



# 2024 VAAO Annual Conference

Robert M. McNab

Dragas Center for Economic Analysis and Policy

Strome College of Business

Old Dominion University

October 16, 2024





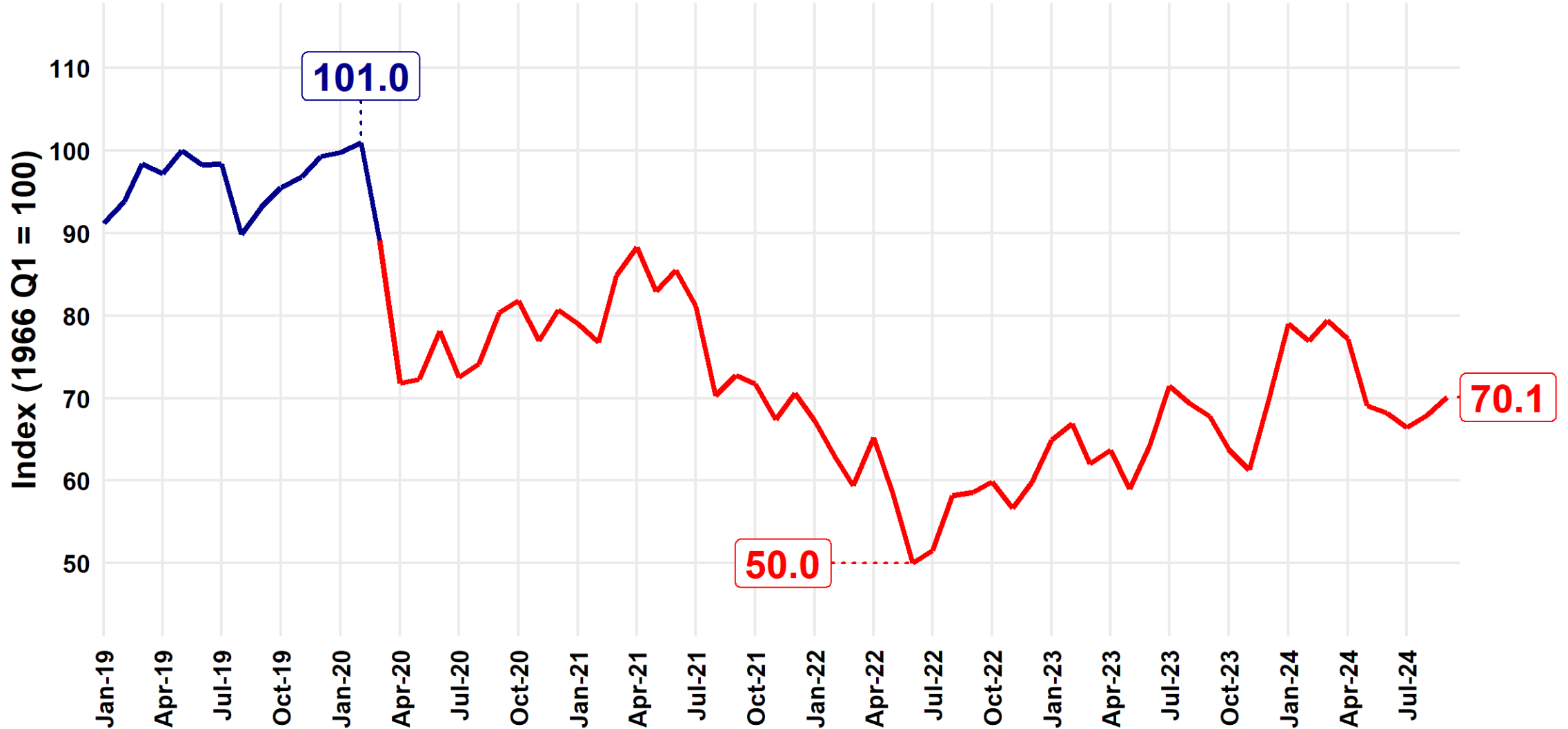
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# Sentiment and Inflation



# University of Michigan: Consumer Sentiment

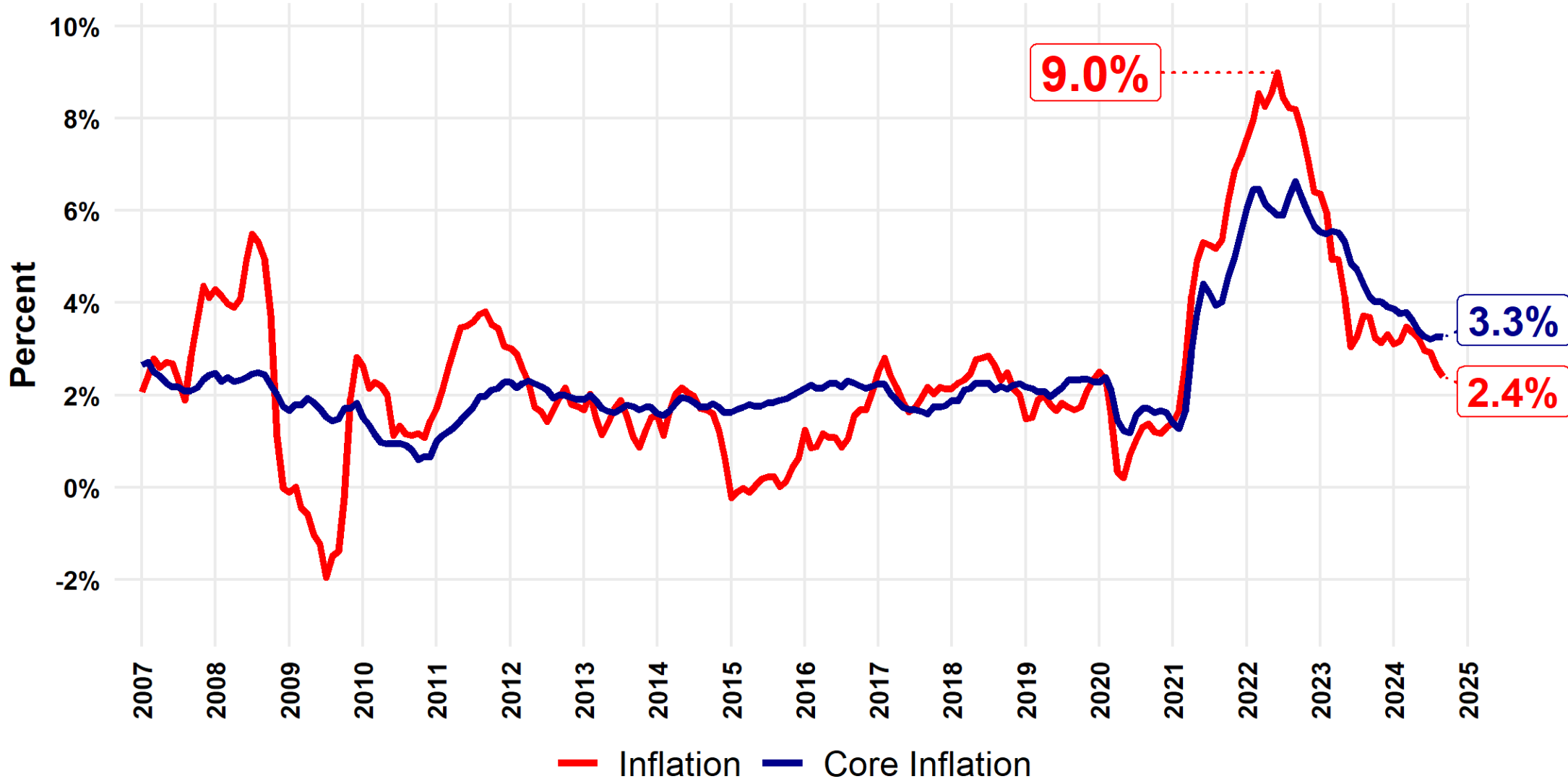
## United States, January 2019 - September 2024



Source: University of Michigan, Surveys of Consumers, not seasonally adjusted data.

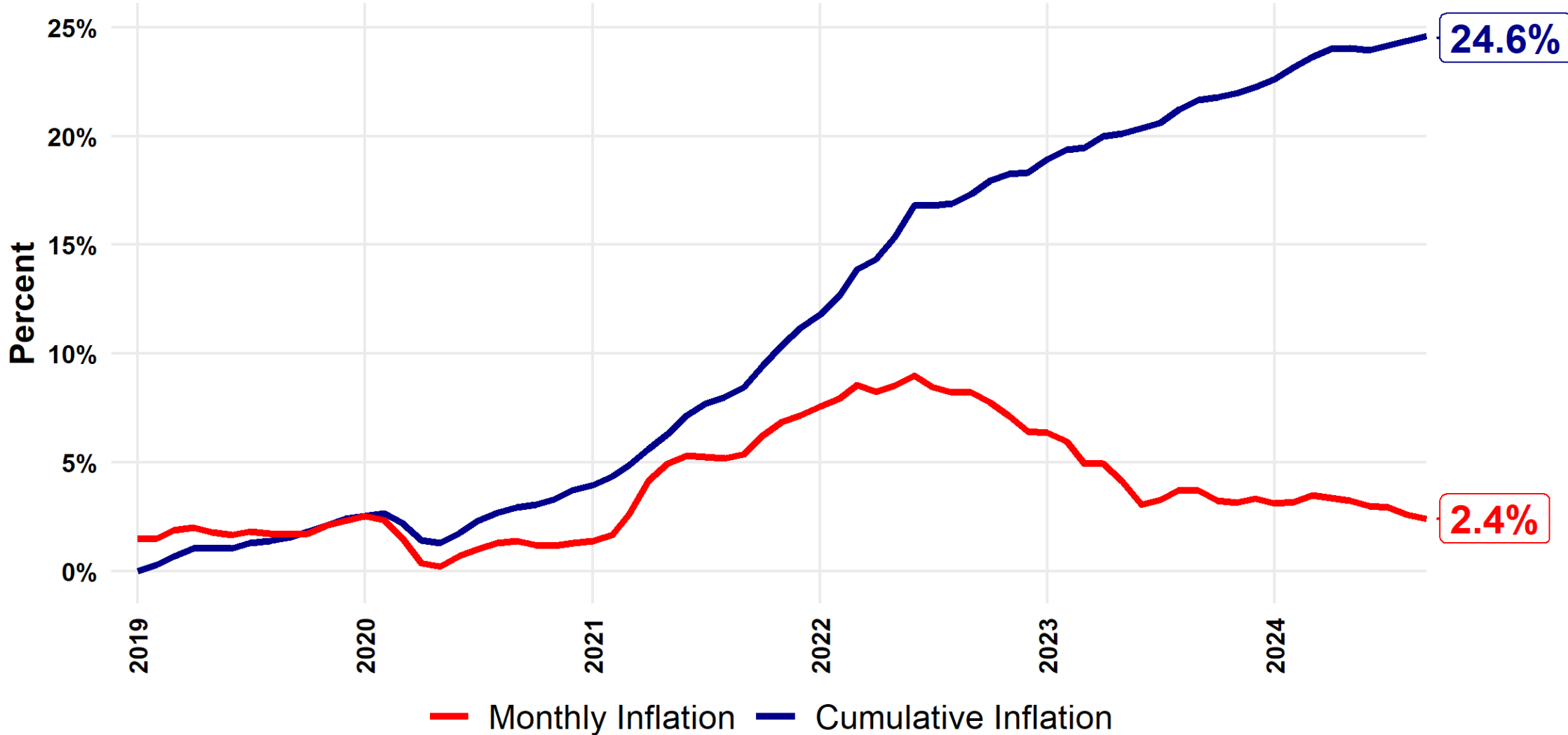
# Monthly Inflation

## United States, January 2007 - September 2024



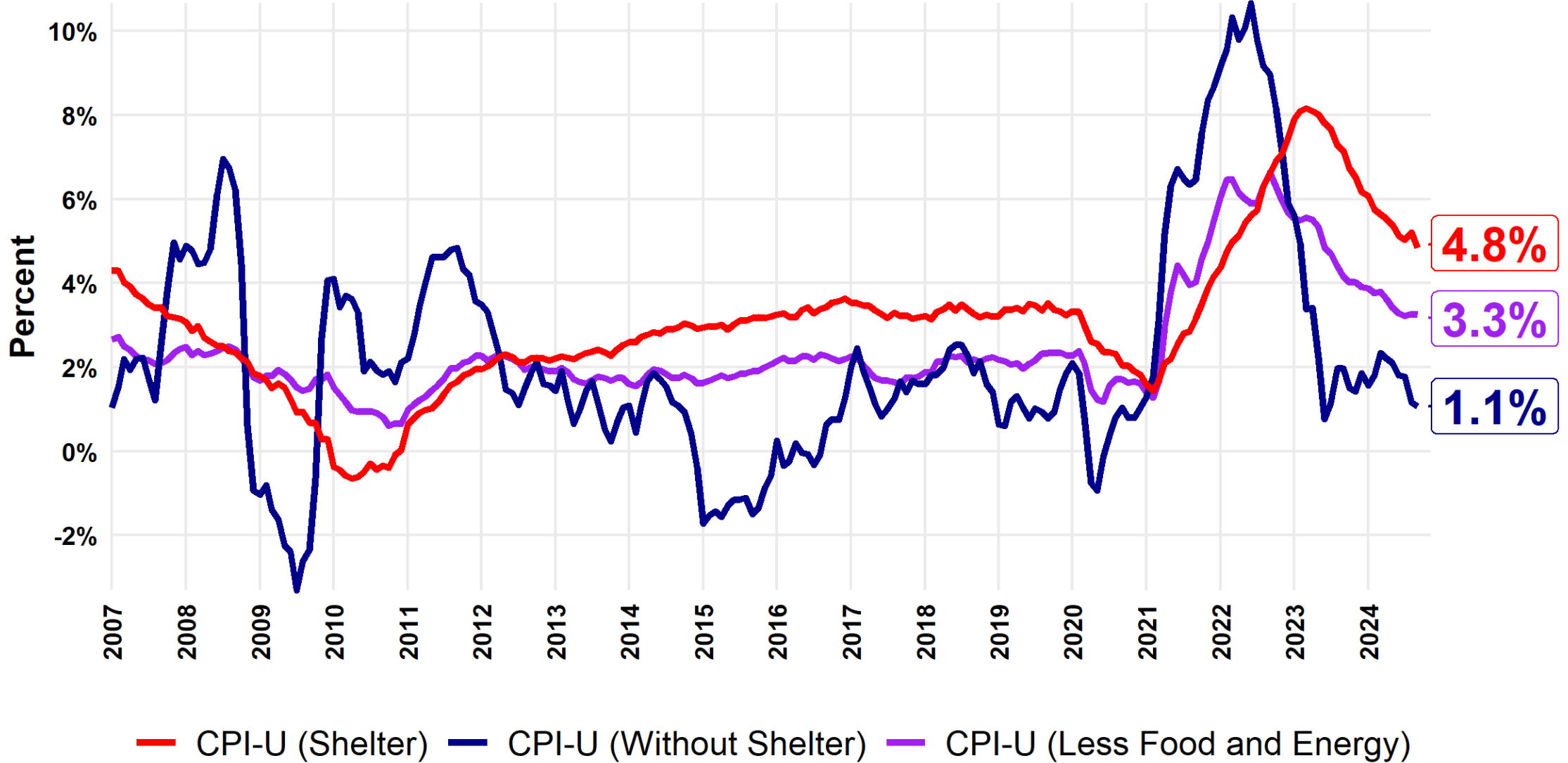
Source: Bureau of Labor Statistics, seasonally adjusted data. Core inflation does not include the food and energy sectors.

# Monthly Inflation and Cumulative Inflation United States, January 2019 - September 2024



Source: Bureau of Labor Statistics, seasonally adjusted data. Monthly inflation is the year-over-year change in the Consumer Price Index. Cumulative inflation is the change in the Consumer Price Index from January 2019 to present.

