

U.S. and Virginia Economic Outlook

Virginia Local Government Management
Association

February 13, 2020

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The views and opinions expressed herein are those of the author. They do not represent an official position of the Federal Reserve Bank of Richmond or the Federal Reserve System.

What is the Story?

On the one hand....

- U.S. economic growth by the numbers looks solid
 - GDP is growing as anticipated—buoyed by consumer spending and residential investment
 - Labor markets are tight
 - Sentiment indices have steadied

On the other hand....

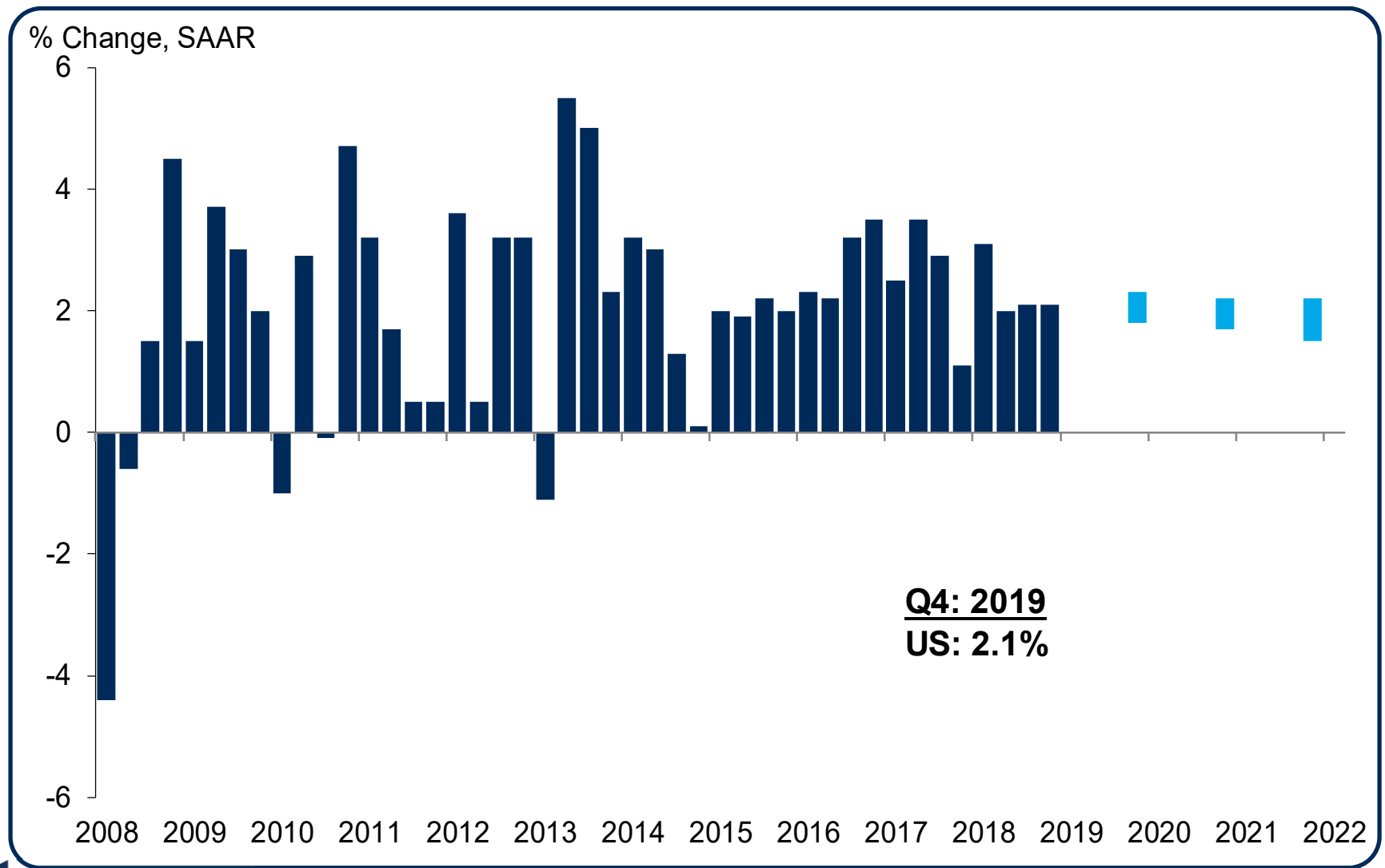
- Business investment remains soft
- Reports of lingering uncertainty

And

- The Virginia economy is growing, but continues to trail that of the U.S. (and neighbors to the south)

