



Albemarle Board of Supervisors Annual Retreat

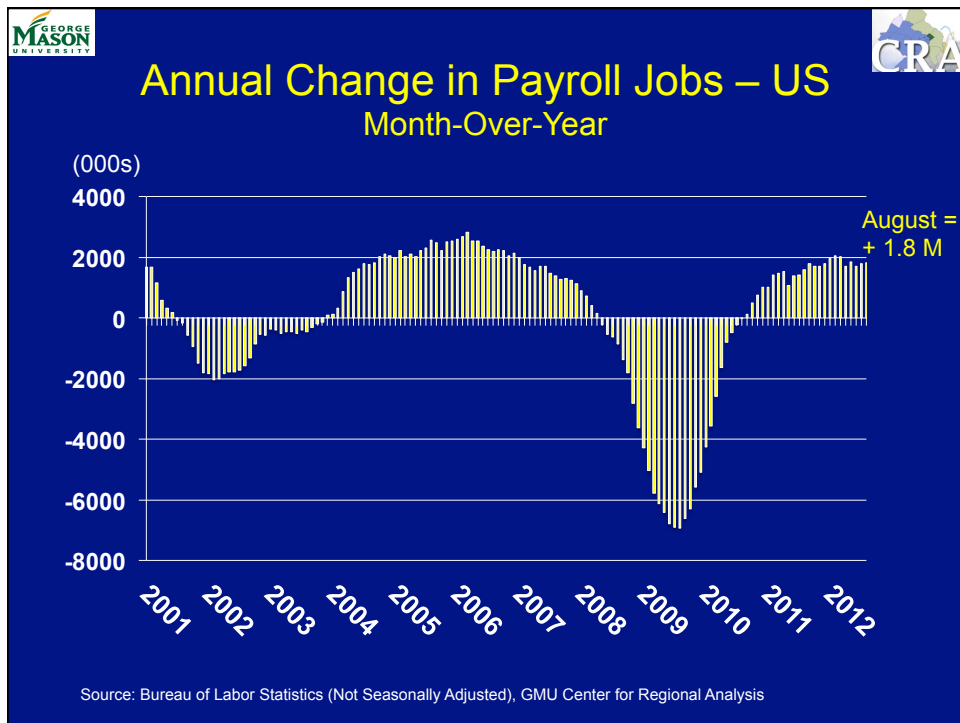
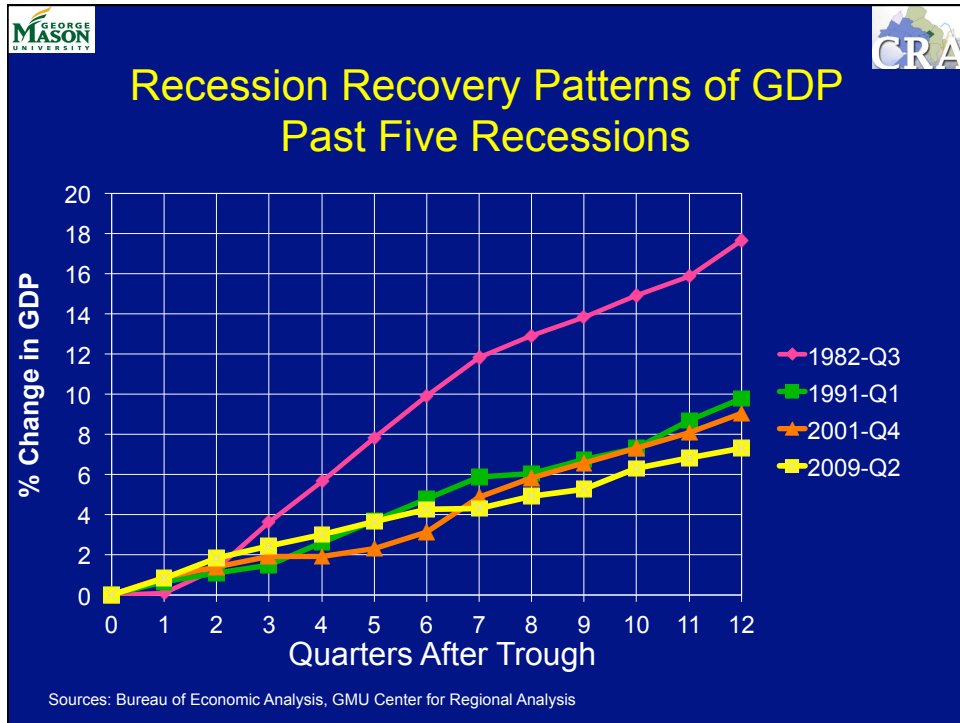
Economic Outlook for the Albemarle Region and Virginia

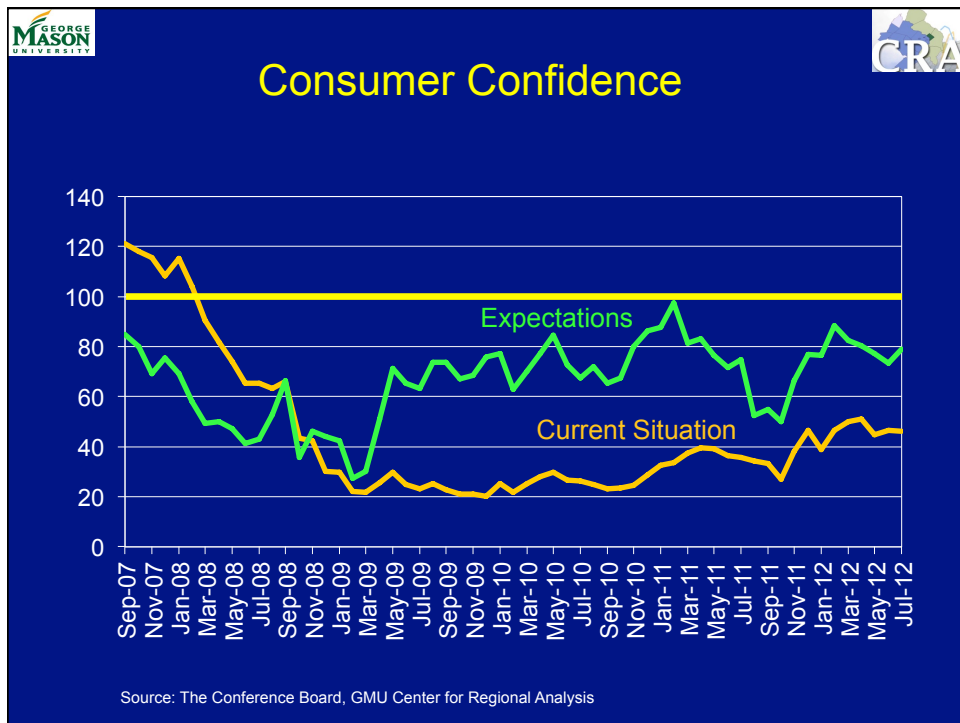
Lisa A. Sturtevant, PhD
Center for Regional Analysis
School of Public Policy
George Mason University