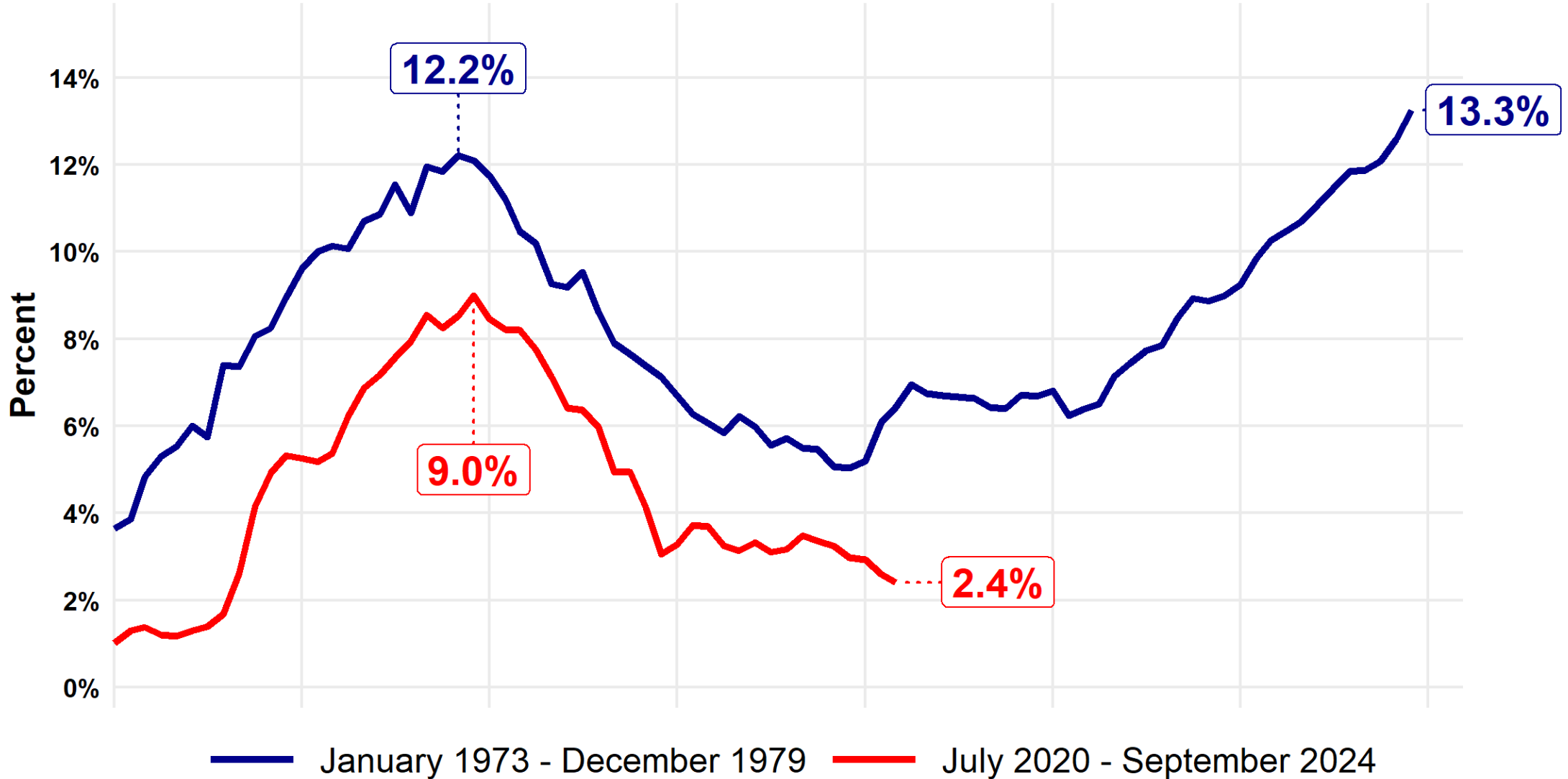
# Shelter, Non-Shelter, and Core Monthly Inflation United States, January 2007 - September 2024



Source: Bureau of Labor Statistics, seasonally adjusted data.

# Monthly Inflation

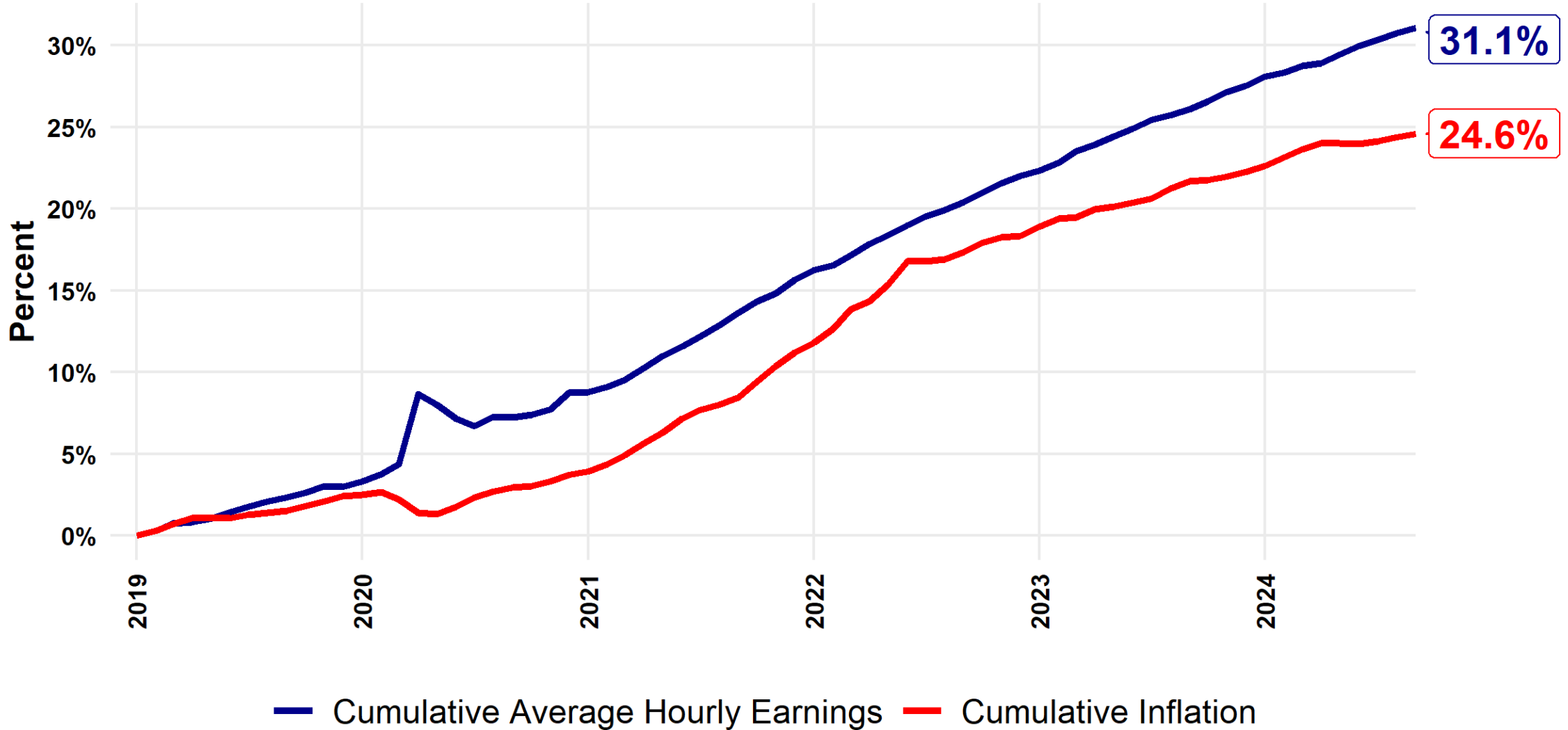
United States, January 1973 - December 1979 and July 2020 - September 2024



Source: Bureau of Labor Statistics, seasonally adjusted data.



# Cumulative Inflation and Cumulative Change in Average Hourly Earnings United States, January 2019 - September 2024

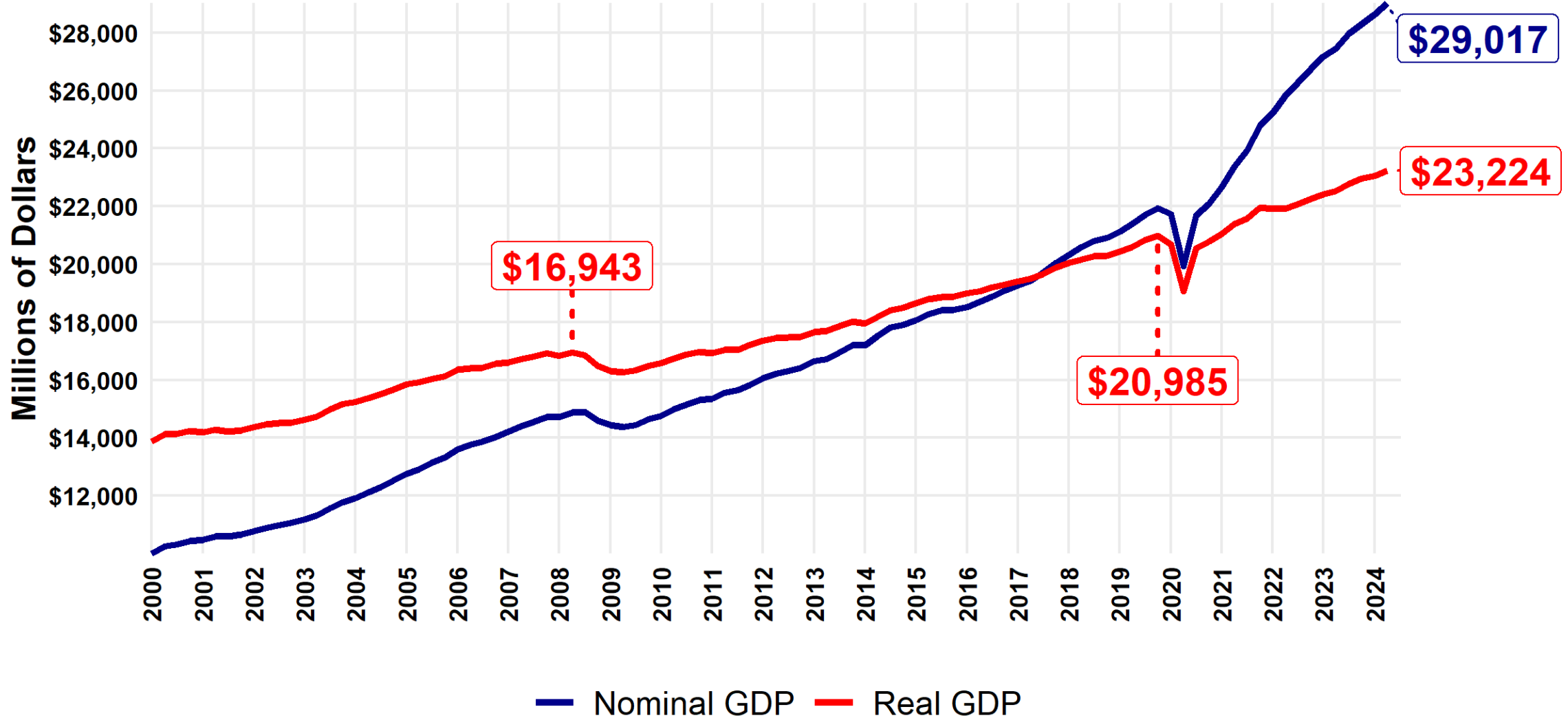


Source: Bureau of Labor Statistics, seasonally adjusted data. Average Hourly Earnings of Production and Nonsupervisory Employees. Cumulative estimates are change in the series from January 2019 to present.

# GDP and Employment

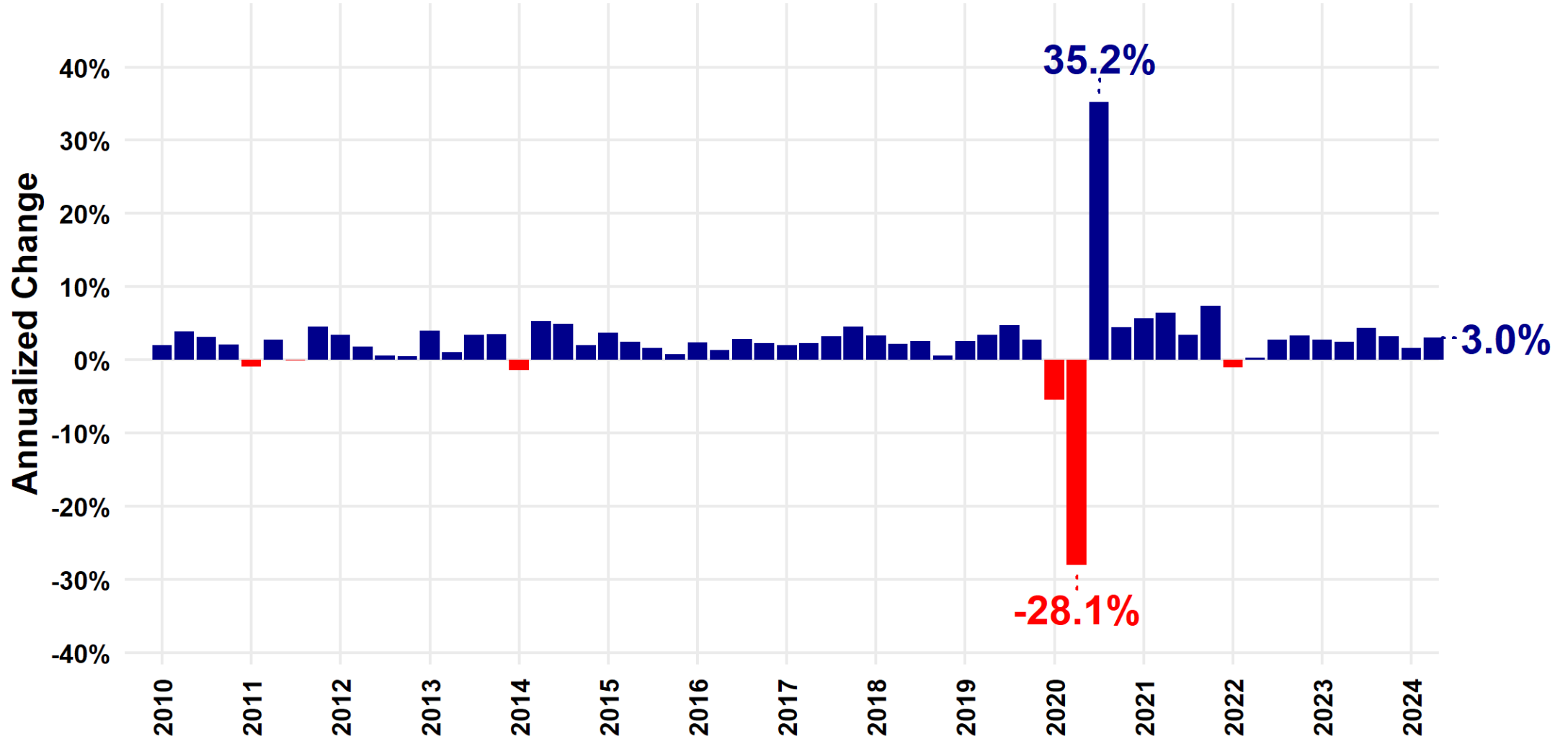


# Nominal and Real Gross Domestic Product United States, 2000 - 2024



Sources: U.S. Bureau of Economic Analysis and Dragas Center for Economic Analysis and Policy.  
Seasonally adjusted data. Millions of chained 2017 dollars for real GDP.

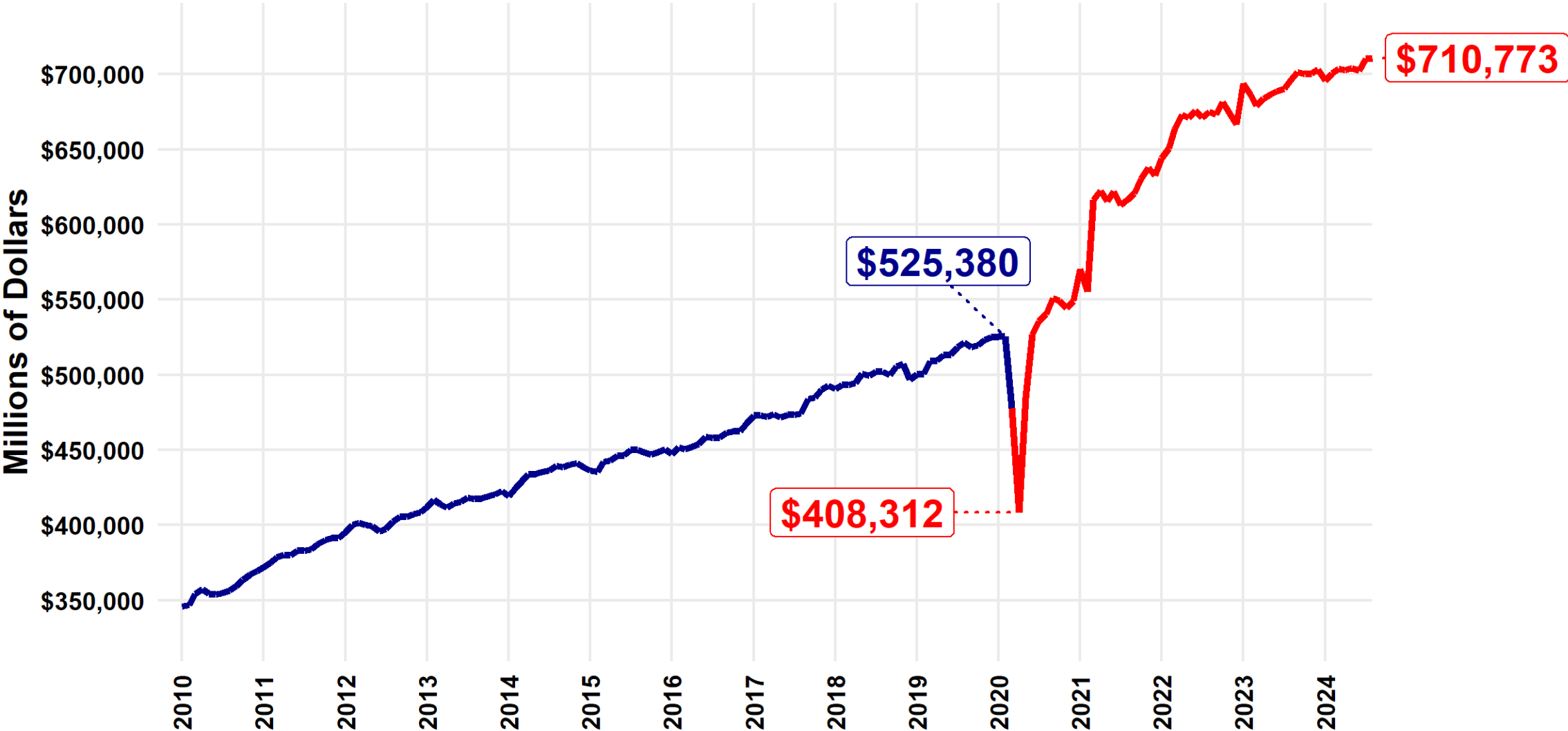
# Real Gross Domestic Product United States, Q1 2010 - Q2 2024



Sources: U.S. Bureau of Economic Analysis and Dragas Center for Economic Analysis and Policy.  
Compounded annual rate of change, seasonally adjusted annual rate.

