



10TH ANNUAL **SWVA ECONOMIC FORUM**



**SW
VA**





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THANK YOU TO OUR SPONSORS



Opening Remarks
Donna P. Henry, Ph.D.





2025 Cohort

- Justin Barker
- Kelly Charapich
- Nicholas Childers
- Tammy Jo Franklin
- Tabitha Grieger
- Lauren Ketron
- Leia King
- Gavin Lester
- Shiloh Brooks Lyttle
- John Rose
- Rachel Stiltner
- William Teaters
- Brittany Woodby
- Emma Wyatt

Opening Remarks

Donna P. Henry, Ph.D.



Meet the Emcee
Josh Mancuso



State of the Region
Chris Chmura, Ph.D.





SWVA Economic Forum: State of the Region

5/22/2025



Overview



U.S.: How Will Policies & Cyclical Changes Impact the Economy?

Primary Policy Drivers

Secondary Effects – Business Concerns from Cross Currents

- **Policy**
 - Federal workforce cuts
 - Tariffs
- **Cyclical Changes**
 - Recession?
 - Fed Policy
- **Productivity: Age of AI**

GO Virginia Region 1

- **Quality of Life**
 - School system
 - Housing
 - Entrepreneurship
- **Employment Growth and Wages**

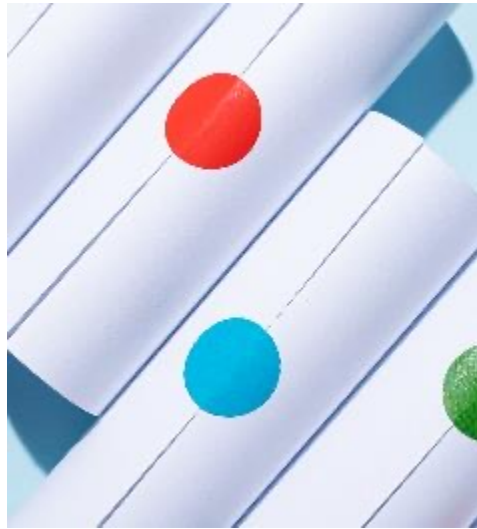
Four (4) Underlying Factors Driving Current Administration Policies and Business Actions



Primary Policy Drivers

Trade Deficit	Federal Budget Deficit	Immigration Reform	Productivity (AI)
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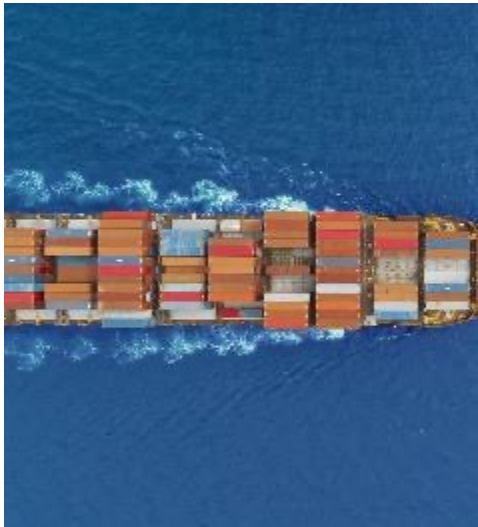
Four (4) Underlying Factors Driving Current Administration Policies and Business Actions



Primary Policy Drivers

Trade Deficit	Federal Budget Deficit	Immigration Reform	Productivity (AI)
Tariffs	Federal Layoffs	Labor Availability	Efficiency Savings

Four (4) Underlying Factors Driving Current Administration Policies and Business Actions



Primary Policy Drivers

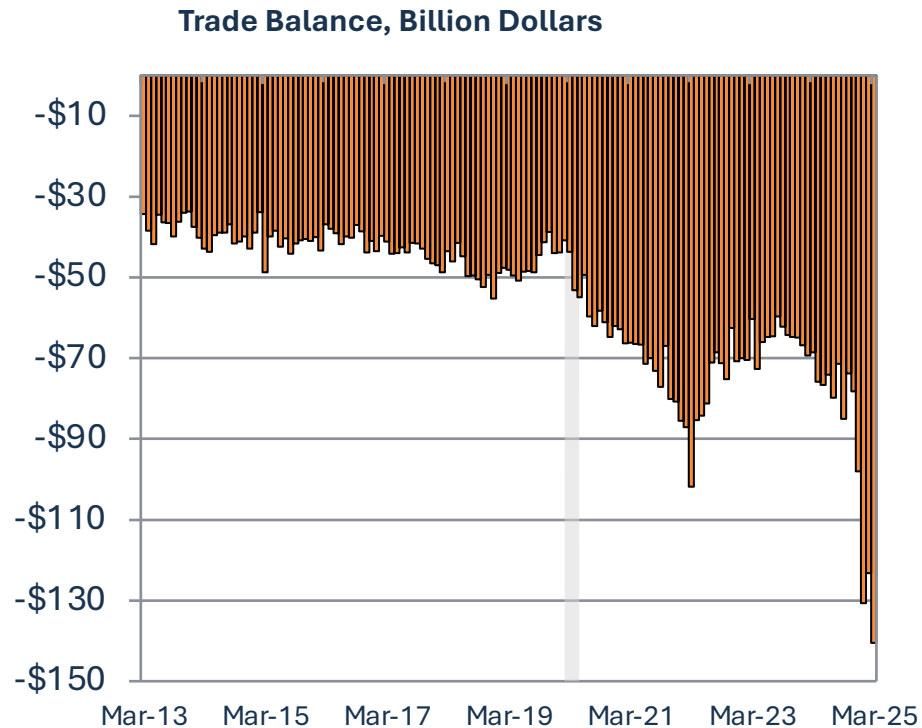
Trade Deficit	Federal Budget Deficit	Immigration Reform	Productivity (AI)
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Inflation Interest Rate Impacts Stock Market Unemployment Wages			

Secondary Effects – Business Concerns

Primary Policy Drivers

Historical Trends

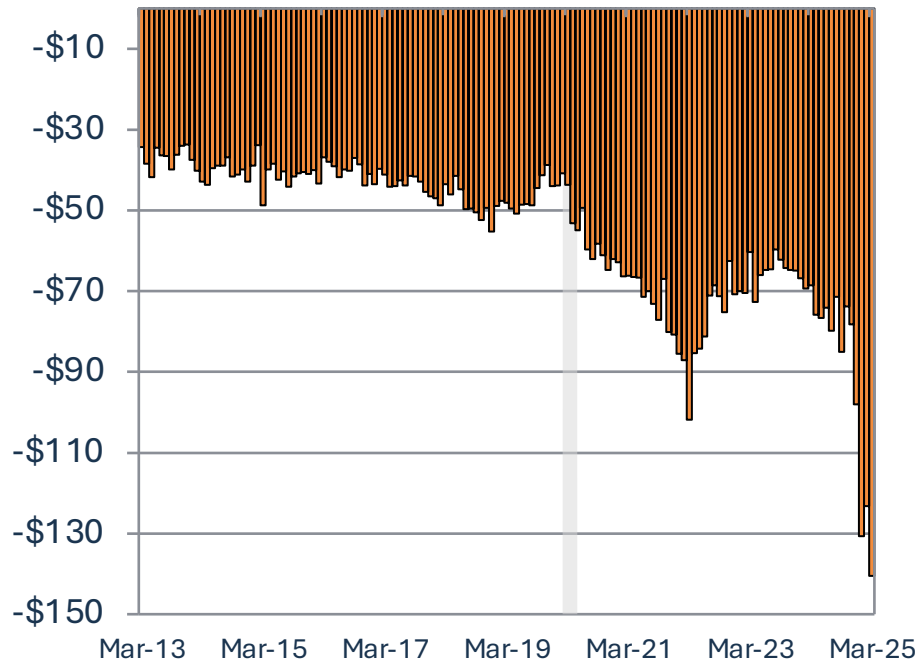
Long-Standing Structural Issues Form the Framework for Policy and Cyclical Changes



Source: Bureau of Economic Analysis

Long-Standing Structural Issues Form the Framework for Policy and Cyclical Changes

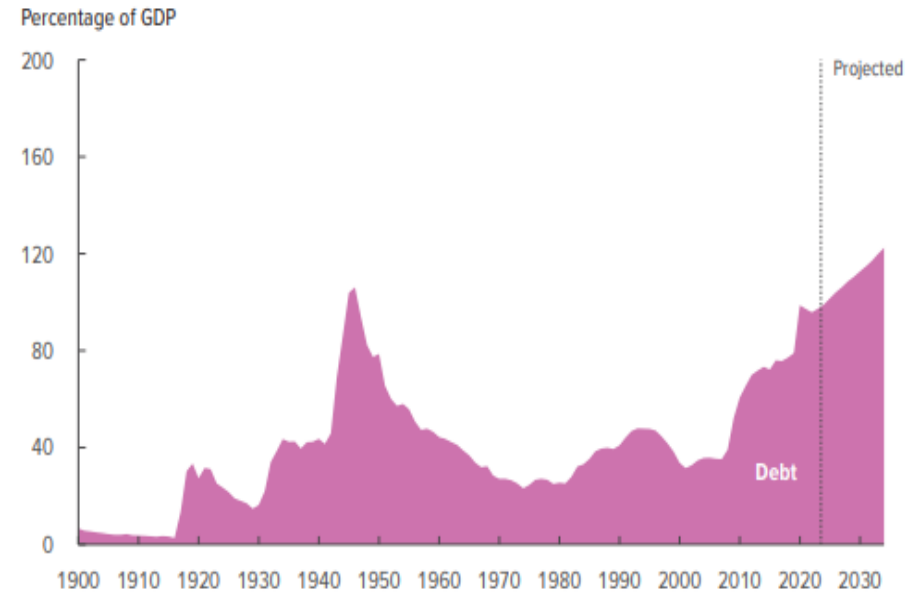
Trade Balance, Billion Dollars



Federal Debt Held by the Public

Debt held by the public rises in each year, from 99 percent of GDP in 2024 to 122 percent in 2034—higher than at any point in history.

