



THE STATE OF

HAMPTON ROADS

VERSUS OTHER REGIONS

How Do We Compare? Hampton Roads Versus Other Regions

Some believe that competitive comparisons often incline to the odious, as Archbishop Boiardo long ago contended in the romance epic “Orlando Innamorato” (1480). Others contend most comparisons ultimately devolve into boring Tweedledum versus Tweedledee exercises that attempt to find differences that actually don’t exist (18th century poet John Byrom, “On the Feuds Between Handel and Bononcini”). Nonetheless, let’s be honest. Don’t we often enjoy comparing ourselves to others, even if covertly?

Comparing Hampton Roads to other regions is more than an idle activity. There are occasions when we wish to puff up our chests in an attempt to attract a new firm, or perhaps a major league baseball team. In other cases, we make comparisons because we wish to focus on our shortcomings or failures and lay the basis for certain municipal, regional or state actions. The State of the Region report possesses no particular agenda, except that of fairly examining facts and information about Hampton Roads with the aim of improving our circumstances. It is in this spirit that we offer the comparative data in Table 1 that describe our region relative to others, regarding a variety of factors.

TABLE 1

COMPARING HAMPTON ROADS TO OTHER METROPOLITAN STATISTICAL AREAS (MSAs)

	HR	Rich	CharNC	JAX	Ral/D	CharSC	USA
INCOME AND JOBS							
Per Capita Income (000s)	\$28.4	\$32.1	\$33.1	\$30.0	\$33.0	\$27.0	\$30.9
Per Capita Income (Inflation Adjusted, 000s)	\$29.7	\$31.4	\$35.0	\$31.3	\$33.7	\$26.8	\$27.6
Unemployment Rate	3.9%	3.7%	3.5%	4.9%	3.5%	4.1%	5.7%
Recent Job Growth (2000-02)	1.3%	-0.9%	-0.3%	0.8%	-0.3%	0.3%	-0.3%
Average Wage Per Hour	\$16.62	\$18.84	\$18.55	n/a	\$21.70	\$16.88	\$17.45
HOUSING							
Median Home Price (000s)	\$139	\$155	\$152	\$132	\$175	\$169	\$170
Median Monthly Rent	\$748	\$785	\$697	\$675	\$799	\$578	\$670
Rental Vacancy Rate	10%	12%	15%	10%	18%	n/a	10%
Home Ownership Percent	80%	70%	74%	67%	66%	65%	68%
COST-OF-LIVING INDICES							
Overall	95	94	96	89	104	100	100
Food	94	96	98	100	102	103	100
Housing	84	89	93	75	108	101	100
Utilities	138	110	95	88	93	94	100
Transportation	105	101	96	100	100	98	100
Health care	95	88	103	88	103	97	100
WEATHER							
January Average Low	32° F	28°F	32° F	45° F	30° F	37°F	26° F
July Average High	87° F	88°F	88° F	90° F	88° F	89° F	87° F
Annual Precipitation	45"	43"	43"	54"	43"	52"	36"
Inches Snow Annually	7.0"	14.0"	6.0"	0"	7.0"	.5"	6
July Relative Humidity	71%	72%	69%	75%	71%	76%	69%
Sunny Days Annually	212	210	214	226	220	214	212
Hurricane Risk Score	41	21	24	63	29	60	15
EDUCATION							
High School Degree	85%	83%	81%	82%	85%	81%	80%
Two-Year College Degree	8%	5%	6%	8%	7%	6%	6%
Four-Year College Degree	15%	19%	19%	15%	25%	16%	16%
Graduate/Prof Degree	8%	10%	7%	7%	14%	8%	10%
Public School Expenditures Per Pupil	\$5,379	\$5,653	\$5,252	\$4,985	\$5,390	\$5,032	\$5,894
Student/Teacher Ratio	14.3	14.7	16.6	19.2	15.5	15.5	16.7
Library Volumes Per Capita	2.8	3.1	2.2	2.7	2.2	2.4	2.8