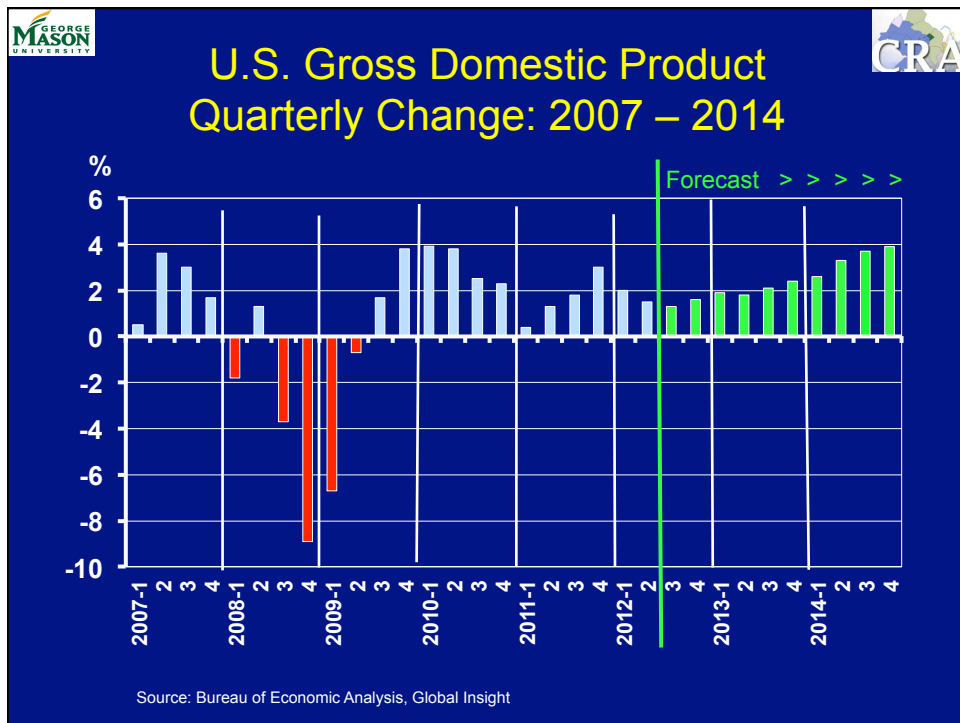
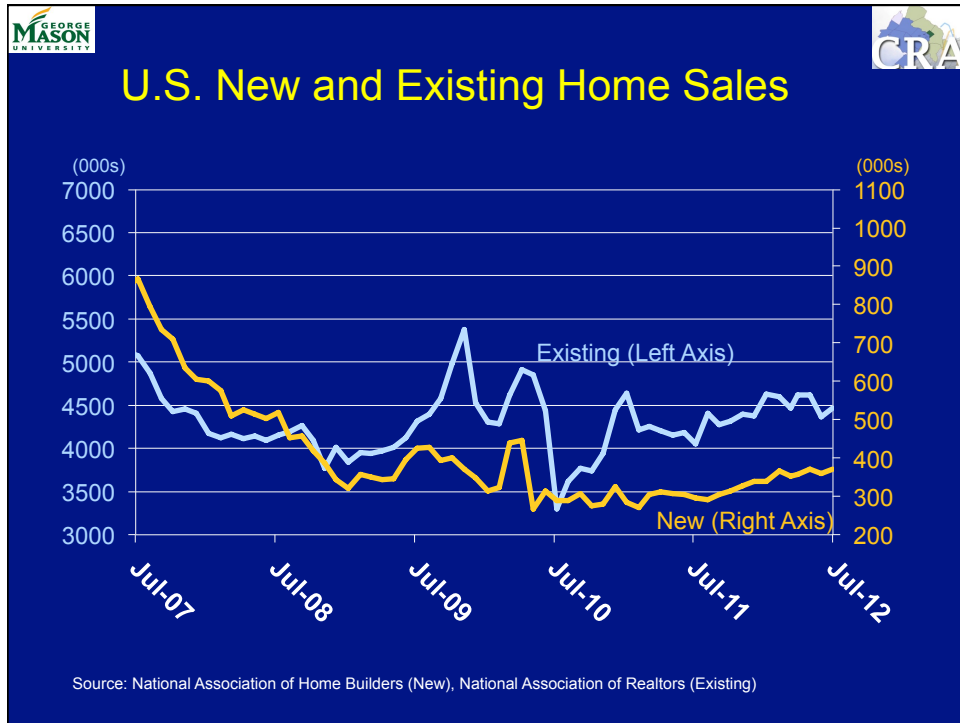
September 21, 2012



National Economy



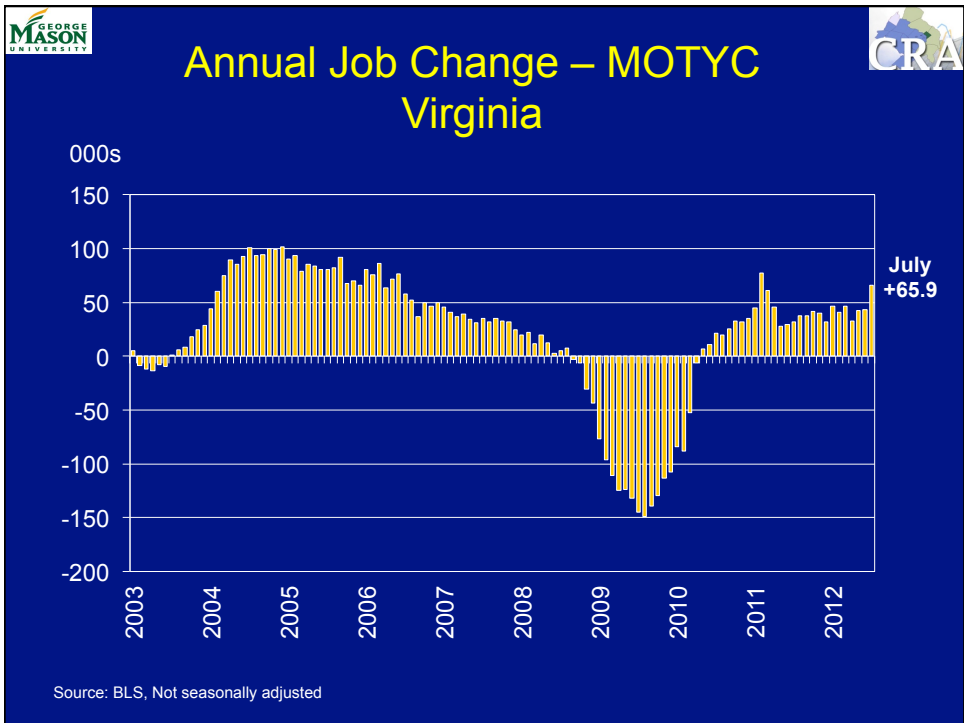


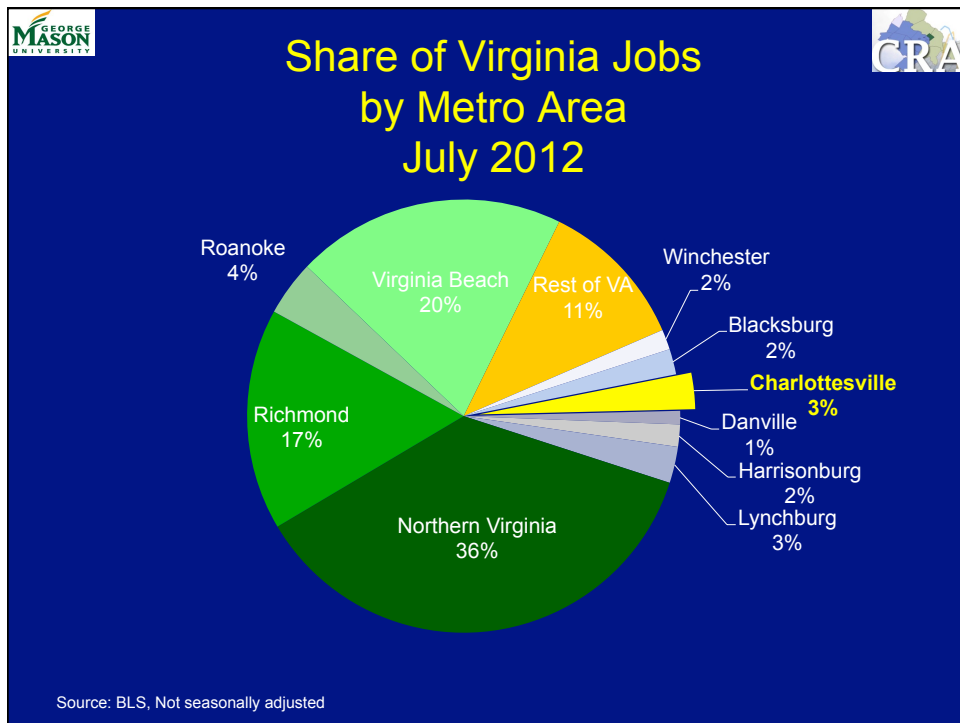
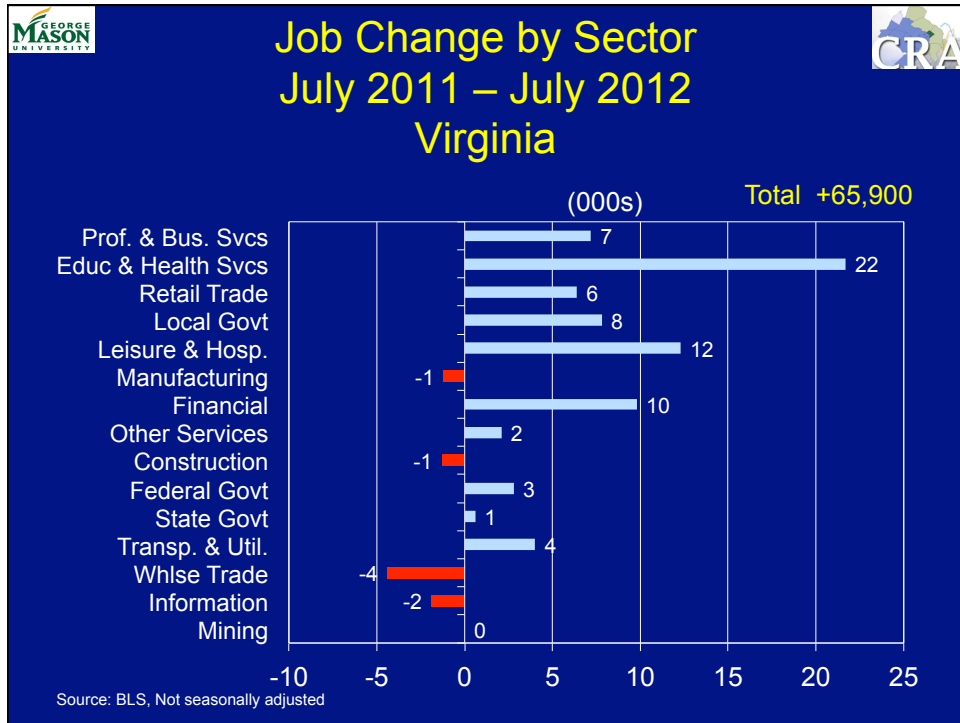


