COVID-19

The State of the Region

HAMPTON ROADS 2020

DRAGAS CENTER FOR ECONOMIC ANALYSIS AND POLICY | STROME COLLEGE OF BUSINESS | OLD DOMINION UNIVERSITY
Agenda for Today

I will cover COVID-19’s impact and the prospects for a recovery in 2020 and beyond.

Barbara Blake will examine food insecurity and youth mental health in Hampton Roads.

I will then conclude with discussion of Jefferson Lab and its economic impact on the region.

All our presentation materials can be found at our website: www.ceapodu.com
The Strome College of Business and Old Dominion University continue to provide important support for the *State of the Region* report. However, the report would not appear without the vital backing of these donors, who believe in the power of rational discourse to improve our circumstances.

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HAVE A QUESTION?

TEXT
757-504-2141
COVID-19
7-Day Moving Average of Daily COVID-19 Infections
United States, January 28, 2020 – October 4, 2020

7-Day Moving Average of COVID-19 Deaths
United States, January 28, 2020 – October 4, 2020

Sources: New York Times and Dragas Center for Economic Analysis and Policy. The increase in late June/early July is due to New Jersey reporting probable deaths.
Hampton Roads and Virginia, April 1 – October 4, 2020

Sources: Virginia Department of Health and Dragas Center for Economic Analysis and Policy.
Collapse, Rebound, Recovery?
Civilian Labor Force and Employment
Hampton Roads, January 2007 – February 2020

Unemployment Rate
Hampton Roads, January 2007 – February 2020

Nonfarm Payrolls (Jobs)
Hampton Roads, January 2007 – February 2020

Sources: Bureau of Labor Statistics and Dragas Center for Economic Analysis and Policy. Seasonally adjusted data.
Initial Claims for Unemployment Insurance
Hampton Roads, March 14 – September 26, 2020

Sources: Virginia Employment Commission and Dragas Center for Economic Analysis and Policy. Non-seasonally adjusted data. Virginia cities and counties in MSA.
Continuing Claims for Unemployment Insurance
Hampton Roads, March 14 – September 26, 2020

Sources: Virginia Employment Commission and Dragas Center for Economic Analysis and Policy. Non-seasonally adjusted data. Virginia cities and counties in MSA.
Civilian Labor Force and Individual Employment
Hampton Roads, January 2020 – August 2020

Unemployment Rate
Hampton Roads, January 2019 – August 2020

Cumulative Growth in Nonfarm Payrolls
Hampton Roads, March 2010 – August 2020

Sources: Department of Labor and Dragas Center for Economic Analysis and Policy. Smoothed seasonally adjusted data. Trough of nonfarm payrolls was February 2010.
Small Business Survey: Impact of Pandemic
Hampton Roads, May 2, 2020 – September 26, 2020

Percent

Large Negative Impact  Moderate Negative Impact

May 2 90.4%
May 9 90%
May 16 90%
May 30 90%
Jun 6 90%
Jun 13 90%
Jun 20 90%
Jun 27 90%
Aug 15 79.5%
Aug 22 76.5%
Aug 29 76.5%
Sep 5 69.6%
Sep 12 69.6%
Sep 19 69.6%
Sep 26 69.6%

Sources: U.S. Census Bureau Small Business Pulse Survey and Dragas Center for Economic Analysis and Policy. Replies stating the overall effect of the pandemic has been a “large negative effect” or a “moderate negative effect.” No surveys were conducted for the weeks of July 4 to August 8, 2020.
Hotels Rebound, Real Estate Remains Strong
Nominal and Real (Inflation-Adjusted) Hotel Revenue
Hampton Roads, 2007 to 2019

Sources: STR Trend Reports January 2017 and January 2020, Bureau of Labor Statistics (base year is chained; 2007 = 100), and the Dragas Center for Economic Analysis and Policy.
2020 Hotel Revenue as Percent of 2019 Hotel Revenue
Hampton Roads, January 2020 – August 2020

<table>
<thead>
<tr>
<th>Month</th>
<th>Percent of 2019 Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>108.8%</td>
</tr>
<tr>
<td>February</td>
<td>111.3%</td>
</tr>
<tr>
<td>March</td>
<td>56.3%</td>
</tr>
<tr>
<td>April</td>
<td>23.5%</td>
</tr>
<tr>
<td>May</td>
<td>35.1%</td>
</tr>
<tr>
<td>June</td>
<td>54.2%</td>
</tr>
<tr>
<td>July</td>
<td>67.8%</td>
</tr>
<tr>
<td>August</td>
<td>67.5%</td>
</tr>
</tbody>
</table>

Sources: Monthly STR Trend Reports and the Dragas Center for Economic Analysis and Policy.
Nominal and Real Median Sales Price of Existing Homes
Hampton Roads, 2007 to 2019

Months Supply of Existing Homes
Hampton Roads, January 2007 – September 2020

Monthly Median Sale Price for Existing Homes
Hampton Roads, January 2019 – September 2020

