



The State of the Region

HAMPTON ROADS 2016

CENTER FOR ECONOMIC ANALYSIS AND POLICY | STROME COLLEGE OF BUSINESS | OLD DOMINION UNIVERSITY

**VIRGINIA BEACH-NORFOLK-
NEWPORT NEWS, VA-NC
METROPOLITAN STATISTICAL AREA**



Dear Reader:

This is Old Dominion University's 17th 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 2016 report is divided into seven parts:

Life in the Slower Lane: The Hampton Roads Economy: Our regional economy is on track in 2016 to record a "real" (after inflation) economic growth rate of only 1.20 percent – well below our 2.60 percent average economic growth rate over the past 30 years. We have yet to recover all of the jobs we lost in the Great Recession. The outlook for 2017 is not much better.

The Hotel Industry: The United States, Virginia and Hampton Roads: Since 2000, hotel revenue as a percentage of personal income has declined in Virginia and Hampton Roads. Declining federal spending is the primary reason.

Prisons and Prisoners: The Virginia Way and Alternatives: Virginia imprisons large numbers of people; this is expensive. Economic analysis suggests that we would save money if we did not imprison so many people, redefined what constitutes a felony and gave more attention to preparing prisoners for re-entry into society.

The Rise of Single Households: Why It Matters: Almost one-third of all households in Hampton Roads are "nonfamily," in the sense that they are not headed by two married individuals. More than 40 percent of all births now occur out of wedlock and the number of older single people has skyrocketed. Both public and private programs and policies have not kept pace with these developments and are in need of revision.

The Lesbian, Gay, Bisexual, Transgender and Queer Community in Hampton Roads: A 2012-2014 Gallup Poll reported that 4.4 percent of the population of Hampton Roads is LGBTQ in orientation. Available data suggest that LGBTQ women fare relatively better economically speaking than LGBTQ men. Norfolk and Virginia Beach are viewed as the region's friendliest cities for members of the LGBTQ community.

Will Robots Take Your Job? A Look at Virginia's Opportunities and Vulnerabilities: A recent study suggested that 47 percent of all jobs in the United States are at risk of being eliminated by automation. The jobs most vulnerable are those that involve repetitive tasks and relatively little judgment. Those holding these jobs can be replaced by robots or machines utilizing artificial intelligence.

Traffic Congestion in Hampton Roads: Myths and Realities: Sixty-five percent of job holders in Hampton Roads cross a city or county boundary when they go to work. Many encounter traffic congestion as they do so, but the level of this congestion has increased only modestly in recent years. Major road improvements seldom change this situation very much because drivers soon redistribute themselves in response to the improvements.

The Strome College of Business and Old Dominion 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.

Richard F. Barry III
The Aimee and Frank Batten Jr. Foundation
Jane Batten
R. Bruce Bradley
Ramon W. Breeden Jr.
Arthur A. Diamonstein
George Dragas Jr.

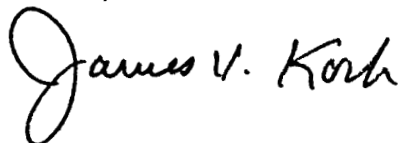
Edward L. Hamm Jr.
Hampton Roads Chamber of Commerce
Thomas Lyons
Patricia W. and J. Douglas Perry
Anne B. Shumadine
Dr. Jitendra Swarup

The following individuals were instrumental in the writing, editing, design and dissemination of the report:

Vinod Agarwal	Chip Filer	Alice McAdory
Barbara Blake-Gonzalez	Tim Komarek	Robert McNab
Chris Colburn	Feng Lian	Janet Molinaro
Vicky Curtis	Sharon Lomax	Lisa Suhay
Steve Daniel	Wolfgang Mairinger	

All 17 of the State of the Region reports are available at www.stateoftheregionreport.com, www.odu.edu/forecasting and www.jamesvkoch.com. Interact with us on Twitter at SOR Hampton Roads @StateofRegion and on Facebook at facebook.com/stateoftheregion. If you have comments or suggestions, please direct them to James V. Koch at jkoch@odu.edu, or 757-683-3458. Individual copies may be purchased for \$25.

Sincerely,



James V. Koch

Board of Visitors Professor of Economics Emeritus
and President Emeritus

Table of Contents



Life In The Slower Lane: The Hampton Roads Economy . . . 3

The Hotel Industry: The United States, Virginia And Hampton Roads . . . 43

Prisons And Prisoners: The Virginia Way And The Alternatives . . . 77

The Rise Of Single-Earner Households In Virginia: Why It Matters . . . 99

The Lesbian, Gay, Bisexual, Transgender And Queer Community In Hampton Roads . . . 125

Will Robots Take Your Job?

A Look At Virginia's Opportunities And Vulnerabilities . . . 141

Traffic Congestion In Hampton Roads: Myths And Realities . . . 159

Cover: Clockwise from left

USS Gerald R. Ford (CVN-78): Navy.mil

Hampton Roads Pride PrideFest 2016: Courtesy: iambmwphotography.com

Virginia Department of Transportation

Inside Front Cover: Sara Kidd, Hampton Roads Planning District Commission

Pages 1, 45, 75 and 148: Steve Daniel

Page 127: Hampton Roads Pride PrideFest 2016: Courtesy: iambmwphotography.com

Pages 159, 163 and 177: Virginia Department of Transportation

