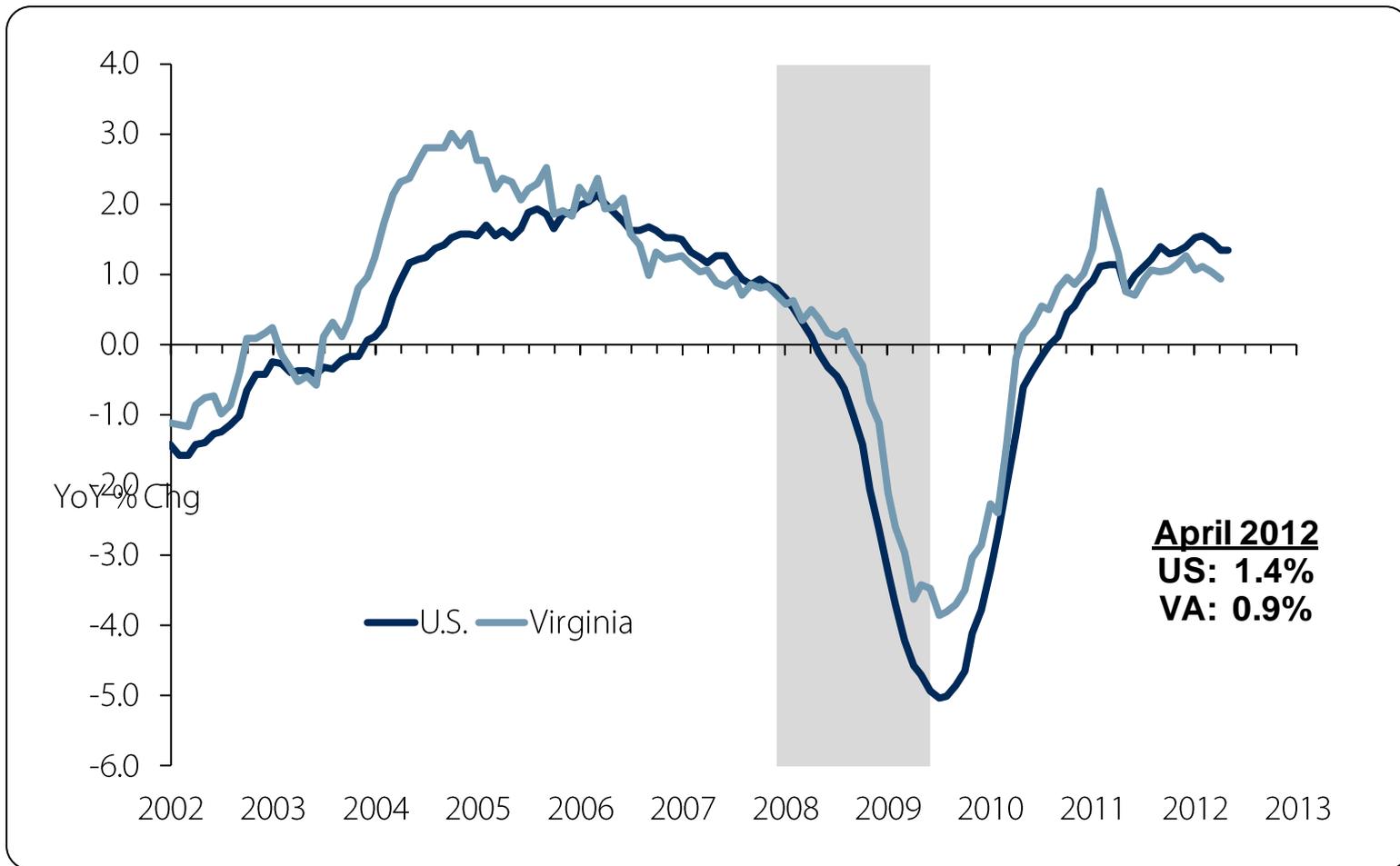
# Richmond vs. Virginia



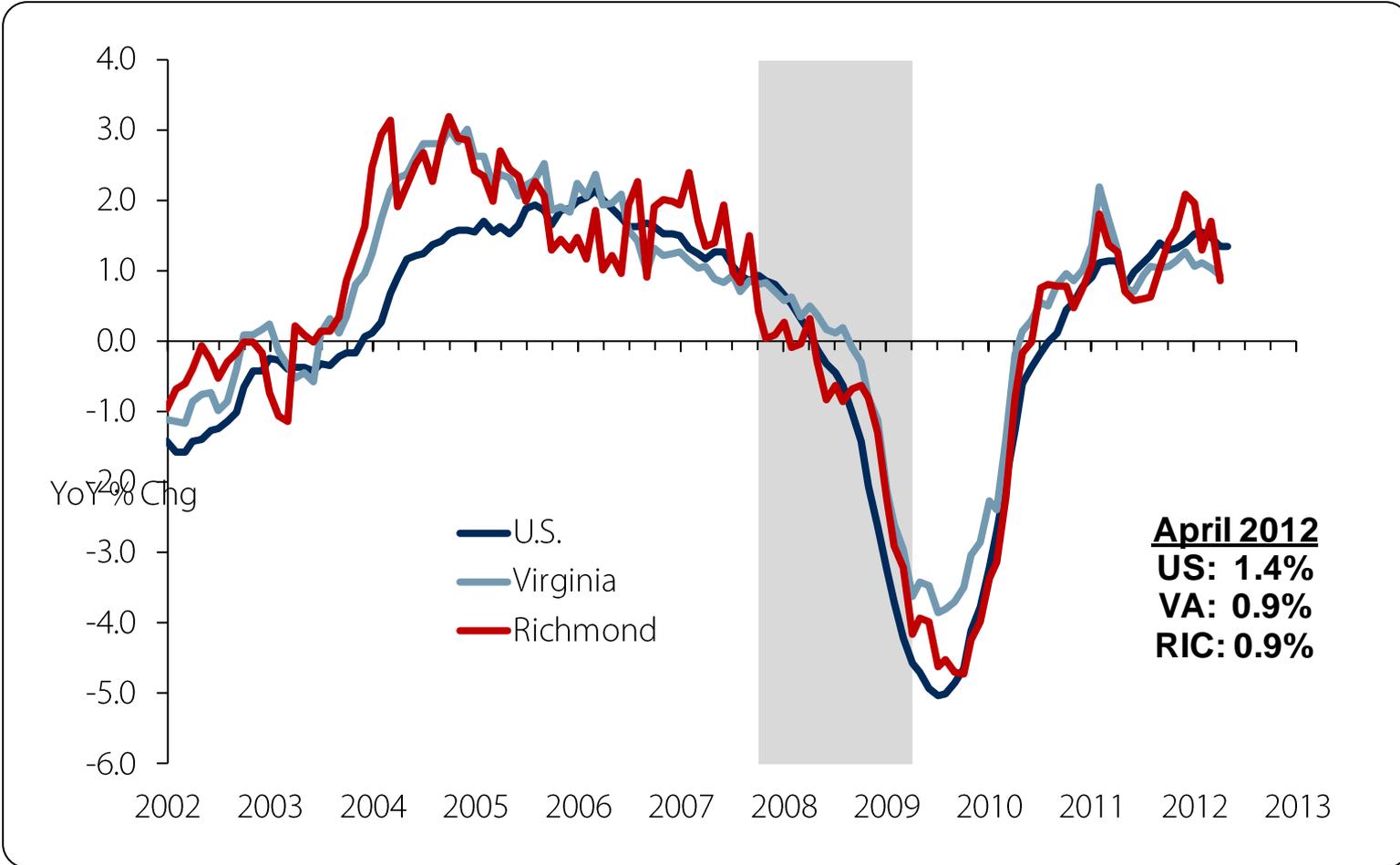
# Payroll Employment – Richmond MSA