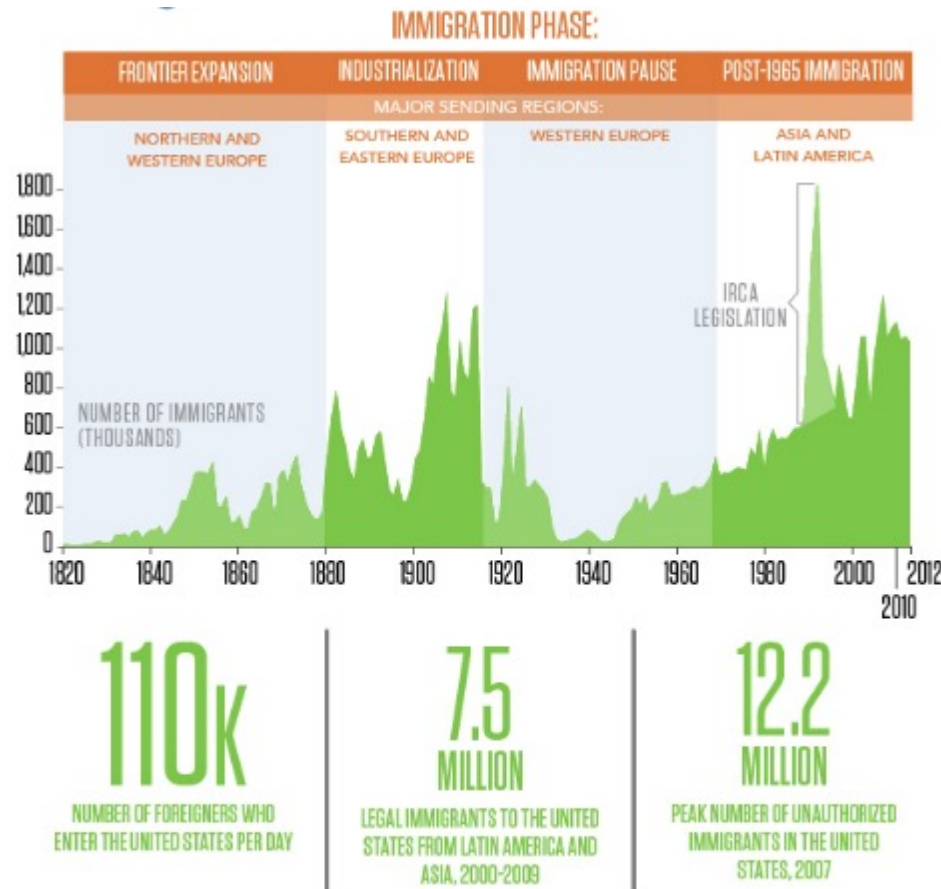
Federal Debt



Source: Bureau of Economic Analysis

Source: CBO June 2024 Budget & Economic Outlook

Long-Standing Structural Issues Form the Framework for Policy and Cyclical Changes



- Immigration Act of 1924 national origins quota
- 1965 Origins quota dropped in favor of immigrants with U.S. relatives and requests by employers

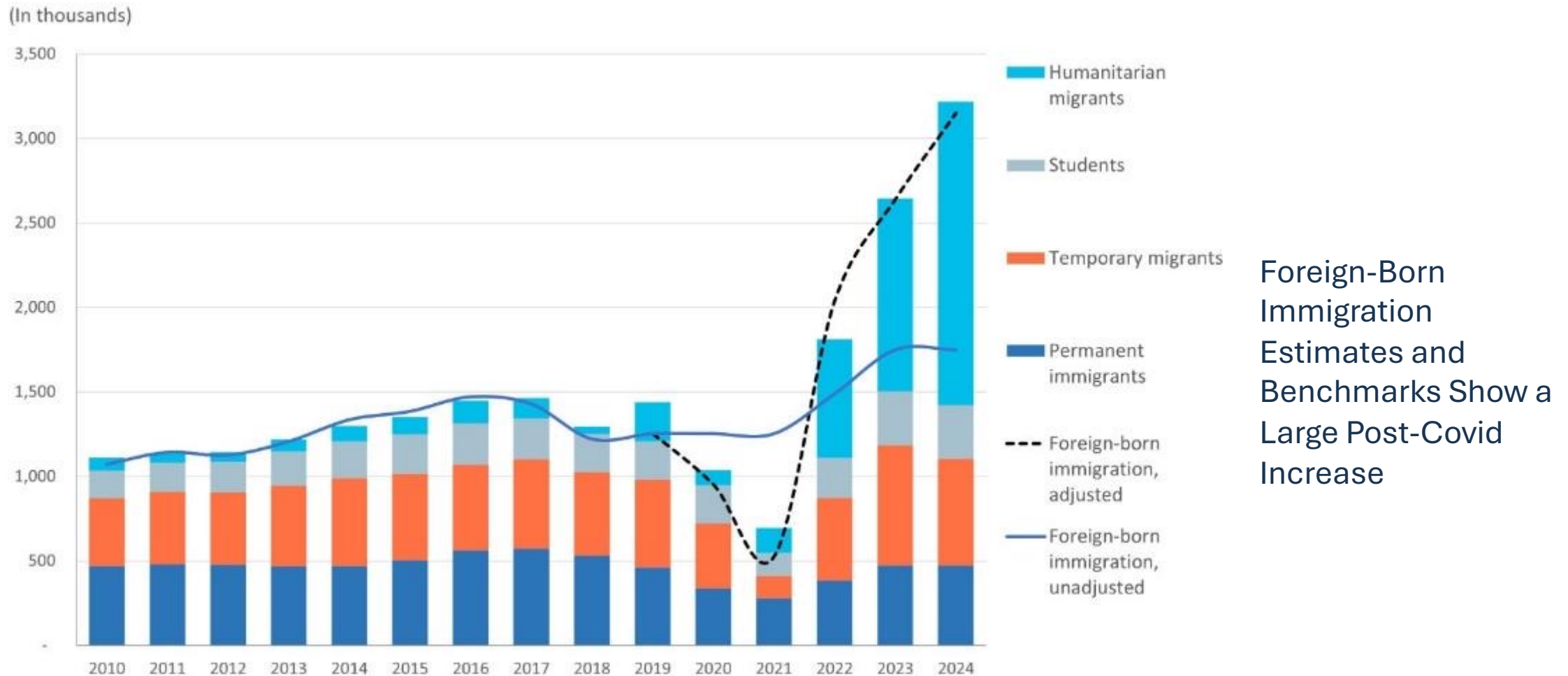
Source:

<https://www.prb.org/resources/trends-in-migration-to-the-u-s/>

Note: IRCA adjustments refer to the amnesty provisions of the Immigration Reform and Control Act of 1986, under which 2.7 million undocumented foreign U.S. residents obtained legal immigrant status.

Source: U.S. Department of Homeland Security, *Yearbook of Immigration Statistics* (Washington, DC: U.S. Dept. of Homeland Security, 2012).