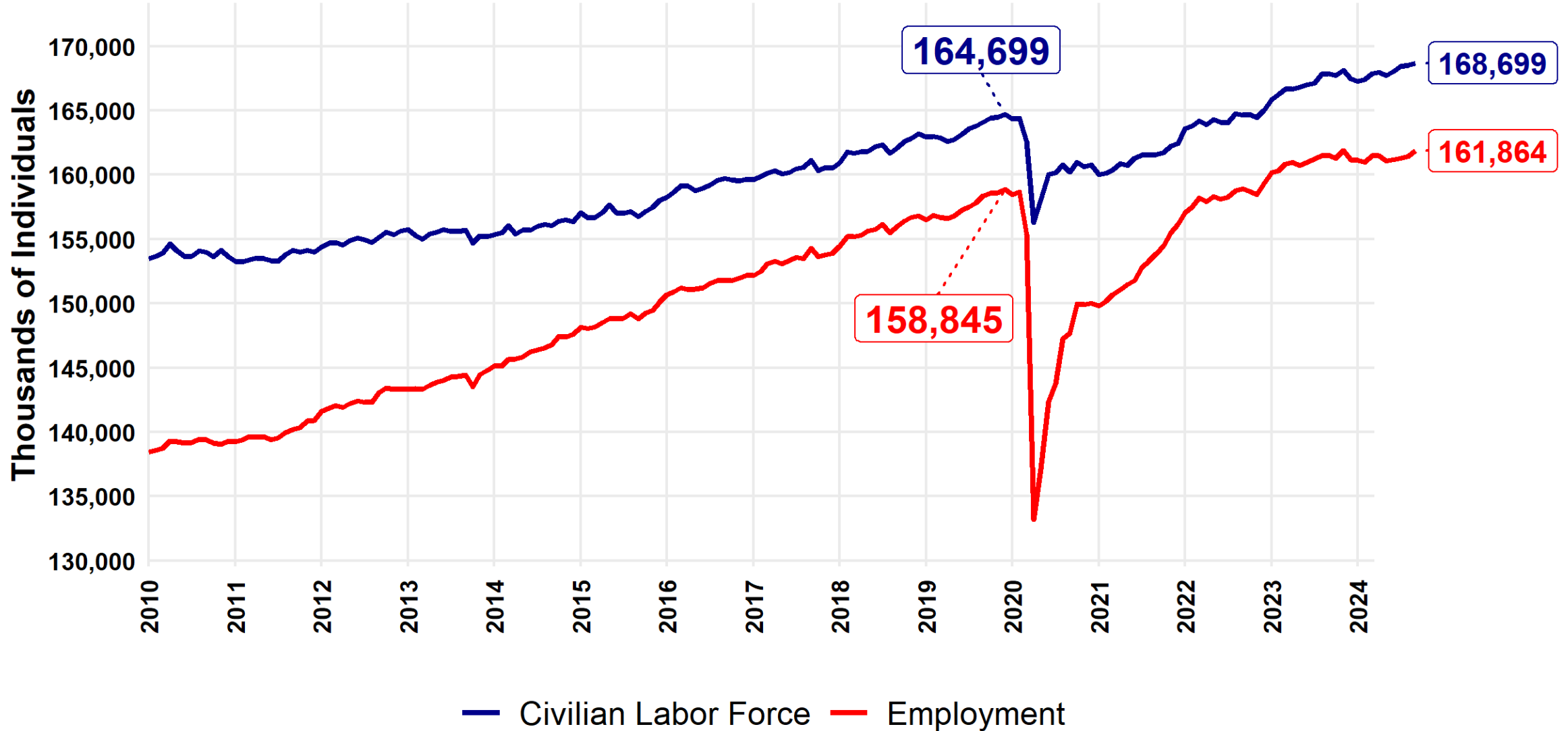
# Advance Retail and Food Services Sales

## United States, January 2010 - August 2024



Source: U.S. Census Bureau, seasonally adjusted data.

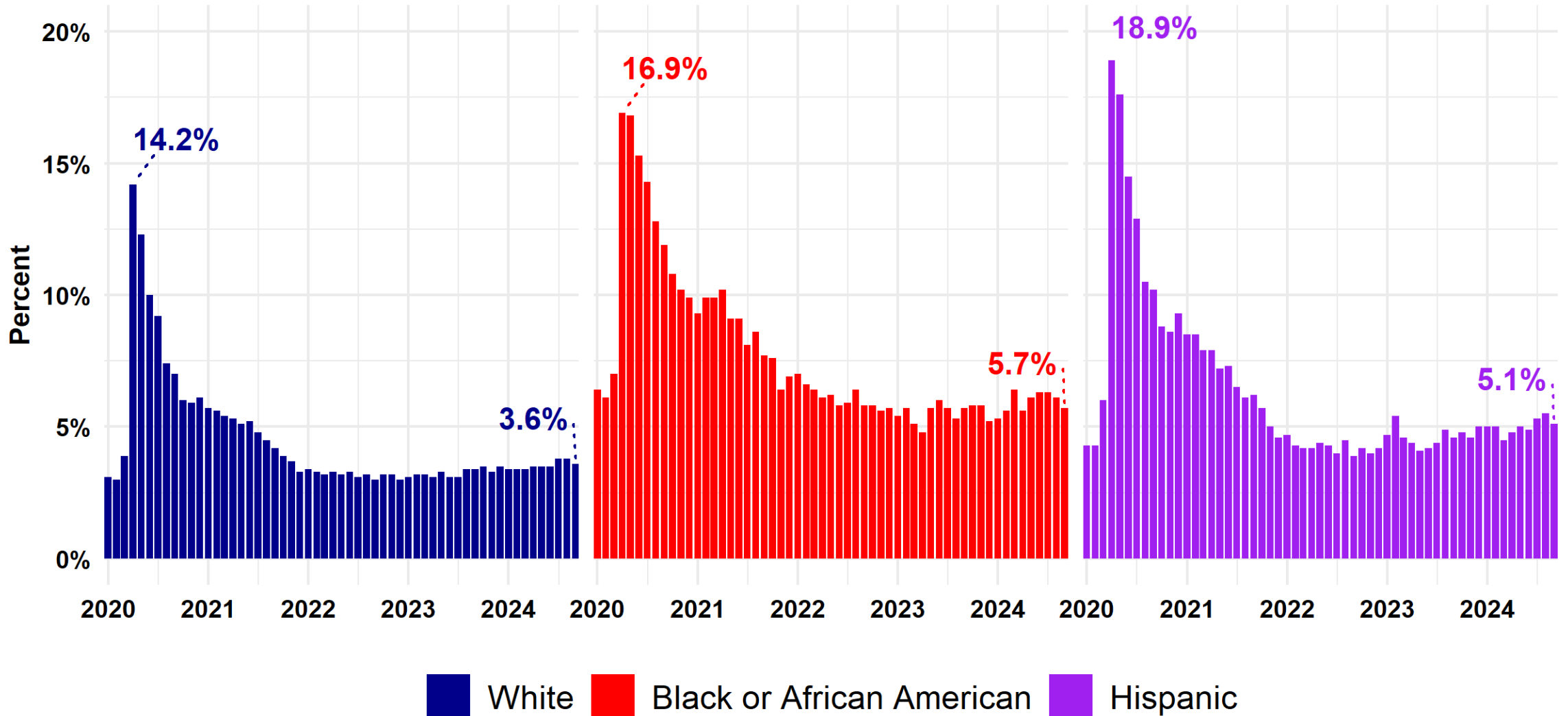
# Civilian Labor Force and Individual Employment United States, January 2010 - September 2024



Source: Bureau of Labor Statistics, seasonally adjusted data.

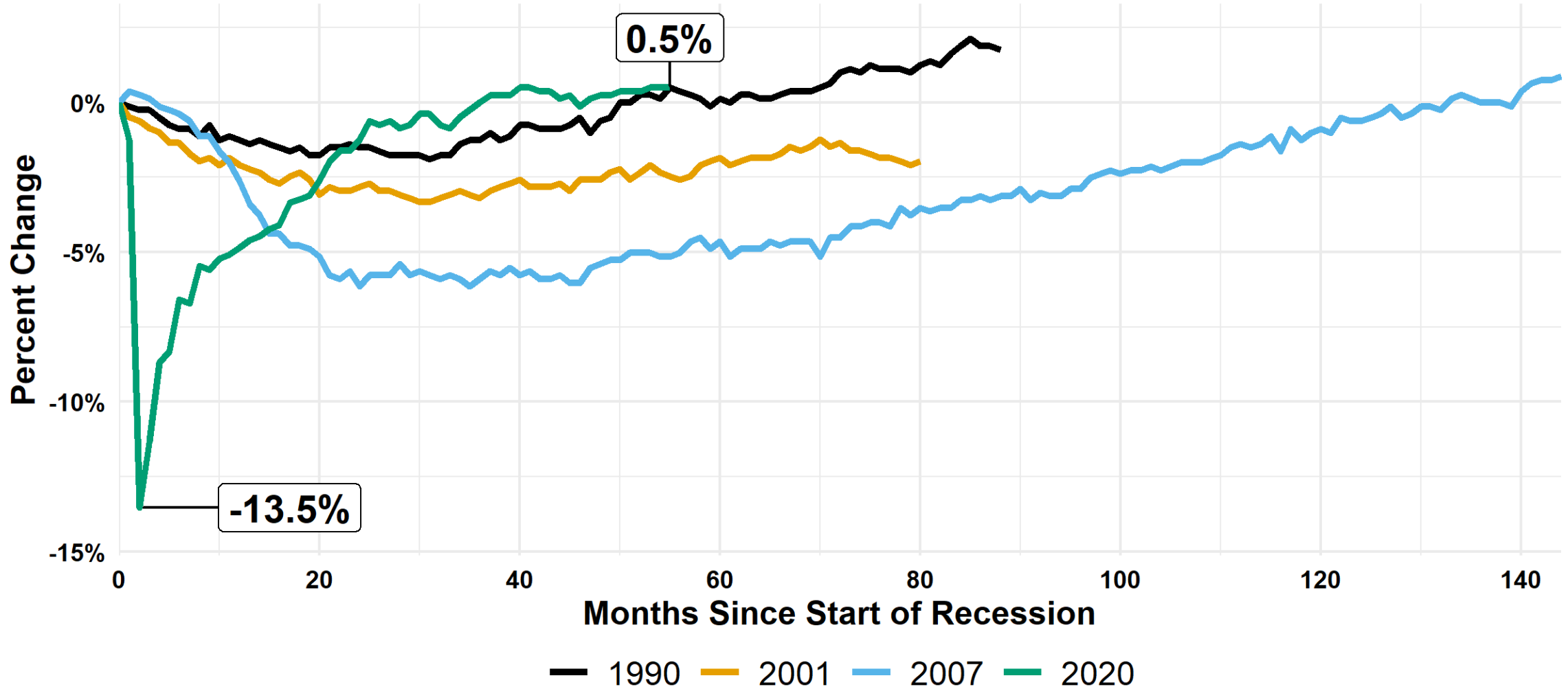
# Unemployment Rate by Race and Ethnicity

## United States, January 2020 - September 2024



Source: Bureau of Labor Statistics, seasonally adjusted data.

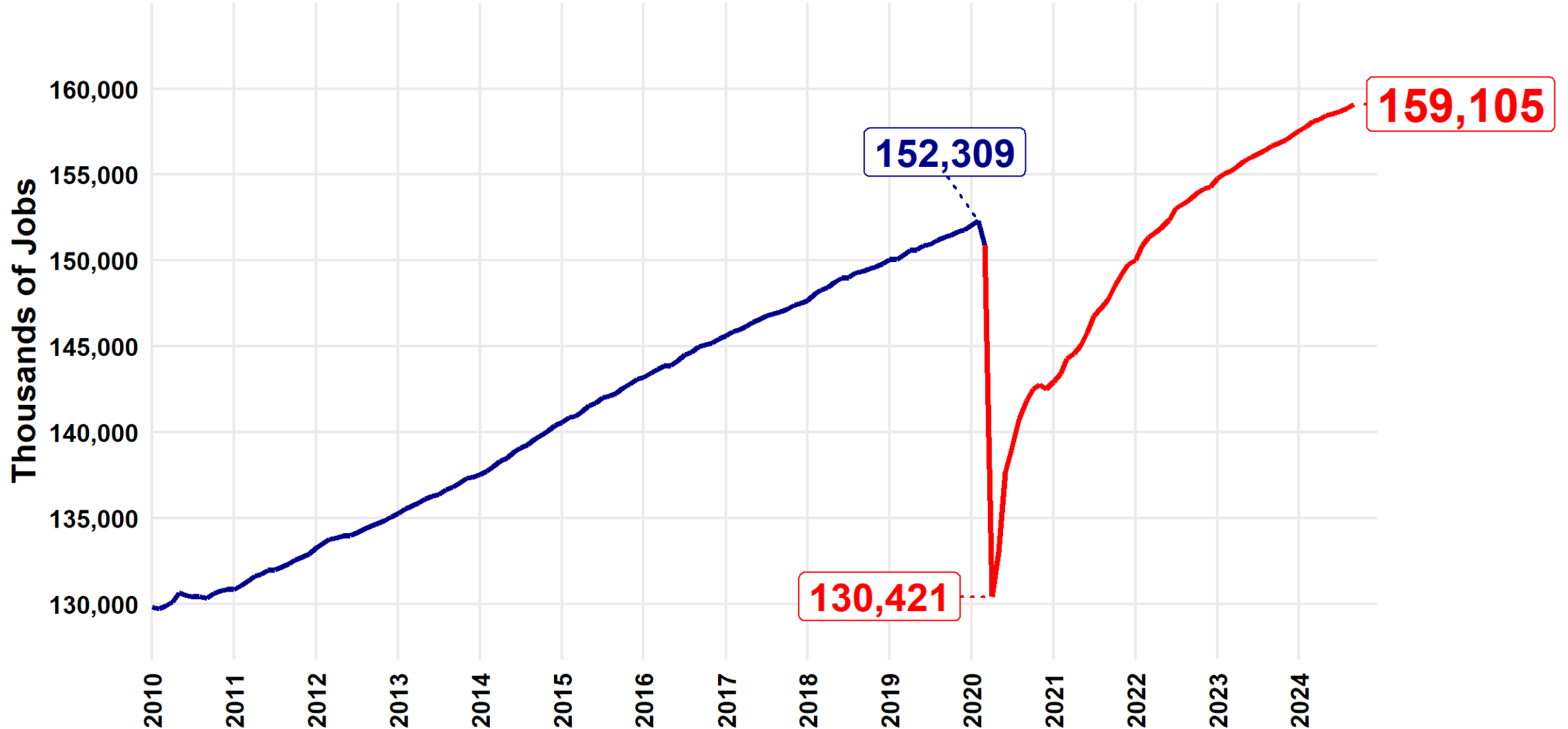
# Employment-Population Ratio for Workers Aged 25 to 54 United States, Recessions of 1990, 2001, 2007, and 2020



Source: Bureau of Labor Statistics, seasonally adjusted data.  
Change in employment-population ratio from the start of each recession.



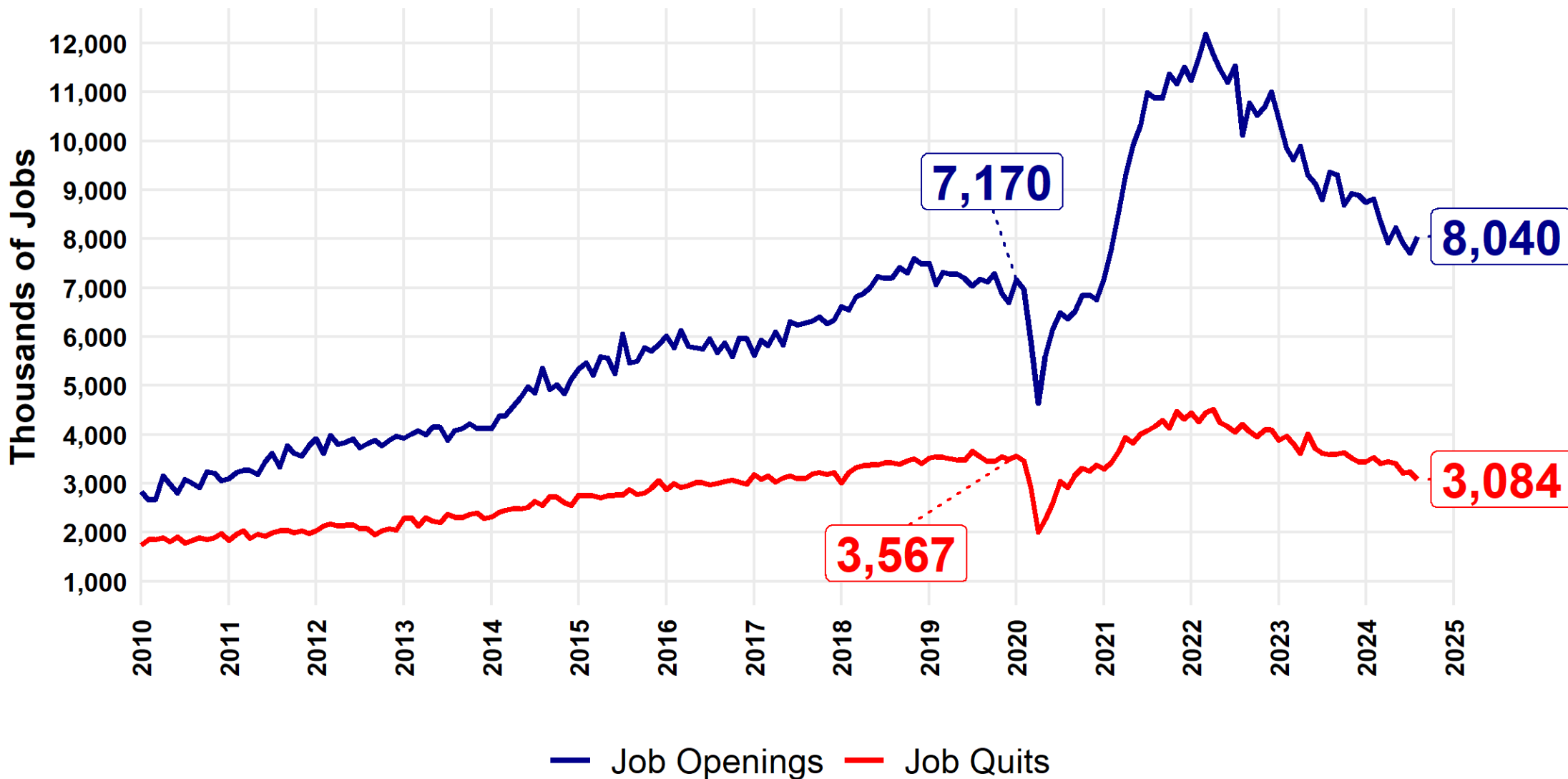
# Nonfarm Payrolls (Jobs) United States, January 2010 - September 2024



Source: Bureau of Labor Statistics, seasonally adjusted data.