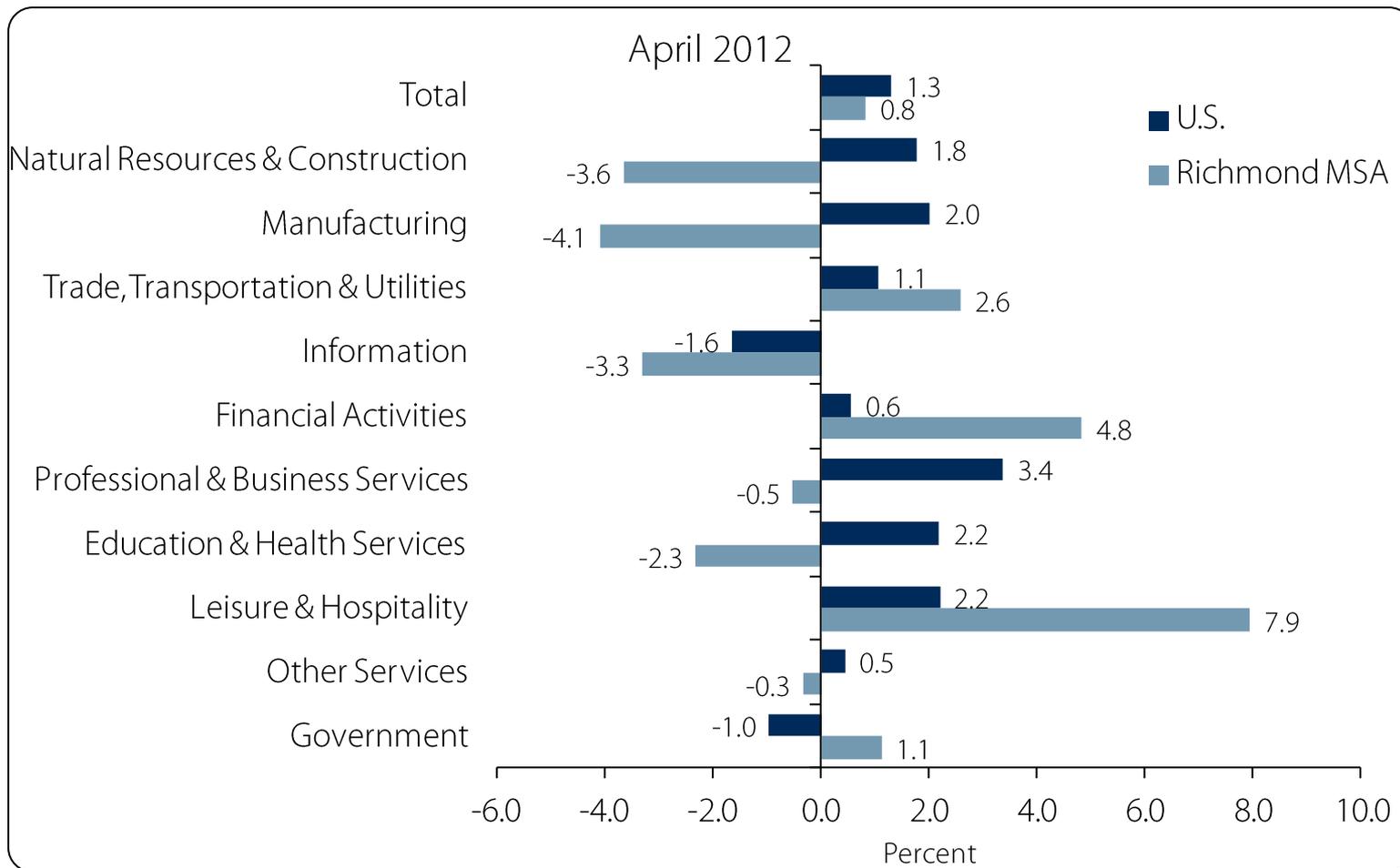
# Employment Growth – Virginia



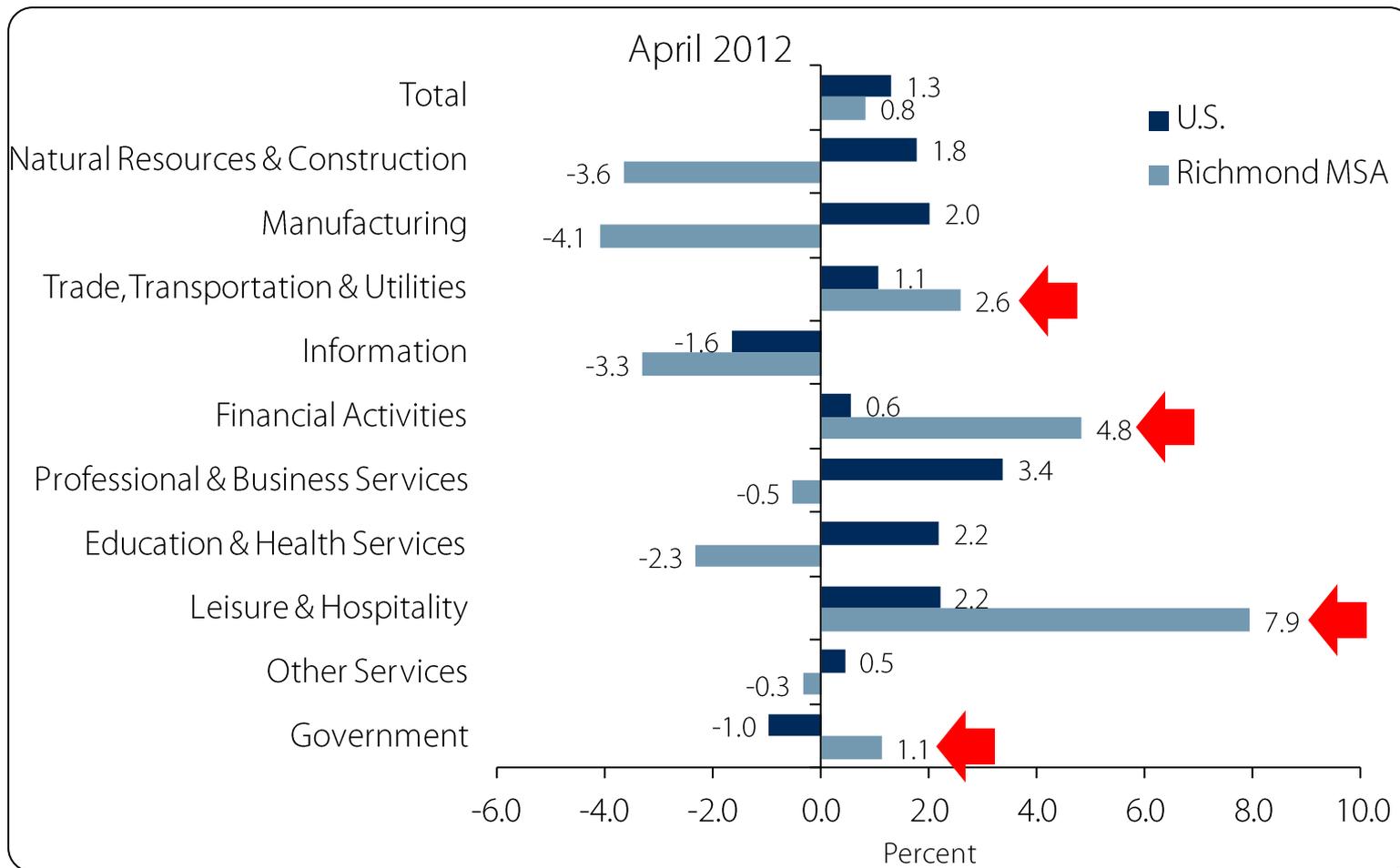
# Employment Growth – Virginia & Richmond