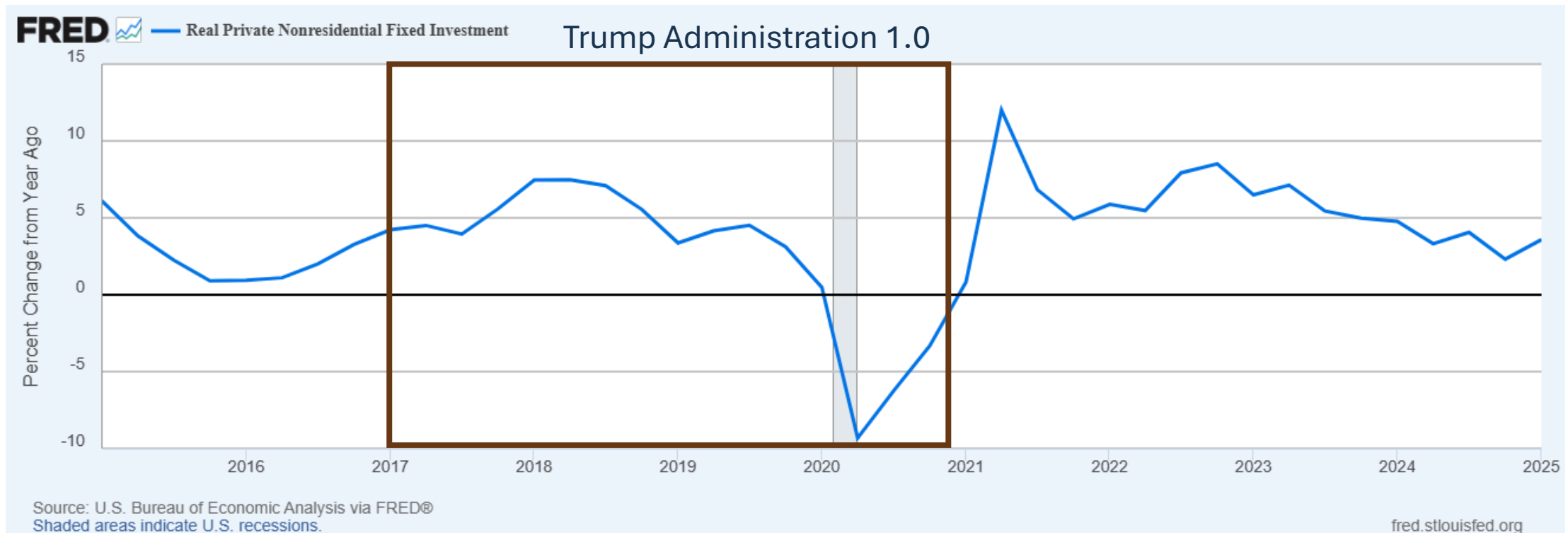
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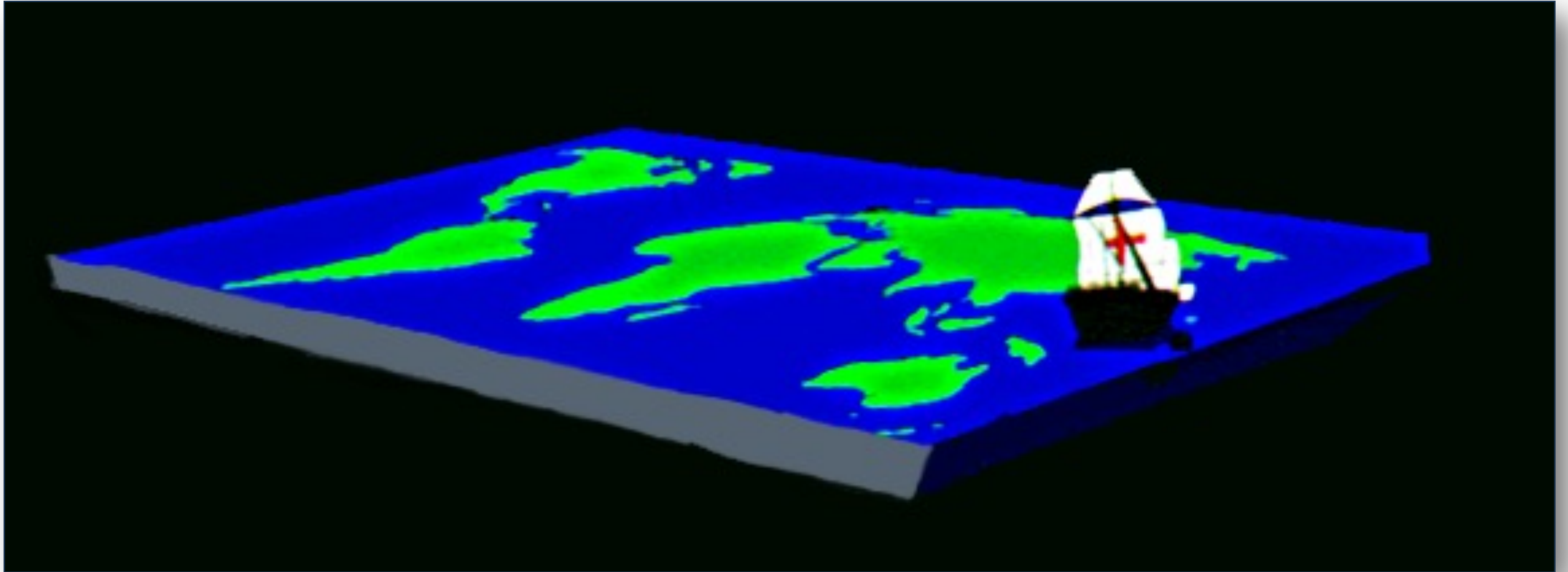
Foreign-Born Immigration Estimates and Benchmarks Show a Large Post-Covid Increase

Source: <https://www.census.gov/newsroom/blogs/random-samplings/2024/12/international-migration-population-estimates.html>

Long-Standing Structural Issues Form the Framework for Policy and Cyclical Changes: Increased Productivity Leads to Higher Living Standards



If Progress is Made, A Generational Paradigm Shift May Follow



Secondary Effects – Economic Impact

Policy: More Than 247,000 Federal Layoffs Have Been Announced

Agency	Cuts (% Agency Employment)	Cuts Announced	--Cuts Include Already Announced--	
			Deferred Resignation and Voluntary Early Retirement	Probationary Layoffs
Defense Department	8%	76,000		5,400
Department of Education	50%	1,315	572	63
Environmental Protection Agency	7%	1,155		
Housing and Urban Development	2%	144		
Health and Human Services	32%	20,000	10,000	
Food and Drug Administration	17%	3,500		
National Institutes of Health	6%	1,200		
Centers for Disease Control & Prevention	19%	2,400		
Centers for Medicare & Medicaid Services	5%	300		
Internal Revenue Service	50%	45,000		7,000
National Aeronautics and Space Administration	5%	923	900	
National Oceanic and Atmospheric Administration	20%	1,029	500	800
National Park Service	30%	2,652	700	1,000
Small Business Administration	43%	2,700		
Social Security Administration	12%	7,000		
United States Postal Service	2%	10,000	10,000	
Veterans Affairs	17%	80,000		2,400

Source: Chmura Economics & Analytics, FedScope September 2024, news reports

Source: <https://www.chmura.com/blog/federal-layoffs>

Federal Layoffs Affect All States with Varying Degrees

Impact: Increase Labor Availability; Downward Pressure on Wages

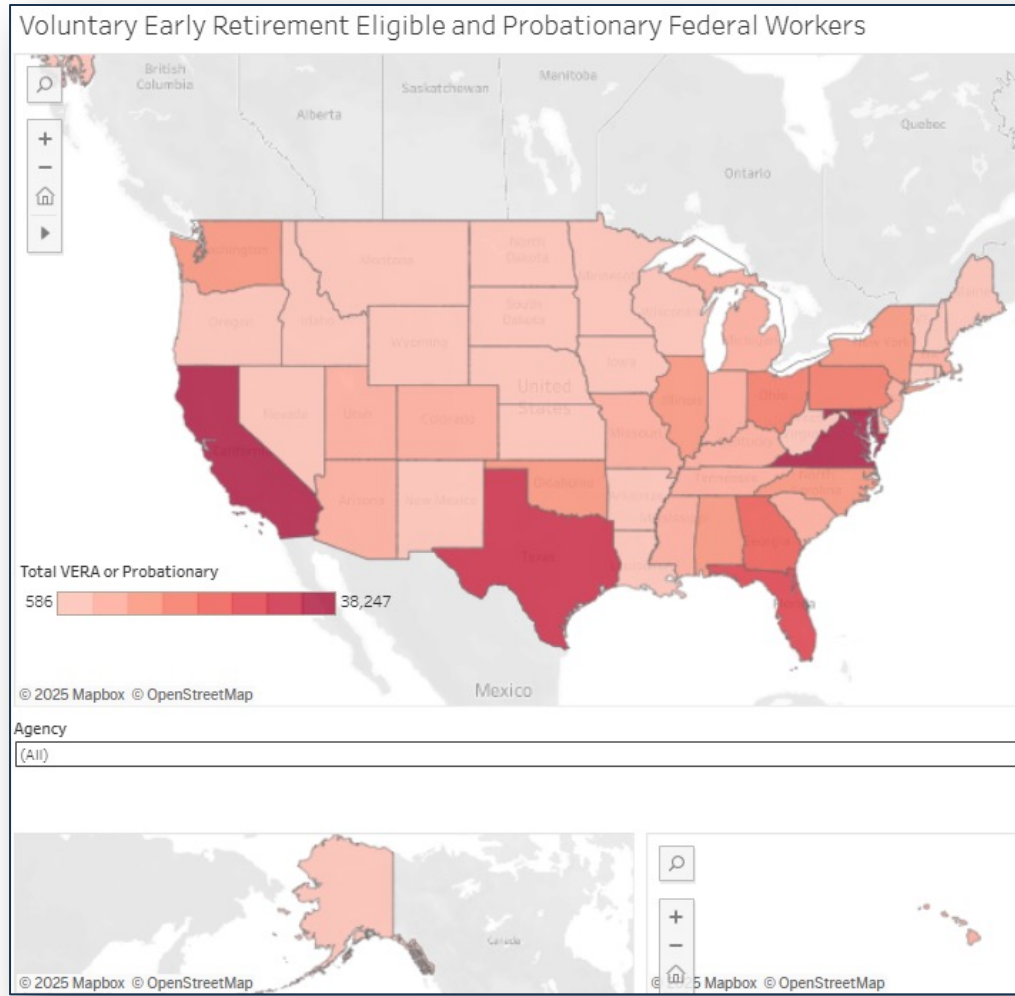
State Federal Layoffs – Top 10 Most Impacted