Sources: Real Estate Information Network and Dragas Center for Economic Analysis and Policy.
<table>
<thead>
<tr>
<th>City</th>
<th>2019</th>
<th>2020</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chesapeake</td>
<td>$269,000</td>
<td>$279,900</td>
<td>4.1%</td>
</tr>
<tr>
<td>Hampton</td>
<td>$173,000</td>
<td>$187,900</td>
<td>8.6%</td>
</tr>
<tr>
<td>Newport News</td>
<td>$185,000</td>
<td>$206,000</td>
<td>11.4%</td>
</tr>
<tr>
<td>Norfolk</td>
<td>$207,500</td>
<td>$224,900</td>
<td>8.4%</td>
</tr>
<tr>
<td>Portsmouth</td>
<td>$165,950</td>
<td>$178,500</td>
<td>7.6%</td>
</tr>
<tr>
<td>Suffolk</td>
<td>$252,000</td>
<td>$274,900</td>
<td>9.1%</td>
</tr>
<tr>
<td>Virginia Beach</td>
<td>$265,000</td>
<td>$285,000</td>
<td>7.6%</td>
</tr>
<tr>
<td>Williamsburg*</td>
<td>$299,900</td>
<td>$315,000</td>
<td>5.0%</td>
</tr>
<tr>
<td>Hampton Roads</td>
<td>$235,000</td>
<td>$250,000</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

Source: Real Estate Information Network and Dragas Center. * Williamsburg represents Poquoson, Williamsburg, James City County, York County and Gloucester County.
Expected Eviction or Foreclosure in Next Two Months
United States and Virginia, September 14, 2020

United States

- Owner-Occupied: 10%
- Multi-Family Rental: 33.2%

Virginia

- Owner-Occupied: 20%
- Multi-Family Rental: 27.6%

Sources: U.S. Census Bureau Household Pulse Survey and Dragas Center for Economic Analysis and Policy.
Defense Spending in Hampton Roads
Department of Defense Discretionary Budget Authority
Fiscal Year 2010 – Fiscal Year 2025

Billions of Nominal Dollars

Estimated Direct Department of Defense Spending
Hampton Roads, 2000 to 2020*

Cumulative U.S. Federal Government Deficit by Month
October 2016 – August 2020

The Impact of COVID-19
Permanent Job Losses as a Percentage of Peak Employment

Percent of Peak Employment

-1.6%

Months Since Pre-Recession Peak

2001 Recession  2007 Recession  2020 Recession

Sources: Department of Labor and Dragas Center for Economic Analysis and Policy. Seasonally adjusted data. H/T Calculated Risk Blog.
Unemployment Rate by Race
United States, February 2020, April 2020, and September 2020

February 2020
April 2020
September 2020

Sources: Department of Labor and Dragas Center for Economic Analysis and Policy. Non-seasonally adjusted data. Black or African American unemployment peaked at 16.6% in May 2020.
Distribution of Population and Continuing Unemployment Claims
Hampton Roads, September 2020

Percent of Population
Percent of September UI Claims

- Black: 30.7%, 58.1%
- White: 58.6%, 32.3%
- Asian: 4.1%, 2.4%
- Hispanic: 7.1%, 0.3%

Average Monthly SNAP Participation Rate
Hampton Roads, July 2005 – July 2020

Distribution of Population and COVID-19 Deaths
United States, March 2020 – September 2020

Sources: Centers for Disease Control and Prevention, Provisional Death Certificate Data, and Dragas Center for Economic Analysis and Policy. Weighted population represents the population of each group after accounting for race and geography is distributed relative to areas impacted by COVID-19. Data as of 2 October 2020.
Indicators of Anxiety or Depression in Last Week
United States, May 5 – September 14, 2020

Sources: U.S. Census Bureau Household Pulse Survey and Dragas Center for Economic Analysis and Policy. Responses indicated symptoms of either anxiety or depression. During January-June 2019, 11.0% of adults aged 18 and over had symptoms of anxiety disorder or depressive disorder. Phase II responses started week of August 31, 2020.
Indicators of Anxiety or Depression by Race
United States, May 5 – September 14, 2020

Sources: U.S. Census Bureau Household Pulse Survey and Dragas Center for Economic Analysis and Policy. Responses indicated symptoms of either anxiety or depression. During January-June 2019, 11.0% of adults aged 18 and over had symptoms of anxiety disorder or depressive disorder. Phase II responses started week of August 31, 2020.
In the most optimistic scenario, the CDC projects that between 35 and 45 million vaccine doses may be available by December 2020.

Distribution chains and vaccine resistance will limit the initial effectiveness of the vaccine in the population.

Growth in defense spending is projected to slow through FY 2025.

Trade volumes will increase as global growth rebounds in 2021.

Tourism and hospitality face a slow recovery, “drive-to” vacations will provide relief into 2021.

