US and Virginia Economic Outlook

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Overview

• National Economic Trends
  – Gross Domestic Output
  – Labor Markets

• Regional Economic Trends
  – Labor Market
  – Area Growth (PDC, MSA)
  – Industry Sector Growth
  – Unemployment
  – Housing
  – Federal Government Contracting
National Economic Trends
Real Gross Domestic Product

Source: Bureau of Economic Analysis/Haver Analytics
Real Gross Domestic Product

% Change, SAAR

- Real GDP: 5.0% (2014:Q3), 2.6% (2014:Q4)
- PCE: 3.2%, 4.3%
- Residential Investment: 3.2%, 4.1%
- Nonresidential Investment: Structures: 4.8%, 2.6%
- Nonresidential Investment: Equipment: 11.0%, -1.9%

Source: Bureau of Economic Analysis/Haver Analytics
Real Gross Domestic Product

% Change, SAAR

- Real GDP: 5.0 (2014:Q3), 2.6 (2014:Q4)

Source: Bureau of Economic Analysis/Haver Analytics
Real Gross Domestic Product

![Graph showing % Change, SAAR for Real GDP, PCE, Residential Investment, Nonresidential Investment: Structures, and Nonresidential Investment: Equipment for 2014:Q3 and 2014:Q4.]

Source: Bureau of Economic Analysis/Haver Analytics
Employment Growth

Monthly Change
November: 423
December: 329
January: 257

Average Monthly Change, Thous.

Source: Bureau of Labor Statistics/Haver Analytics
Civilian Unemployment Rate

Source: Bureau of Labor Statistics/Haver Analytics
Virginia Economic Trends
Virginia Payroll Employment

Source: Bureau of Labor Statistics/Haver Analytics
Employment Growth in VA PDCs

Virginia PDC Total Employment Growth
Percent Change from Q2:2013 to Q2:2014

- Red: -4.2 - -0.6
- Orange: -0.5 - 0.0
- Yellow: 0.1 - 0.4
- Blue: 0.5 - 1.4
- Green: 1.5 - 2.4

PDC Boundary
County Boundary

Source: QCEW via VALMI
Employment Growth in VA Counties and Cities

VA County Total Employment Growth
Percent Change from Q2:2013 to Q2:2014

-8.0 - 0.6
-0.5 - 0.0
0.1 - 0.4
0.5 - 1.4
1.5 - 21.9

PDC Boundary
County Boundary
MSA Payroll Employment Growth in Virginia

December 2014

Richmond: 2.4%
US: 2.1%
Charlottesville: 2.1%
Harrisonburg: 1.9%
Winchester: 1.3%
Virginia Beach: 1.1%
Northern Virginia: 0.9%
Blacksburg: 0.8%
Virginia: 0.8%
Roanoke: -0.3%
Lynchburg: -0.5%
Danville: -1.0%

Source: Bureau of Labor Statistics/Haver Analytics
Virginia Industry Growth

Source: Bureau of Labor Statistics/Haver Analytics
Virginia Industry Growth

Source: Bureau of Labor Statistics/Haver Analytics
Virginia Industry Growth

Source: Bureau of Labor Statistics/Haver Analytics
Virginia Industry Growth

Index, 100 = December 2007

- Professional & Business Services
- Education & Health Services
- Total

Source: Bureau of Labor Statistics/Haver Analytics
Employment Concentration by County
Professional and Business Services

VA County PBS Employment Concentration
PBS Share of Total Employment (Q2:2014)

- 0.0 - 6.9
- 7.0 - 9.9
- 10.0 - 12.9
- 13.0 - 14.9
- 15.0 - 36.0

Source: QCEW via VALMI
Virginia Unemployment Rate

Source: Bureau of Labor Statistics/Haver Analytics
Unemployment Rates in VA PDCs

Virginia PDC Unemployment Rate
December 2014

Source: Bureau of Labor Statistics/Haver Analytics
Unemployment Rates in VA Counties and Cities

VA County Unemployment Rate
December 2014

- 2.9 - 4.4
- 4.5 - 4.9
- 5.0 - 5.9
- 6.0 - 6.9
- 7.0 - 10.6

Source: Bureau of Labor Statistics/Haver Analytics
Unemployment in Virginia’s MSAs

Source: Bureau of Labor Statistics/Haver Analytics
Virginia Home Prices

Source: CoreLogic Information Solutions, Inc.
Virginia Home Price Change by MSA

House Price Growth (S)
December 2013 - December 2014

-4.0 - 0.0
0.1 - 0.9
1.0 - 1.9
2.0 - 4.9
5.0 - 10.2

PDC Boundary
County Boundary

Source: CoreLogic Information Solutions, Inc.
Virginia Contract Spending by Fiscal Year

Source: USASpending.gov (Data as of 1/30/15)
Virginia Contract Spending by PDC

Source: Federal Procurement Data System (as of 2/3/2015)
Virginia Contract Spending by County

Source: Federal Procurement Data System (as of 2/3/2015)
Summary

- National economic conditions continue on a moderate growth path.
- Hiring activity and other labor market indicators are consistent with modest growth.
- Virginia’s labor market indicators is weaker than the nation, with industry and regional variations.
- There is slower growth in Virginia home prices relative to the US.
- The fiscal drag was felt more acutely in Virginia.
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.