State	VERA or Probationary Workers	Percent of Total Non-Farm Employment
District of Columbia	15,721	2.0%
Maryland	38,228	1.3%
Hawaii	6,694	1.0%
Virginia	35,829	0.8%
Alaska	2,500	0.7%
Oklahoma	10,145	0.6%
Alabama	12,210	0.6%
New Mexico	4,945	0.5%
West Virginia	3,669	0.5%
Rhode Island	2,594	0.5%

Source: Chmura, FedScope, BLS

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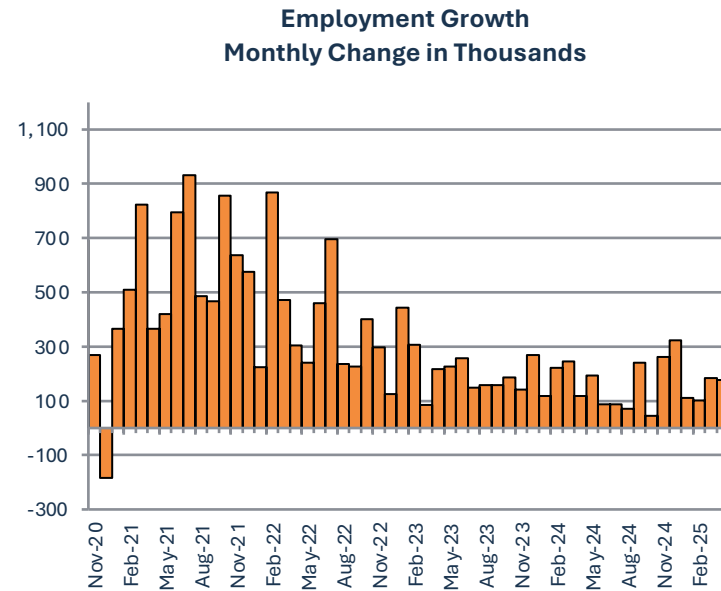
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A Timeline of Recent Tariff Announcements

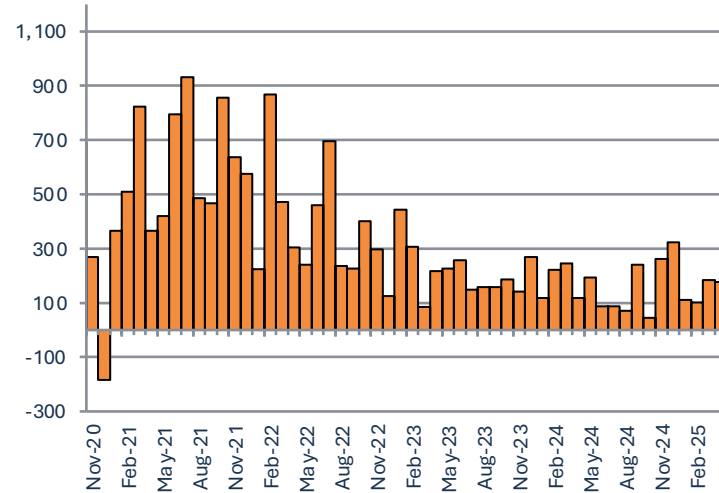
- Sep 27, 2024: **Section 301**
 - 7.5% to 25% tariff on Chinese imports (effective rate ~20%)
- Feb 1, 2025: **IEEPA**
 - Tariffs on all imports from Canada (25%), Mexico (25%), and China (20%) in response to the fentanyl and immigration crises
- Feb 11, 2025: **Section 232**
 - Restore 25% tariff on steel and raise the tariff on aluminum and auto to 25% (in addition to section 301 and IEEPA)
- April 2, 2025: **Liberation day**
 - Reciprocal tariffs on all countries except Canada, Mexico, and countries with US trade sanctions.
- April 9, 2025: **Tariff Pause**
 - Reciprocal tariffs paused for 90 days on all countries except China, but the 10% levy on global imports remains.
- April 9-10, 2025: **Retaliatory Tariffs on China**
 - Tariffs on China increased to 145% (125% retaliatory + 20% IEEPA) in response to China's retaliatory tariffs.
- April 11, 2025: **Electronics Tariffs Exclusion**
 - Electronics such as phones and computers were be exempt from all tariffs announced since Liberation Day.
- April 13-14, 2025: **Future Electronics Tariffs Being Considered**
 - Administration announced that the electronics tariff exemption is temporary, and electronics and semiconductors are being considered for Section 232 national security tariffs.
- May 8, 2025: **U.S. And U.K. Trade Agreement**
 - The United States kept a 10% tariff on all goods from the United Kingdom and lowered the tariff on U.K. autos from 25% to 10%. The United Kingdom reduced nontariff barriers on select U.S. products including beef, ethanol, and machinery.
- May 12, 2025: **United States And China Tariff Pause**
 - The United States and China announce that the majority of the reciprocal tariffs placed on one another in April would be paused for 90 days. U.S. tariffs on China fell from 145% to 30%, and Chinese tariffs on the United States fell from 125% to 10% during the pause period.

Cyclical Changes: National Bureau of Economic Research Arbiter of Recession In U.S.

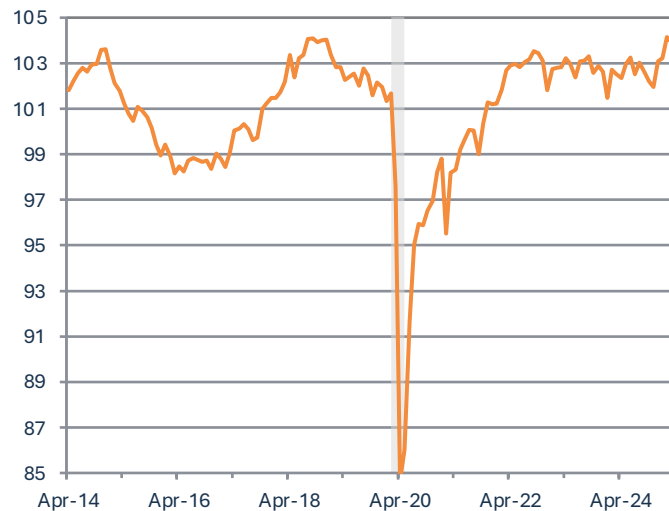


Cyclical Changes: National Bureau of Economic Research Arbiter of Recession In U.S.