TABLE 1 CONTINUED
COMPARING HAMPTON ROADS TO OTHER METROPOLITAN STATISTICAL AREAS (MSAs)

	HR	Rich	CharNC	JAX	Ral/D	CharSC	USA
ENVIRONMENT AND HEALTH							
Air Quality Score	95	49	71	95	95	95	45
EPA Ozone Standard Attainment*	4	3	3	5	2	5	4
Water Quality Score	43	11	30	18	52	26	33
Pollen/Allergy Score	69	46	68	65	65	70	61
Physicians Per Capita	254	155	203	267	432	393	261
Hospital Beds Per Capita	344	233	281	294	385	381	432
Cost Per Doctor Visit	\$69	\$71	\$63	\$63	\$76	\$75	\$67
CRIME							
Violent Crime Rate	435	253	802	867	498	613	456
Property Crime Rate	4,100	3,822	5,223	4,986	4,661	4,392	3,950
TRANSPORTATION AND COMMUTING							
Average Commute Time (minutes)	24	21	26	27	25	25	23
Percent Auto Commute	87%	88%	93%	90%	91%	90%	89%
Work at Home	3.9%	5.0%	2.0%	3.1%	2.6%	2.9%	3.9%
Number of Daily Airport Departures	141	115	637	145	352	65	294
Average Auto Insurance	\$878	\$1,008	\$844	\$1,063	\$834	\$1,078	\$1,011
CULTURE, MUSIC AND THE ARTS							
Arts Radio Rating	8	5	8	1	8	1	3
Classical Music Rating	6	7	3	5	7	4	4
Professional Theater Rating	6	8	1	1	6	1	3
Museum Rating	9	9	8	8	8	8	6

Sources: Old Dominion University Economic Forecasting Project; Bert Sperling and Peter Sander, "Cities Ranked and Rated" (Hoboken, N.J.: Wiley, 2004).

*The "best" score on the EPA Ozone Attainment Standard is 5. The educational attainment percentages relate to the entire population of a metropolitan area.

Income And Jobs

For many years, some observers have made much of the fact that the per capita income of Hampton Roads residents consistently has been below the national average, sometimes by 15 percent or more. As Table 1 reveals, this continues to be true. In 2003, our \$28,400 per capita income, unadjusted for purchasing power, was 8.8 percent below the national average. However, once we adjust for the purchasing power of the dollars we earn, we find that the situation is almost reversed. Our inflation-adjusted per capita income was more than 6 percent higher than the national average.

What does this mean? As we demonstrated in the 2003 State of the Region report, approximately 90 percent of the households in Hampton Roads are better off, economically speaking, than their counterparts in New York City. Simply put, a dollar earned in Hampton Roads goes further than it does in most of the rest of the country. That is, a dollar here buys more goods and services, and by any reasonable standard, this is very good news.

Note, however, that the average wage rate paid per hour in our region trails the national average by about 5 percent as well as the average rate in each of the cities in our comparison group. Fortunately, we compensate for our lower wages by being able to buy a lot with the wages we do receive. Nonetheless, the average wage in Hampton Roads does trail Raleigh/Durham by more than 30 percent. The different job mixes of the two metropolitan areas are the primary reason for this.

Raleigh/Durham's job mix includes many more high technology, information management, health-related and university research jobs than Hampton Roads. Our region does not boast a top 100 research university, which nationally is the keystone for generating such jobs. Over time, regional legislators have preferred to guide state investment into other priorities. As of 2003, for example, Old Dominion University's funding per student was 23 percent below the average of its peer institutions, some of which are in North Carolina. Eventually, such policy decisions impact incomes and we measure the results in Table 1.

The rate of unemployment in the region has been lower than the national average in recent years. Table 1 reports that the unemployment rate in Hampton Roads is 1.8 percent below the national average, though it is slightly higher than the rates in Richmond and Charlotte.