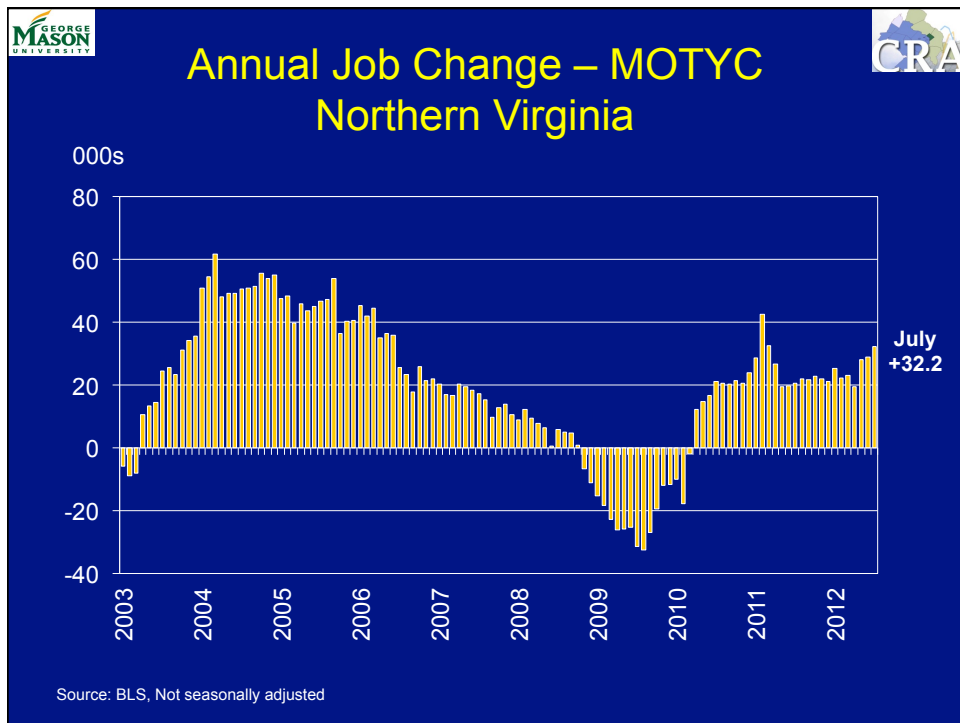
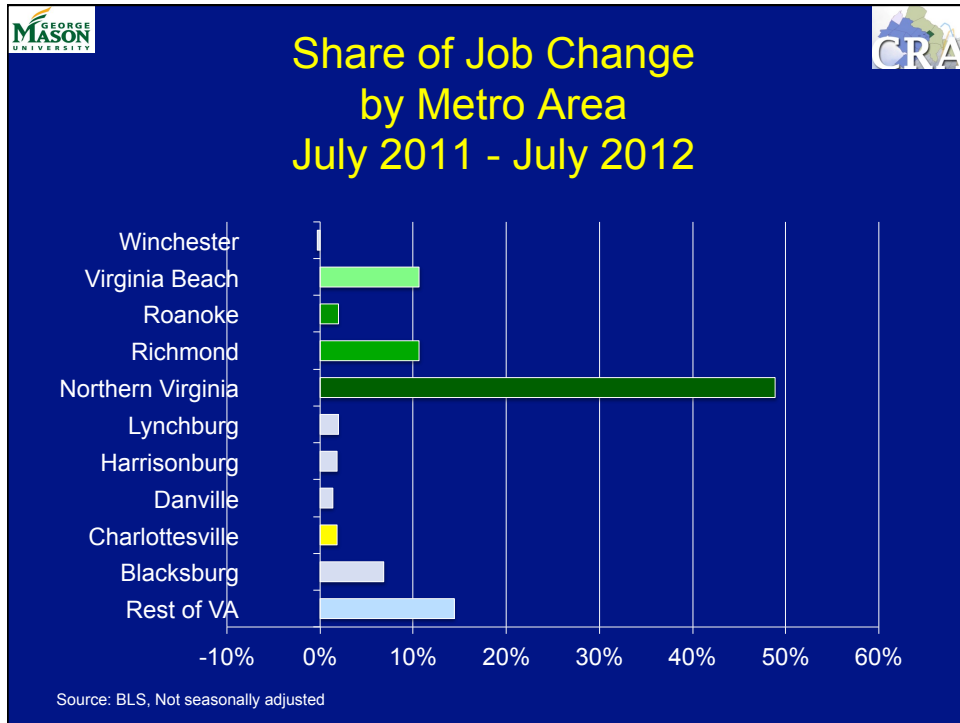
GEORGE MASON UNIVERSITY

