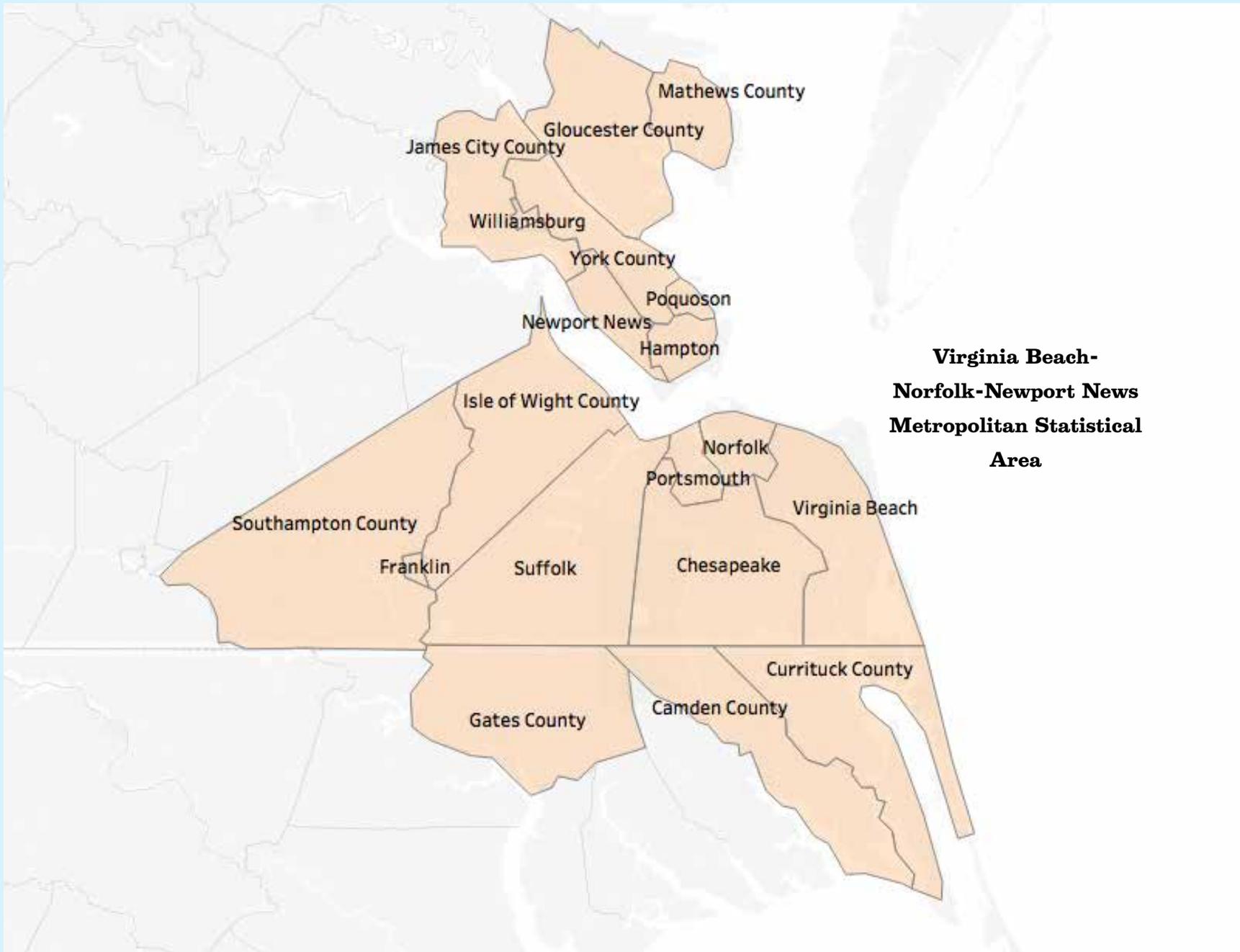




# The State of the Region

HAMPTON ROADS 2019



Dear Reader:

**T**his is Old Dominion University's 20th 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, 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.

While the enthusiasm we have for our work remains high, it has been dampened by the recent passing of George Dragas, the individual most responsible for perceiving the region's need for the report and procuring the financial support to sustain it. George was a very successful businessman, who simultaneously exhibited marvelous foresight and a keen sense of civic duty. Without George and his family, there would be no State of the Region Report and no Dragas Center for Economic Analysis and Policy. We and the Hampton Roads community are indebted to him.