In the 2003 State of the Region report, we saw that the region's economy has performed better than the United States as a whole since 2001. For example, between 2002 and 2003, the number of jobs in Hampton Roads increased by 1.3 percent, whereas nationally the total number of jobs actually declined by .3 percent. If there is a dark side to this pleasant phenomenon, it is that many of the jobs being generated have tended to be service-oriented in nature – those that do not require extensive education and/or technical expertise. Consequently, the compensation associated with these jobs frequently has trailed national averages.

Housing

In the 2003 State of the Region report, we disclosed that since 2001, housing prices in Hampton Roads have risen at a rate almost twice the national average. Despite this run-up in housing prices, however, we do not yet find evidence of a housing price bubble in the region – that is, a situation in which homes are being overpriced to such an extent that a disastrous, rapid deflation in those prices is inevitable. That said, significant increases in interest rates in 2004-05 likely would place a major damper on our housing market and would diminish or halt the rapid housing price increases we have experienced in recent years.

As Table 1 reveals, housing prices in Hampton Roads continue to trail the national average, though our rental rates exceed the national average. **What is distinctive, and very good about our housing market, is our high rate of home ownership. Fully 80 percent of households in the region own their own home (though they may hold a mortgage on that home as well). This is 12 percent above the national average and reflects a vigorous policy on the part of the U.S. Navy that encourages its personnel to live off base in civilian housing.** The Navy provides incentives to personnel to do so and tends to station them in a single location for longer periods of time, making it worthwhile for such individuals to consider purchasing their own homes.

Cost-Of-Living Indices

While per capita income in Hampton Roads, unadjusted for price inflation, may trail the national average, as we have seen, once we take the cost of living into account, our region's per capita income exceeds the national average by more than 6 percent. This directly implies that the cost of living in Hampton Roads is below the national average. As Table 1 indicates, that is indeed the case. It is approximately 5 percent less expensive for a typical family to live in Hampton Roads than it is nationally. Housing is the least expensive element in our cost-of-living equation, followed by food and health care. However, transportation is 5 percent more expensive than the national average and our utility costs are a stupendous 38 percent more expensive.

Our less-than-average cost of living represents a distinct advantage to the region's citizens. The same income buys more here than in most other places in the country. Plausibly, this should represent a major plum for the region to dance in front of the eyes of prospective firms. And, indeed it is, though costs clearly are not the only factor, or perhaps even the major factor, that determine where firms decide to locate their operations. Other factors, including transportation, work force quality, education, research and development activity, cultural assets, intellectual resources and the like, influence companies as well. Alas, it is regarding some of these other indicators where the region does not perform quite so well. If costs (including taxes) were the only factor determining firm location, Hampton Roads would have struck gold long ago.

Weather

"De Gustibus Non Disputandum" ("We don't argue about people's tastes") applies in spades to the weather. How else can we explain why some prefer the 115-degree weather of Phoenix, while others opt to live in the cold of northern Maine? We're not likely to obtain consensus about what constitutes good weather.

Nonetheless, the United States has seen a significant movement of people from the cooler North to the generally warmer South since World War II, especially since air conditioning became virtually universal in the South. Warmer climates appear to appeal to more people than cooler ones, though obviously the extent to which this is true varies from season to season and place to place.

Hampton Roads benefits from a generally mild climate where snow is a relatively uncommon phenomenon and 60 percent of the days are sunny. Still, we observe the passage of the seasons and this remains attractive to many. Our major climatic negatives are the summer heat and humidity and the propensity for hurricanes in August and September.

Our geography and the ubiquitous presence of water influence our weather. It is, in fact, the proximity of attractive beaches that often overcomes most peoples' antipathy toward the heat, humidity and hurricanes. Many firms regard our moderate climate as a positive when they attempt to recruit new personnel, though some firms report that our humidity and hurricanes negatively influence prospective employees. By most measures, Hampton Roads' climate is at least marginally more attractive than that of nearby Richmond, which has higher July temperatures, more snow and greater humidity. Richmond is, however, less threatened by hurricanes.