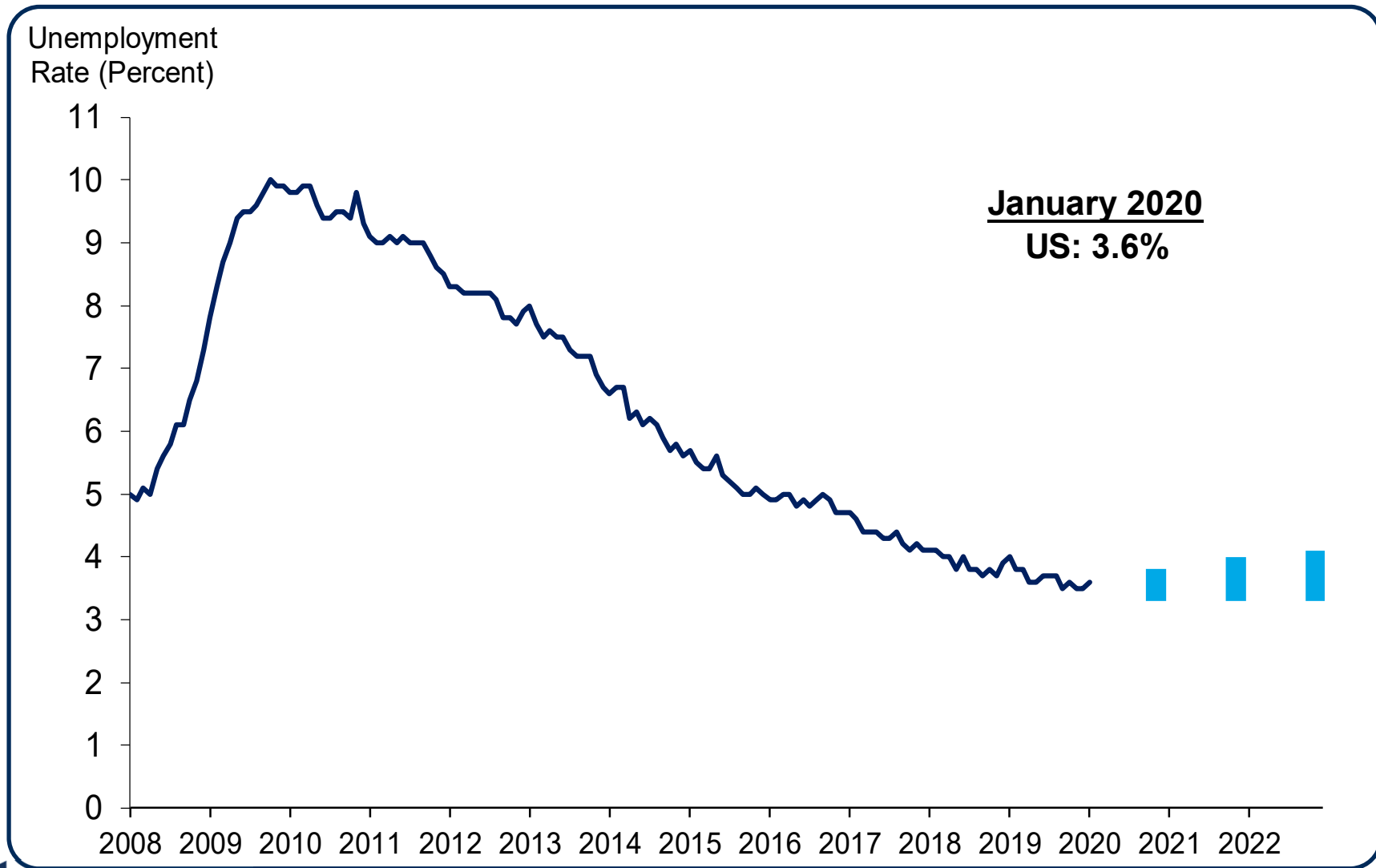
National Economic Trends

U.S. Gross Domestic Product: A decade of fairly steady GDP growth continues



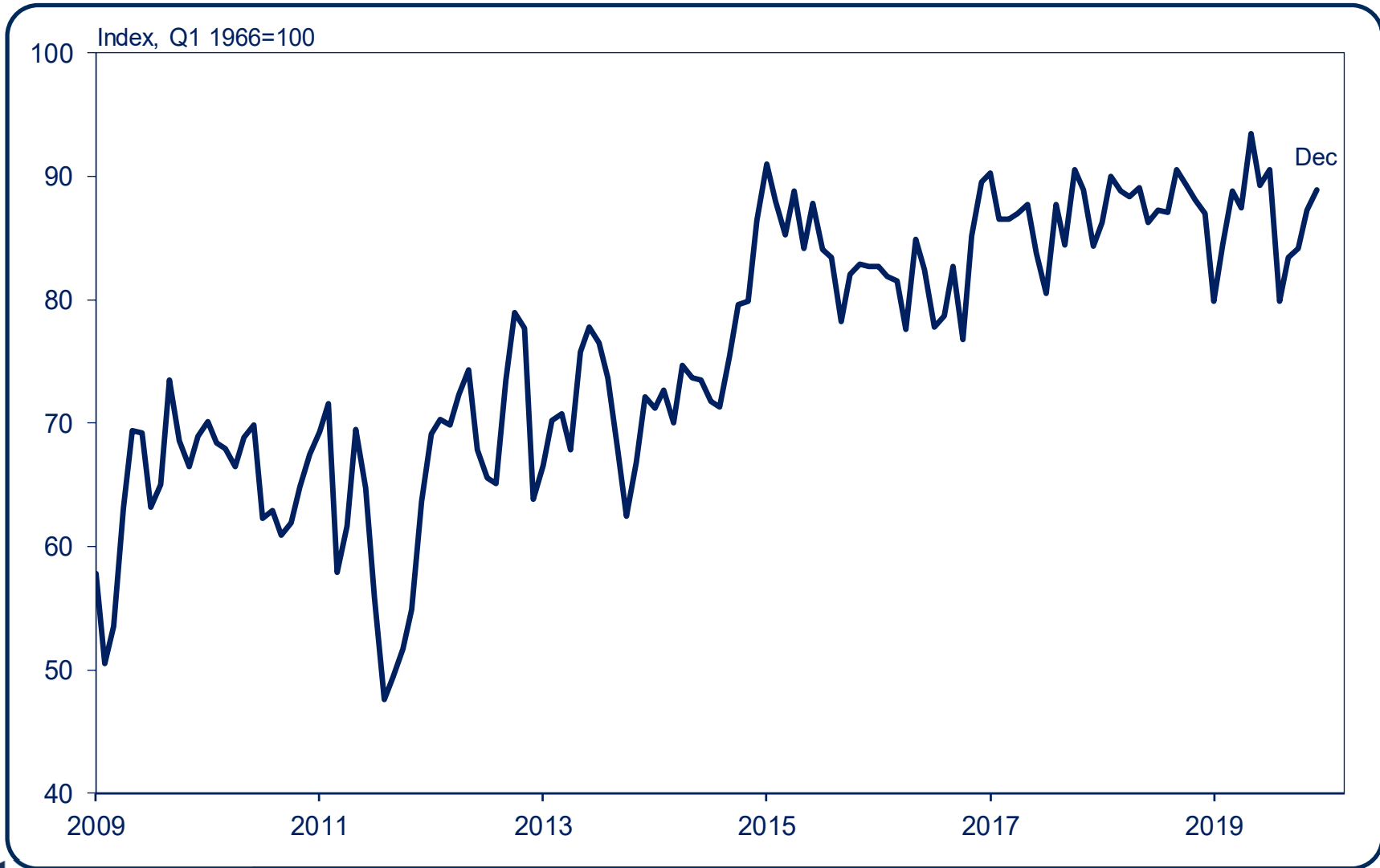
Source: Bureau of Economic Analysis, Federal Reserve Board /Haver Analytics

The unemployment rate continues at historic lows



Source: Bureau of Labor Statistics, Federal Reserve Board of Governors/Haver Analytics

University of Michigan Consumer Expectations



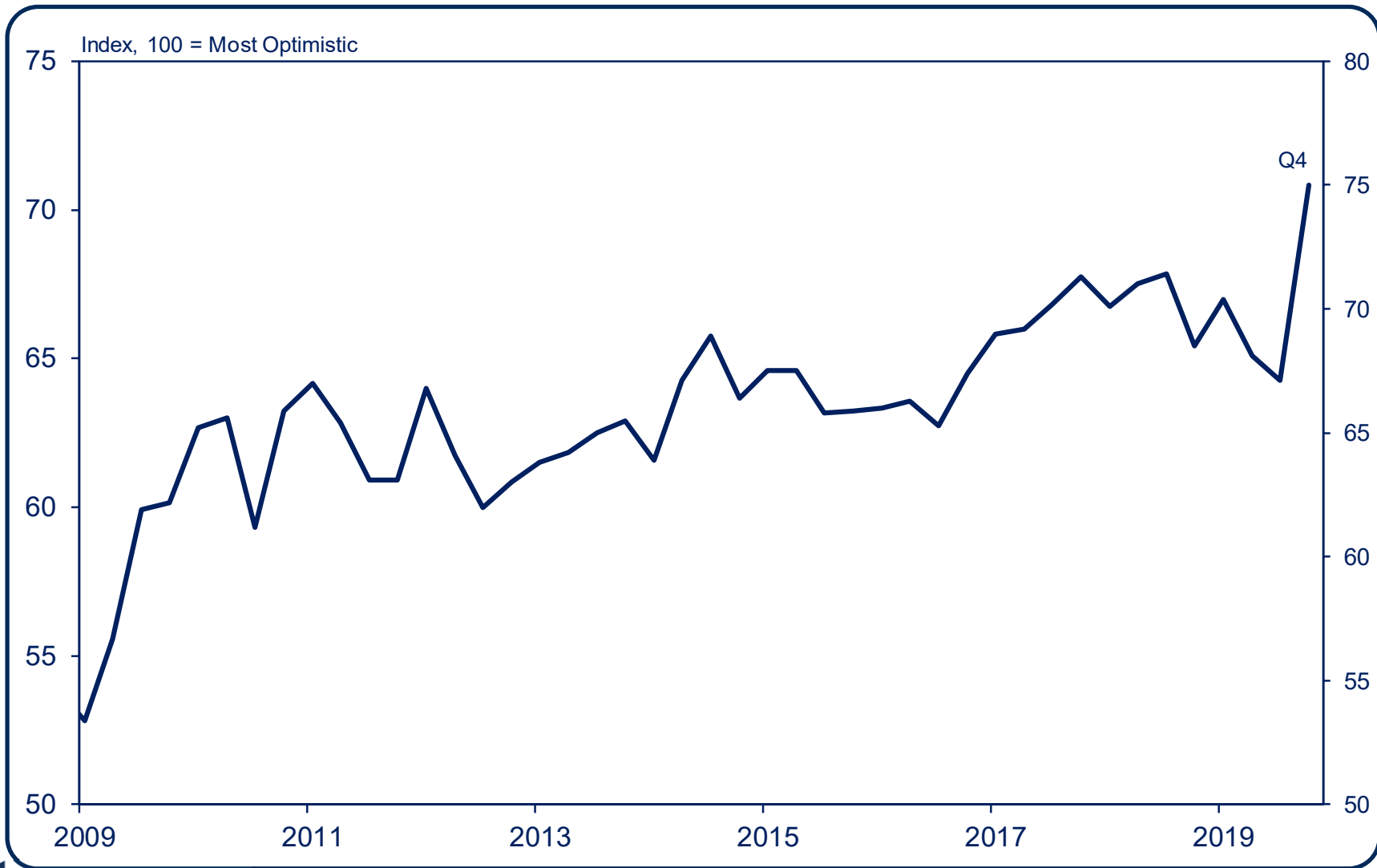
Source: University of Michigan via Haver Analytics