# Job Openings and Quits

## United States, January 2010 - August 2024



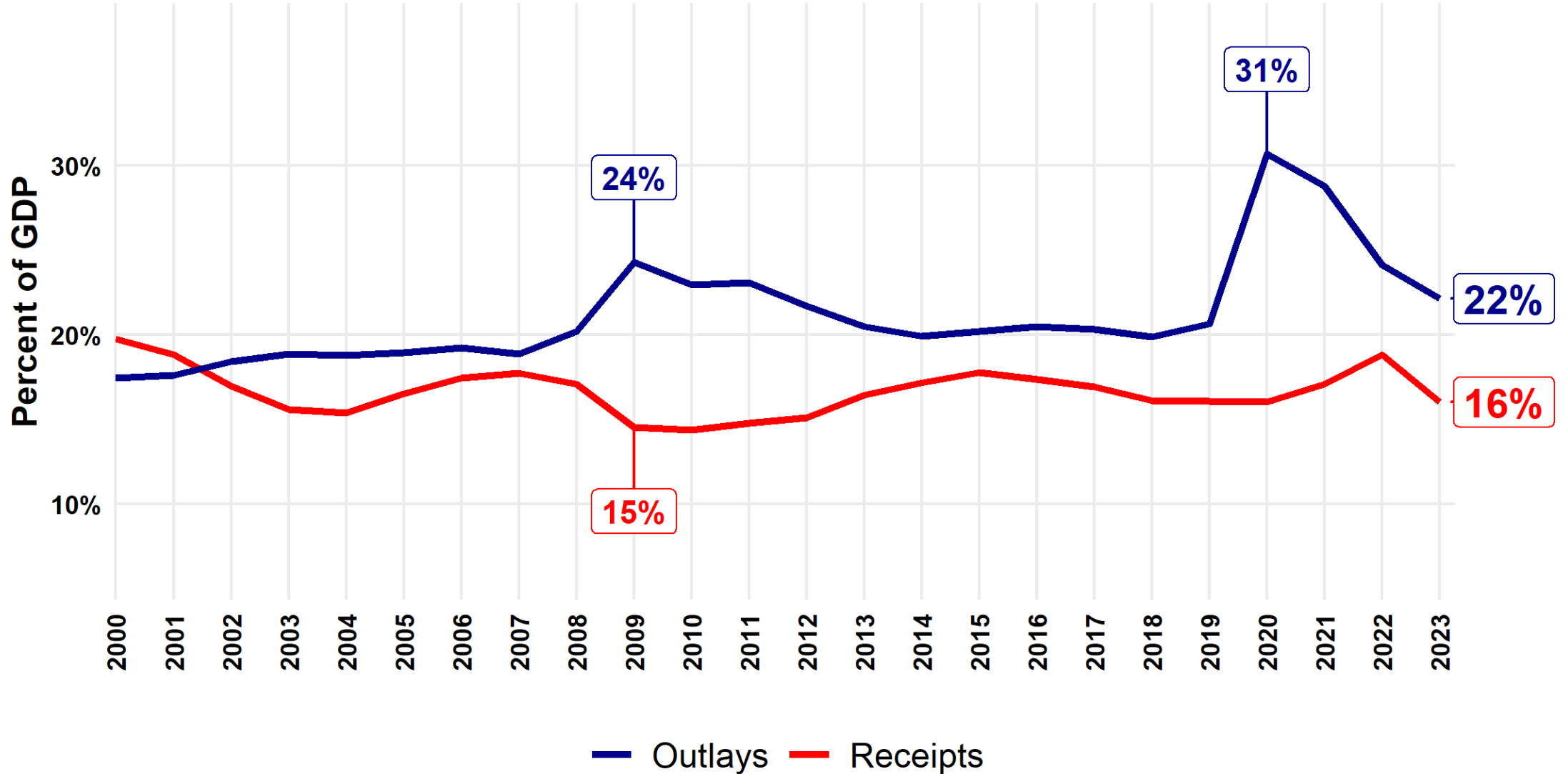
Source: Bureau of Labor Statistics, seasonally adjusted data.

# Federal Spending and Debt



# Federal Outlays and Receipts as a Percent of GDP

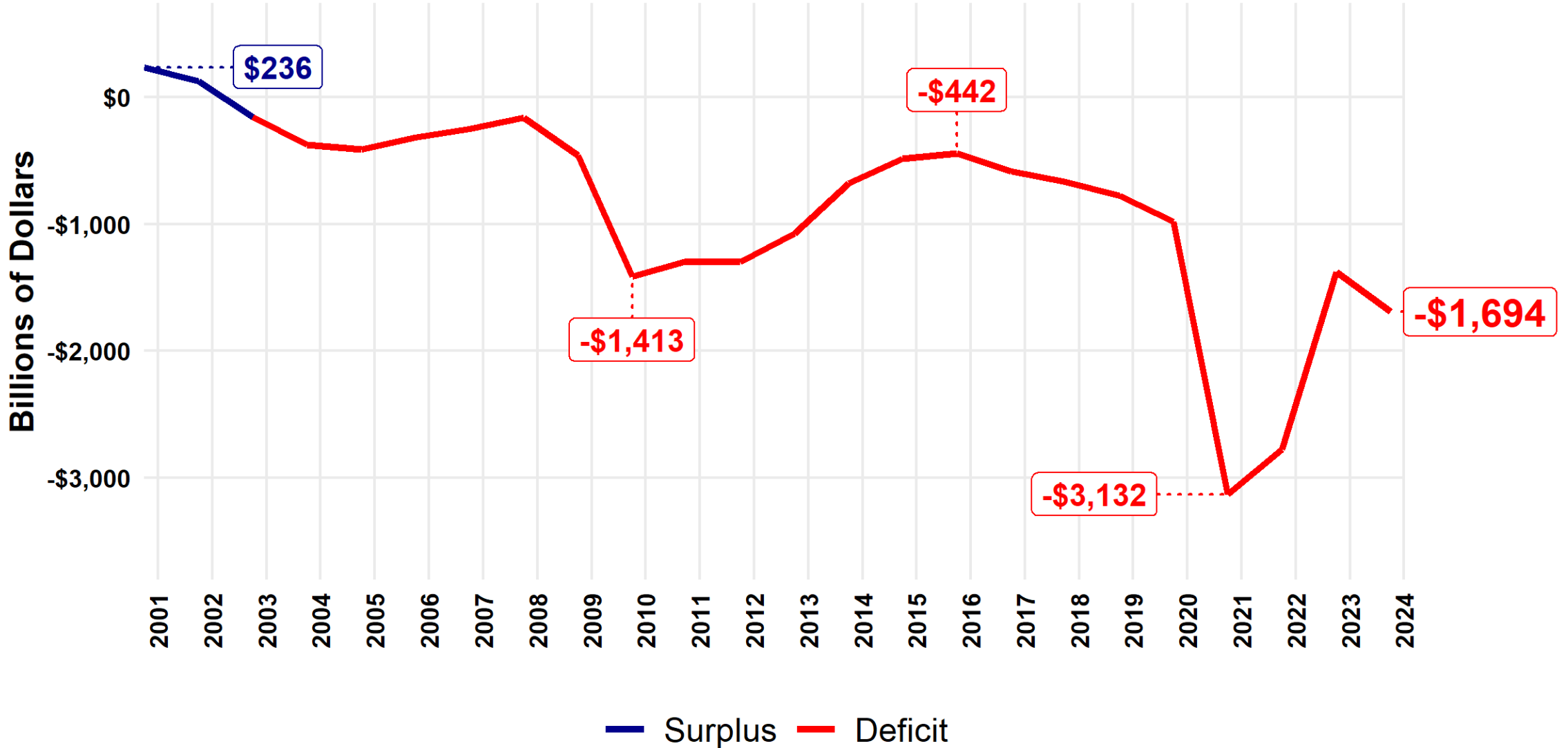
## United States, 2000 - 2023



Source: U.S. Office of Management and Budget.

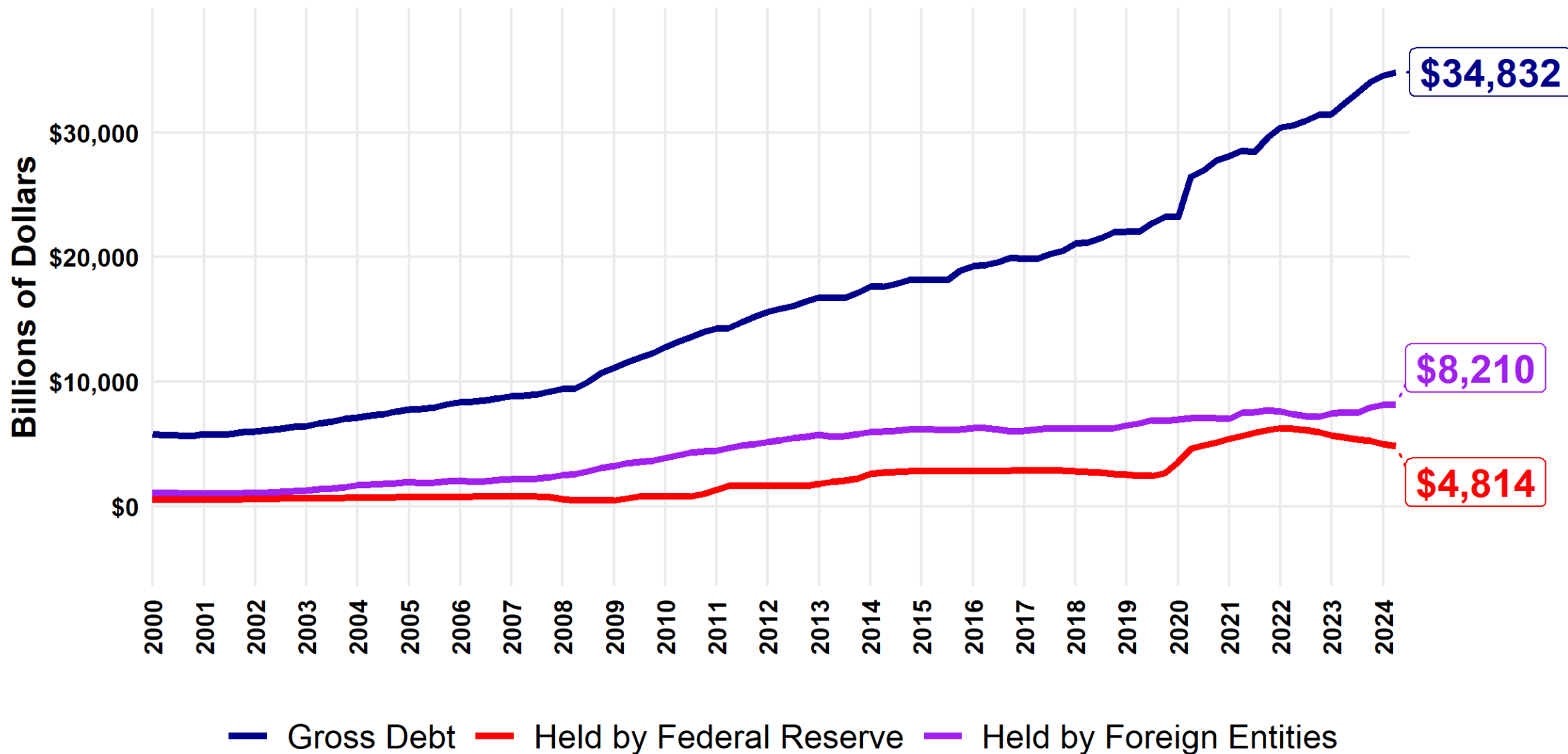
# Federal Surplus or Deficit

## United States, FY 2000 - FY 2023



Source: U.S. Office of Management and Budget. Fiscal Year.

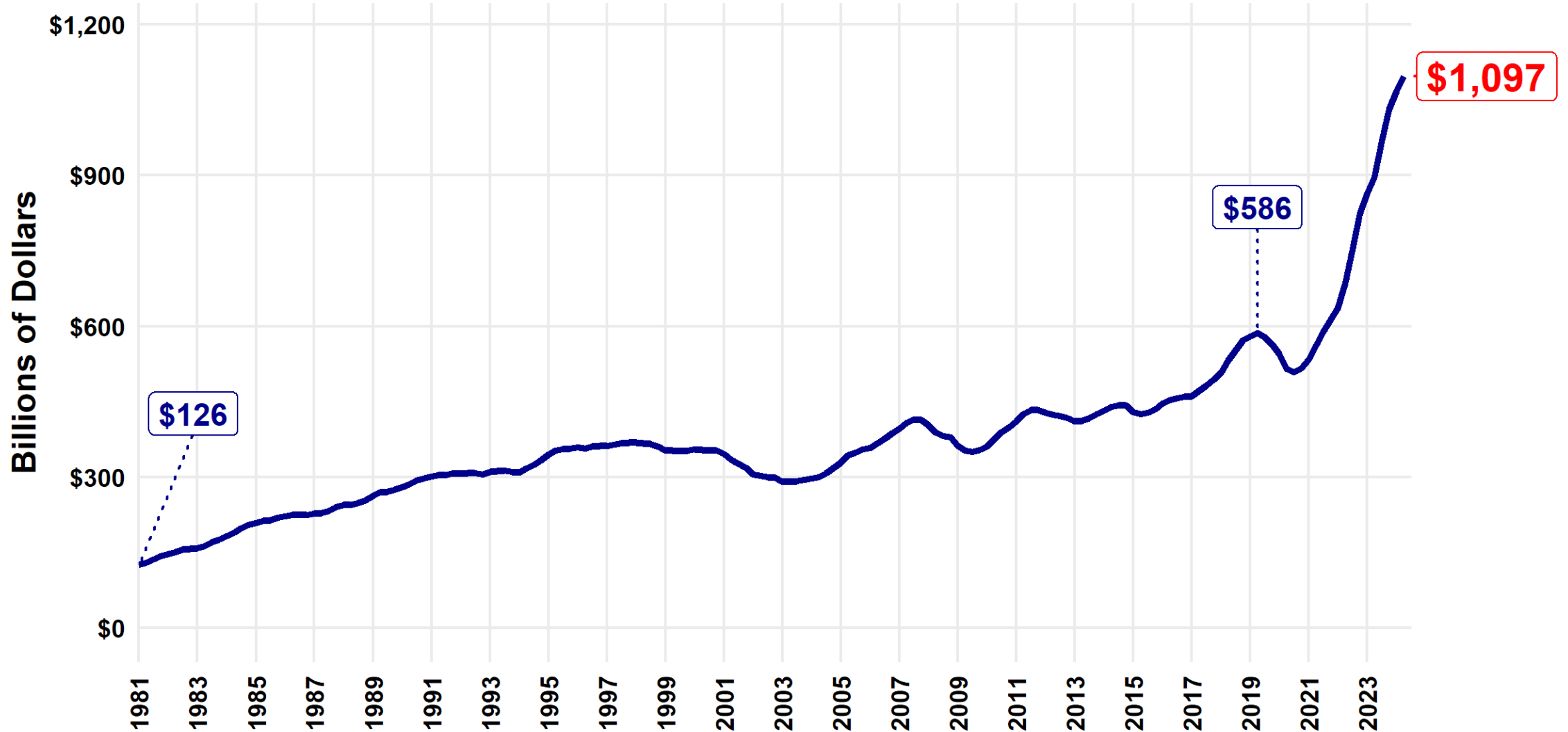
# Federal Debt United States, FY 2000 - FY 2024



Source: U.S. Department of the Treasury. Not Seasonally Adjusted.