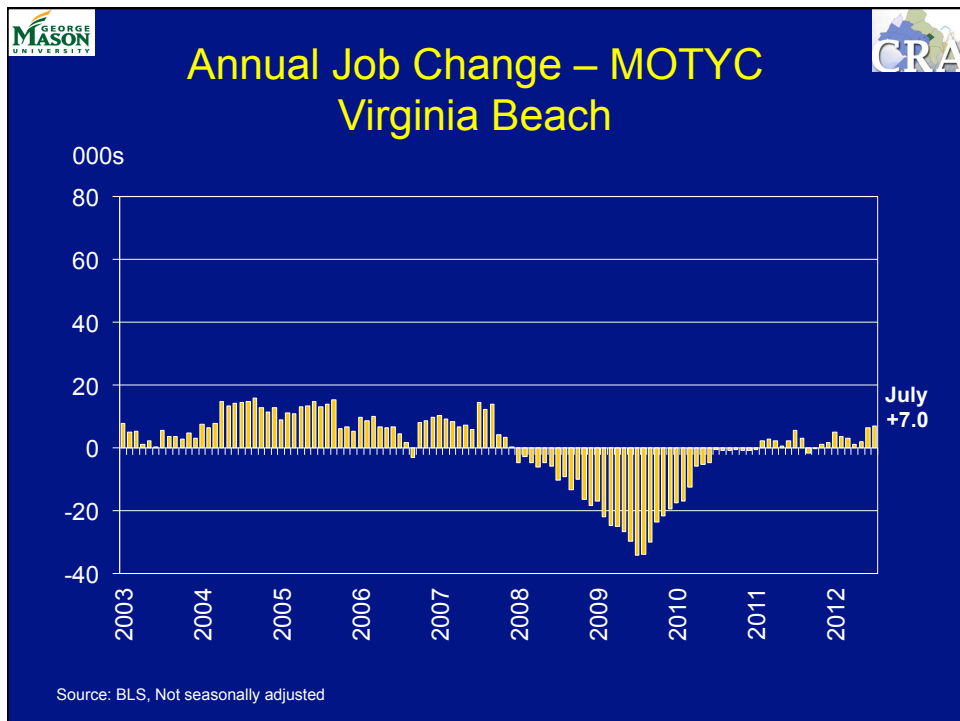
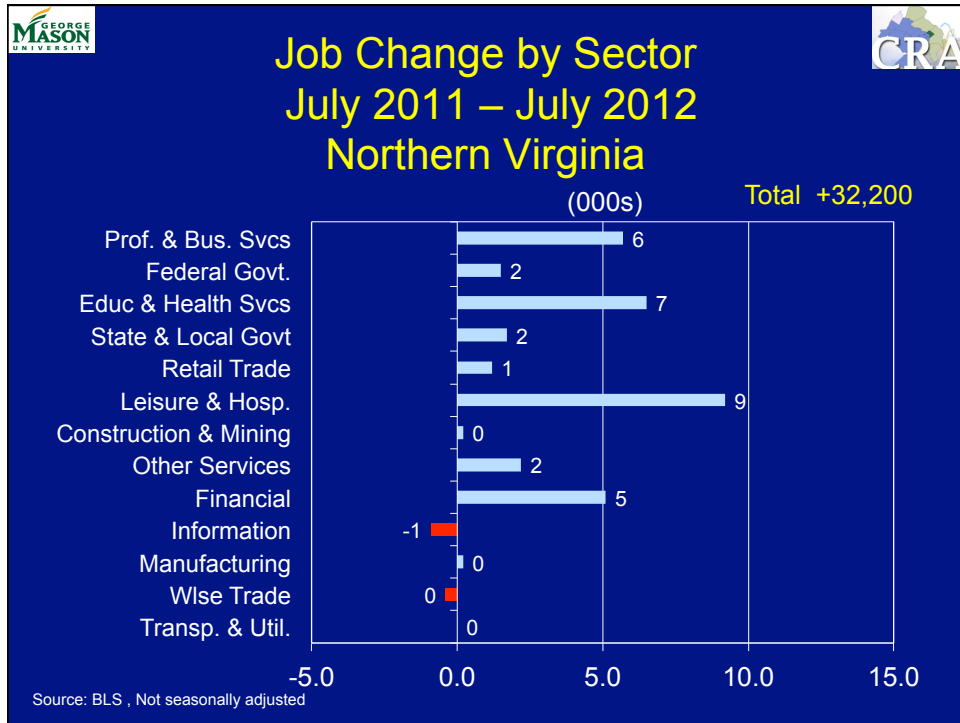
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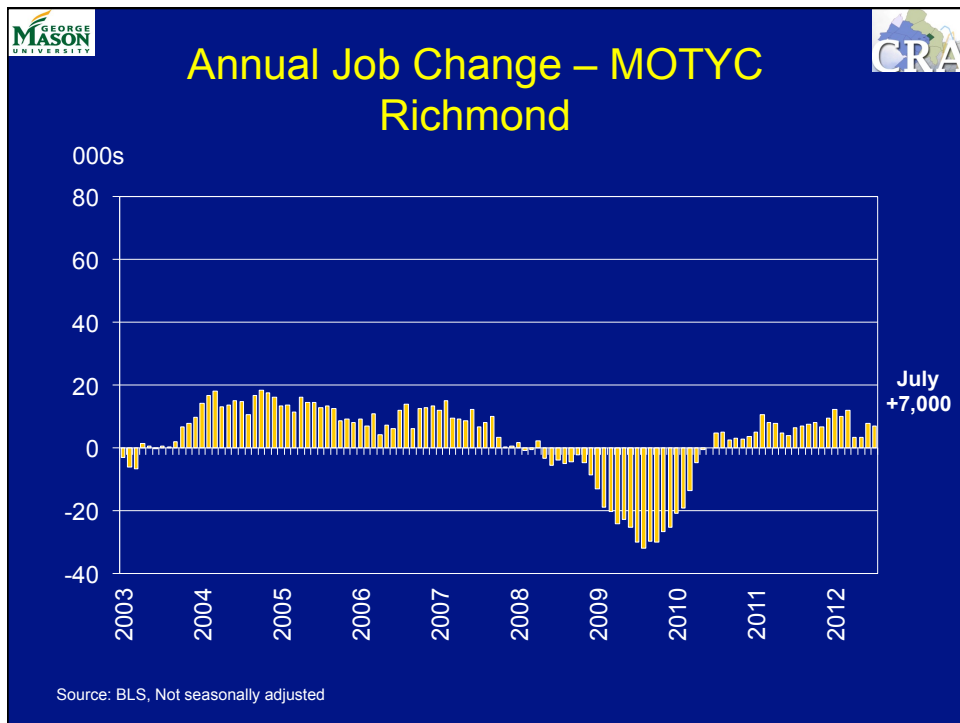
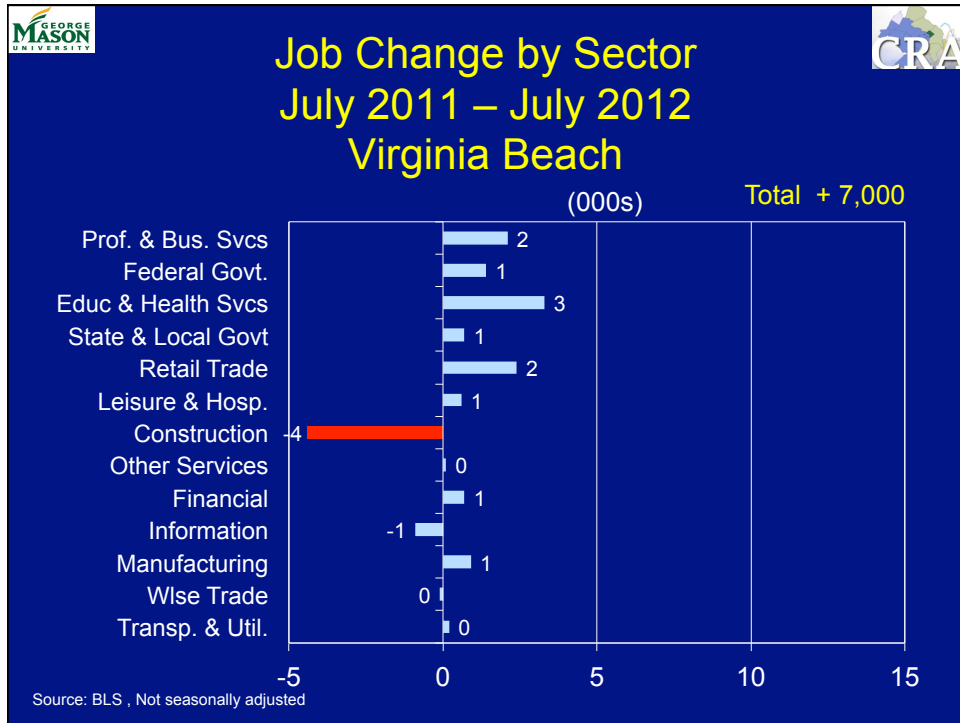
The Virginia Economy