Employment Growth
Monthly Change in Thousands

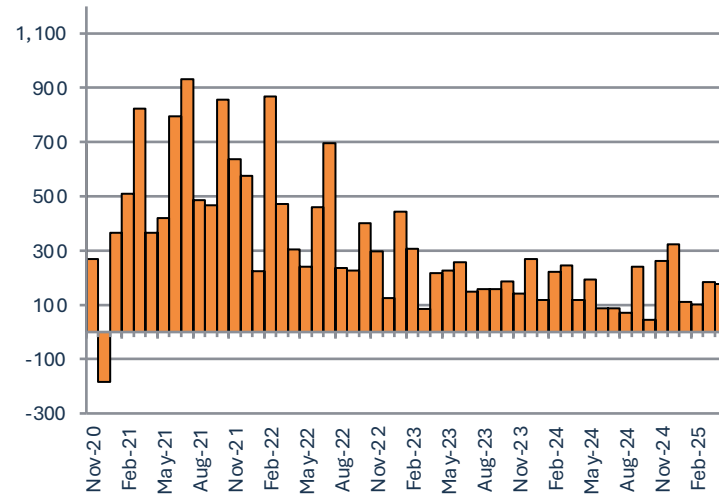


Industrial Production Index

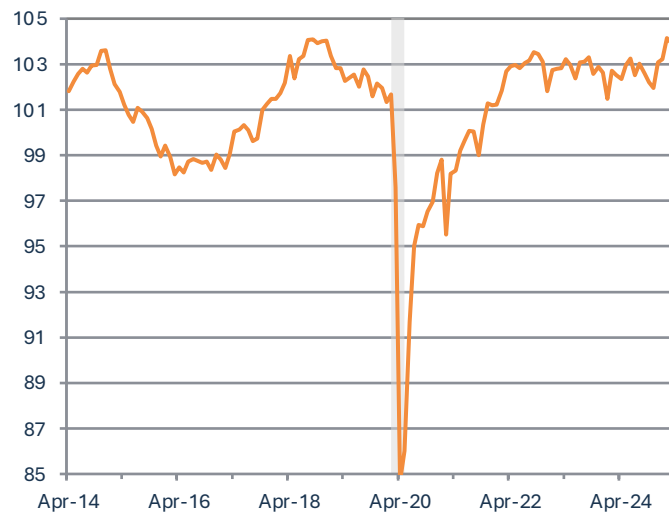


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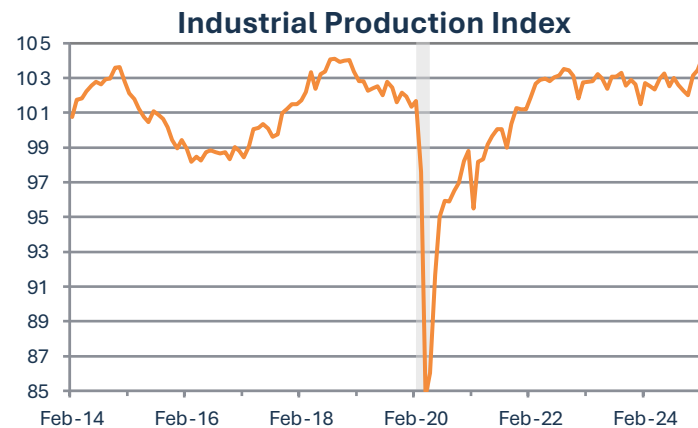
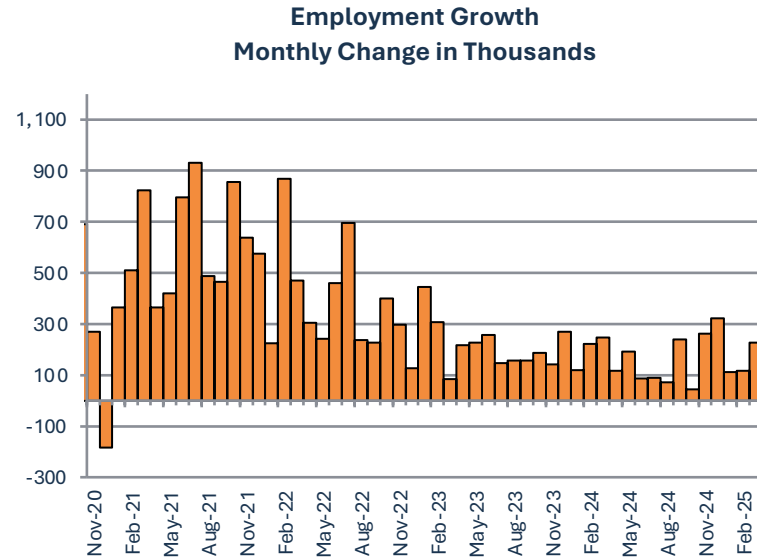
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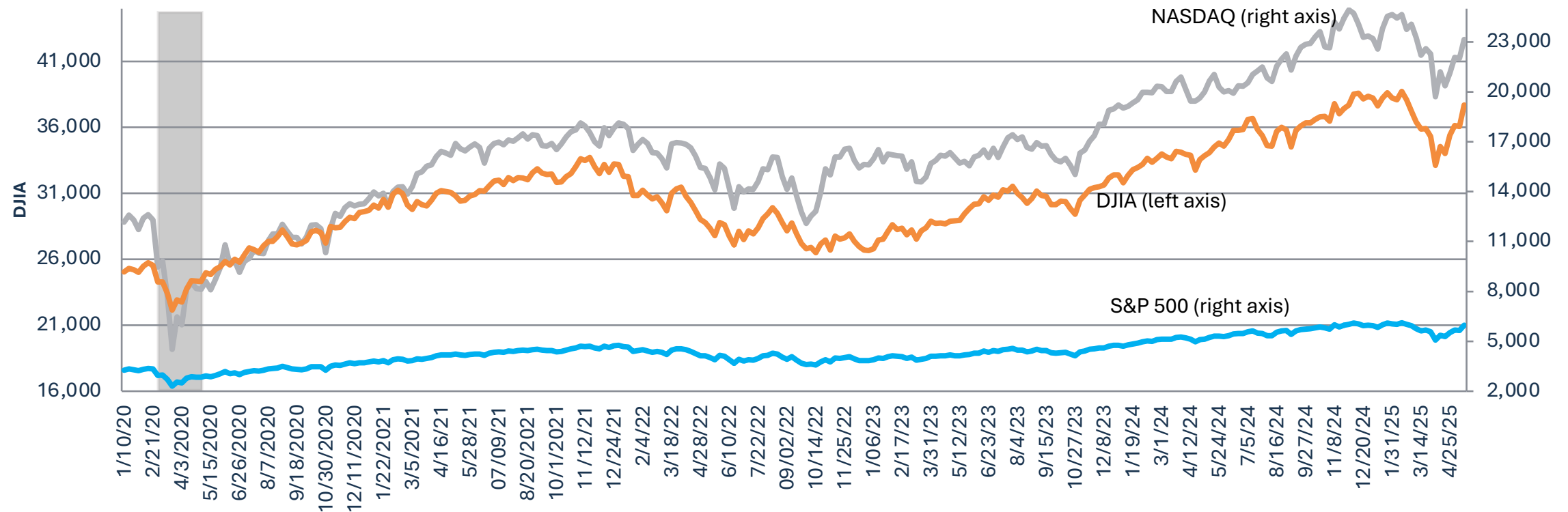


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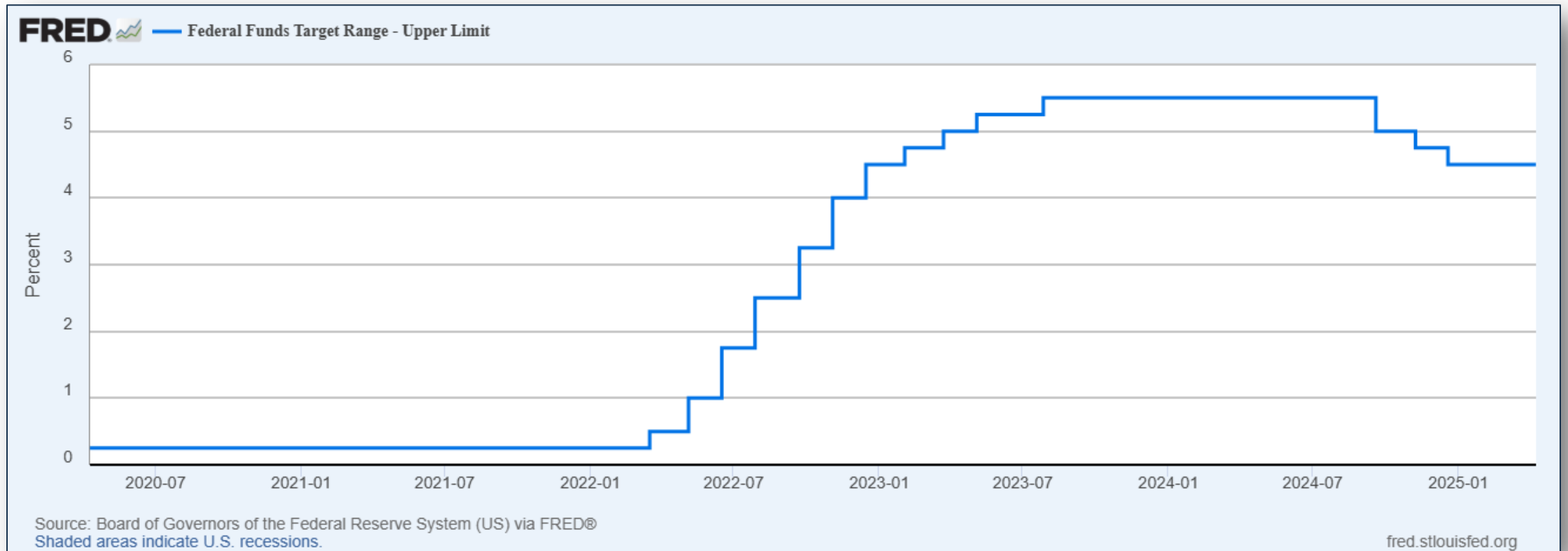
“The Stock Market has Predicted Nine out of the Last Five Recessions” Paul Samuelson