National Federation of Independent Business



Source: NFIB via Haver Analytics

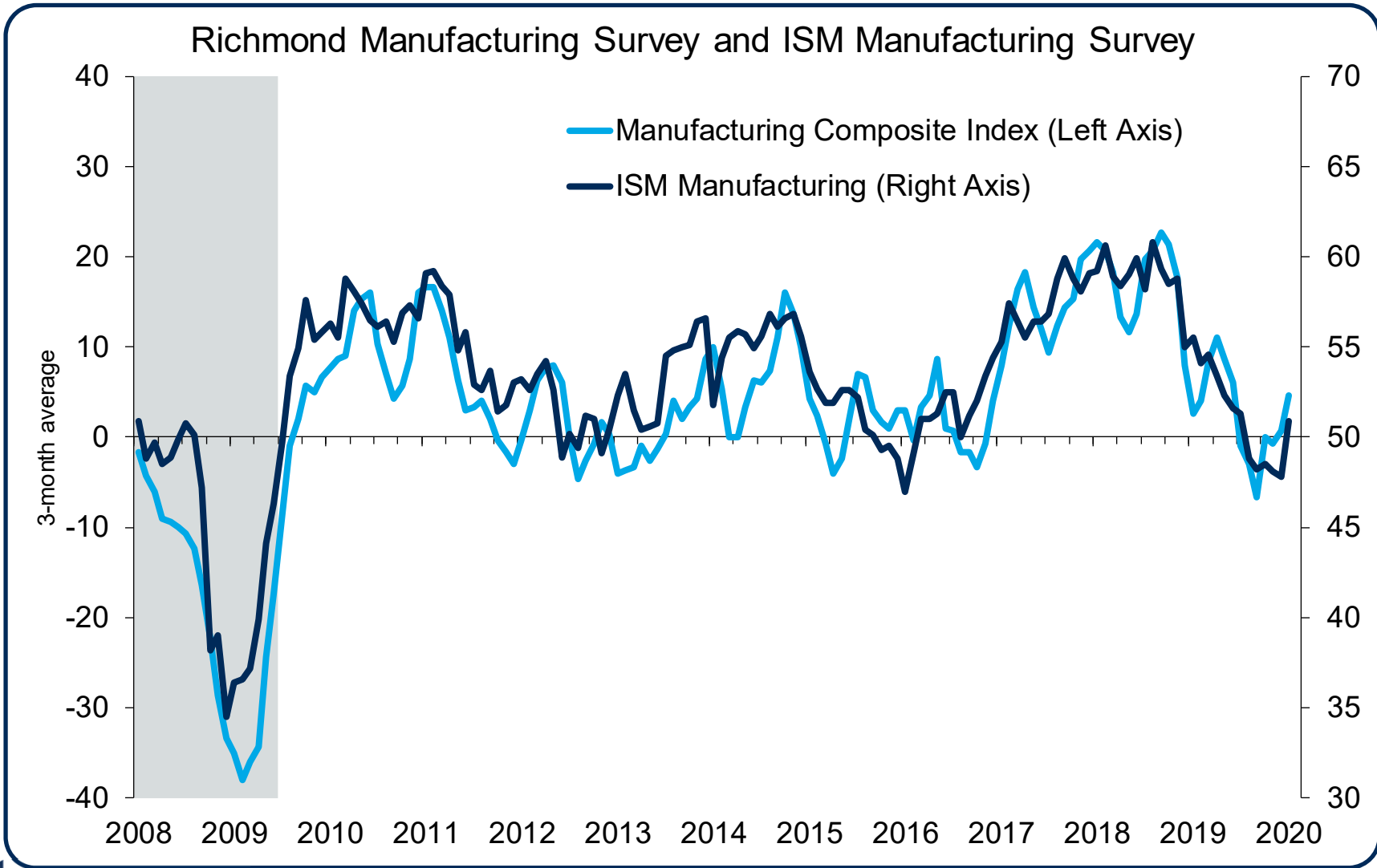
Duke/CFO Survey



Source: Duke/CFO via Haver Analytics

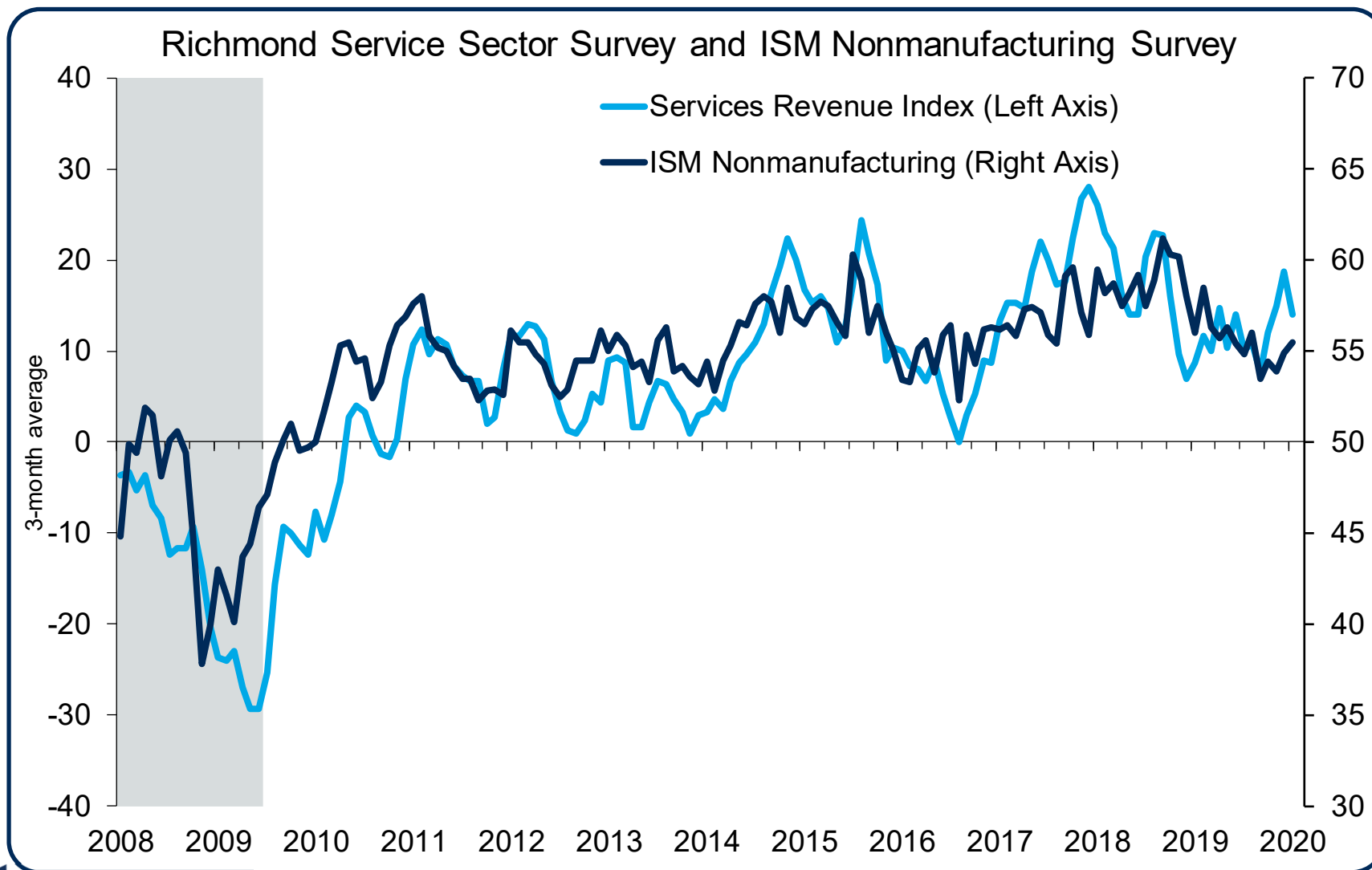
Regional Economic Trends

Our Fifth District manufacturing index has seen some rebound...



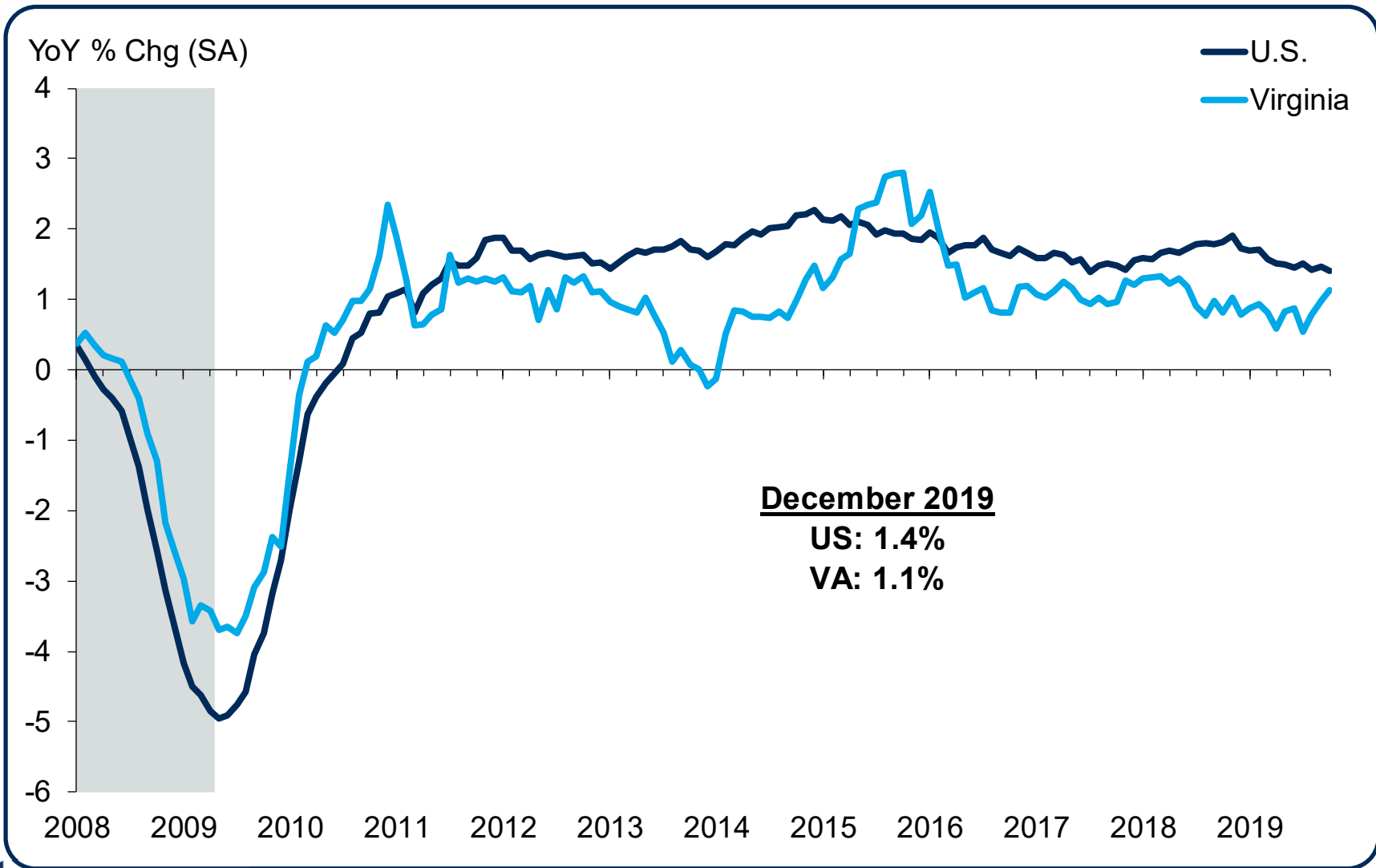
Source: The Federal Reserve Bank of Richmond/Institute of Supply Management