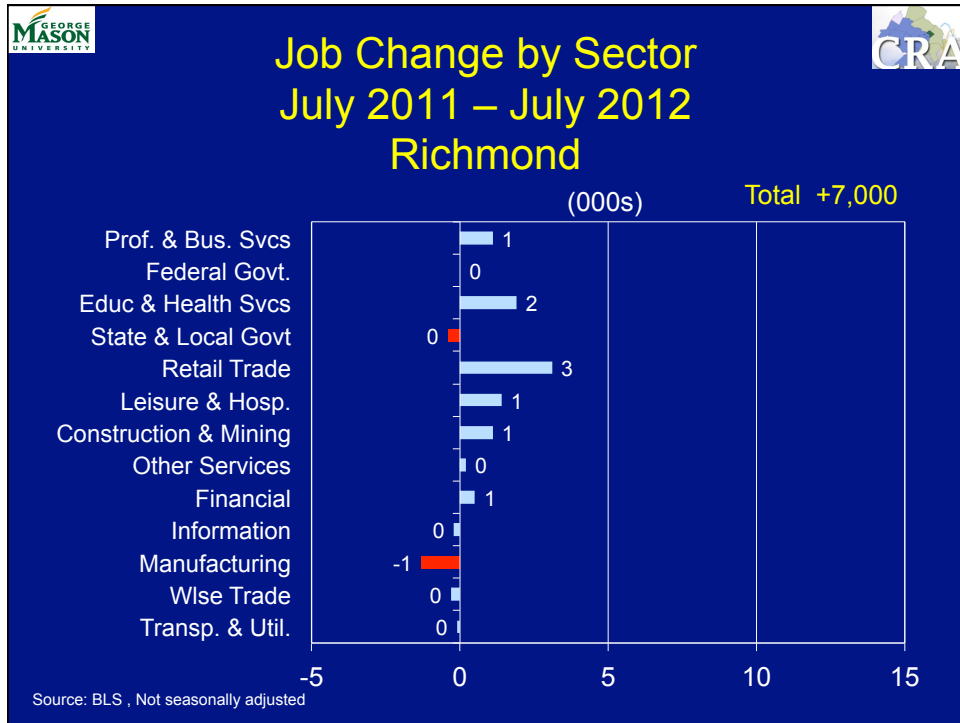




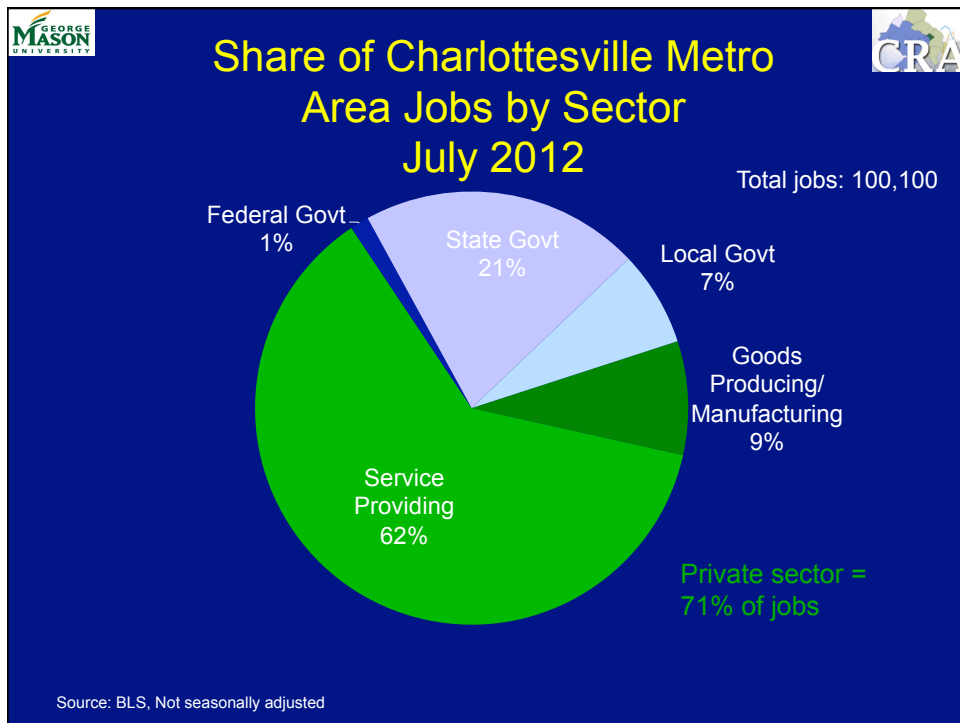
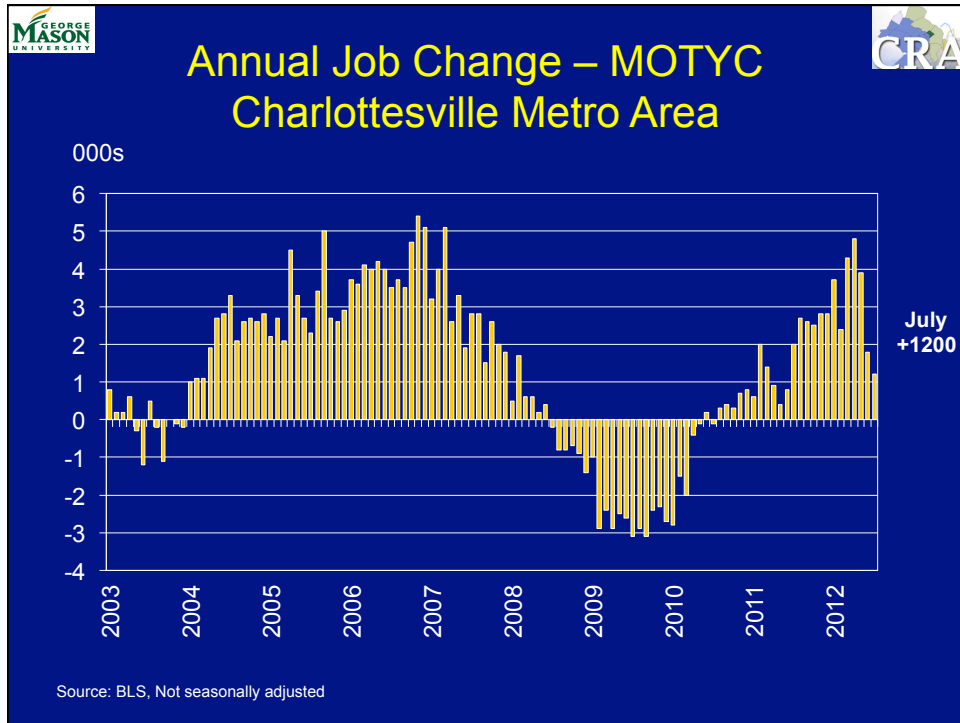