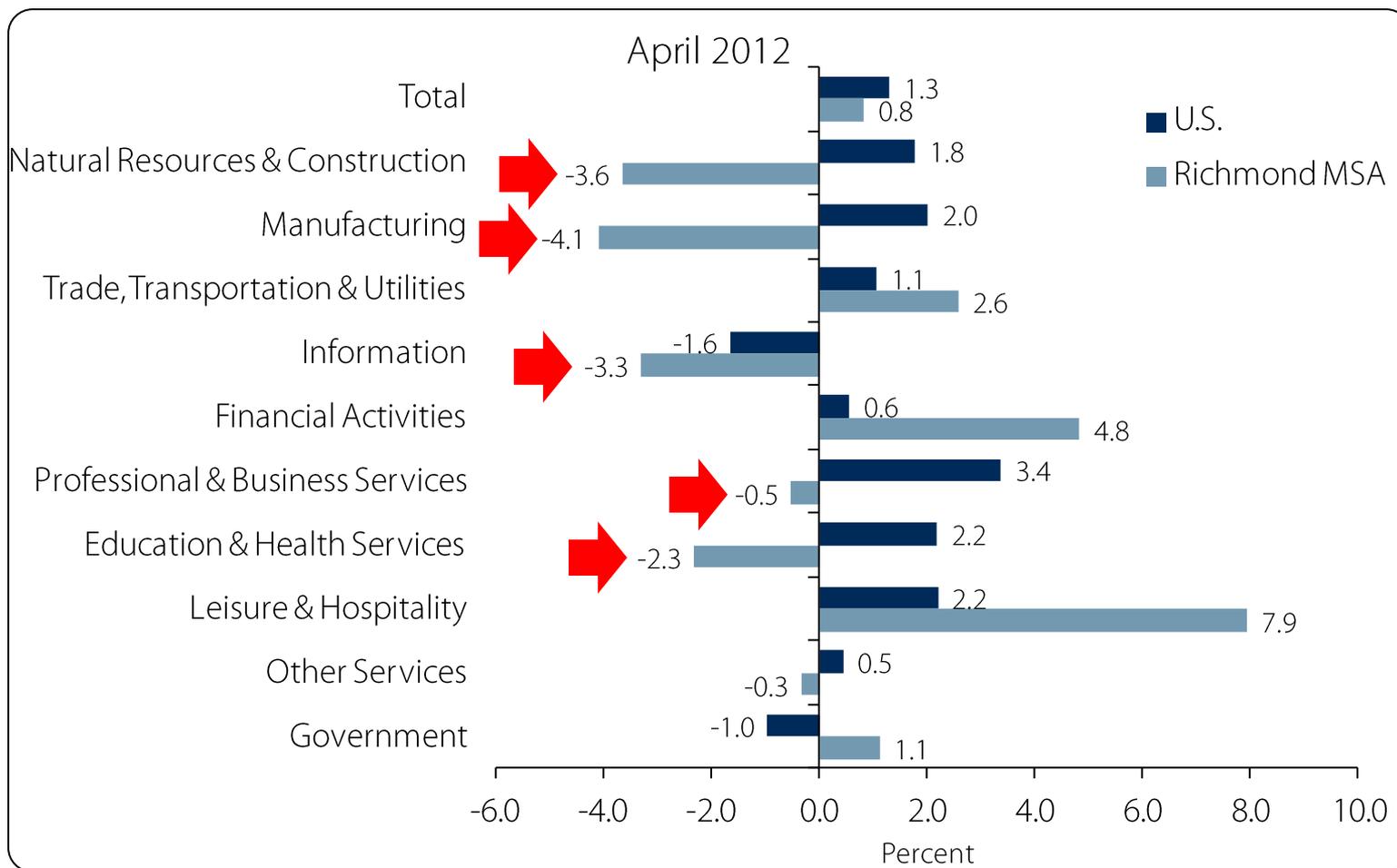
# Payroll Employment by Industry – Richmond



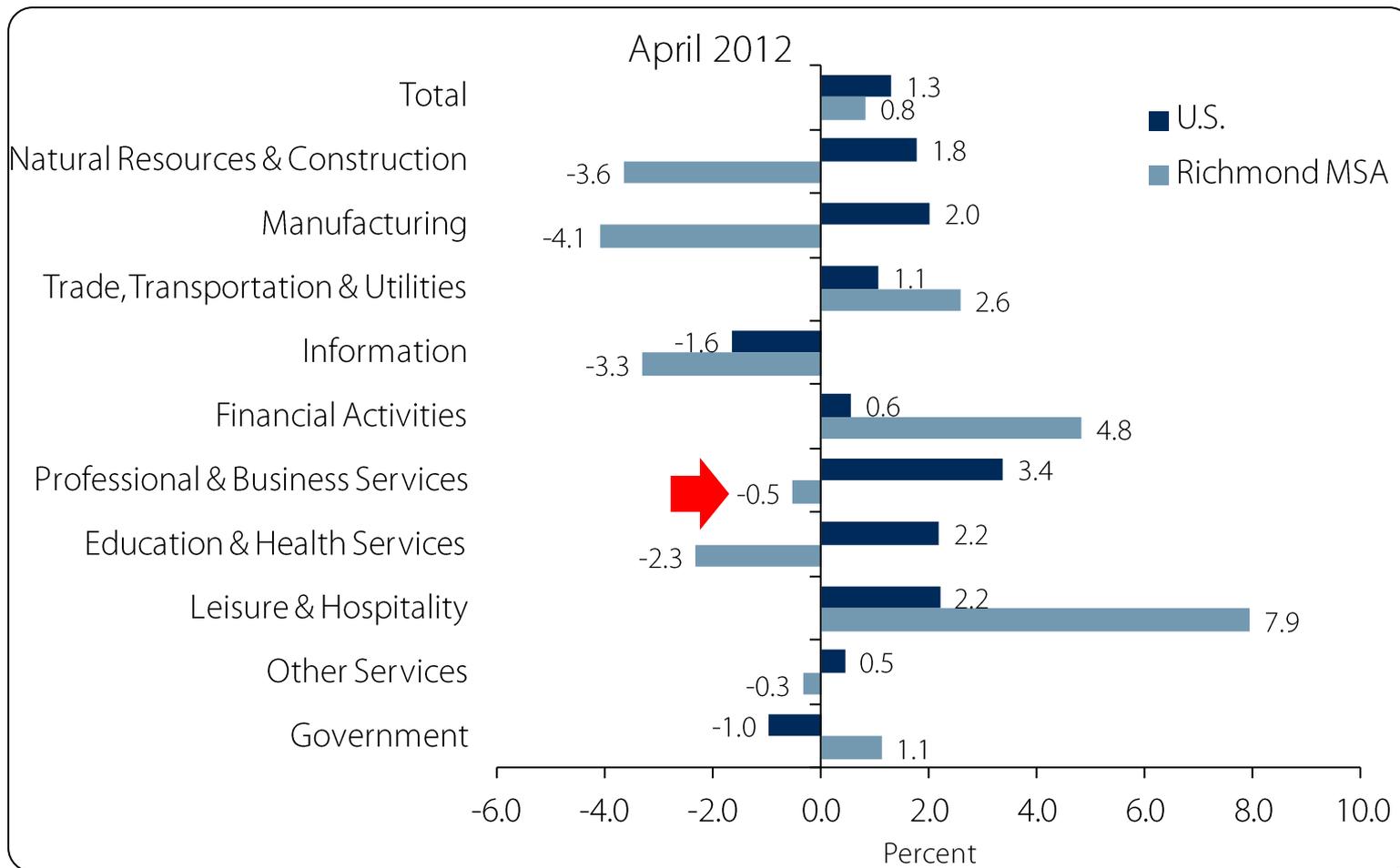