...and our service sector index remains solid

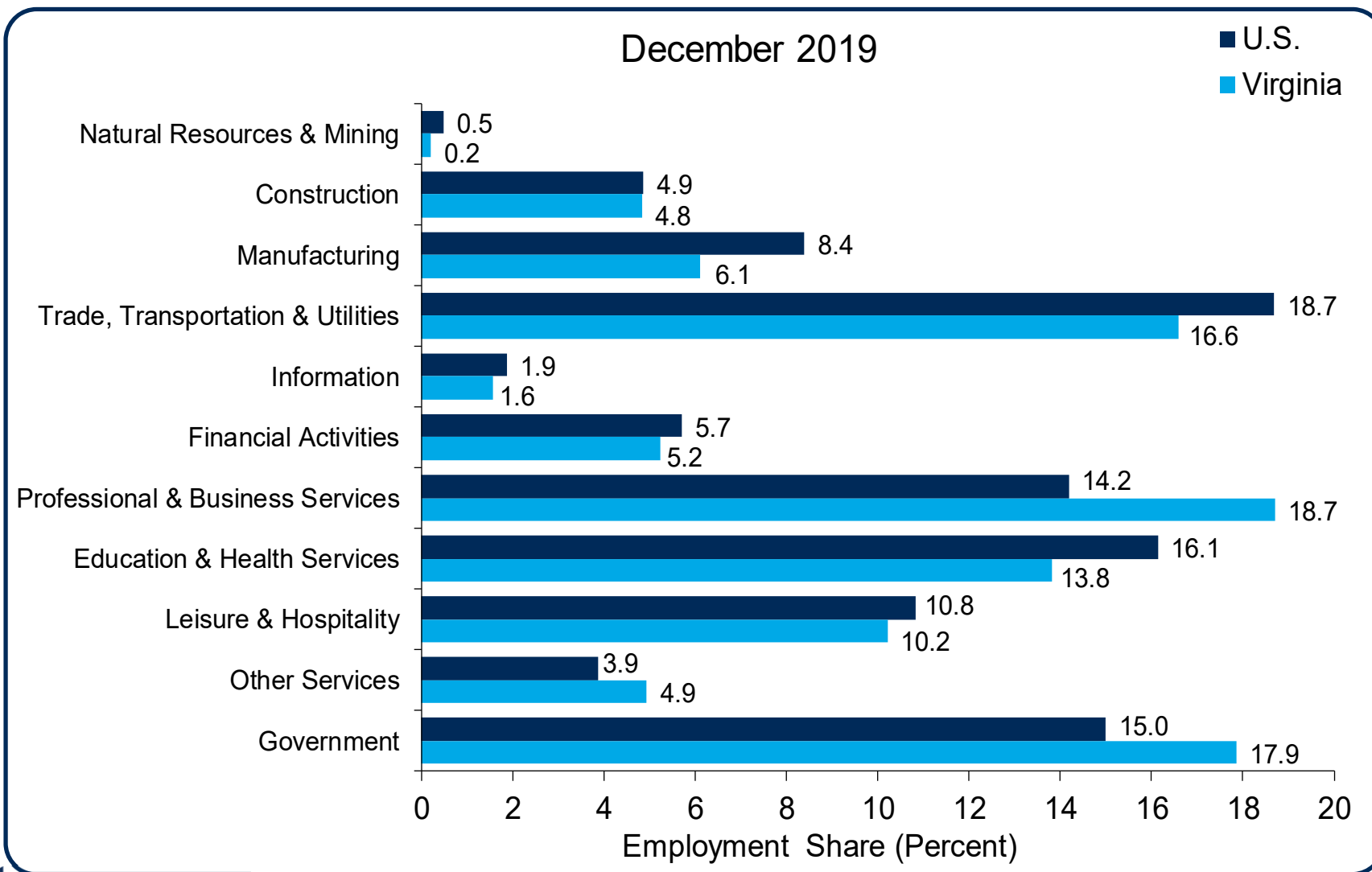


Source: The Federal Reserve Bank of Richmond/Institute of Supply Management

Payroll Employment

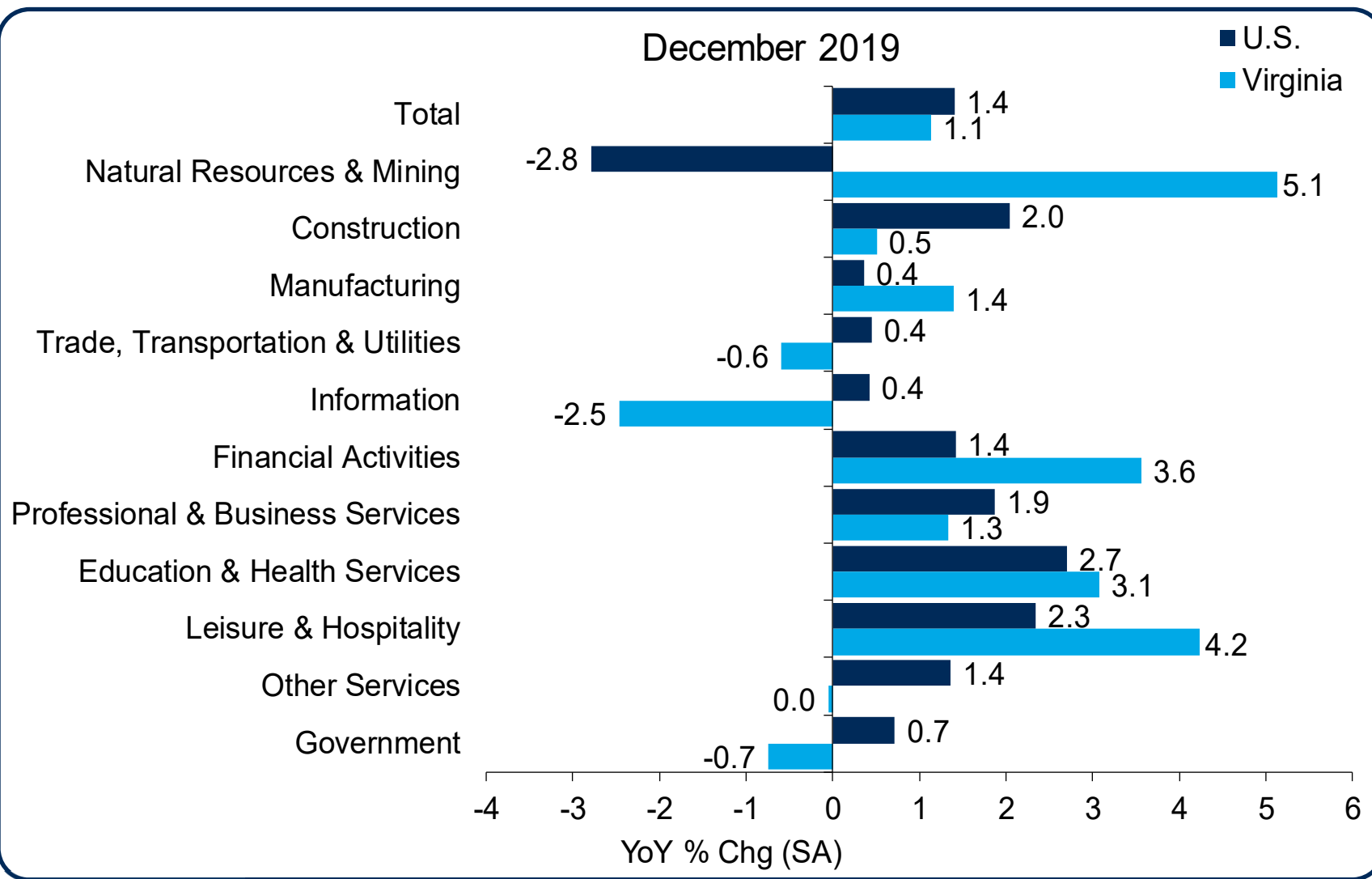


Virginia Industry Structure



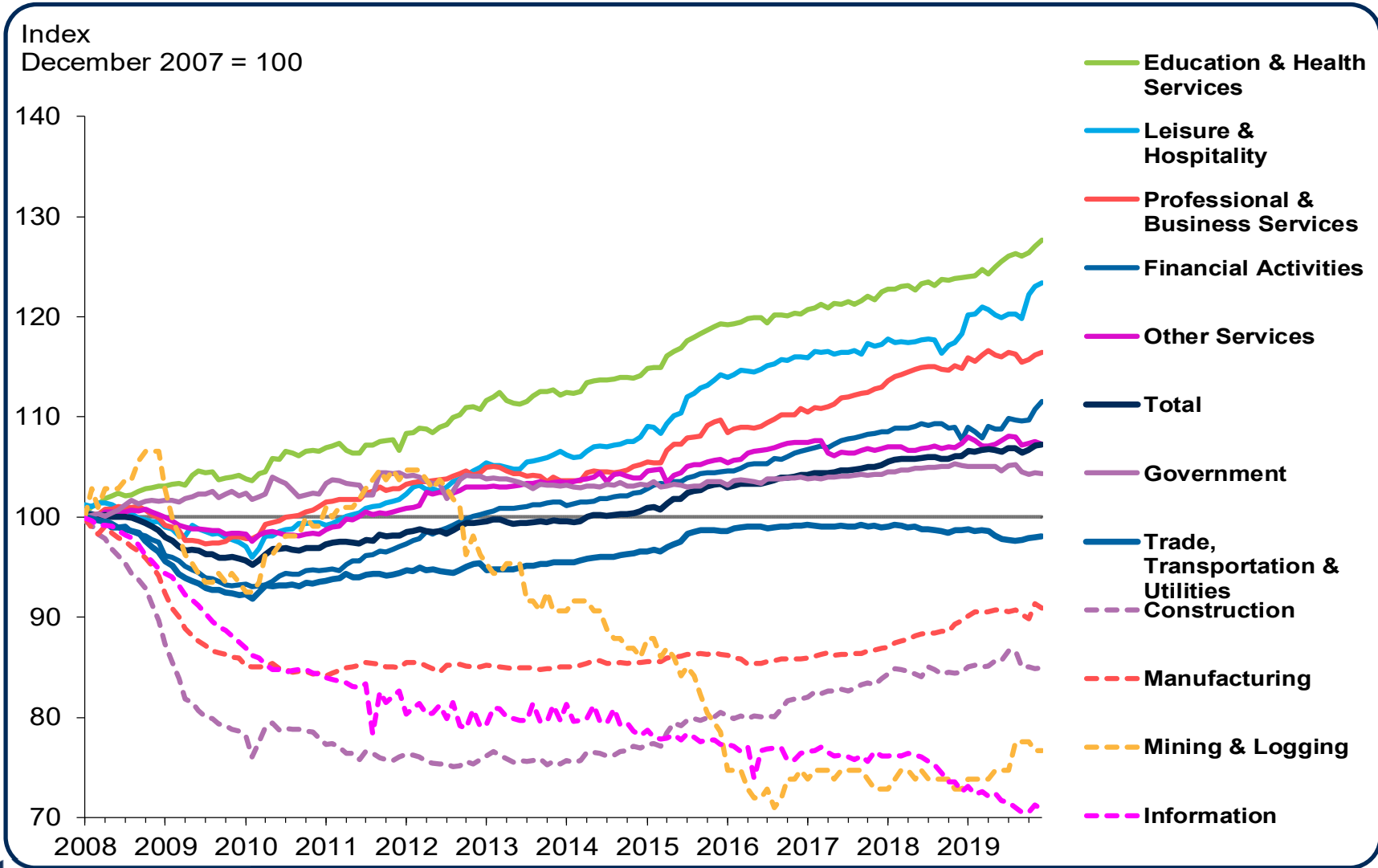
Source: Bureau of Labor Statistics/Haver Analytics