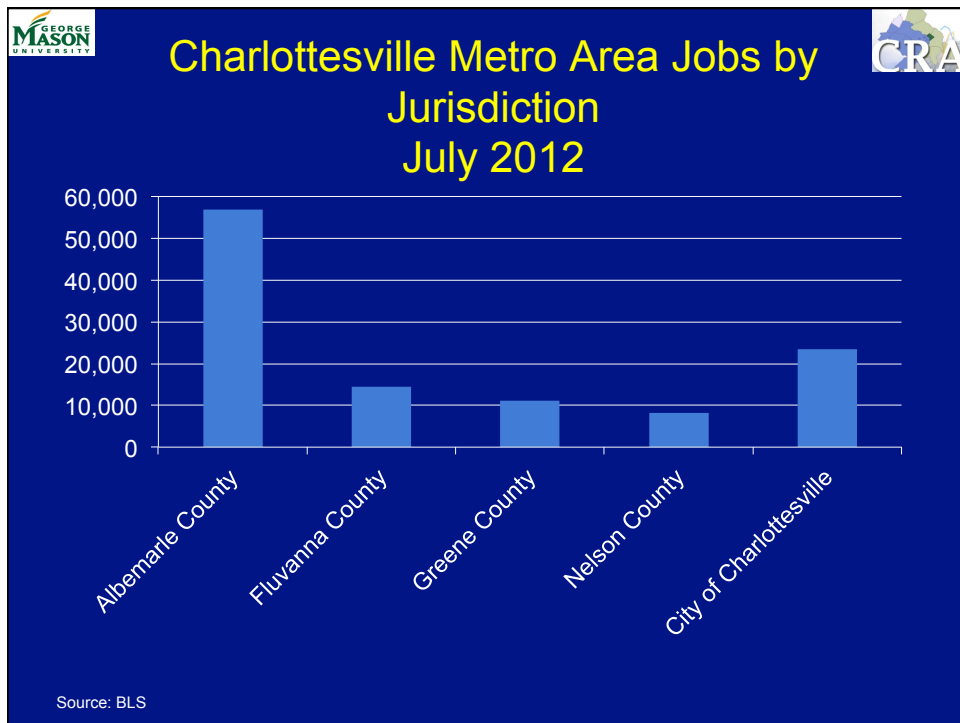
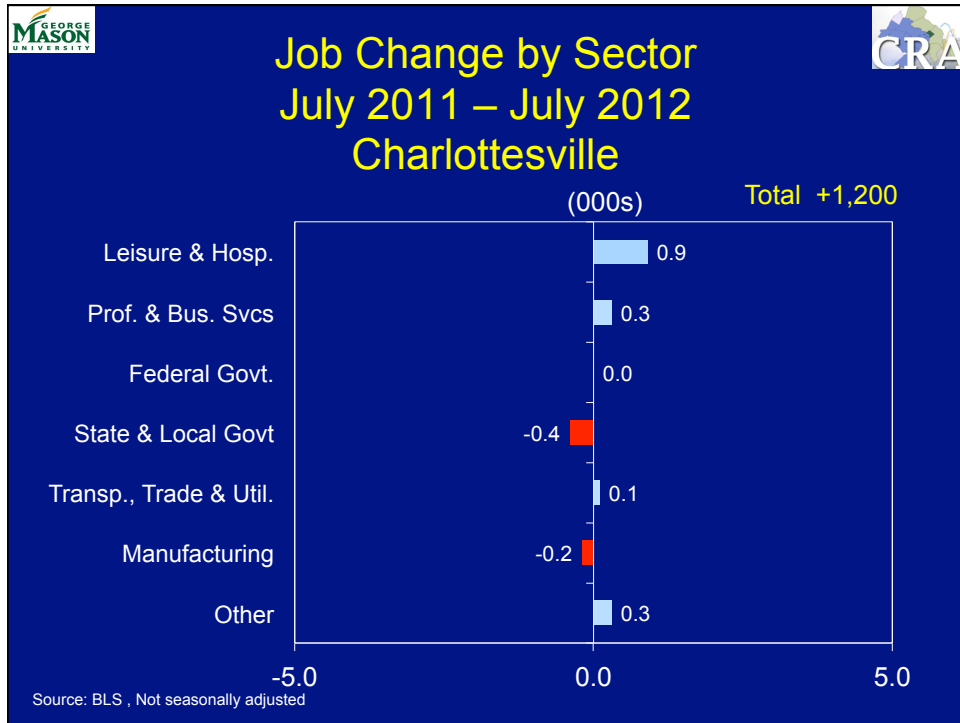


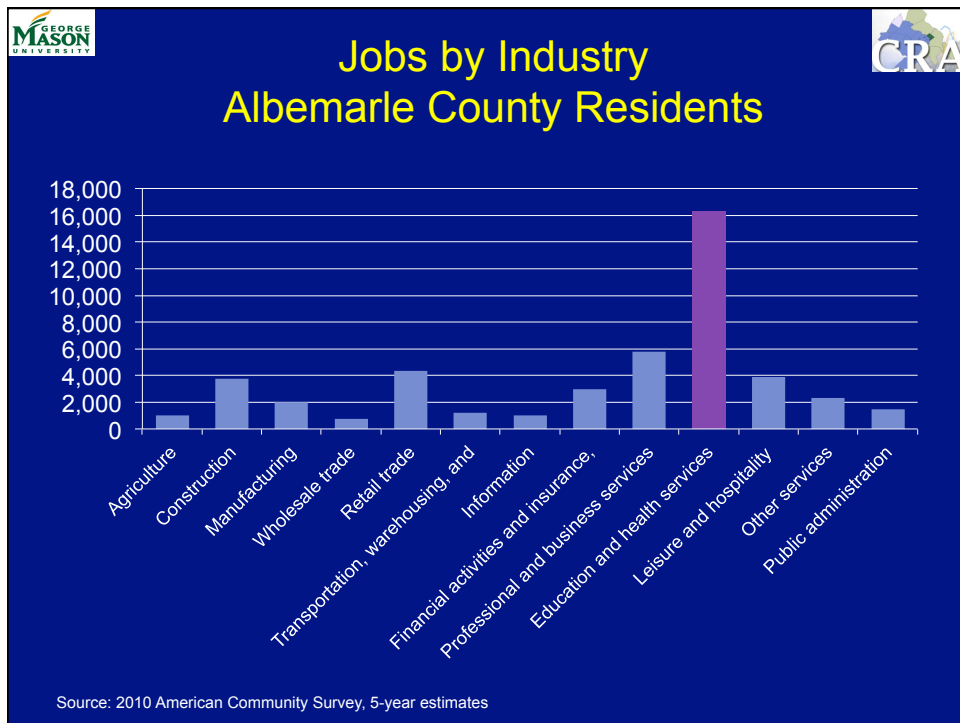
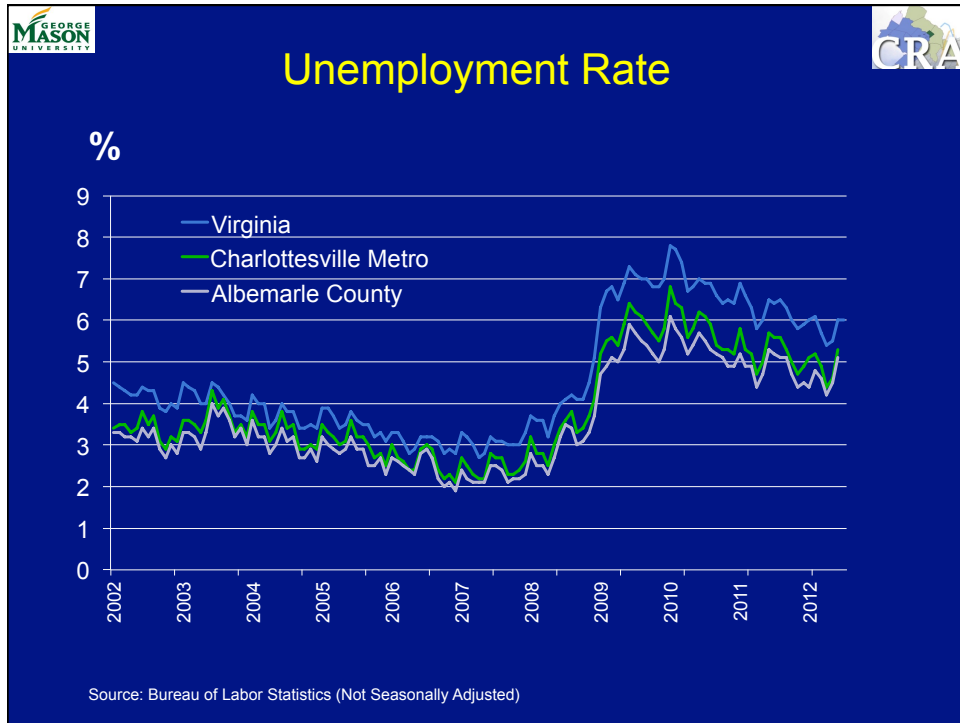