# Federal Government Current Expenditures: Interest Payments

## United States, Q1 1981 - Q2 2024



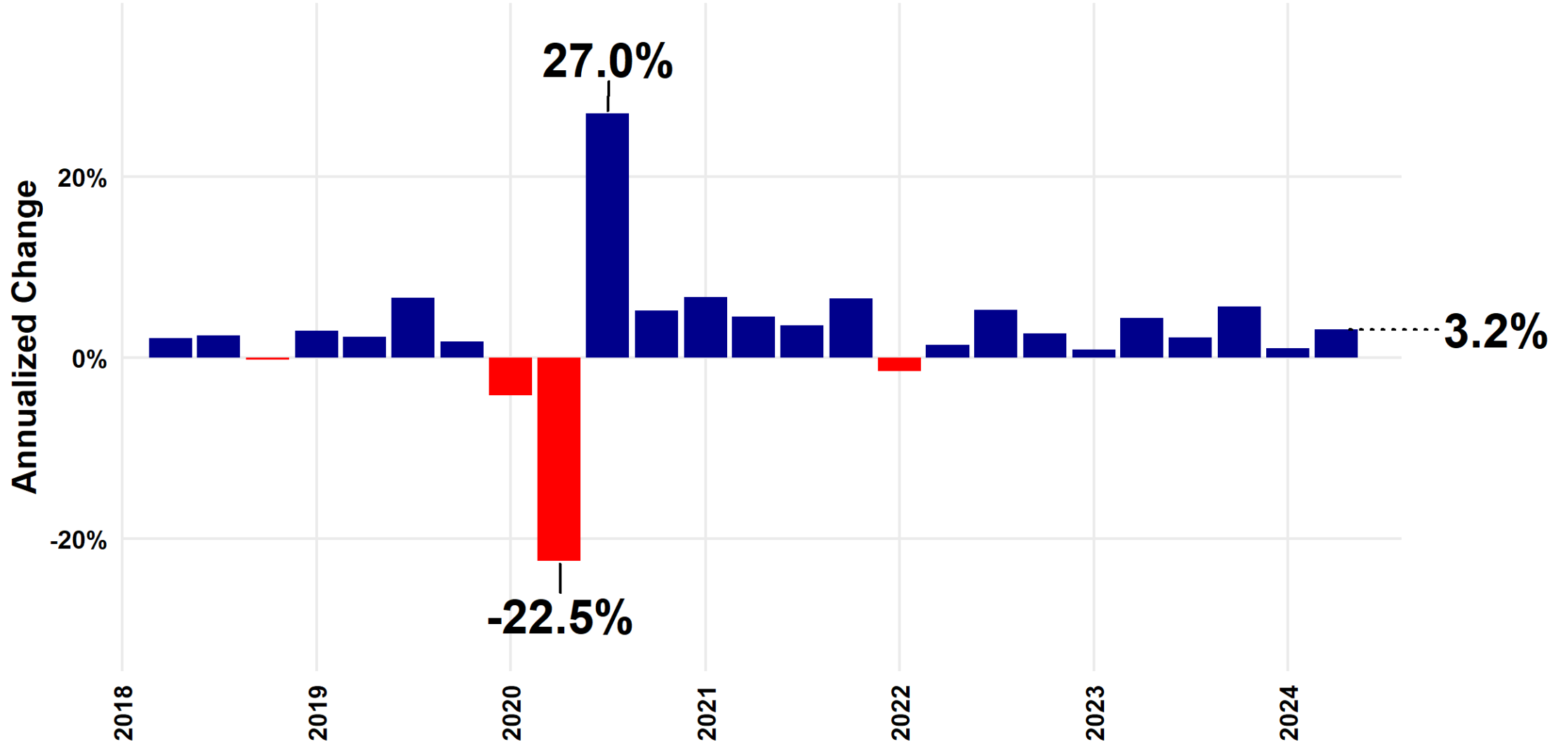
Source: U.S. Bureau of Economic Analysis. Seasonally Adjusted Annual Rate.

# Economic Conditions in Virginia



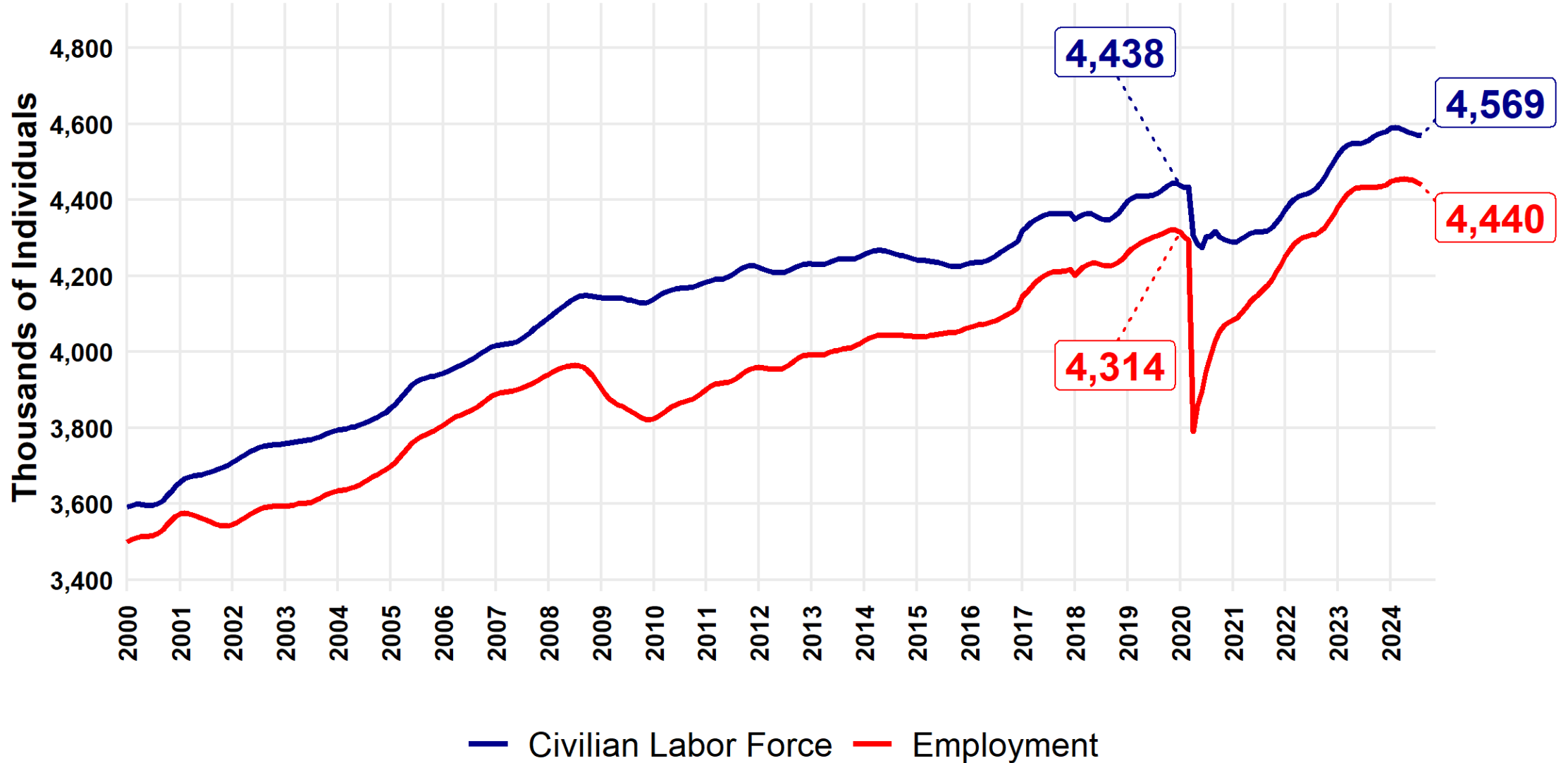


# Real Gross Domestic Product Virginia, Q1 2018 - Q2 2024



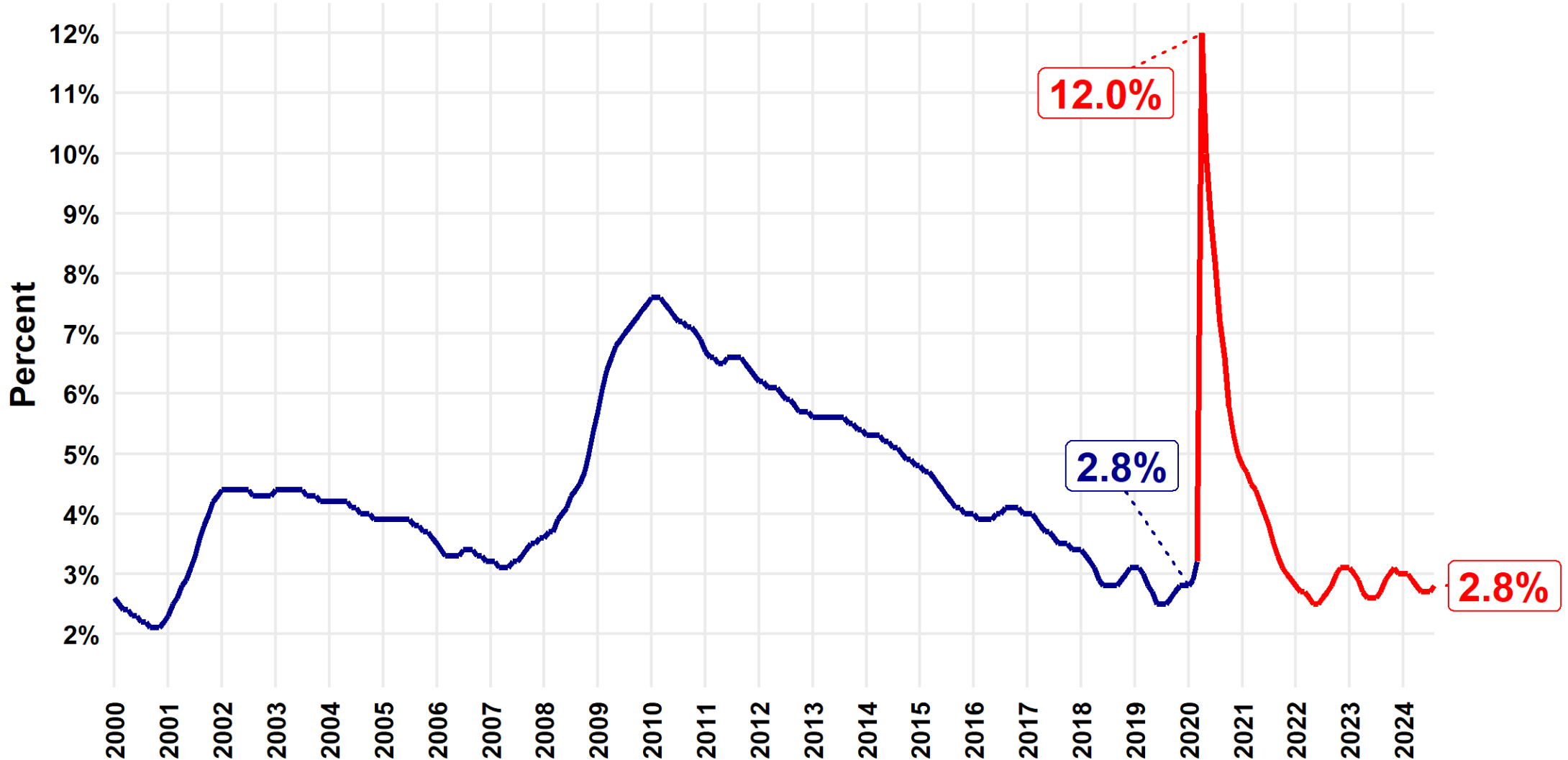
Source: U.S. Bureau of Economic Analysis. Compounded annual rate of change, seasonally adjusted annual rate.

# Civilian Labor Force and Individual Employment Virginia, January 2000 - August 2024



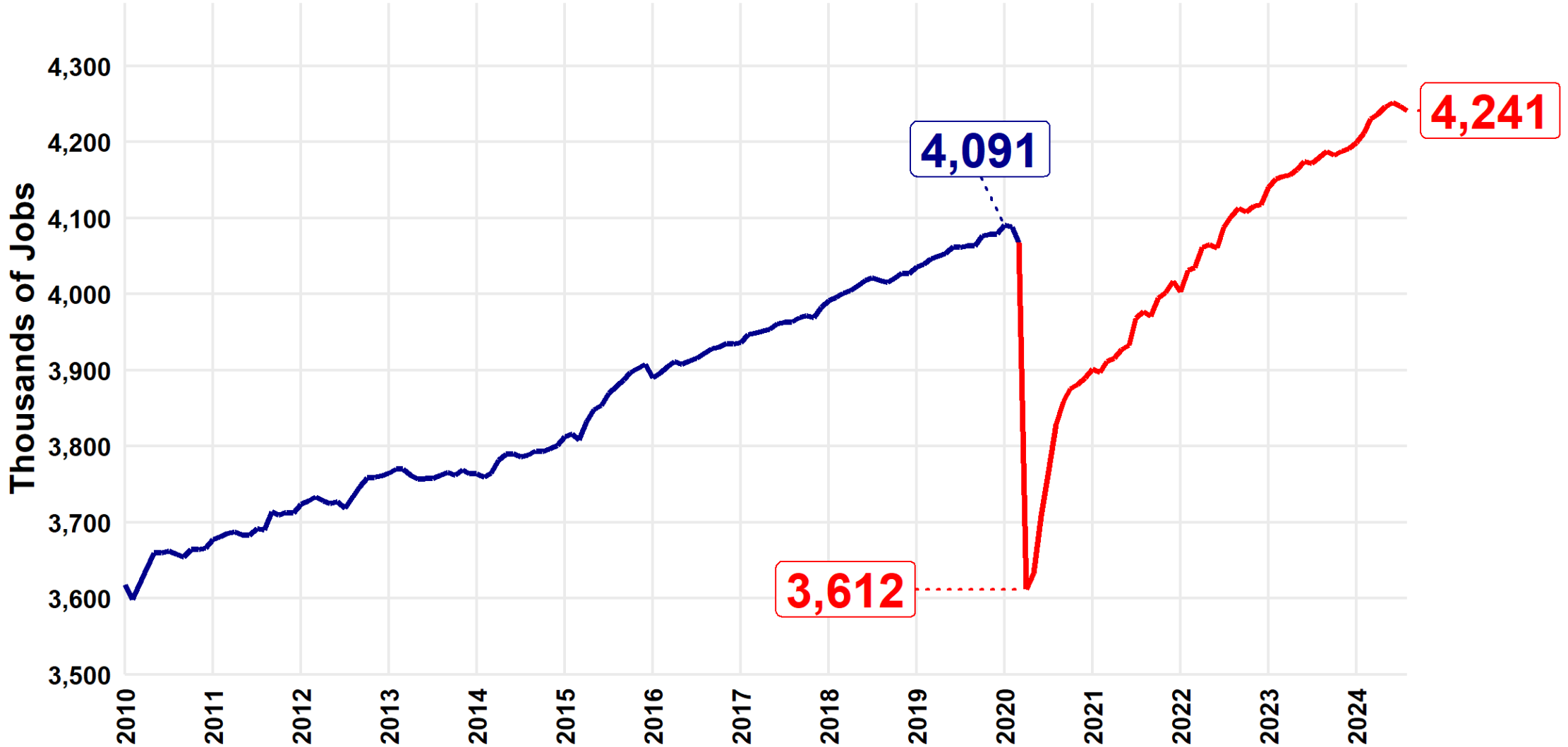
Source: Bureau of Labor Statistics, seasonally adjusted data.

# Unemployment Rate (U3) Virginia, January 2000 - August 2024



Source: Bureau of Labor Statistics, seasonally adjusted data.

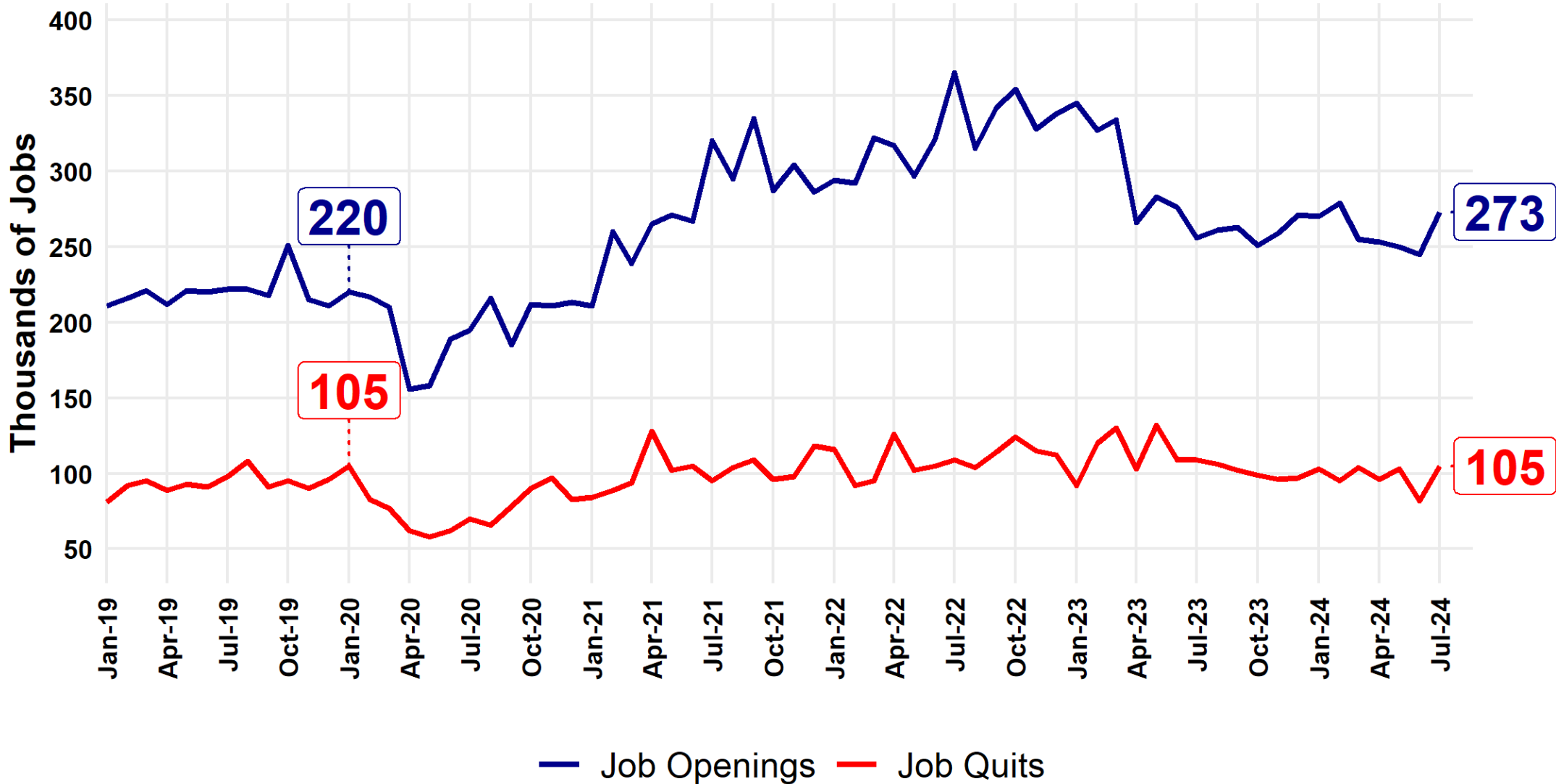
# Nonfarm Payrolls (Jobs) Virginia, January 2010 - August 2024



Source: Bureau of Labor Statistics, seasonally adjusted data.