The 2019 State of the Region Report is divided into six parts:

### **Full Speed Ahead: The Regional Economy Continues to Improve**

For the first time in a decade, the Hampton Roads economy is poised to grow for the third straight year. Unemployment has declined, incomes have increased and output has risen. Increases in defense spending, tourism, and education and health services have fueled our recent growth. Yet, there are storm clouds on the horizon. How long can the good times last?

### **420 in the 757: Marijuana and Hampton Roads**

More than 30 states permit the personal use of marijuana for medical purposes and 11 states have legalized the possession of small amounts of marijuana for personal use. Over 50 percent of Americans have used marijuana in their lifetimes and young adults in Hampton Roads use it at a higher rate than their peers in all other regions of the Commonwealth. We take a look at how a change in the status of marijuana could affect Hampton Roads.

### **Mind the Gap: Women's Leadership in Hampton Roads**

We examine whether there is a leadership gap between women and men in Hampton Roads. While a gap in earnings can be explained partly by occupational choice, part-time versus full-time employment and the risks of certain occupations, there remains the challenge of women being able to ascend to the higher levels of their chosen profession. We explore the extent of the leadership gap in our region and discuss what can be done to narrow it.

### **The State of Soccer in Hampton Roads**

The "beautiful game" is thriving in Hampton Roads. Two new professional soccer teams now play in the region and thousands of children, teenagers and young adults play on pitches from Williamsburg to Virginia Beach. We look at the demographics of soccer, how the model of youth sports has changed in America and the prospects for growth in the coming years.

### **Can Defense Save Us?**

Sequestration is blamed for many of our region's problems. In this chapter, we assess what would have happened to the Hampton Roads economy if sequestration had never occurred. We compare the impact of sequestration with the drawdown from the Cold War. We ask whether it is time to prepare for the next downturn in defense spending.

### **The Economic Impact of a Hurricane on Hampton Roads**

In 1821, a Category 3 hurricane made landfall in Hampton Roads, flooding Norfolk before moving on to New York City. What would be the impact of a similar hurricane today on the region's economy? We find that a major hurricane would cause almost \$20 billion in property damage, create more than 2 million tons of debris and reduce economic output by over \$20 billion in the first year following landfall.

Hampton Roads is an increasingly diverse community that simultaneously plays a significant role in national security, is home to a busy deep-water port, hosts over 90,000 college students and is home to world-class tourism opportunities. There are challenges, of course, but, as the adage goes, challenge and opportunity are two sides of the same coin. To adapt, improve and overcome, we must understand where we are and where we want to go. Our work seeks to contribute to this conversation.

The Strome College of Business and Old Dominion University continue to provide support for the State of the Region 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	Ramon W. Breeden Jr.	George Dragas Jr. (in memoriam)	Hampton Roads Chamber of Commerce
The Aimee and Frank Batten Jr. Foundation	Chartway Federal Credit Union	Helen Dragas	Thomas Lyons
Jane Batten	Arthur A. Diamonstein	David and Susan Goode	Patricia and J. Douglas Perry
R. Bruce Bradley	Dragas Family Foundation	Edward L. Hamm Jr.	Dr. Jitendra Swarup

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

Vinod Agarwal	Saloni Jain	Tim Komarek	Brendan O'Hallarn
Barbara Blake	Elizabeth Janik	Feng Lian	Bailey Park
Ethan Crouson	Nikki Johnson	Sharon Lomax	Emily Steinhilber
Steve Daniel	Kiran Karande	George McLeod	Jay Walker
Addie Gregory	James V. Koch	Janet Molinaro	Hannah White
William Heffelfinger			

Previous State of the Region Reports are available at [www.ceapodu.com](http://www.ceapodu.com). Individual copies of the 2019 report may be purchased for \$25 each. If you have comments or suggestions, please email us at [rmcnab@odu.edu](mailto:rmcnab@odu.edu).