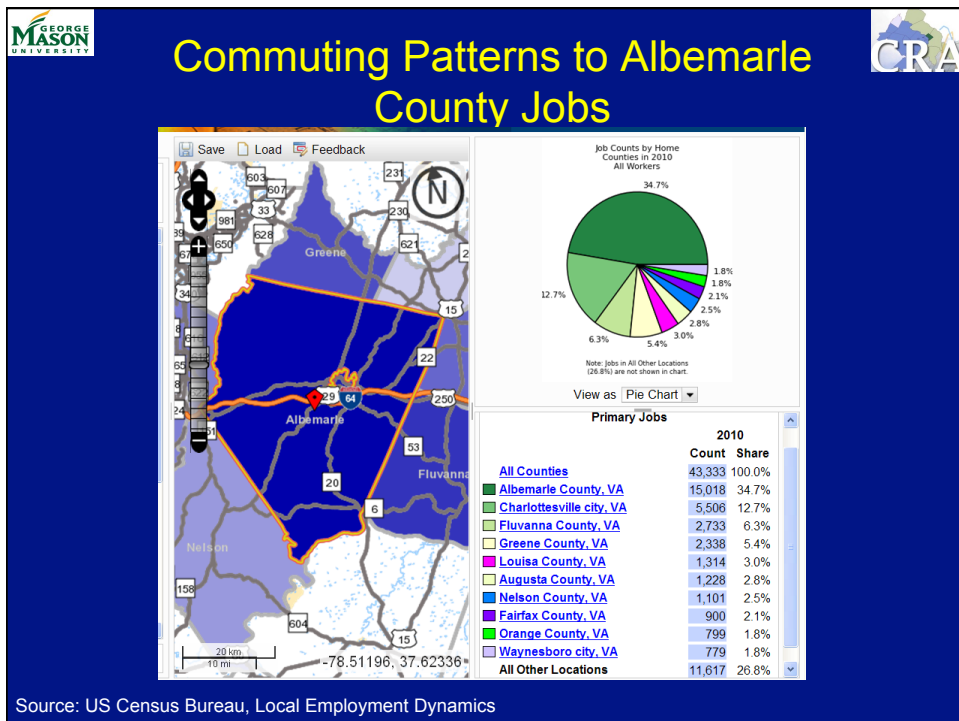
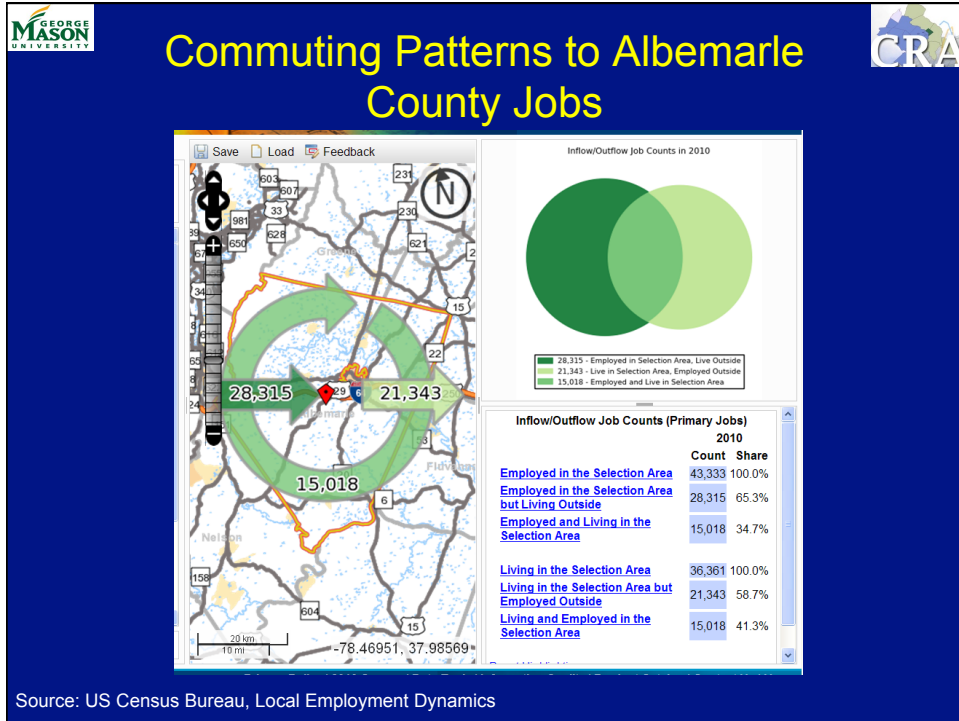


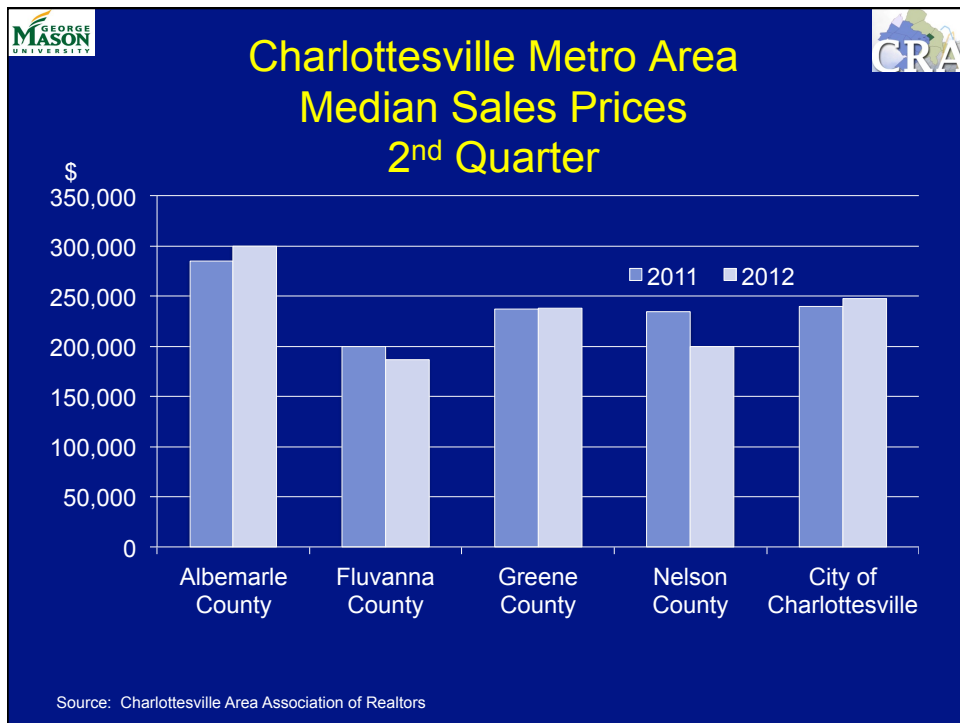
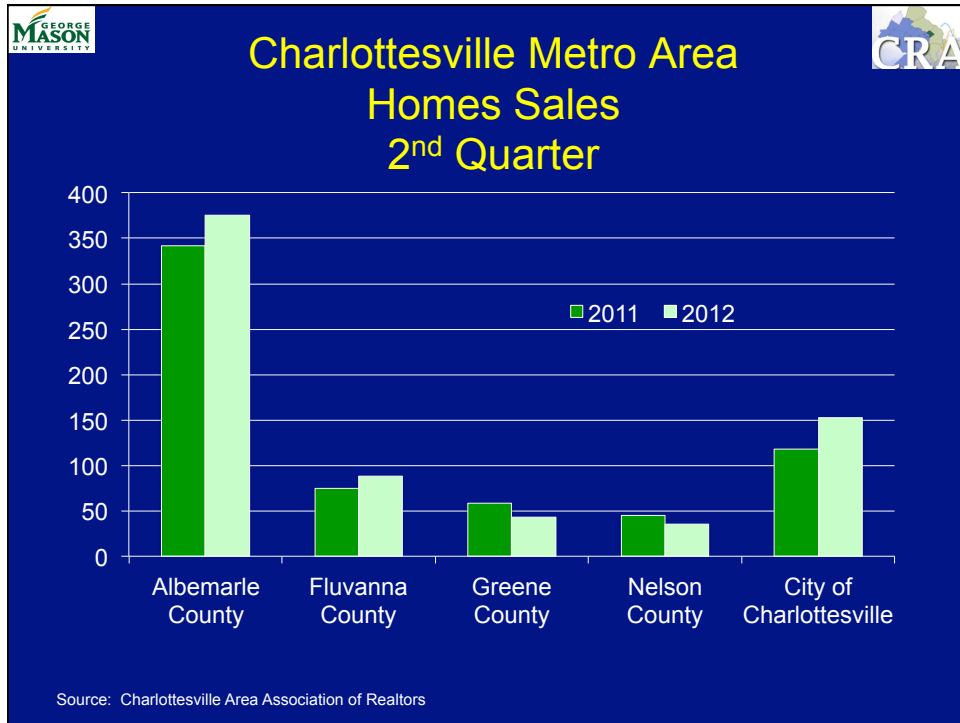
The Albemarle County and Charlottesville Metro Area Economies