# Job Openings and Quits

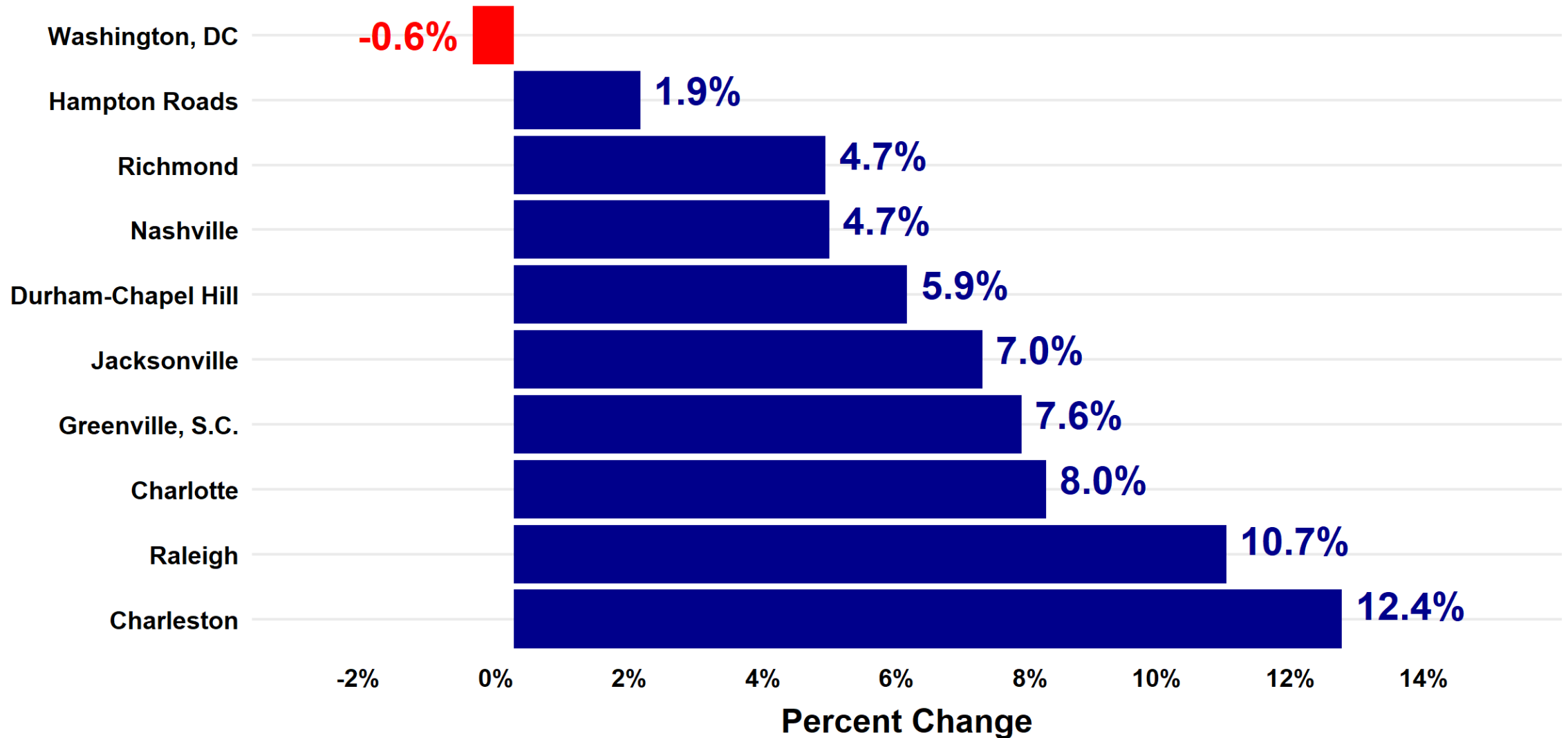
## Virginia, January 2019 - July 2024



Source: Bureau of Labor Statistics, seasonally adjusted data.

# Change in Civilian Labor Force

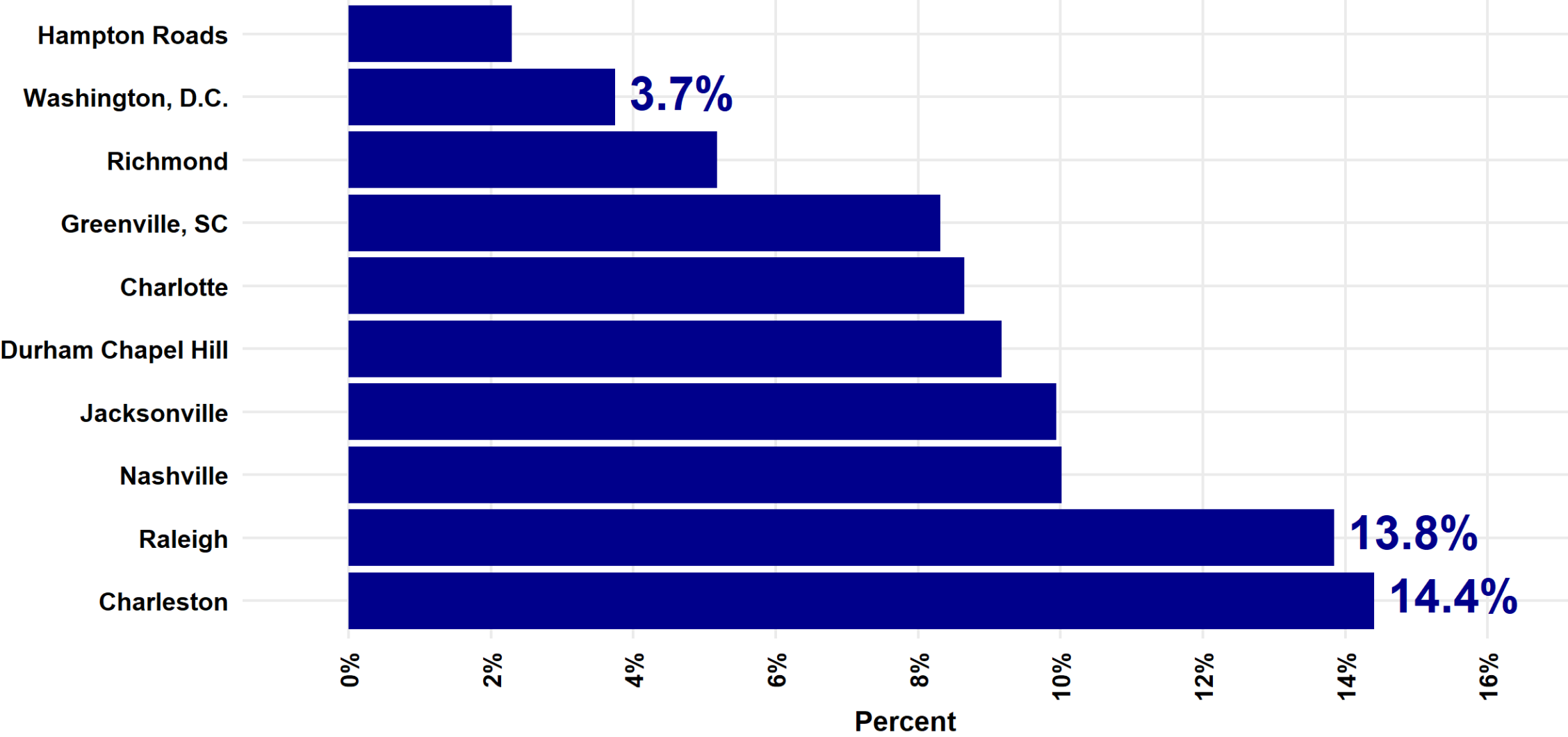
## Selected Metro Areas, February 2020 - August 2024



Source: Bureau of Labor Statistics, seasonally adjusted data. Hampton Roads is the Virginia Beach-Newport News MSA and Washington, DC is the Washington-Arlington-Alexandria MSA.

# Growth in Nonfarm Payrolls

## Selected Metropolitan Areas, February 2020 - August 2024



Sources: Bureau of Labor Statistics and Dragas Center for Economic Analysis and Policy. Seasonally adjusted data.

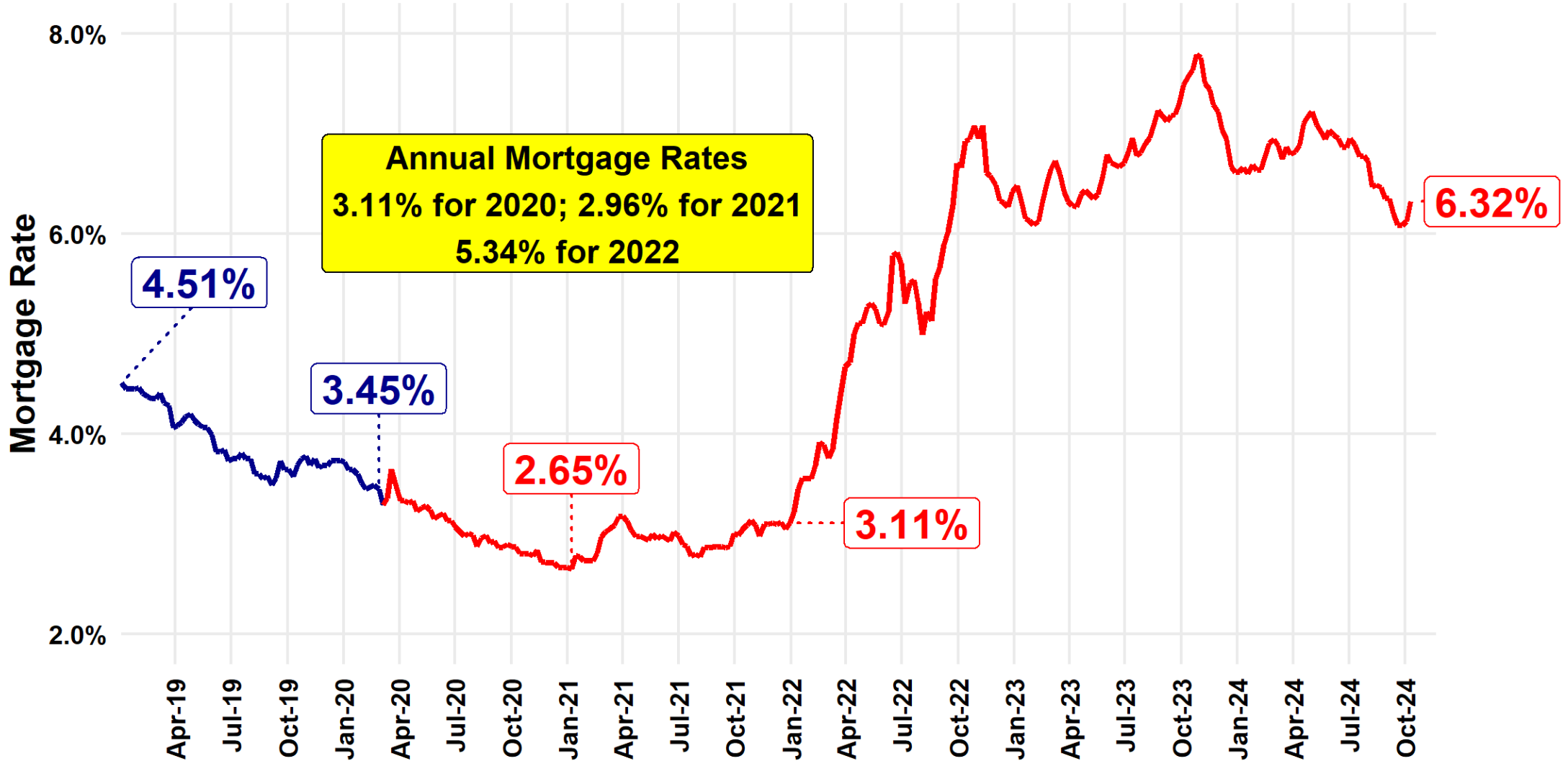
# Housing Values Remain High





# Weekly 30-Year Fixed Mortgage Rate

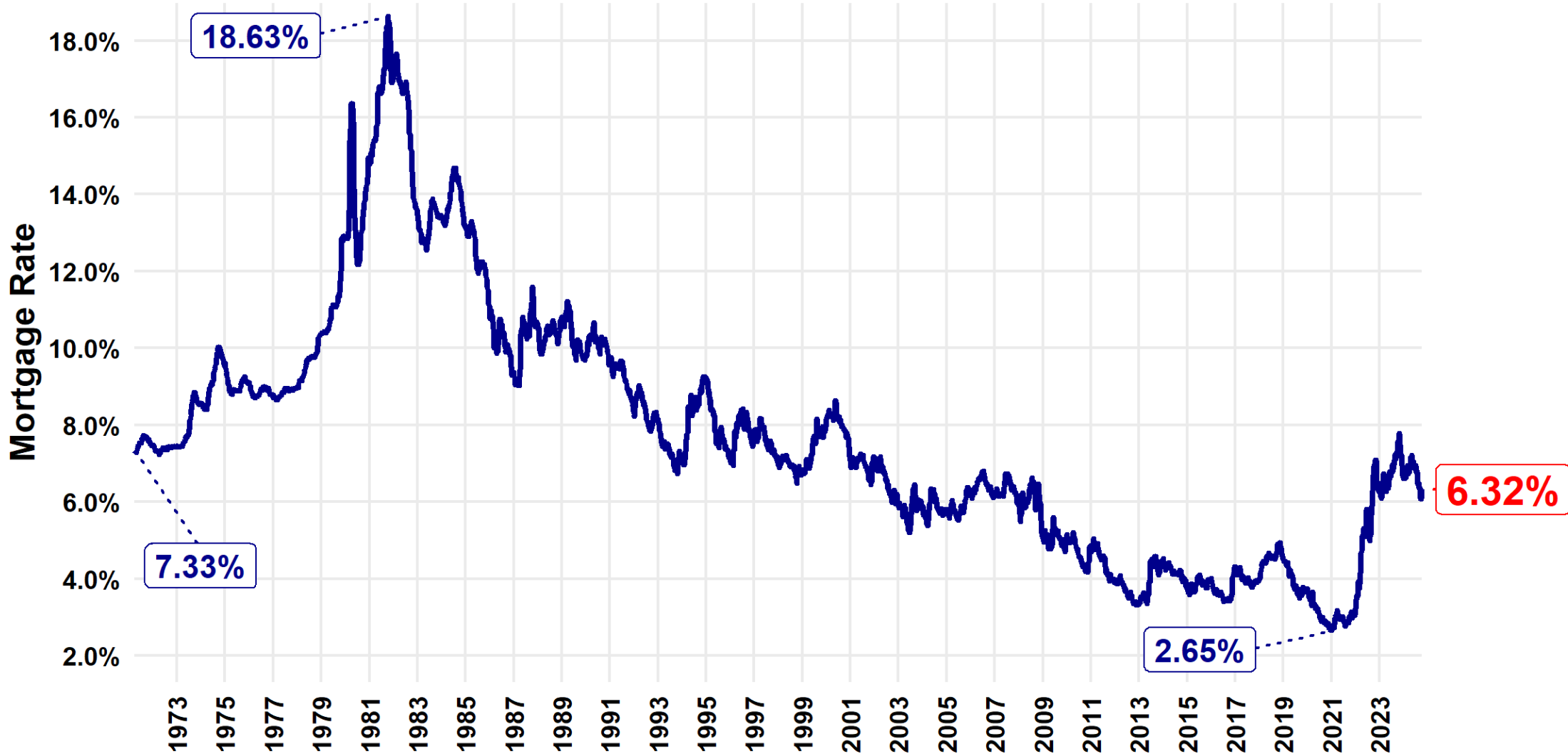
## United States, January 3, 2019 - October 10, 2024



Sources: Freddie Mac and Federal Reserve Bank of St. Louis. Weekly rate ending Thursday of each week.