Stock Market Indices



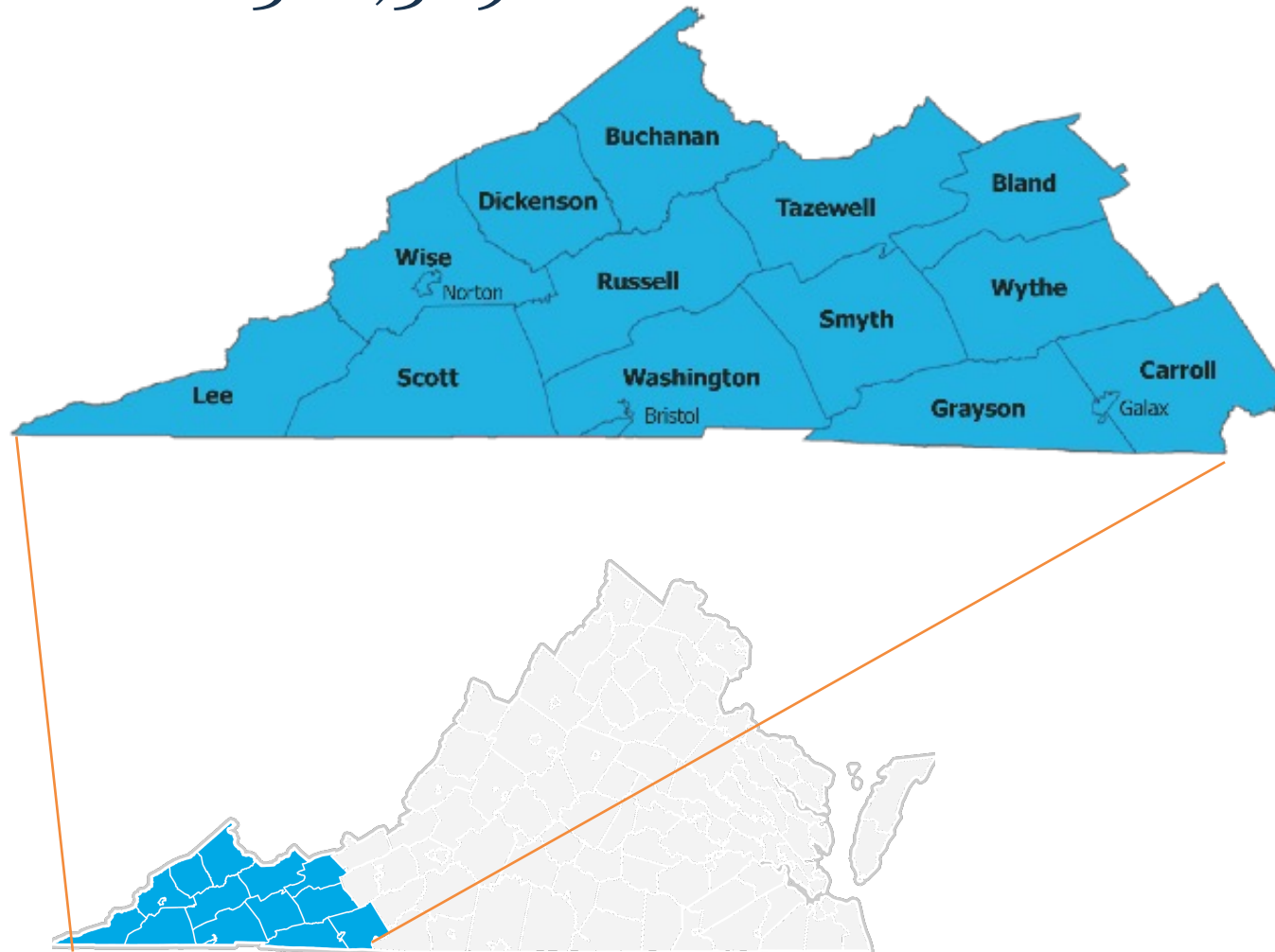
Cyclical Changes: Fed Rates?

Impact: Data Dependent Brings a Whole New Meaning With Current Amount of Uncertainty