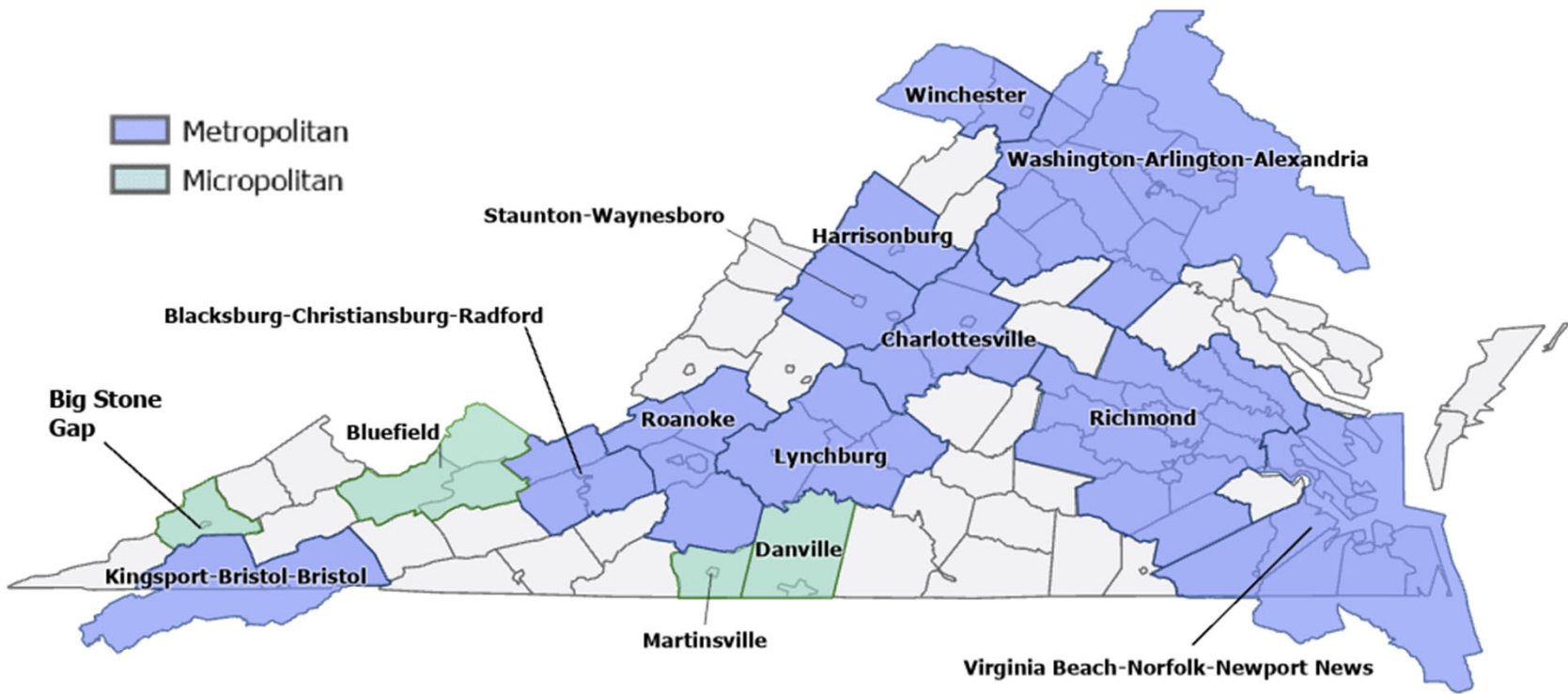
Virginia Industry Growth



Source: Bureau of Labor Statistics/Haver Analytics

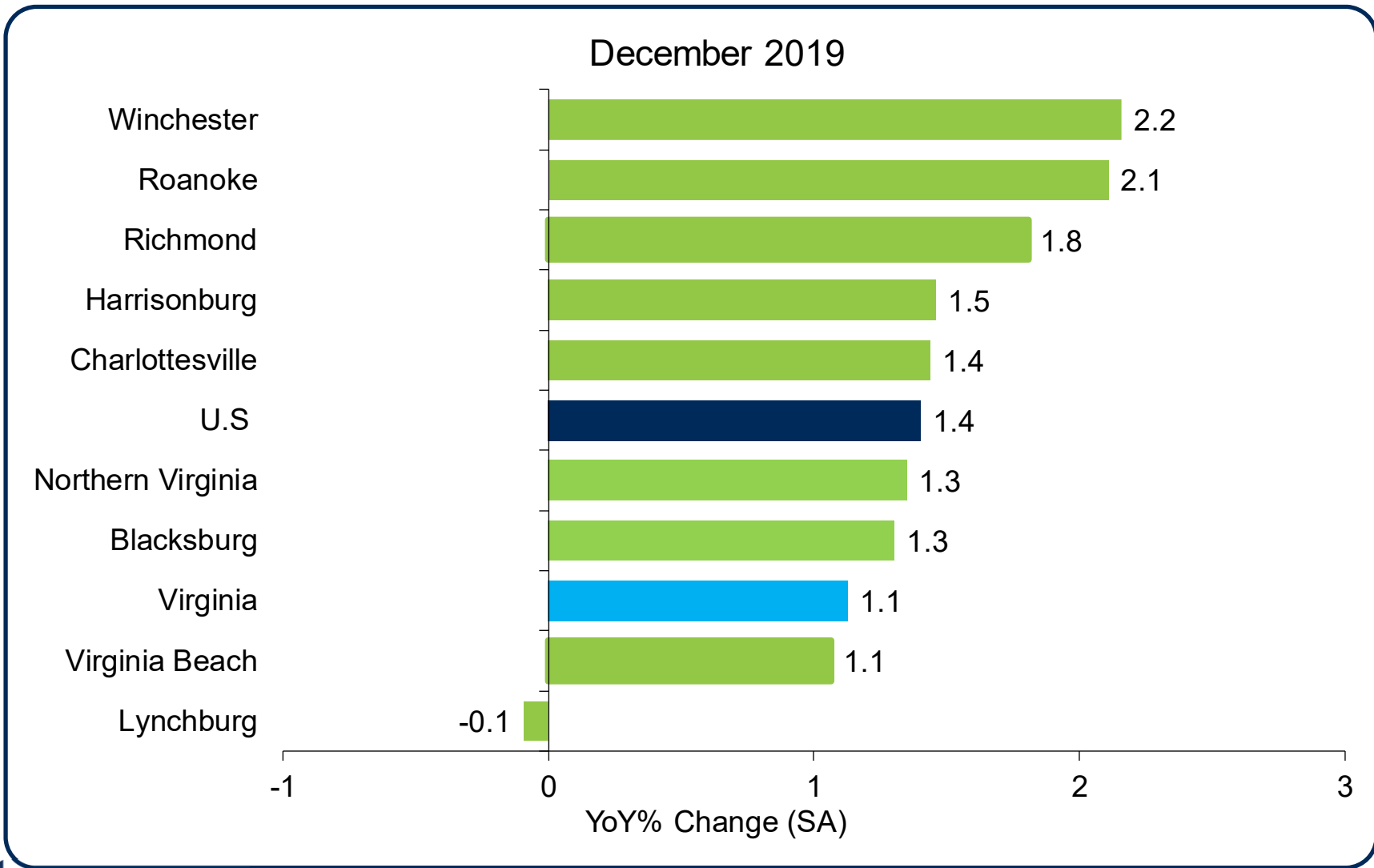
Virginia Industry Growth



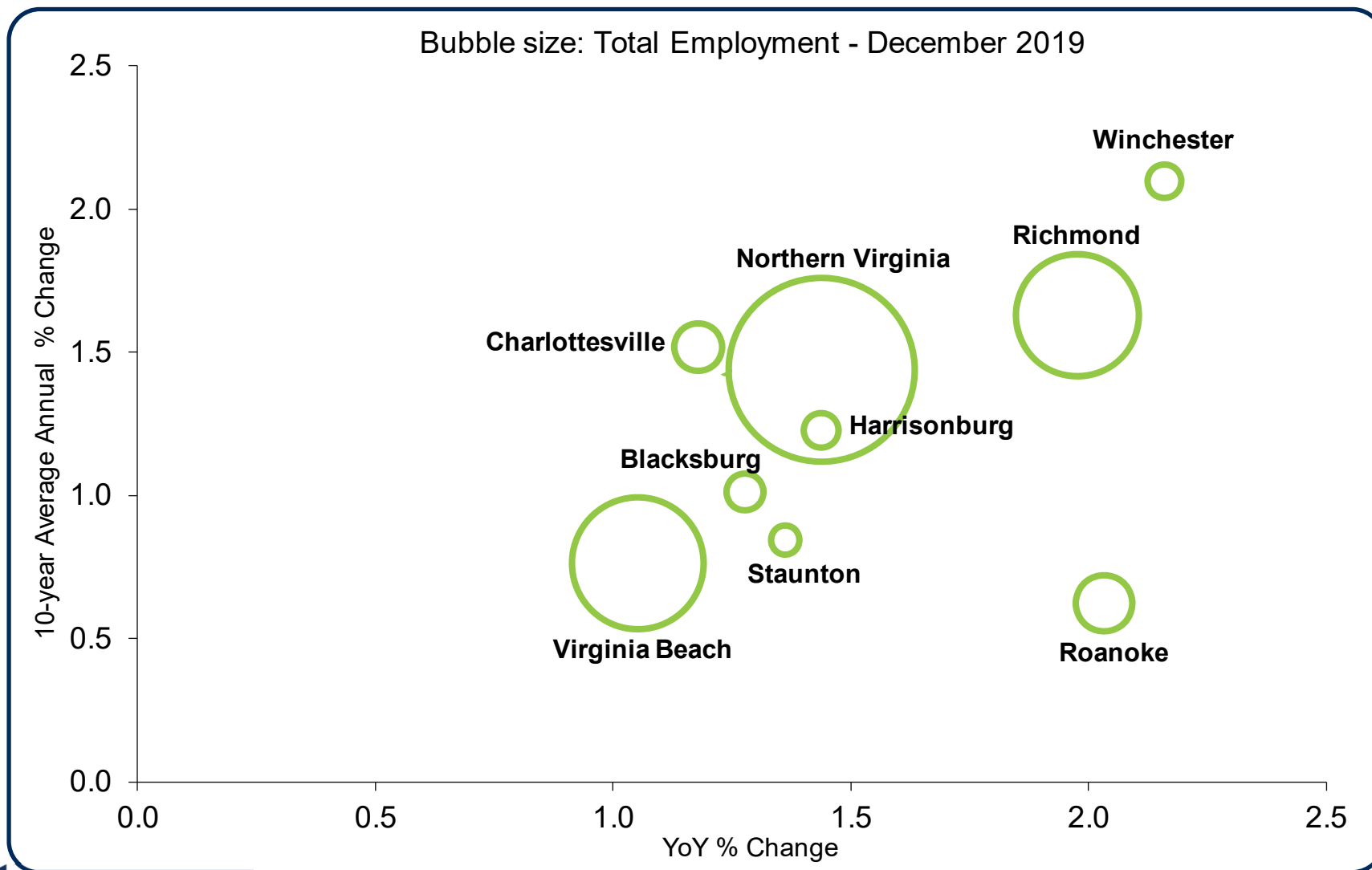