# Weekly 30-Year Fixed Mortgage Rate

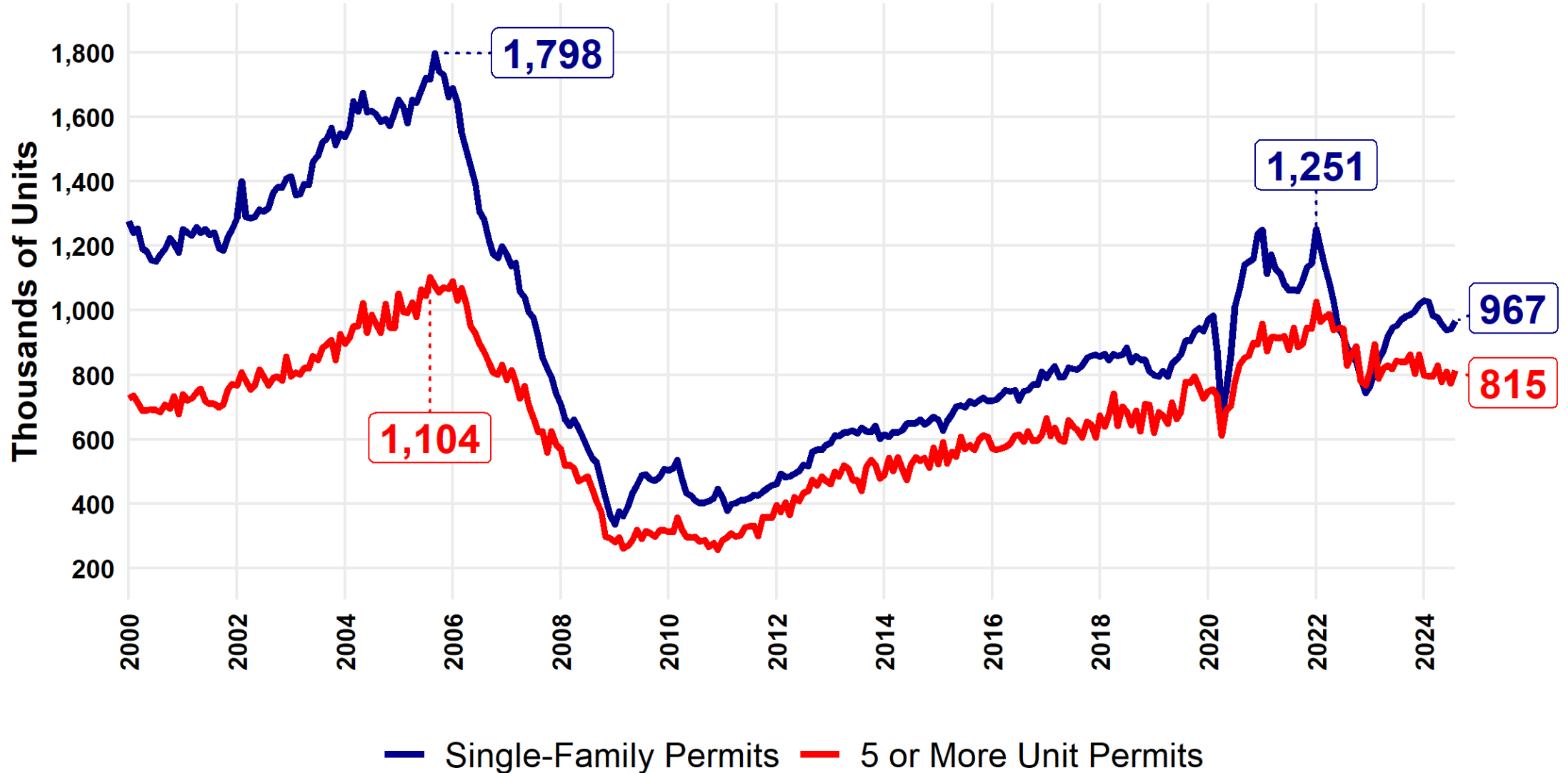
## United States, April 2, 1971 - October 10, 2024



Sources: Freddie Mac and Federal Reserve Bank of St. Louis. Weekly rate ending Thursday of each week.

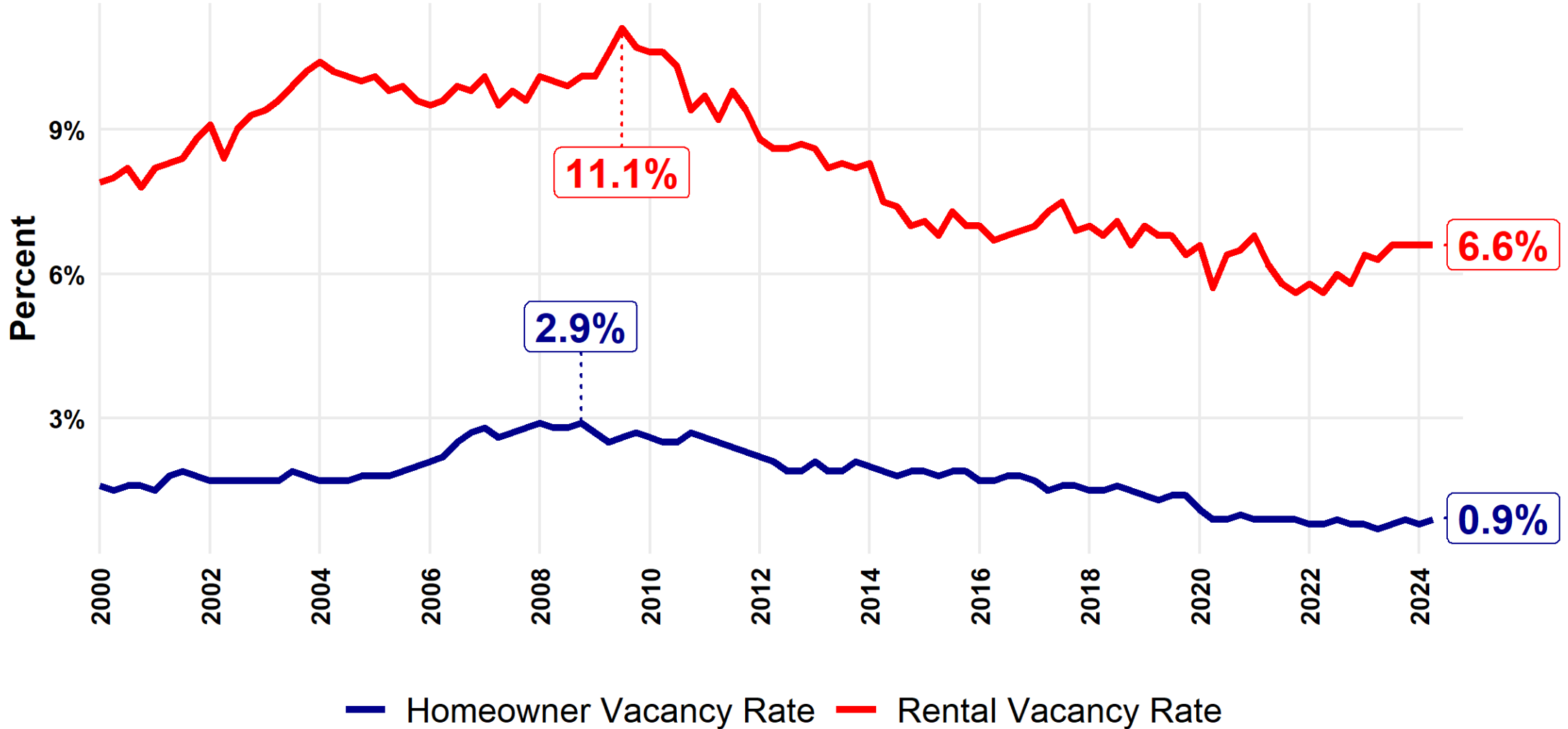
# Single-Family and 5 or More Unit Building Permits

## United States, Q1 2000 - Q3 2024



Source: U.S. Census Bureau, Seasonally Adjusted Annual Rate.

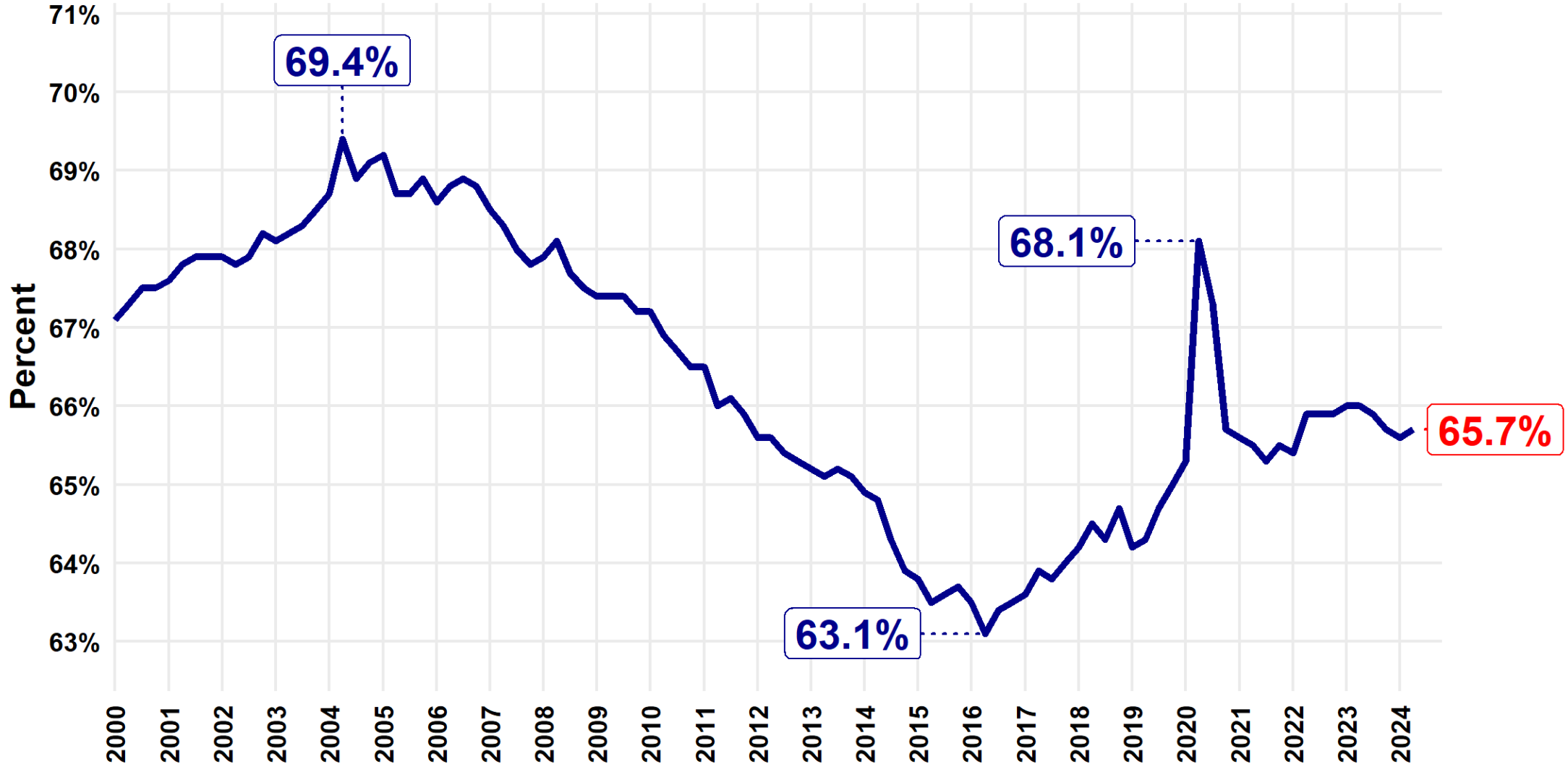
# Homeowner and Rental Vacancy Rate United States, Q1 2000 - Q2 2024



Source: U.S. Census Bureau, Residential Vacancies and Homeownership Annual Statistics, not seasonally adjusted data.  
The rental vacancy rate is the proportion of the rental inventory that is vacant for rent.  
The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant for sale.

# Homeownership Rate

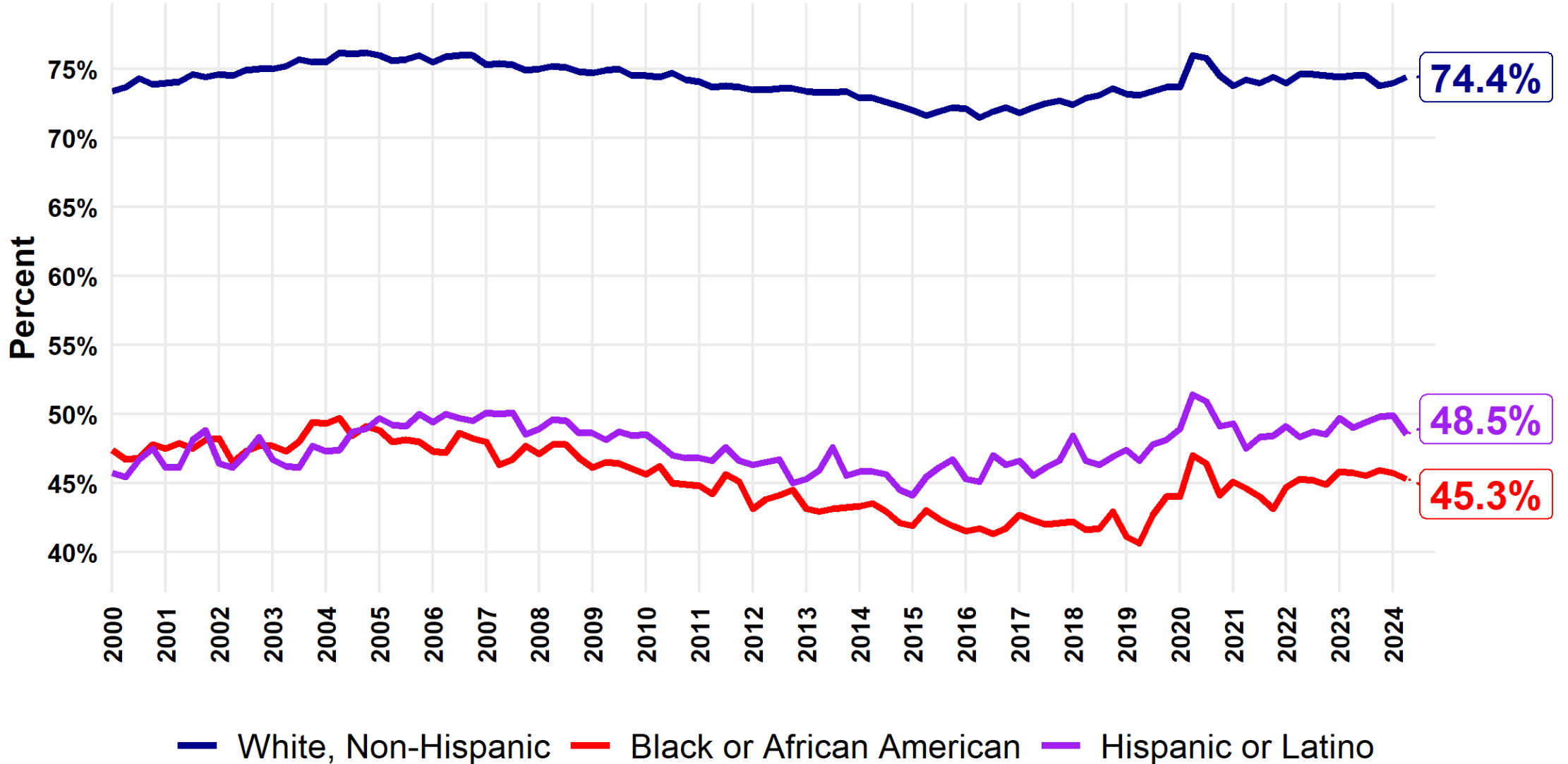
## United States, Q1 2000 - Q2 2024



Source: U.S. Census Bureau, seasonally adjusted data.

# Homeownership Rate by Race and Ethnicity

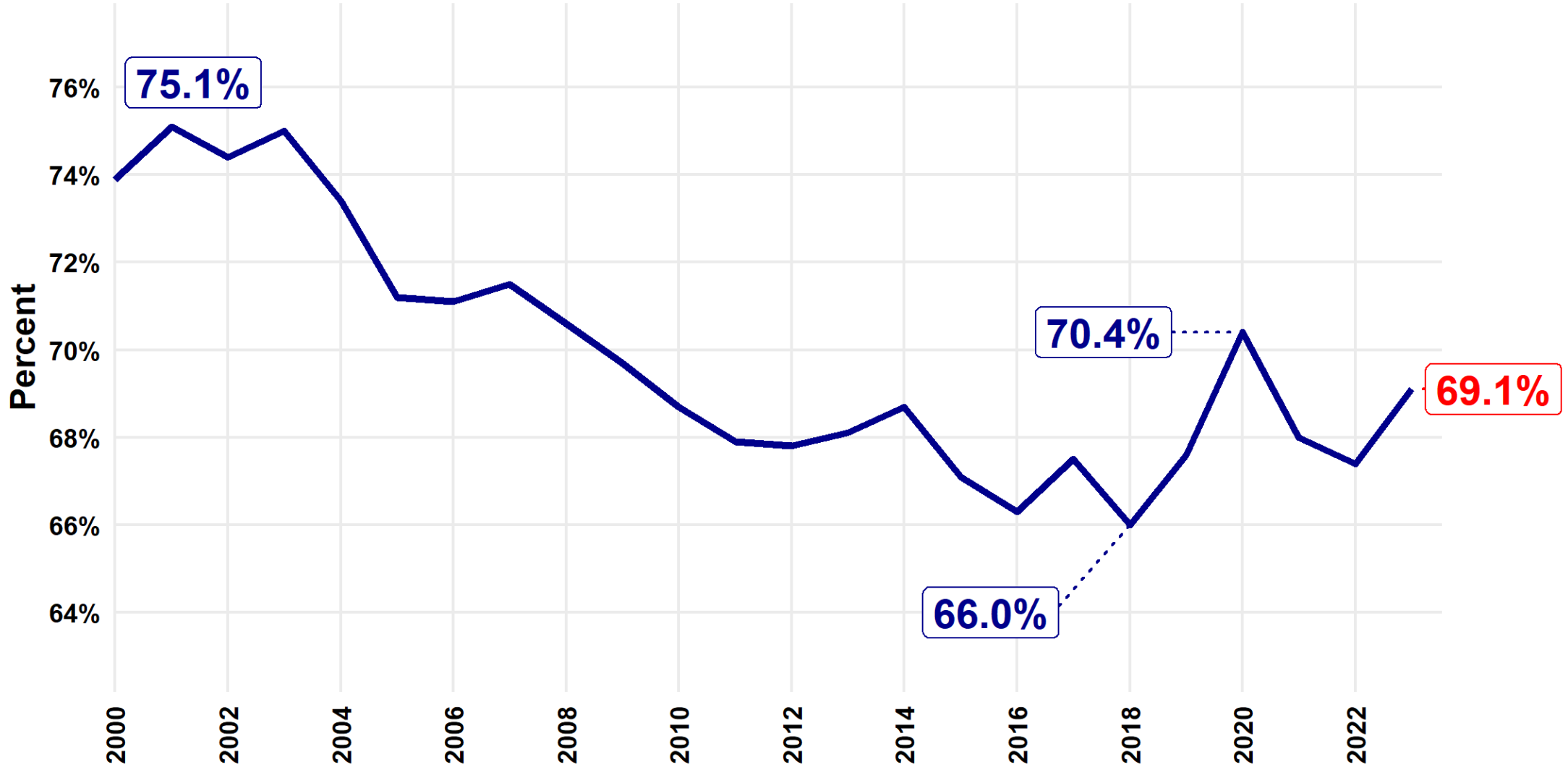
## United States, Q1 2000 - Q2 2024



Source: U.S. Census Bureau, seasonally adjusted data.