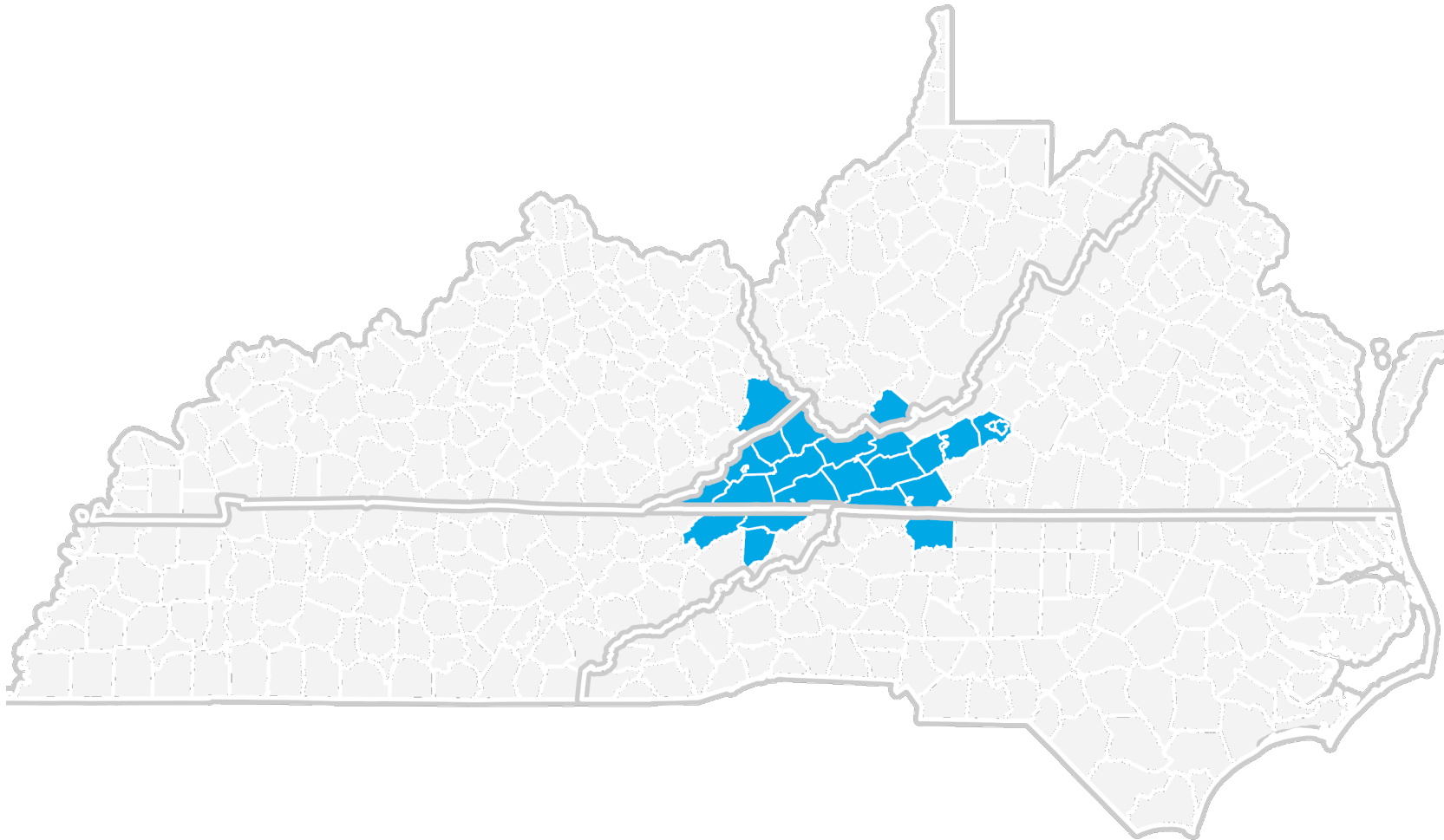


GO Virginia Region 1

13 Counties and 3 Cities Make Up GO Virginia 1 with a Population of 368,369*

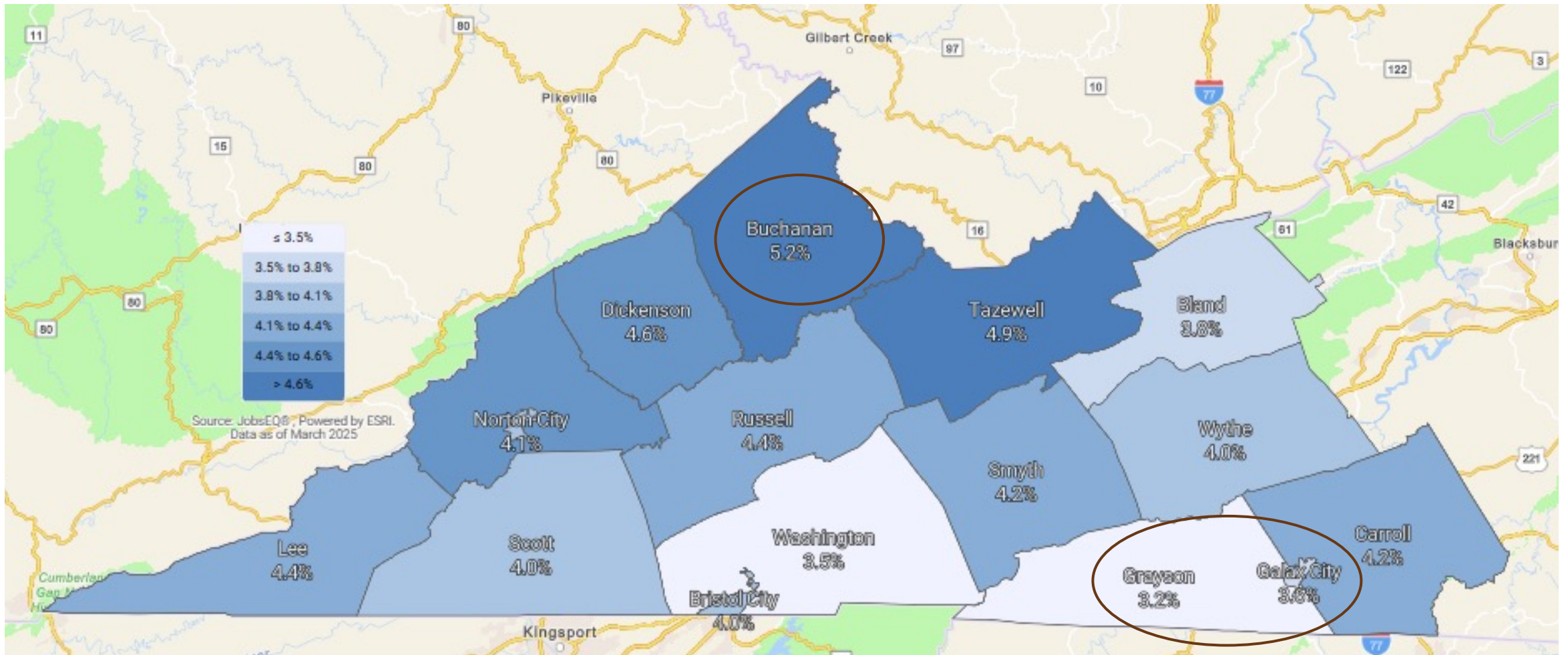


The Labor Shed is Much Larger With a Population of 1,278,518*



- City of Roanoke, Virginia
- City of Salem, Virginia
- Hawkins County, Tennessee
- Mercer County, West Virginia
- Montgomery County, Virginia
- Pike County, Kentucky
- Pulaski County, Virginia
- Radford City, Virginia
- Roanoke County, Virginia
- Sullivan County, Tennessee
- Surry County, North Carolina
- Washington County, Tennessee

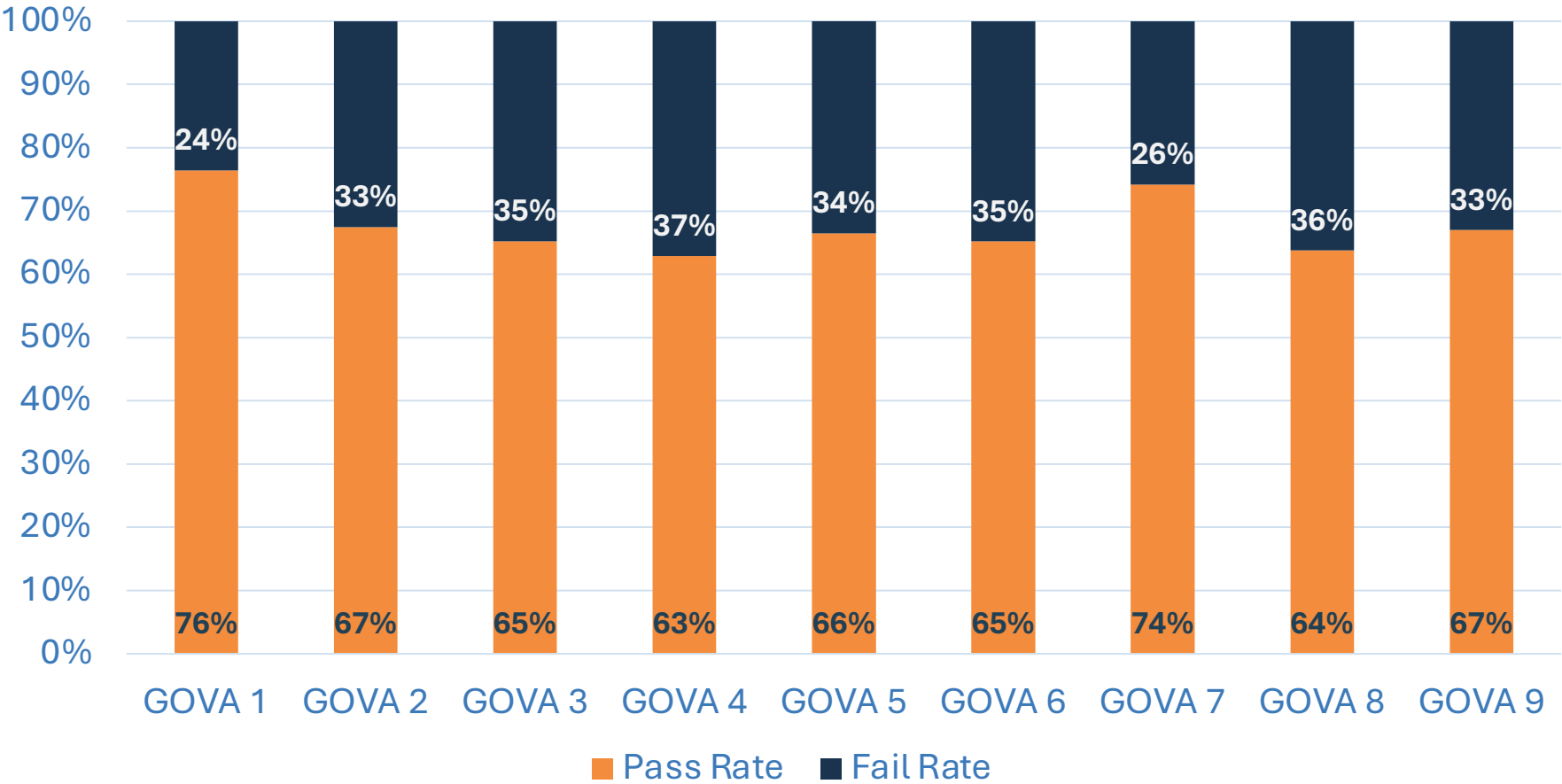
Unemployment Rate in GO Virginia Region 1 Localities Generally Above 3.4% State Average in March 2025 (Go VA 1: 4.1%)