Education

Hampton Roads excels with respect to educational attainment, if one focuses on K-12 education and community college activity. The higher one goes up the educational ladder, however, the less favorable the region's performance. **By a healthy margin, Hampton Roads exceeds the national average for adults holding a high school degree. However, it is below the national average in terms of the percentage of adults who hold a college degree, and this gap is wider at the graduate level. Madison, Wis., for example, can trumpet that 45 percent of its adults hold a college degree, while Raleigh/Durham boasts a rate of 25 percent. Unfortunately, only 15 percent of adults in Hampton Roads can claim the same status.** In fact, the region trails every city or region described in Table 1 in this regard.

Where K-12 public schools are concerned, Hampton Roads spends less than the national average, but nonetheless boasts a student/teacher ratio that is better than the national average. How can this be? There are two major reasons. First, the region tends to pay its teachers less than the national average. Second, we tend to economize on administrative expenditures compared to the remainder of the country. As a consequence, it is possible for us to have small K-12 classes even though we don't spend lots of money. Some might regard this as the best of all worlds. However, the payoff is in educational performance and it is here that the region may suffer. Lower-than-average SAT scores and college graduation rates in the long run arguably reflect the region's tendency to spend less on K-12 education than is true nationally.

Environment And Health

In general, Hampton Roads fares quite well when environmental quality measures are the focus of attention. Both our air and our water are cleaner than national averages and substantially cleaner than several of our regional competitors in the Southeast. Relative to most other large regions, we do not have an ozone problem.

We don't fare quite so well where health measures are concerned, however. In the 2000 State of the Region report, we reported that the citizens of Hampton Roads tend to be overweight and smoke more often than the national average. Table 1 also shows that we trail national averages insofar as the availability of medical doctors per citizen and the availability of hospital beds per citizen. Further, our average cost per doctor visit is slightly above the national average. In addition, we are burdened by a slightly higher-than-average pollen problem. Still, none of these deficits is overwhelming and the region actually looks better on many of these measures than its southeastern competitor cities. For example, Hampton Roads has more physicians per capita and more hospital beds per capita than Richmond, while visits to doctors here cost less than in the capital city.

Crime

Hampton Roads does not stand out where conventional crime statistics are concerned. **Our violent crime rate is slightly below the national average, while our property crime rate is a bit above the national average. Hampton Roads is not known for the existence of highly organized criminal elements, or for its high murder rate. Crime, then, is neither a major plus nor significant minus for the region, at least when we compare ourselves to others.** It is, however, an area where survey data (reported in the next chapter) suggest that progress would be welcome.

Transportation And Commuting

Complaints about traffic are common in metropolitan areas, and Hampton Roads is no exception. The truth, however, is that current levels of traffic congestion within the region are not bad when compared to other urban areas nationally. Commuting times approximate national averages and Hampton Roads drivers do not spend more time in traffic jams than the typical urban driver (see the 2000 State of the Region report for specific data).

Averages, however, can conceal substantial variability in underlying data and that is true in Hampton Roads. Drivers who are able to avoid the region's "choke points" (the three bridge-tunnels, the two Norfolk-Portsmouth tunnels, the limited number of other water crossings and I-64) and steer clear of "Navy traffic" usually are able to navigate the region with at least modest success, even during rush hour. If a driver has several ways to travel from one point to another, then she is likely to avoid travel frustration. If, however, that same driver has only one option available, then she is likely to encounter much-longer-than-average delays. Thus, a driver who absolutely must traverse I-64 on the Peninsula or travel through the Midtown Tunnel between Norfolk and Portsmouth during rush hour, almost certainly is going to encounter major delays.

There is also the reality that traffic congestion is ever increasing within the region. For example, the Virginia Department of Transportation has reported that rush-hour delays doubled on the highways of Hampton Roads between 1982 and 2001. Thus, traffic that might not be perceived as a problem today may soon become highly problematic as road and tunnel congestion reaches critical levels. This phenomenon is especially likely to occur on the “only one way to go” arteries within the region.