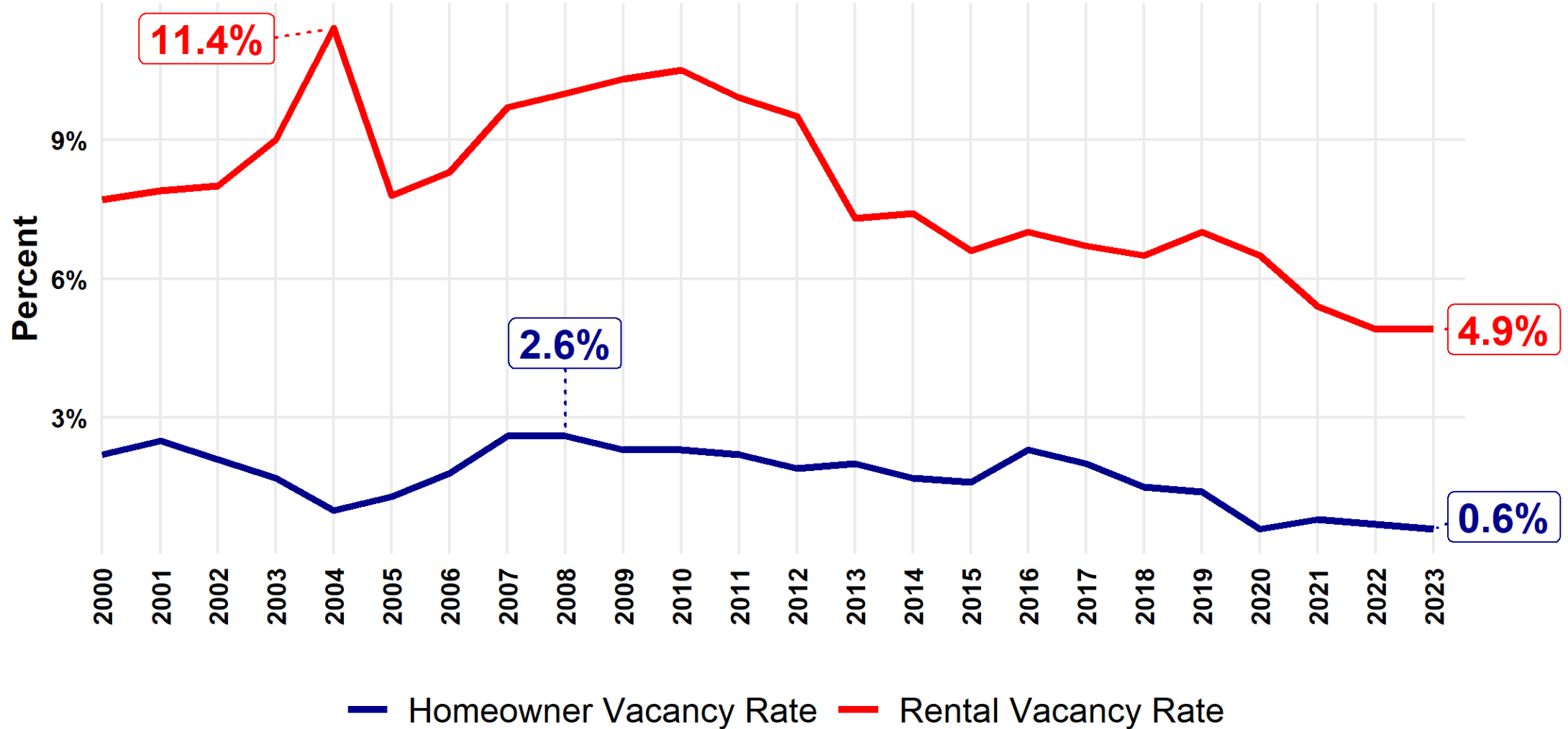
# Homeownership Rate

## Virginia, Q1 2000 - Q1 2023



Source: U.S. Census Bureau, seasonally adjusted data.

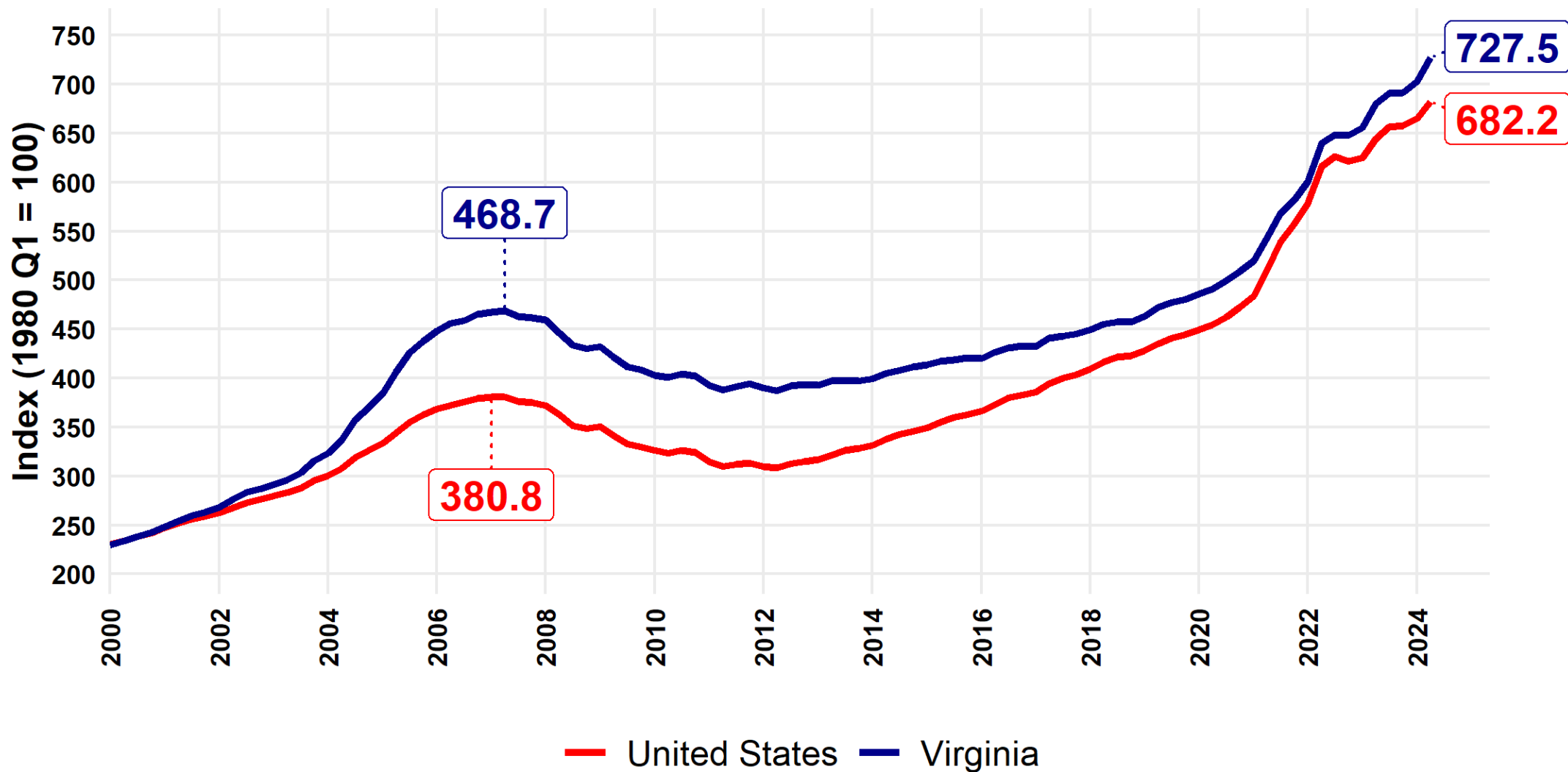
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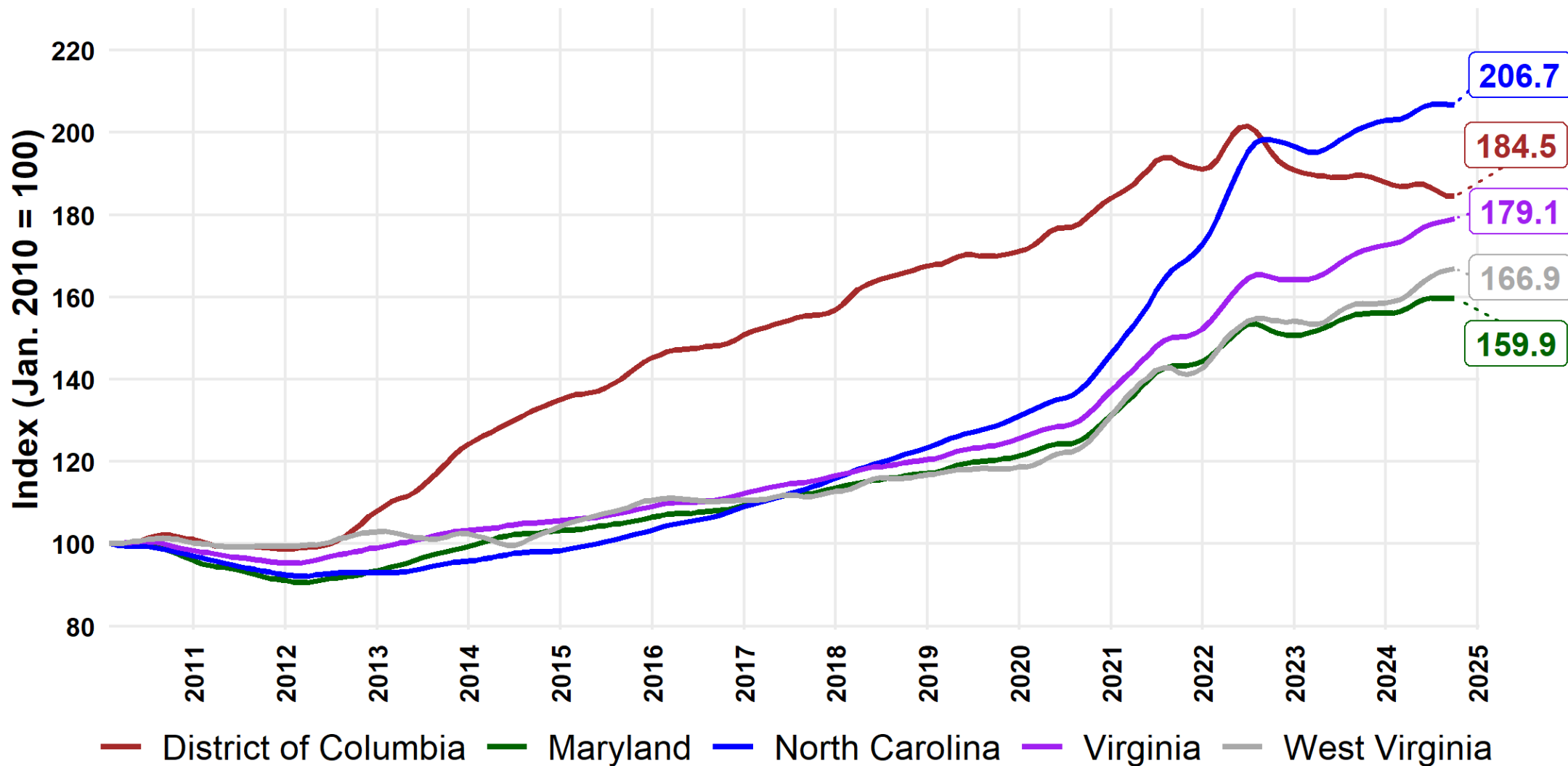
# All Transactions House Price Index United States and Virginia, Q1 2000 - Q2 2024



Source: U.S. Federal Housing Finance Agency, not seasonally adjusted data. Index estimated using sales prices and appraisal data. Base year is chained (1980 Q1=100).

# Growth in Zillow Home Value Index (ZHVI)

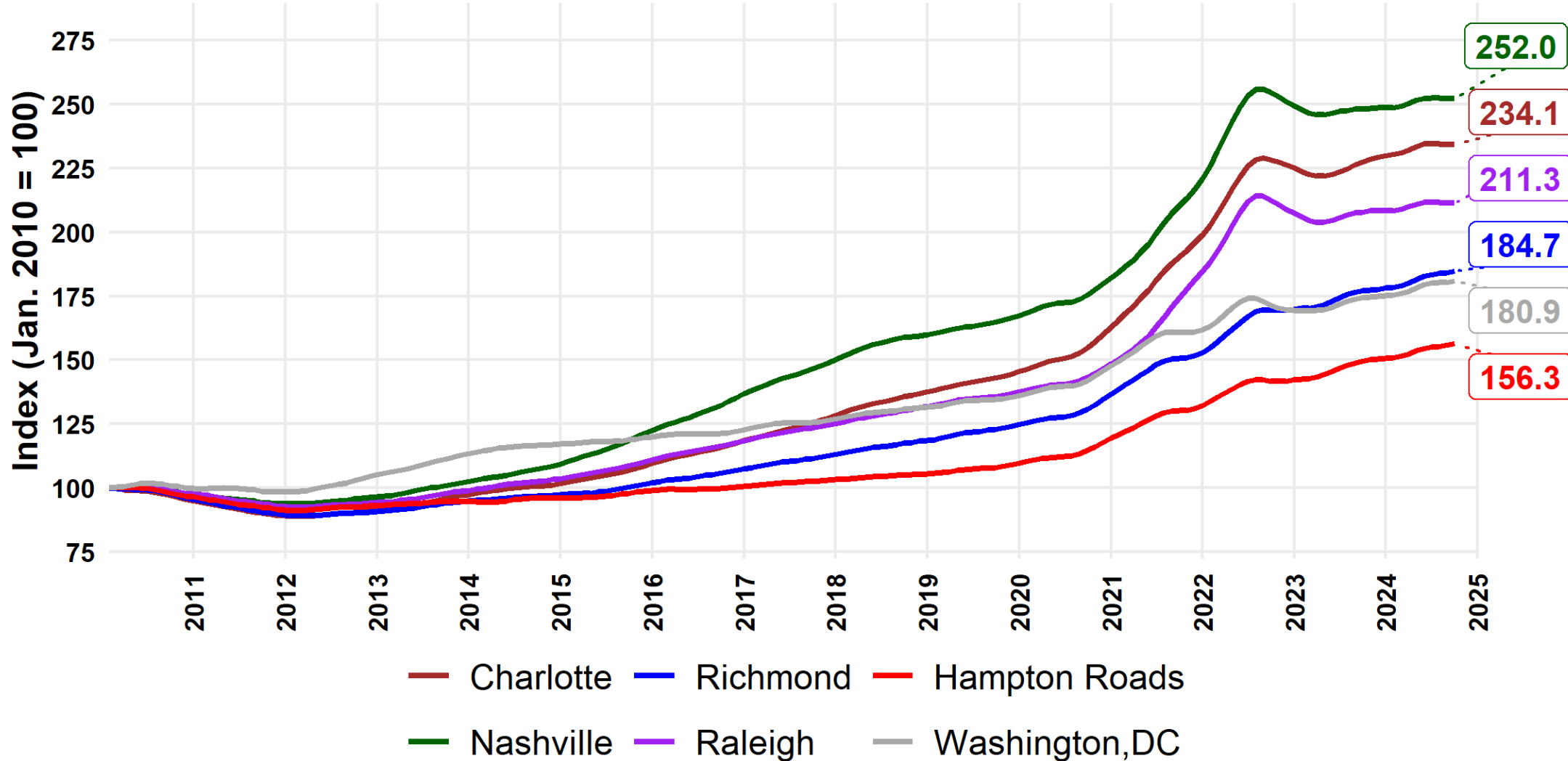
## Virginia and Selected States, January 2010 - September 2024



Source: Zillow (2023), All Homes Plus Multifamily Time Series, smoothed seasonally adjusted data.

ZHVI measures typical home values across region and housing type and reflects the value for homes in the 35th to 65th percentile range.

# Growth in Zillow Home Value Index (ZHVI) Selected Metro Areas, January 2010 - September 2024



Source: Zillow (2023), All Homes Plus Multifamily Time Series, smoothed seasonally adjusted data.  
ZHVI measures typical home values across region and housing type and reflects the value for homes in the 35th to 65th percentile range.

# (Mostly) Good News to Build Upon

- Inflation will continue to moderate and interest rates will decline in 2025 with no significant changes in fiscal or monetary policy.
- A significant change in trade or immigration policy, however, would spark inflation and could tip the nation into a recession.
- If federal departments and agencies are moved out of Washington, D.C., Virginia will be negatively impacted.
- Political dysfunction and geopolitical uncertainty may undermine growth in 2025.
- With these caveats, economic growth should be 2% or more nationally and in the Commonwealth in 2025.

# Upcoming Publications and Events

- State of the Commonwealth Report (December 2024)
- Annual Economic Forecast (January 2025)
- Mid-Year Economic Forecast (May - June 2025)
- State of the Region Report (October 2025)
- State of the Commonwealth Report (December 2025)
- Follow DragasCenterODU on LinkedIn.
- All our presentation materials can be found at our website: [www.ceapodu.com](http://www.ceapodu.com)