Source: 2018 Core Based Statistical Areas, U.S. Census Bureau

MSA Employment Growth

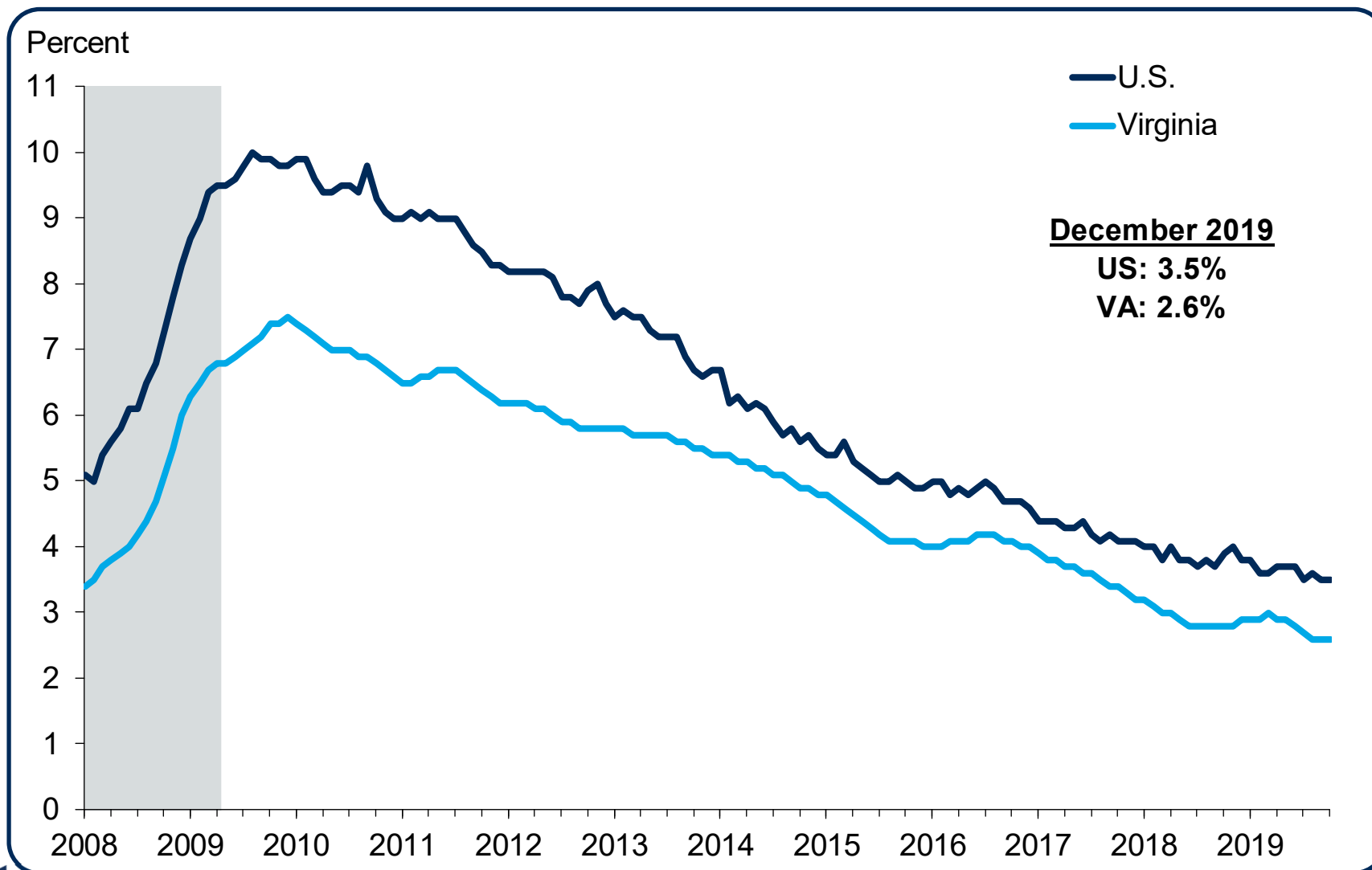


Virginia MSA Total Employment



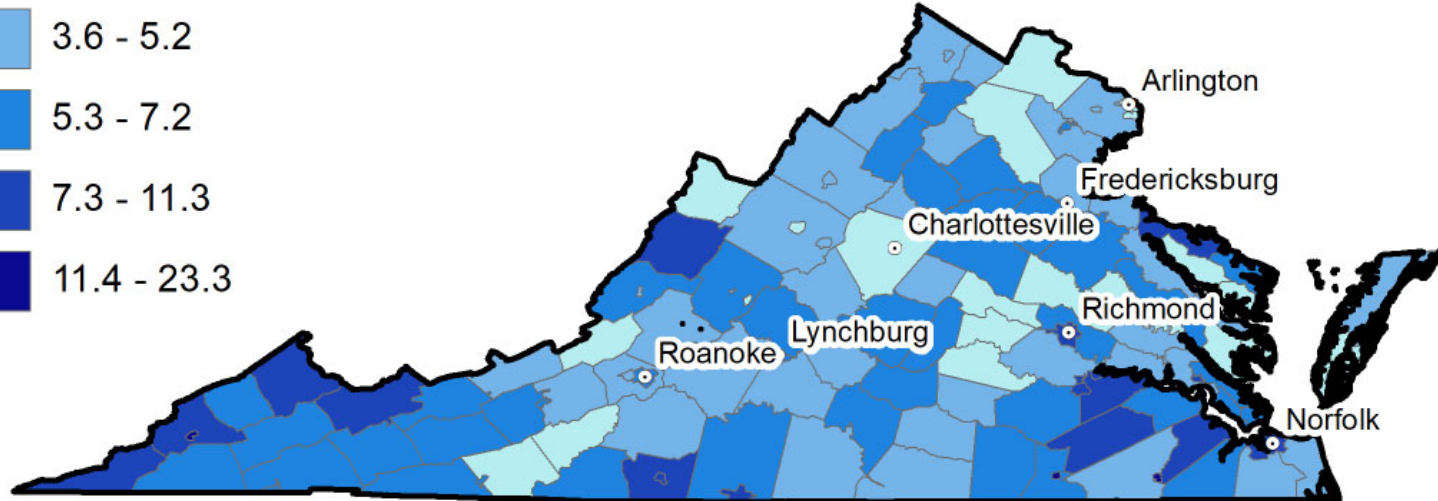
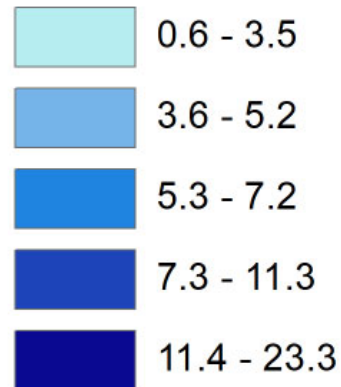
