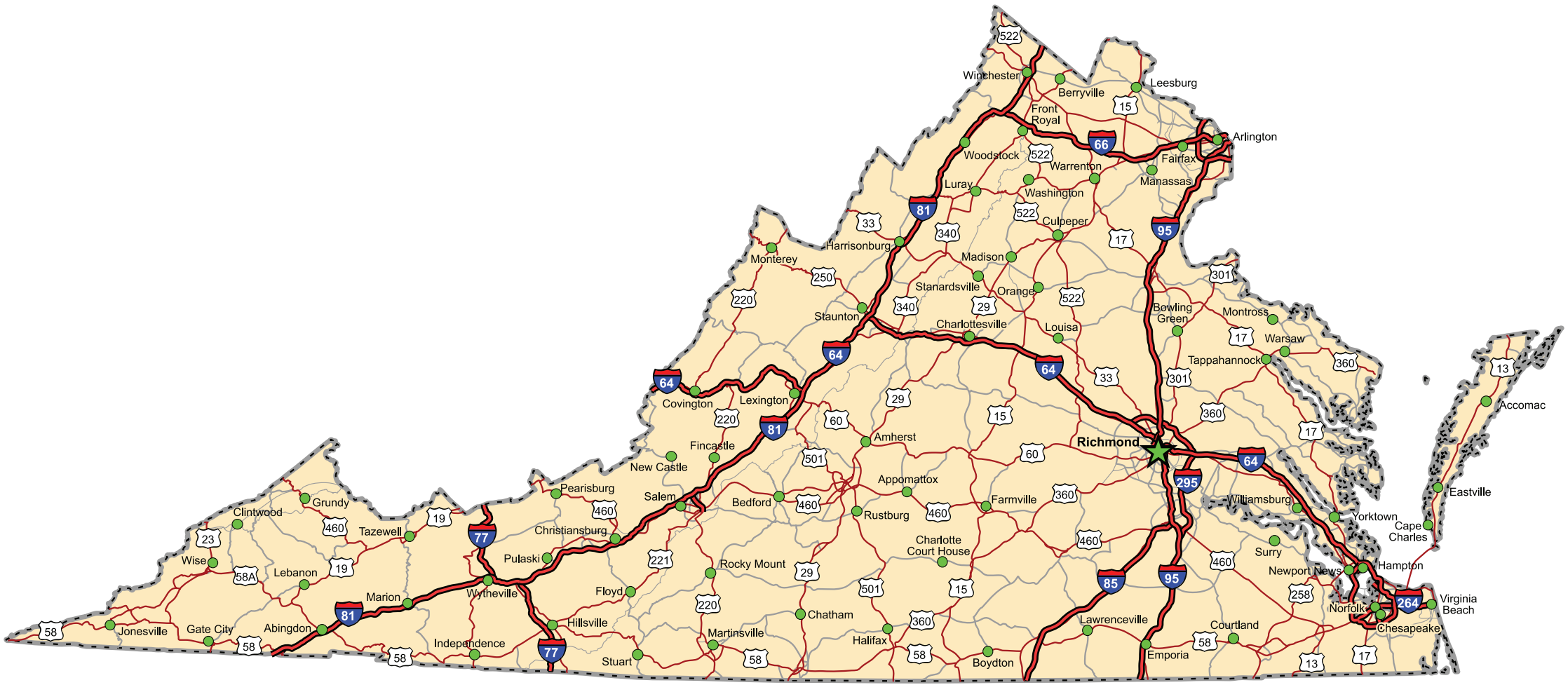




2018 State of the Commonwealth Report

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



Dear Reader:

This is Old Dominion University's fourth State of the Commonwealth 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, its president, John R. Broderick, the Board of Visitors, the Strome College of Business or the generous donors who support the activities of the Dragas Center for Economic Analysis and Policy.

The report maintains the goal of stimulating thought and discussion that ultimately will make Virginia an even better place to live. The recent improvements in the Commonwealth's economic performance present an opportunity to make wise investments to sustain the long-term economic health of Virginia.

The 2018 report is divided into six parts:

Virginia Breezes Along, but Are There Storm Clouds on the Horizon?

After an anemic recovery from the Great Recession and sequestration, Virginia's economy picked up the pace in 2018 and is likely to improve in 2019. We should not, however, grow complacent. There are storm clouds on the horizon. The challenge now is to enact wise policies to foster and sustain economic growth while preparing for the next eventual downturn.

Moving Forward: Growth Improves for Virginia's Metropolitan Areas

2017 was the first year since 2006 that each of Virginia's metropolitan areas exhibited positive economic growth from the preceding year. The uneven economic performance of Virginia's metros cannot easily be attributed to one specific factor. The challenge is how to stimulate development in all areas of the Commonwealth.

The Promise and Peril of Medicaid Expansion for the Commonwealth of Virginia

Virginia will expand Medicaid, a health insurance program for low-income adults and children, on Jan. 1, 2019. Medicaid expansion will reduce the number of uninsured, allow Medicaid recipients to work more and offer health care providers a measure of relief with regard to uncompensated care costs. The future costs of expansion, however, remain uncertain.

A Commonwealth Coming Together or Growing Apart?

We shed light on the diversities of circumstances and outcomes that exist in today's Virginia. The distributions of income and wealth in the Commonwealth provide important information about the extent to which Virginians share an economic destiny.

Much Ado About Nothing? Virginia's "Kings Dominion Law"

In 1986, Virginia passed into law a requirement that public schools cannot open until after Labor Day unless they met specific conditions for a waiver. In 2017, over 50 percent of Virginia elementary, middle and high school students attended schools that opened prior to Labor Day. We ask whether there is evidence to support the commonly offered arguments for and against the Virginia "Kings Dominion law."

Sin Taxes and Alcohol Consumption in Virginia

How does the Commonwealth tax alcohol? We look at the taxation of beer, wine and distilled spirits and the role of Virginia's Alcoholic Beverage Control Authority. We investigate whether levying taxes on alcohol is an appropriate method of raising revenue.

The Strome College of Business and Old Dominion University continue to provide support for the State of the Commonwealth Report. However, it would not appear without the vital backing of the private donors whose names appear below. They believe in the Commonwealth 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 four State of the Commonwealth reports are available at www.ceapodu.com. If you have comments or suggestions, please email us at rmcnab@odu.edu.

Sincerely,



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