The challenge is to invigorate growth beyond the ‘three pillars.’
Food Insecurity
Food Insecure Adults and Children
Selected Cities in Hampton Roads, 2018

Chesapeake: 20,100
Hampton: 17,590
Newport News: 23,800
Norfolk: 34,190
Portsmouth: 13,100
Suffolk: 8,760
Virginia Beach: 36,740

Food Insecurity by Race
United States, 2019

<table>
<thead>
<tr>
<th>Race</th>
<th>Food Insecure</th>
<th>Very Low Food Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>19.1%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>15.6%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Other</td>
<td>9.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>White</td>
<td>7.9%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

Federal Spending to Combat Food Insecurity, FY 2019

- 67.6%: Supplemental Nutrition Assistance Program (SNAP)
- 14.3%: National School Lunch Program (NSLP)
- 5.5%: Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- 4.6%: School Breakfast Program (SBP)
- 4.3%: Child and Adult Care Food Program (CACFP)
- 3.7%: All other programs

47% of Hampton Roads students were eligible for free or reduced-price meals at public school.

The average monthly SNAP participation rate in Hampton Roads was 10.2%.

The Important Role of Our Region’s Food Banks

<table>
<thead>
<tr>
<th>Program</th>
<th>Foodbank of Southeastern Virginia and the Eastern Shore</th>
<th>Virginia Peninsula Foodbank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Pantry</td>
<td>1.4 million lbs. of food distributed</td>
<td>1.8 million lbs. of food distributed</td>
</tr>
<tr>
<td>BackPack Program</td>
<td>317,194 meals provided</td>
<td>213,428 meals provided</td>
</tr>
</tbody>
</table>

What can be done to alleviate food insecurity in Hampton Roads?

- Donate and volunteer to a local food bank or organization near you that helps improve food security.

- Promote financial literacy to help households better understand and manage their finances to avoid economic fragility.

- Prioritize K-12 schools and recognize that schools play a key role in child nutrition and, in many cases, provide the only guaranteed meal for many children.

- Minimize stigma and strive to ensure that all people are treated equally and provide benefits to all households without shame or embarrassment.
The Kids Are Not All Right: Youth Mental Health In Hampton Roads
Youth Anxiety on the Rise

- In 2007, 8.2% of adolescents (12-17) had at least one major depressive episode (MDE).
- By 2017, 13.3% of adolescents had experienced at least one MDE.
- The rise in depression among adolescent girls has been even sharper, increasing from 11.9% in 2007 to 20% in 2017.
- Girls were nearly three times more likely to report symptoms of depression than boys in 2017.
- Suicide is now the second leading cause of death (behind accidents) for all young persons ages 10-24.

Source: National Survey on Drug Use and Health (NSDUH)
Number of Visits or Consultations for Children’s Mental Health Concerns: CHKD, Fiscal Years 2015-2020

Source: CHKD (2020)
The CHKD mental health hospital will provide urgently needed services to Hampton Roads children.

- 400 new staff at an average starting salary of around $75,000 with aims to employ 20 child psychiatrists once the new facility is fully operational.

- By 2022, 60 beds are planned. All inpatient beds will be in single rooms, with space for a parent or guardian to spend the night.
Where do we go from here?

In our community:

- **Improve mental health funding** for schools. School mental health services support the mission and purpose of schools: learning. Teaching children how to cope with life’s challenges will help them become resilient adults.

- **Work to remove stigma** surrounding mental health.

- **Mainstream mental health training** for all.

On a personal level, help is available for the young people in your life.

- **Crisis Text Line**: Text 741-741 from anywhere in the US to text with a trained Crisis Counselor.
John and Emily were experimenting with the effects of road salt on plants. They watered plants daily with the same amount of salt water. They experimented by:

- increasing the amount of salt added to the water each day
- watering half the plants with pure water and half with salt water
- adding food color to see how far the salt penetrates the plants
- cooling the salt water and comparing the results with the warming salt water
Jefferson Lab: A Federal Laboratory

- The Thomas Jefferson National Accelerator Facility (Jefferson Lab) investigates the fundamental structure of nuclear matter and conducts applied research.

- Located in Newport News, the Jefferson Lab is home to the world’s most powerful tunable free electron laser.

- Jefferson Lab is best known to parents and students who frequent its “JLAB SOL” website in preparation for standardized tests.

- The Jefferson Lab is at a crossroads with the recent decision to build a new accelerator at the Brookhaven National Laboratory.

- While this decision was a loss, it has also spurred new efforts at Jefferson Lab.
Jefferson Lab Full-Time Equivalent Employee Positions
FY 2008-FY 2018

Regular FTEs | Joint/Bridge Faculty
---|---
2008: 678 | 6
2009: 697 | 6
2010: 742 | 35
2011: 786 | 4
2012: 781 | 0
2013: 751 | 0
2014: 699 | 0
2015: 710 | 0
2016: 725 | 0
2017: 705 | 0
2018: 721 | 0

Source: Jefferson Lab
Jefferson Laboratory Operations and Construction Expenditures
Fiscal Year 2009 – Fiscal Year 2019

Source: Jefferson Lab
Whither Jefferson Lab?

- Jefferson Lab’s efforts in medical imaging, environmental cleanup, and big-data efforts sync well with other efforts in Hampton Roads.

- Public-private partnerships can also bolster efforts to increase innovation in the region.

- Part of the effort must be legislative, and requires consensus and effort locally, in Richmond, and in Washington, DC.

- The creation of new, STEM-oriented jobs would build upon the region’s strengths, foster private-sector job growth, and raise regional incomes.
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