Source: Bureau of Labor Statistics/Haver Analytics

Virginia Unemployment Rate



Unemployment in Virginia Counties

Unemployment Rate (16 years and older)

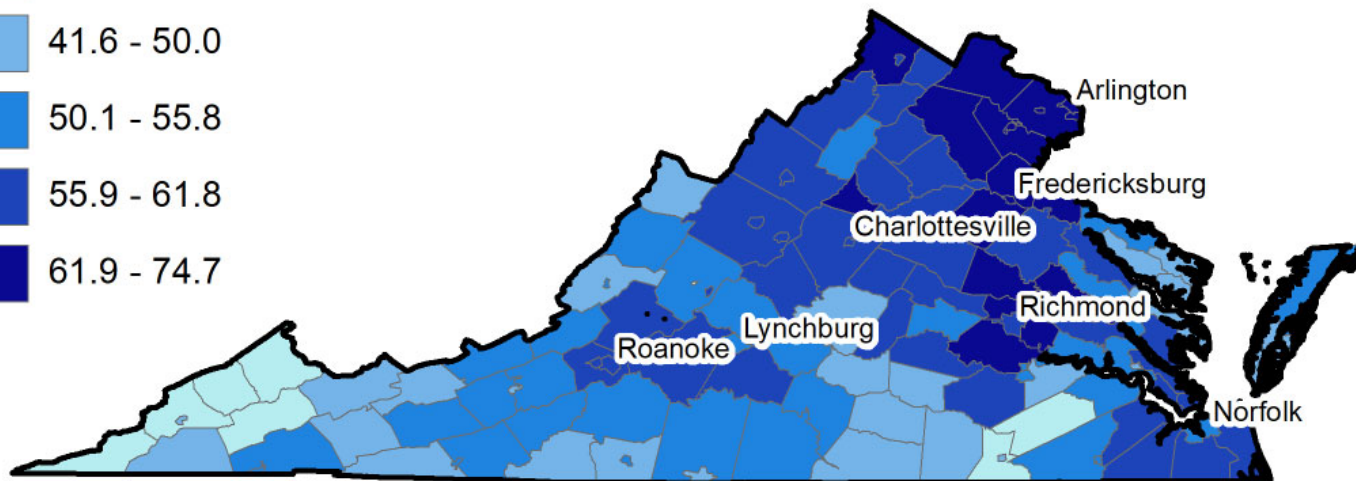
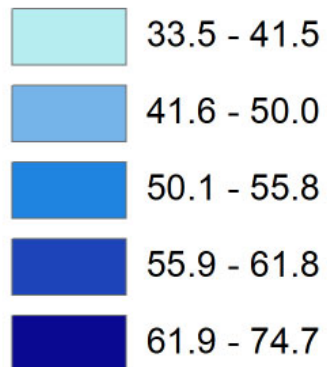