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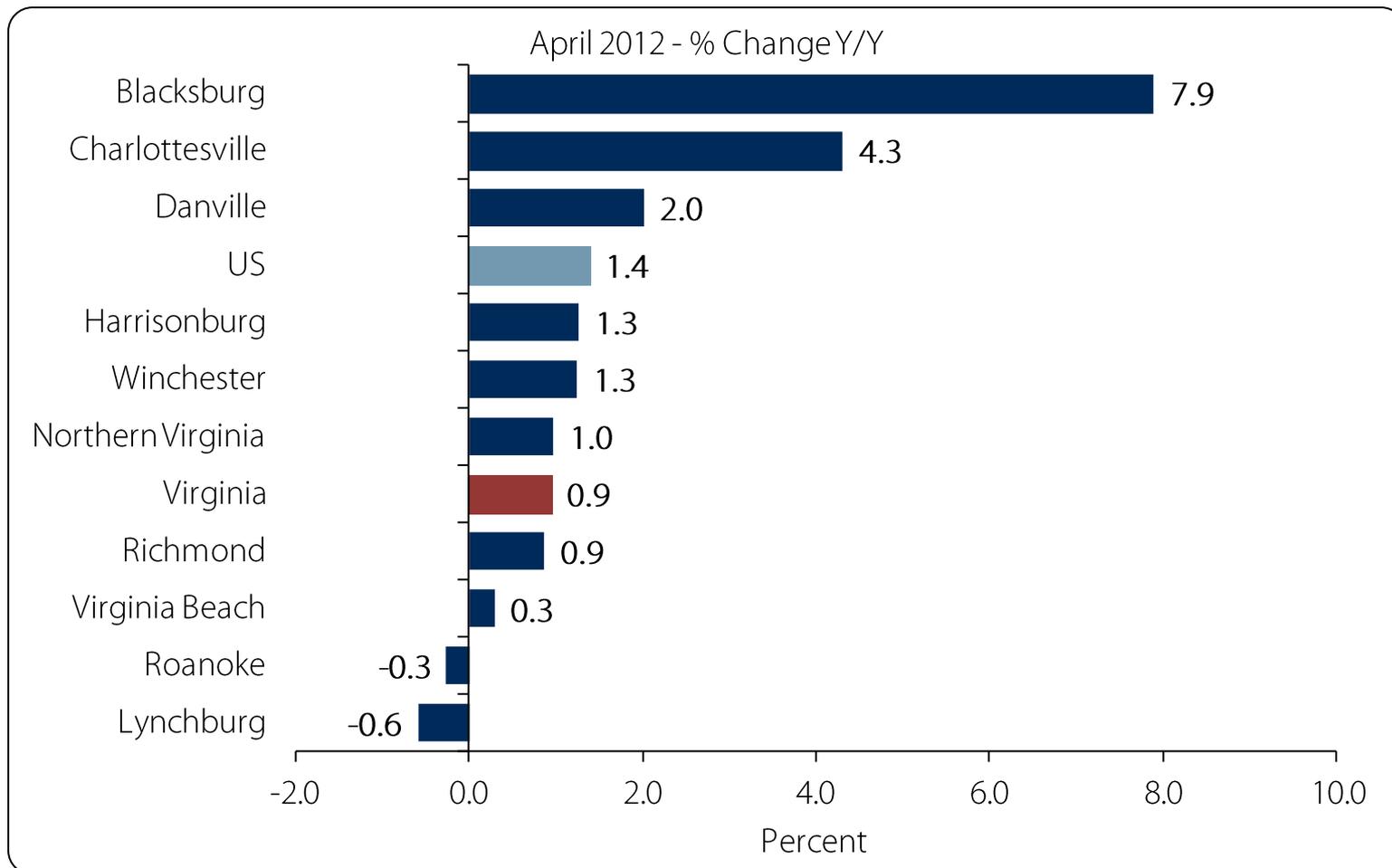
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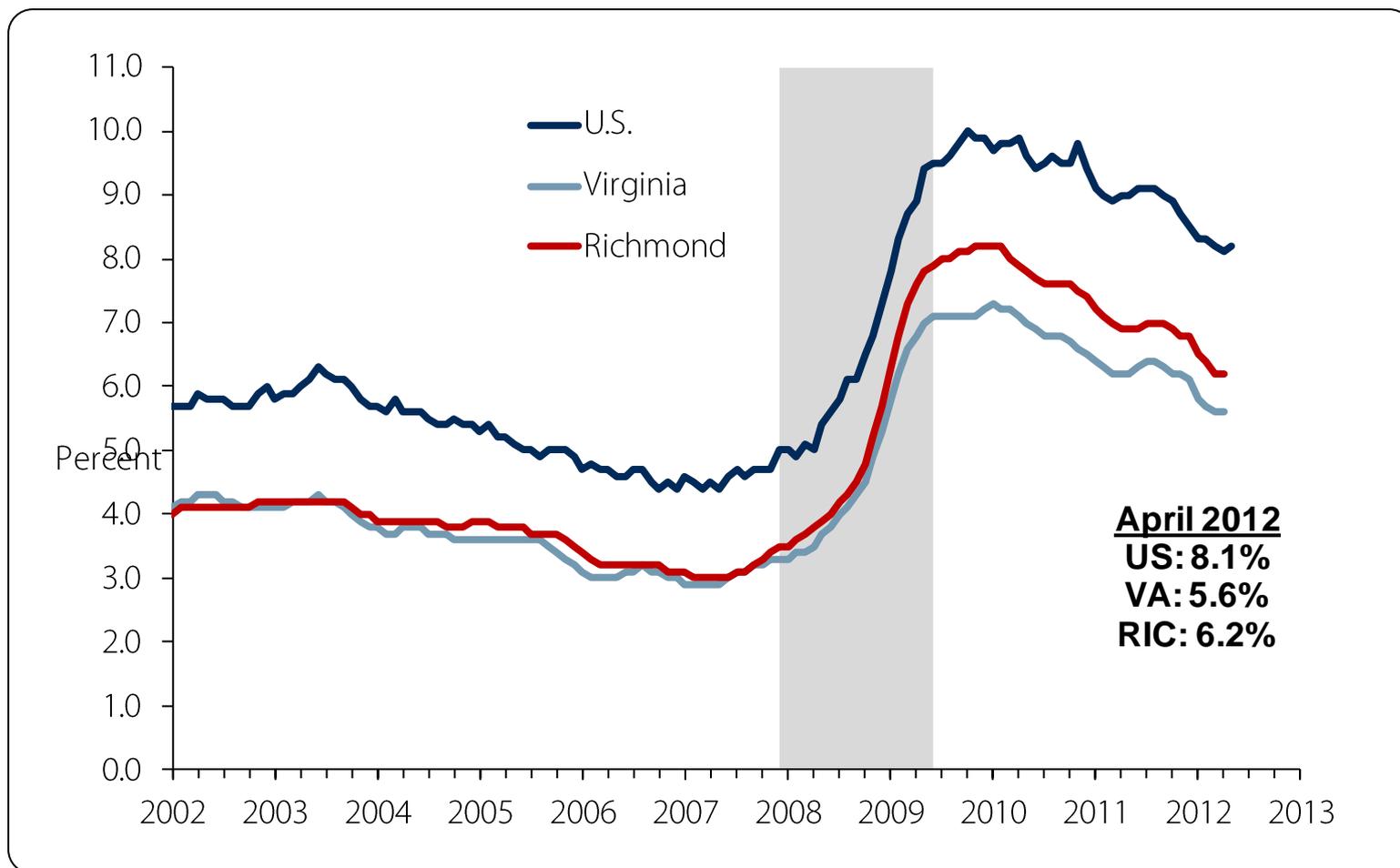