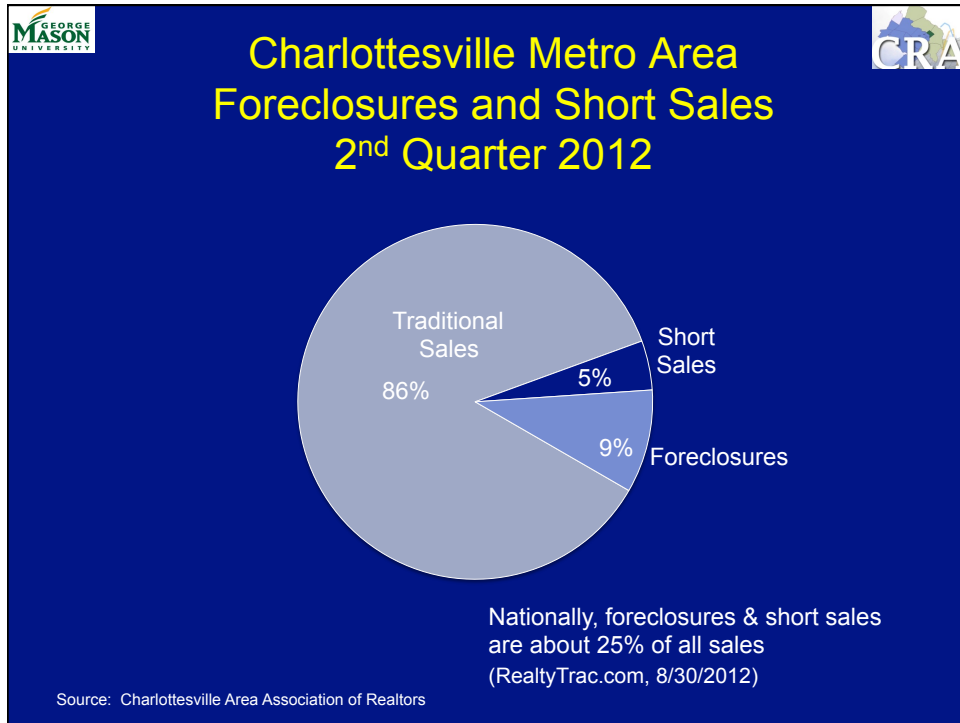




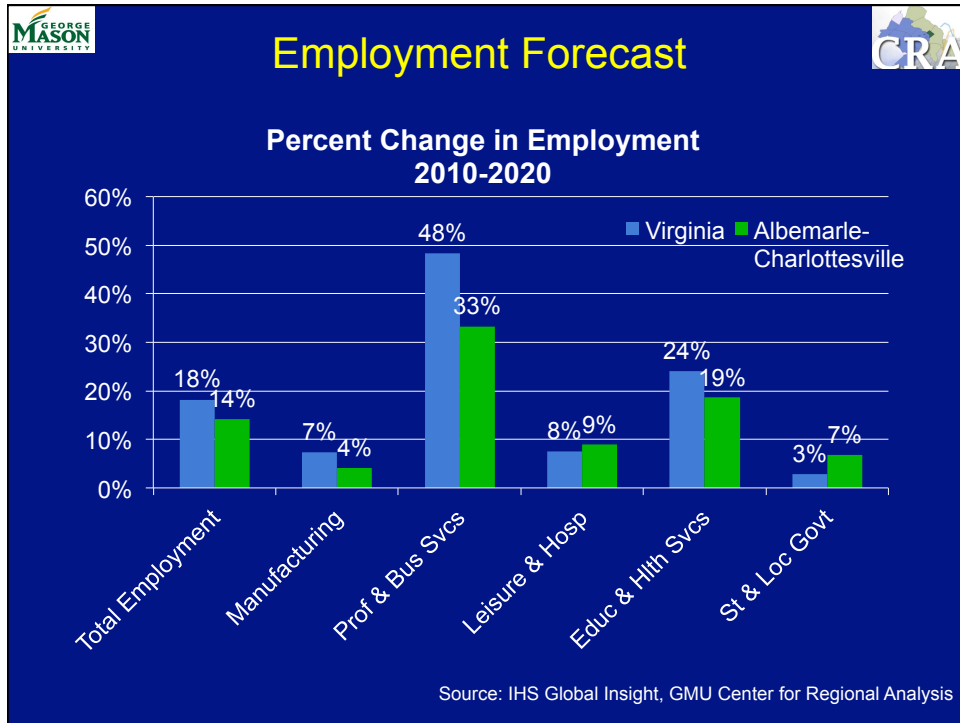










Outlook



Total Federal and DoD Spending in DC, Maryland and Virginia, 2010
(in billions of dollars)

Area	Total \$s	DoD \$s	% Total \$s	% US DoD
United States	\$3,276.4	\$557.0	17.0	100.0
District of Columbia	61.9	8.7	14.0	1.6
Maryland	96.3	18.7	19.4	3.4
Virginia	136.1	58.1	42.7	10.4
Total Area	\$294.3	\$85.5	29.0	15.4

Source: Consolidated Federal Funds Report, 2010

The Employment Impact the of Budget Control Act of 2011 on the Maryland-DC-Virginia Region

<u>State</u>	Job Losses*		Total Job* <u>Losses</u>
	<u>DoD Cuts</u>	<u>Non-DoD Cuts</u>	
Maryland	39,395	75,400	114,795
District of Columbia	15,169	112,238	127,407
Virginia	136,191	71,380	207,571
Totals	190,755	259,018	449,773
% U.S. job losses	17.5	24.7	21.0

*direct, indirect and induced job losses resulting from BCA-mandated federal spending reductions in FY 2013; of the direct job losses totaling 161,161, an estimated 65,189 workers would be federal employees (40.4%) and 95,972 (59.5%) workers would be contractors, suppliers and vendors.

Source: "The Economic Impact of the Budget Control Act of 2011 on DOD and Non-DOD Agencies," Stephen S. Fuller, July 17, 2012.




Review & Outlook Virginia

- Positive economic signals in much of the state
 - Relatively low unemployment
 - Steady job growth in most metro areas
 - State has been attractive to new business
 - Housing recovery in many markets
- Potential risks remain
 - Uneven recovery, particularly in non-metro areas
 - Impacts of Federal spending cuts uncertain but will disproportionately impact the state and the region
 - Concerns about transportation infrastructure (NoVa/Hampton)
 - Availability and affordability of housing in NoVa



Review & Outlook Albemarle Area

- The Albemarle/Charlottesville region has recovered fairly steadily since the recovery began.
 - 3% of state's jobs, <2% of jobs added in VA in past 12 months
 - State's job recovery concentrated in NoVa
- The region has been losing Manufacturing jobs (↓ 30% since 2002) but has been gaining in Professional and Business Services Jobs (↑ 35% since 2002.)



Review & Outlook (cont.) Albemarle Area

- The region is highly concentrated in the Government sector, particularly State government (21% of employment, ↑32% since 2002.)
 - Suggests vulnerability to potential state budget cuts
- Federal government makes up a small share of the region's economy (<2% of jobs)
 - Region will be less affected by Federal budget cuts compared to NoVa and Hampton Roads



Review & Outlook (cont.) Albemarle Area

- The Albemarle/Charlottesville region is expected to grow more slowly than other parts of the state
 - Growing faster in lower-wage jobs in Leisure & Hospitality Services sector
- Focus in the next decade should be on growing relatively high-wage Professional & Business Services sector and the Health & Education sector
 - Advantages: linkages with UVA and other state institutions, quality of life

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