Source: U.S. Census Bureau, 2018 American Community Survey
5-Year Estimates

Source: U.S. Census Bureau

Employment to Population

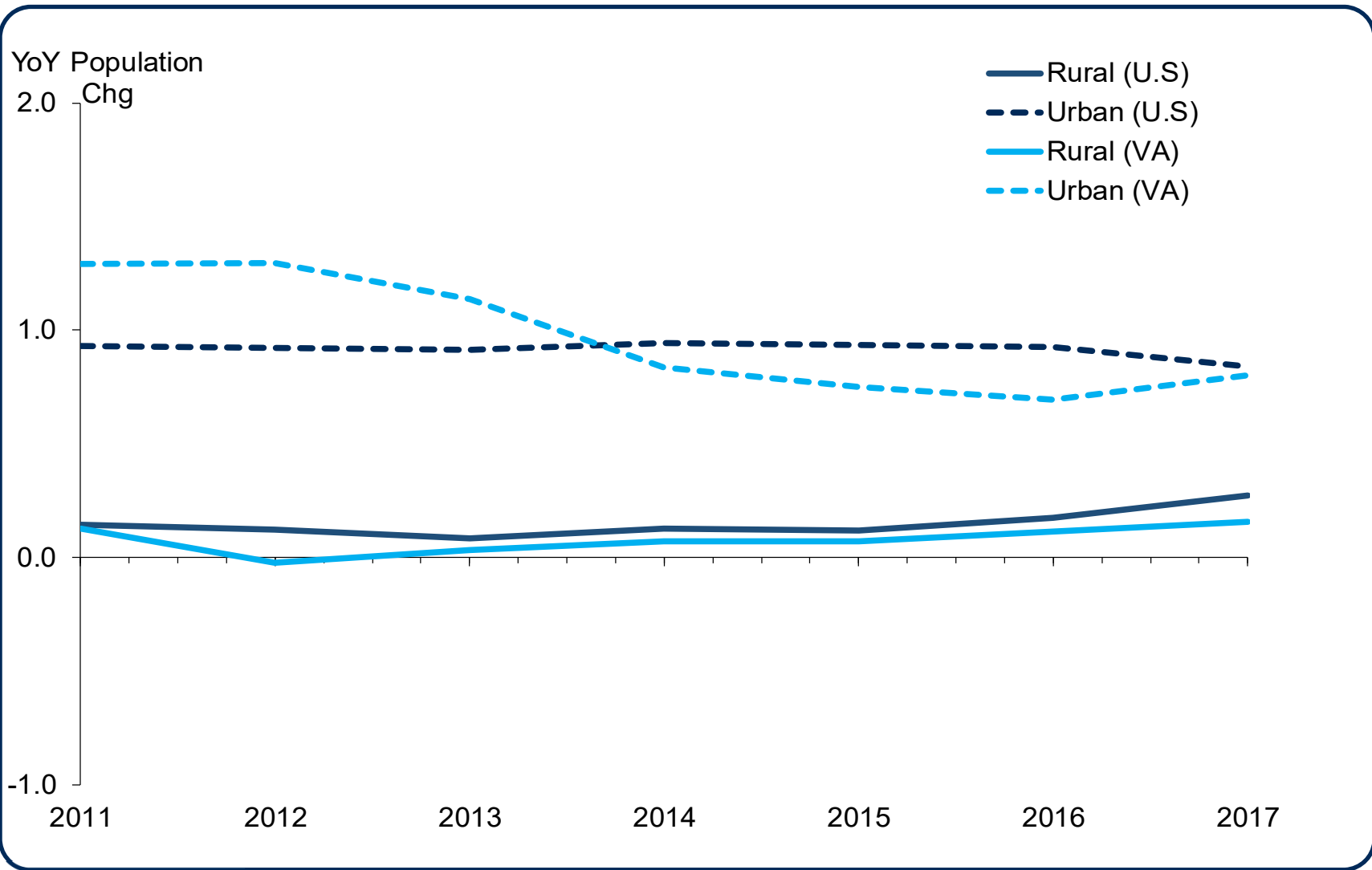
Employment to Population Ratio (16 years and older)



Source: U.S. Census Bureau, 2018 American Community Survey 5-Year Estimates

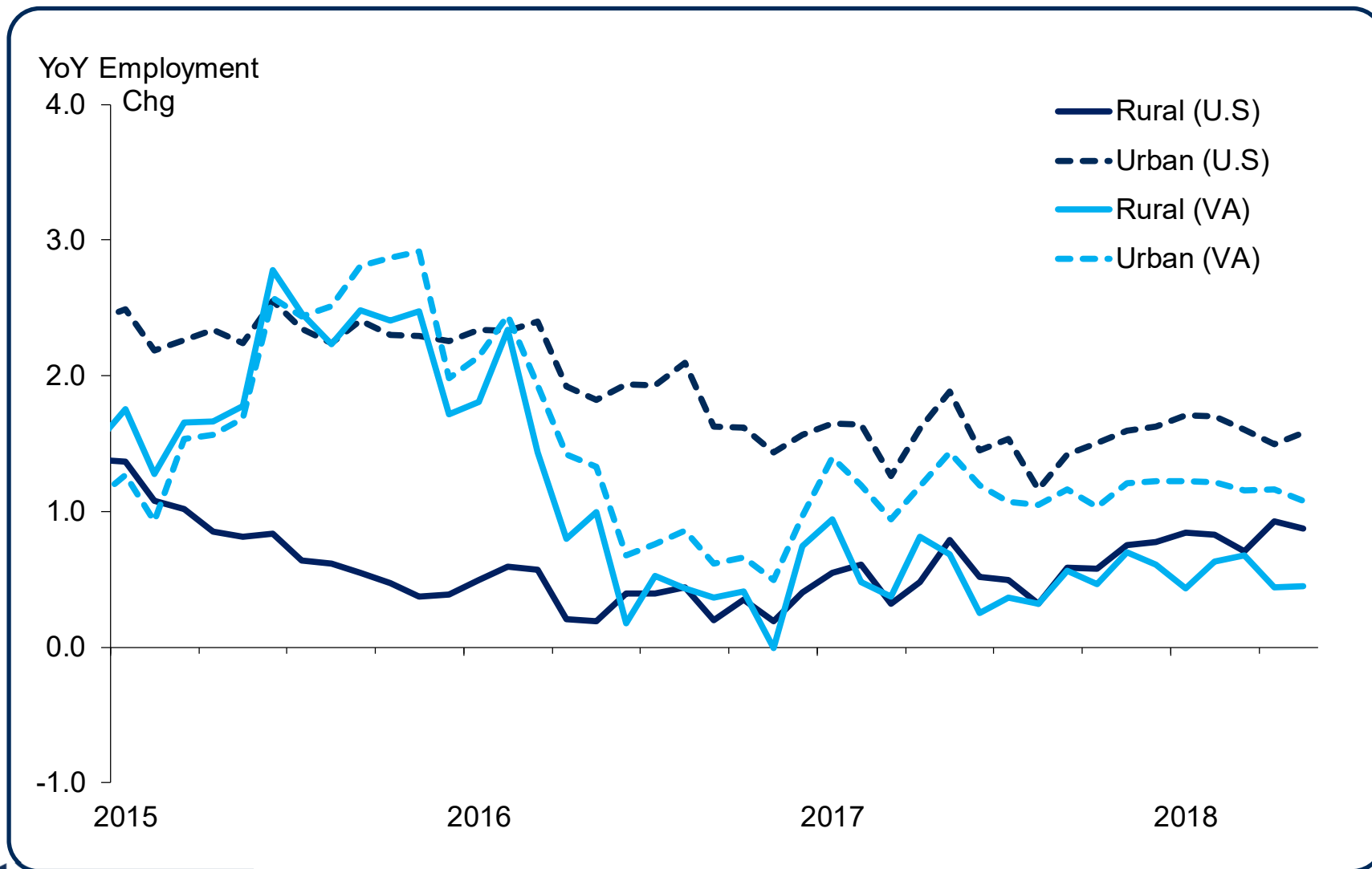
Source: U.S. Census Bureau

Population growth is slower (or even negative!)



Source: U.S Census Bureau

Job growth is slower too...



Source: Bureau of Labor Statistics

Summary

- The national picture continues to look good with growth in GDP, tight labor markets, rebound in residential investment, and steadying of consumer sentiment.
- However, business investment remains weak, sentiment among manufacturers is still less upbeat than that of service providers, and uncertainty remains on the horizon.
- The Virginia economy continues to grow, but more slowly than that of the U.S.
- Economic opportunity is not distributed evenly across the Commonwealth or the country. Understanding what underlies those differences will enable us to develop a strategy to maximize our potential as an economy, which is a critical function of the Federal Reserve System.

5th District Business Conditions Surveys

Each month we ask for feedback from business executives located in our District. Respondents provide information on current business activity and expected changes for the next six months.

These data paint a picture of industry trends and help the Federal Reserve Bank of Richmond to be better informed about business conditions in our District. (Washington, D.C., Maryland, W.Virginia, Virginia, N. Carolina, and S.Carolina)

Your business is an integral part of our Fifth District community and we hope you will contribute.

If you would like to sign up please contact:

Roisin.McCord@rich.frb.org

804-697-8702

View our survey data and reports online:

https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions



Questions?

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