# Payroll Employment by Industry – Richmond



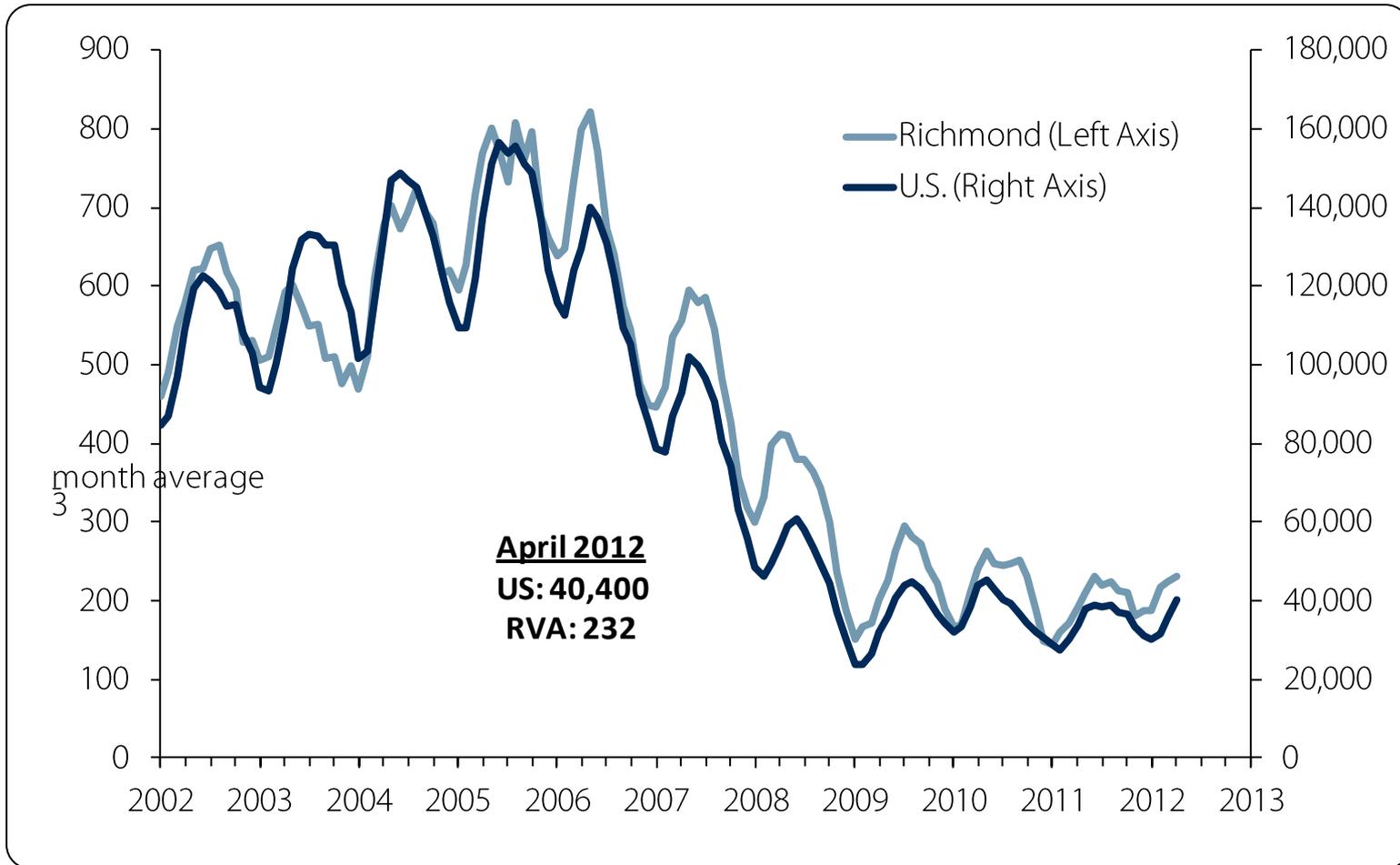
# Payroll Employment Growth – Virginia MSAs