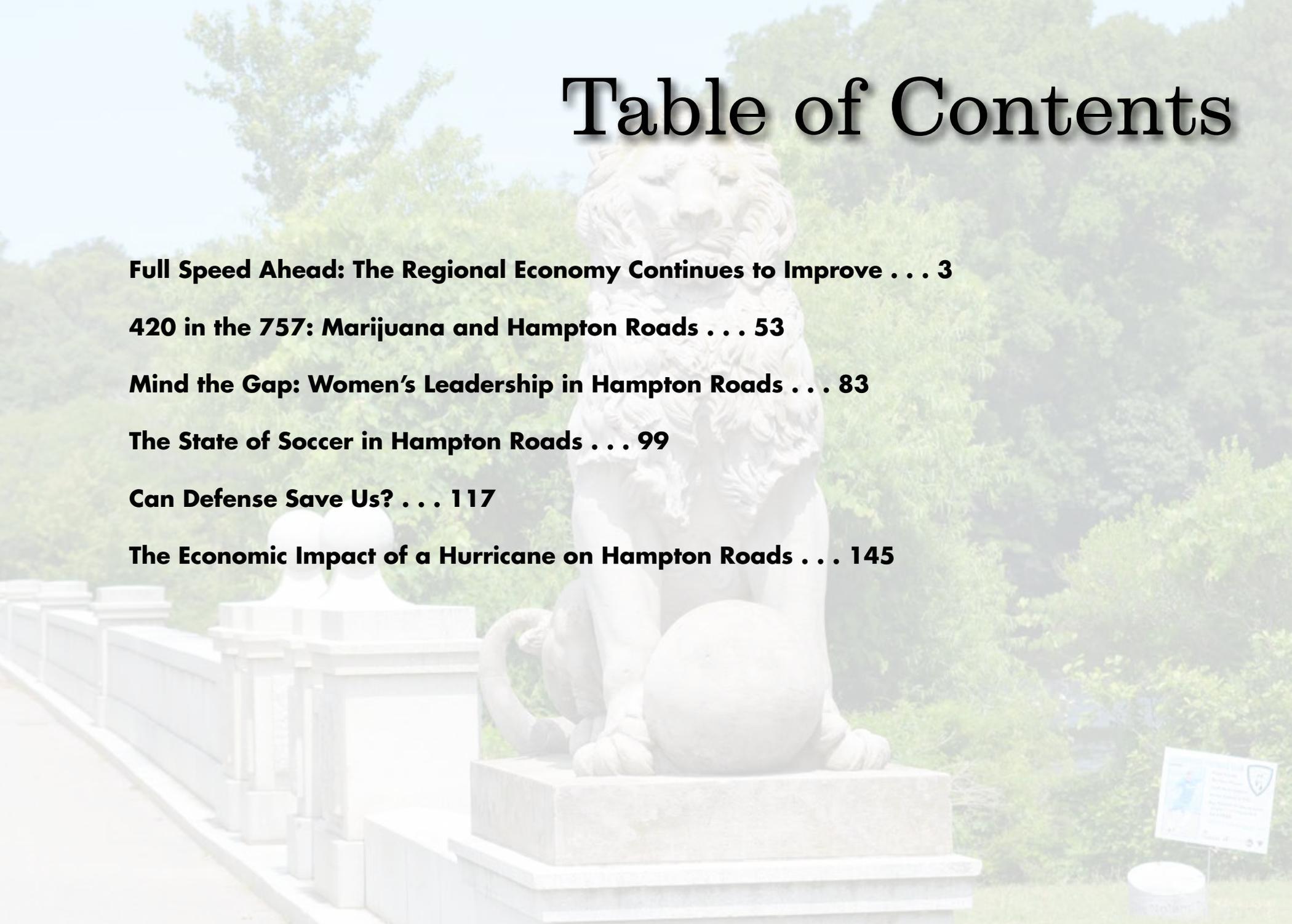
Sincerely,



Robert M. McNab

Director, Dragas Center for Economic Analysis and Policy  
Professor of Economics, Department of Economics  
Strome College of Business  
Old Dominion University

# Table of Contents



**Full Speed Ahead: The Regional Economy Continues to Improve . . . 3**

**420 in the 757: Marijuana and Hampton Roads . . . 53**

**Mind the Gap: Women's Leadership in Hampton Roads . . . 83**

**The State of Soccer in Hampton Roads . . . 99**

**Can Defense Save Us? . . . 117**

**The Economic Impact of a Hurricane on Hampton Roads . . . 145**



Inside Front Cover: The Dragas Center for Economic Analysis and Policy

Page 1: Steve Daniel

Page 105: Courtesy of Hampton Roads Soccer Complex 2019

Page 106: Courtesy of Lionsbridge FC 2019

Page 107: Courtesy of North American Sand Soccer Championships

Page 108: Courtesy of the Scanlon family

Page 162: U.S. Air Force (2012):

<https://www.homestead.afrc.af.mil/News/Article-Display/Article/701110/homestead-arb-and-hurricane-andrew-a-look-back-a-look-forward/>