Since the gestation period for major traffic improvements is notoriously long (up to 20 years), the region would already need to be addressing traffic improvements it would like to have in place in 2020, for example. However, it does not appear this is a realistic target. First, the region’s citizens decisively defeated a transportation referendum that was predicated upon a regional sales tax increase. Second, the Commonwealth’s highway funding is in a disastrous state and, unless augmented, within a few years will not be able to support any new highway construction. **In a June 8, 2004, article by Peter Bacque in the Richmond Times-Dispatch, “How Did Virginia’s Roads Get Like This?”, Virginia Department of Transportation Commissioner Philip Shucet reported that all new highway construction will come to a screeching halt in 2010. Money will only be available then to repair existing highways. Virginia’s gas tax has not been increased since 1986 and currently is only 17.5 cents per gallon. This tax would have to be 58 cents per gallon to have the same buying power the gasoline tax had in 1946, when it was a mere 6 cents per gallon.**

This report is not a call for imposing new transportation taxes, though it is obvious that such a move is a policy alternative that cannot easily be dismissed. The information presented here, however, should serve as a warning that the region’s current commuting situation is likely to deteriorate very quickly because of its “choke point” travel structure. Citizens must make choices and this is one set of choices that will have significant future consequences.

Our situation is more sanguine in other transportation areas. While the region still cannot boast as many airport departures as most residents would like, each of its two major airports (Norfolk and Newport News-Williamsburg) has attracted an economy carrier (Southwest in Norfolk and Air Tran on the Peninsula) that has increased access even while offering competitive fares. Neither airport has “hub” status, but Southwest and Air Tran have substantially lessened the adverse impact of that deficiency.

Finally, the average annual automobile insurance paid by a Hampton Roads driver is approximately 15 percent below both the national average and the city of Richmond. This is one of the reasons why the overall cost of living within the region is also below the national average.

Culture, Music And The Arts

Hampton Roads is blessed with a thriving cultural scene. It is home to three diverse public radio stations, and the Virginia Symphony Orchestra (which we review in a subsequent chapter) is one of the best symphonies in the nation for a region of this size. Professional theater within the region is rated well above the national average and is ably supplemented by university theater performances.

Where the region truly excels, however, is museums. The lodestar of museums within Hampton Roads is the Chrysler, which boasts an outstanding collection of art, including work from Bierstadt, Cassatt and Copley among American painters, and Degas, Gainsborough, Gauguin, Renoir, Rubens and van Dyck among European masters. But the region also boasts the Mariners’ Museum in Newport News and the Virginia Aquarium & Marine Science Center and the Contemporary Art Museum of Virginia in Virginia Beach, along with several notable military museums, the battleship Wisconsin and the MacArthur Memorial. Sperling and Sander’s “Cities Ranked and Rated” awards Hampton Roads a “9 out of 10” (with 6 being the national average) for its museums.

The national (read New York) image of medium-sized metropolitan areas such as Hampton Roads is that they tend to be culturally underdeveloped – not quite backwater, but certainly nowhere near the front ranks of American culture. **It would be a mistake for us to make too much of the cultural development of Hampton Roads. By the same token, external authorities clearly document that our region can satisfy the daily cultural needs of all but a few of its residents, and its overall range of cultural opportunities must be regarded as one of the region’s strongest advantages relative to other cities in the Southeast.**

Summing It Up

Is our propensity to compare ourselves to other cities and regions ultimately a boring exercise that yields little that is useful? In some instances, the answer may be yes – for example, when we attempt to establish that our weather is better than the weather in some other city. It must be noted, too, that, on occasion, our comparisons steer us in the wrong direction. When we compare per capita incomes that have not been adjusted for purchasing power, we actually generate disinformation that can lead to faulty decisions.

Despite these caveats, often it is useful to know where we stand relative to other cities and regions. **We can do a better job attracting and retaining employees if we are aware of the purchasing power of our income, our clean air and water, and the high quality of our cultural institutions. To be sure, our region does not excel in all areas, but it is helpful to intelligent citizenships for us to know where we do well and where we might improve.**