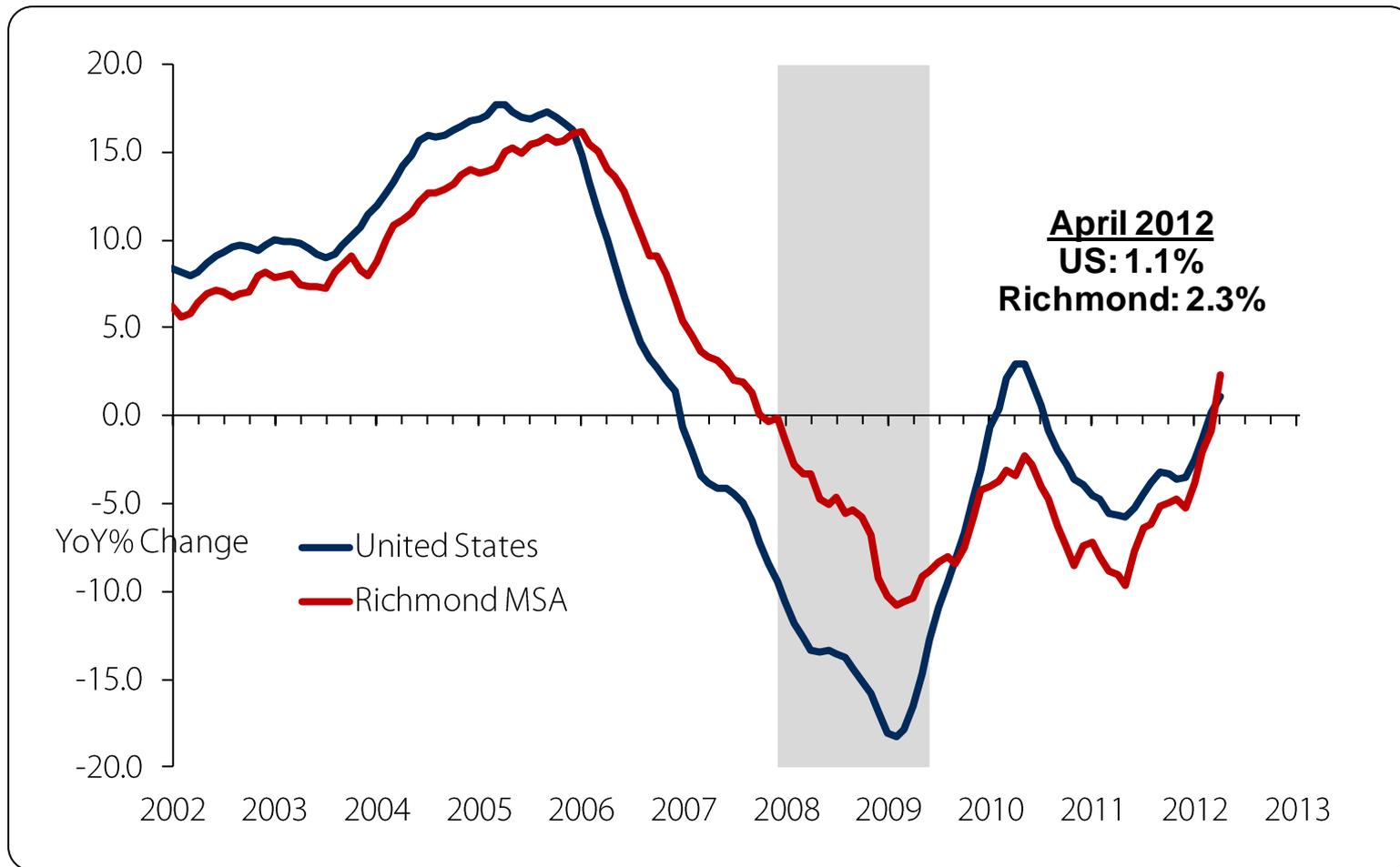
# Unemployment Rate – Virginia & Richmond



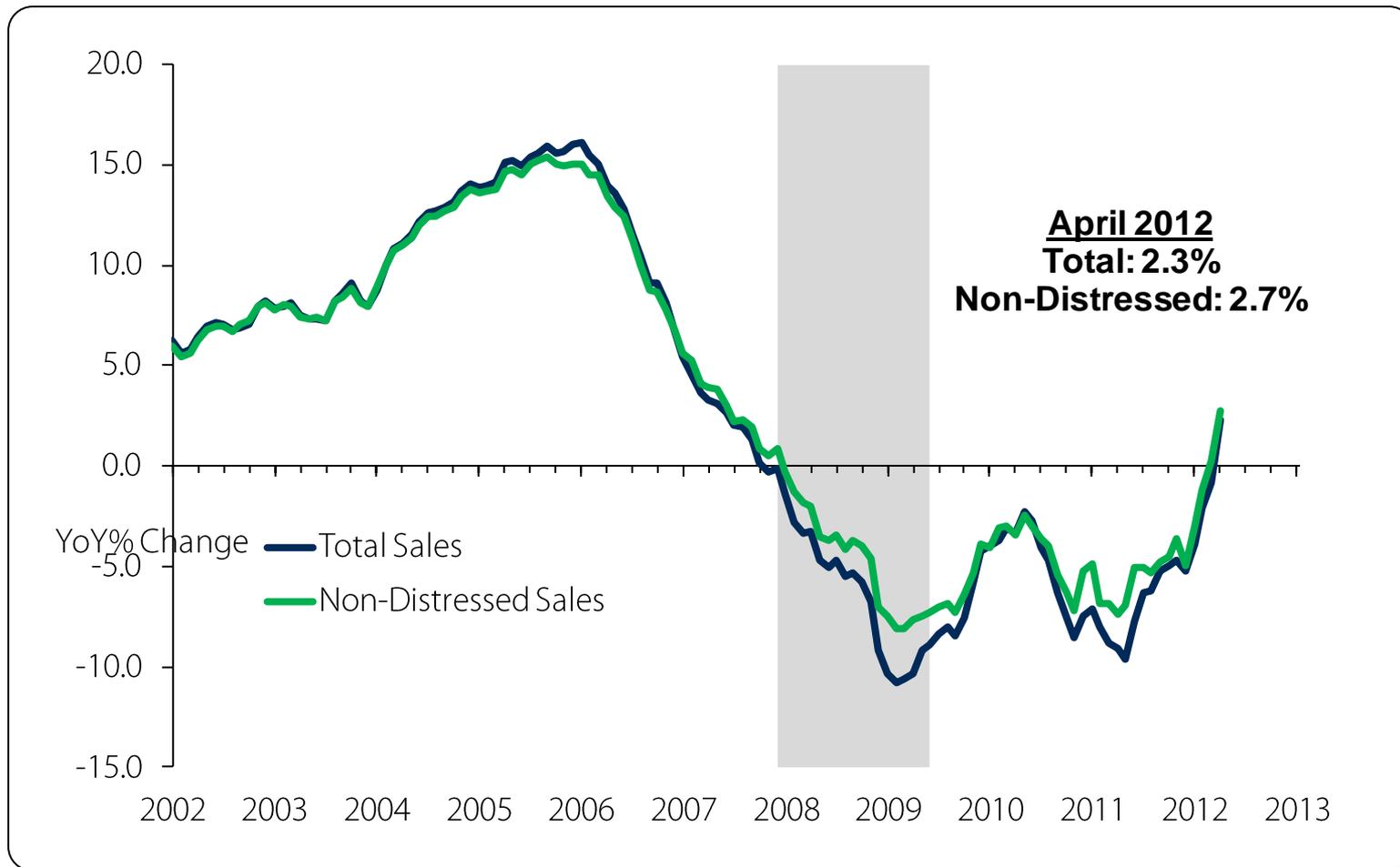
# Single-Family Building Permits



# House Price Index – Richmond MSA



# House Price Index – Richmond MSA





# In Conclusion



The views expressed here are those of the author, and do not necessarily represent those of the Federal Reserve Bank of Richmond or the Federal Reserve System.



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