October 2017

Dear Reader:

This is Old Dominion University’s 18th annual State of the Region report. While it represents the work of many people connected in various ways to the university, the report does not constitute an official viewpoint of Old Dominion, or its president, John R. Broderick. The report maintains the goal of stimulating thought and discussion that ultimately will make Hampton Roads an even better place to live. We are proud of our region’s many successes, but realize that it is possible to improve our performance. In order to do so, we must have accurate information about “where we are” and a sound understanding of the policy options open to us.

The 2017 report is divided into seven parts:

**We May Have Turned the Economic Corner:** The outlook for increased regional economic growth has improved. Each of the major building blocks of our regional economy (defense, the Port, tourism) has gained momentum and our housing market continues to show slow, but steady improvement.

**Airbnb in Virginia Beach:** Airbnb has become an increasingly significant competitor to conventional hotels throughout the United States, and Virginia Beach is no exception. The rise of Airbnb is yet another manifestation of the emergence of the “gig” economy.

**Who Delivers Health Care in Hampton Roads Today? The Rise of Nonphysician Professionals:** Health care in our region increasingly is being delivered by nonphysician professionals, who include nurses and physician assistants. We trace the development of this trend and its implications for the future.

**Affordability and Access in Virginia Public Higher Education:** The typical public four-year college in Virginia has increased its tuition and fees two to four times as rapidly as the rise in the consumer price index. Reduced state appropriations can account for only some of these increases.

**The Scourge of Opioids:** The number of opioid-induced deaths has skyrocketed in Hampton Roads. Approximately three-quarters of opioid addicts began their fall from grace with a legitimate prescription from a knowledgeable physician. We estimate the costs.

**Foreign Language Instruction in the Region’s Public Schools: Where Do We Stand?** Foreign language instruction has declined in Hampton Roads and immersion programs are relatively rare. This is not a positive development insofar as our ability to conduct international trade, understand world developments or even communicate with many other Americans.

**Do We Suffer from Brain Drain in Hampton Roads?** Hampton Roads has been experiencing net out-migration of residents to other metropolitan areas in recent years. Who is leaving? Why are they leaving? We address these questions and their implications.
The Strome College of Business and the university continue to provide support for this report. However, it would not appear without the vital backing of the private donors whose names appear below. They believe in Hampton Roads and the power of rational discussion to improve our circumstances, but are not responsible for the views expressed in the report.

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All 18 State of the Region reports are available at www.ceapodu.edu. If you have comments or suggestions, please email us at jkoch@odu.edu or rmcnab@odu.edu. Individual copies may be purchased for $25 each.

Sincerely,

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Robert M. McNab
Professor of Economics and Deputy Director, Center for Economic Analysis and Policy
Table of Contents

We May Have Turned The Economic Corner . . . 3
Airbnb In Virginia Beach . . . 53
Who Delivers Health Care In Hampton Roads Today?
The Rise Of Nonphysician Professionals . . . 73
Affordability And Access In Virginia Public Higher Education . . . 91
The Scourge Of Opioids . . . 115
Foreign Language Instruction In The Region’s Public Schools: Where Do We Stand? . . . 131
Do We Suffer From Brain Drain In Hampton Roads? . . . 147
Cover: The Gerald R. Ford under construction at Newport News Shipbuilding: John Whalen for Huntington Ingalls Industries

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