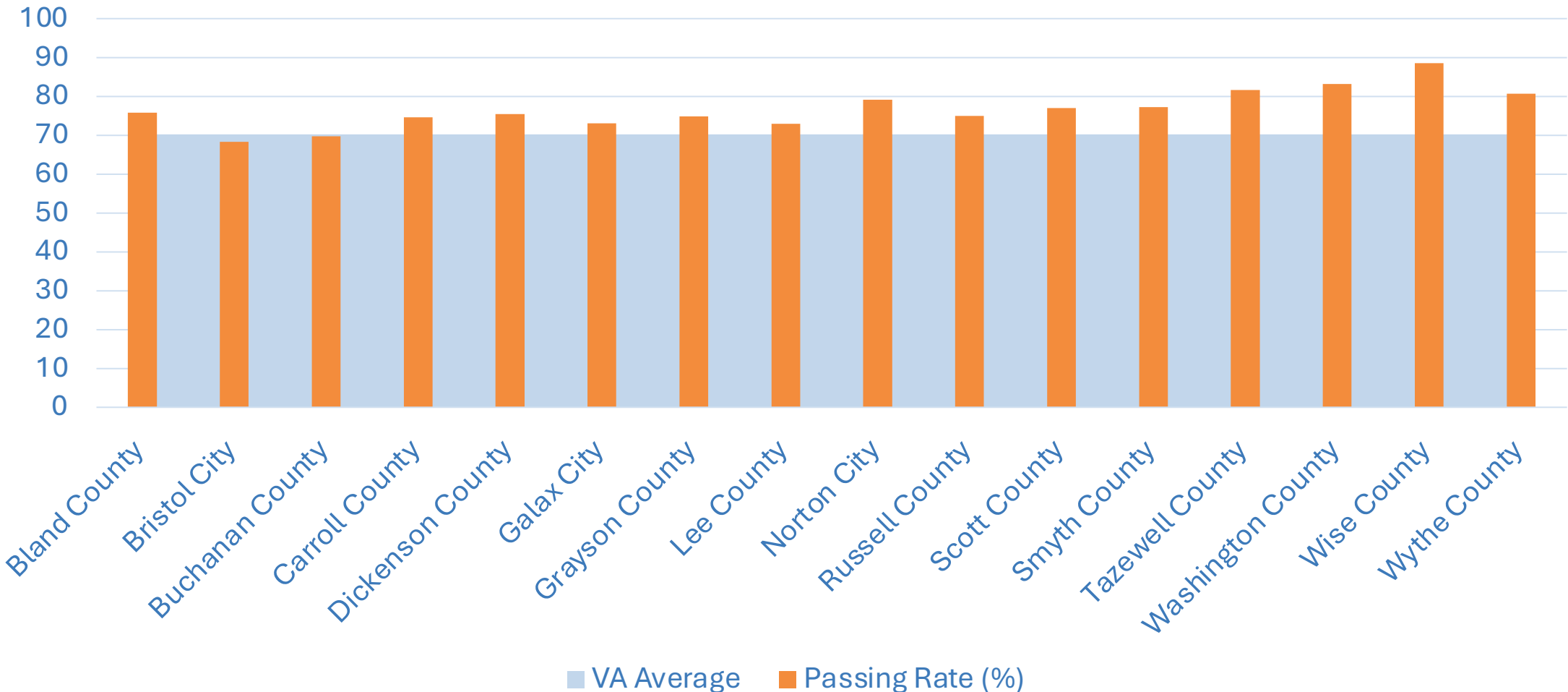
Quality of Life



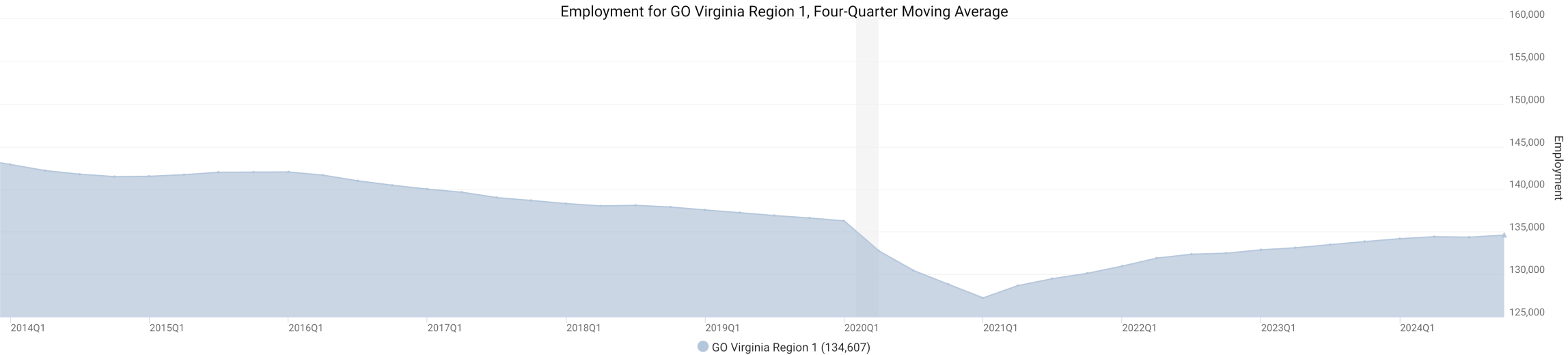
How About the K-12 System? GO Virginia 1 Leads in Overall SOL Passing Rates for All Grades, With Lowest Failure Rates



All GO Virginia 1 Localities, Except Bristol and Buchanan, Outperform the State in SOL Passing Rates

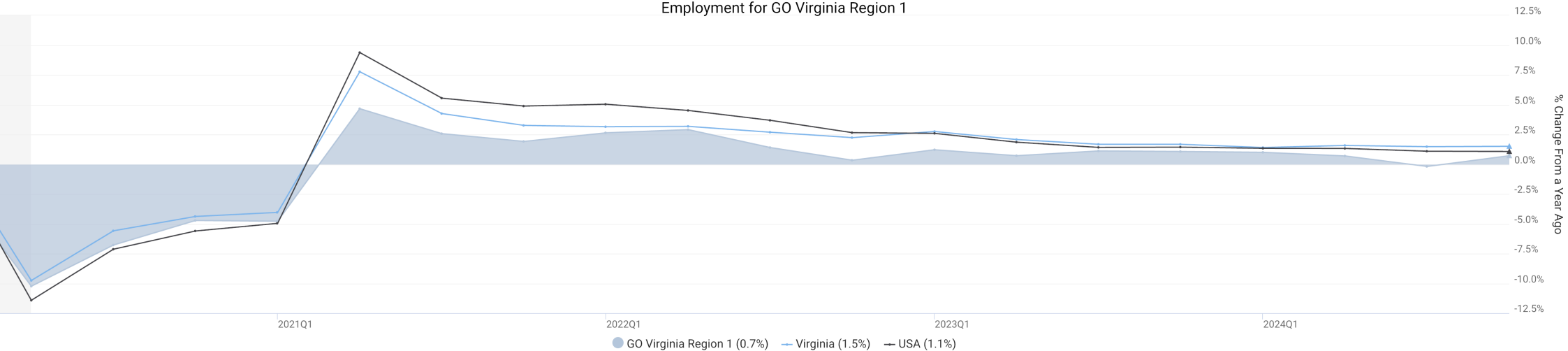


Growth? Employment Has Been Growing Since 2021 in GO Virginia Region 1: But is 1,672 Below Pre-Covid Level

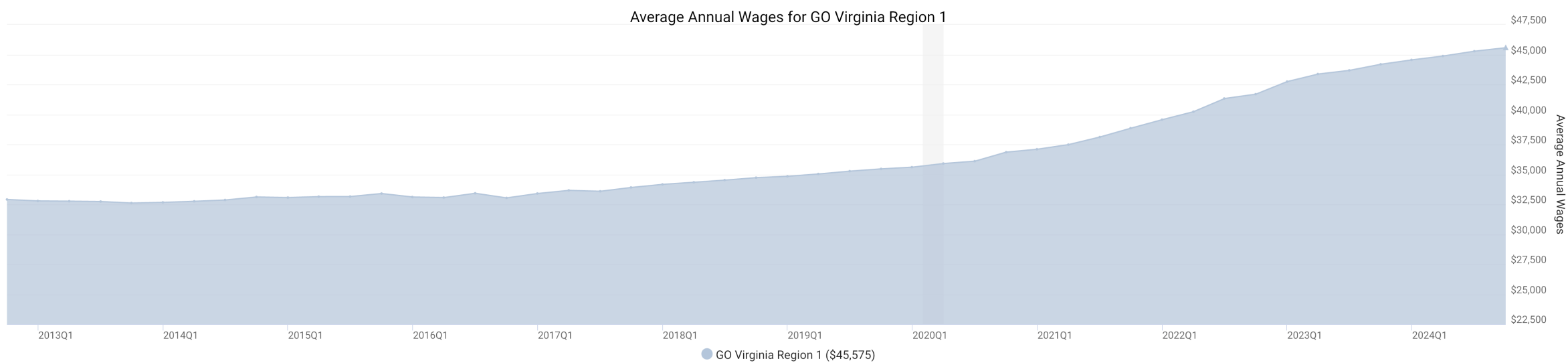


Source: JobsEQ®. Data as of 2024Q4. The shaded areas of the graph represent national recessions.

Year-Over-Year Employment in GO Virginia Region 1 Has Been Positive Since 2021



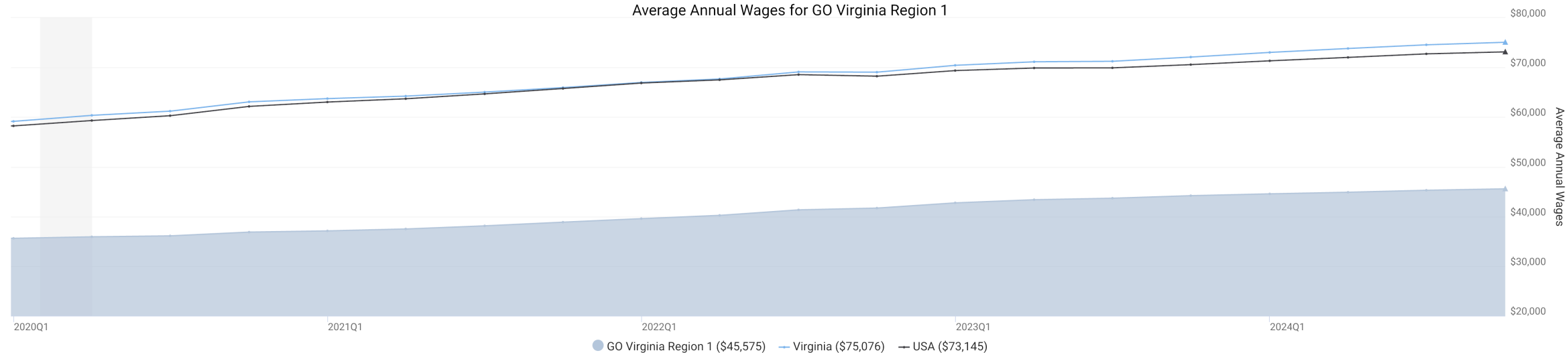
What About Earnings? Average Wages Have Risen to \$45,575* From \$33,119 Ten Years Ago



*Inflation adjusted wages are \$44,669 compared with 10 years ago.

Annual Average Wages are About 37% Lower Compared To Virginia and Nation

Average Annual Wages for GO Virginia Region 1



Source: JobsEQ8. Data as of 2024Q4. The shaded areas of the graph represent national recessions.

Lower Wage Due, In Part, To Cost of Living: 16.5% Less in GO Virginia 1 Than the Nation

Cost of Living

	Annual Average Salary	Cost of Living Index (Base US)	US Purchasing Power	Cost of Living Index (Base GO Virginia Region 1)	GO Virginia Region 1 Purchasing Power
GO Virginia Region 1	\$45,575	85.8	\$53,115	100.0	\$45,575
Virginia	\$75,076	106.0	\$70,840	123.5	\$60,783
USA	\$73,145	100.0	\$73,145	116.5	\$62,761

Source: JobsEQ®
Cost of Living per COLI, data as of 2024Q3, imputed by Chmura where necessary.
Total - All Industries, Total Employment, GO Virginia Region 1

What About Future Growth in GO Virginia 1? Favorable Shift in Industry Mix: 3,840 Jobs Added in Industries Paying Higher Than Average Wages

Industry	Current, 2024Q4			4-Year History	
	Empl	Avg Ann Wages	LQ	Empl Change	Ann %
Educational Services	13,599	\$43,759	1.25	1,589	3.2%
Accommodation and Food Services	10,881	\$21,863	0.93	1,207	3.0%
Manufacturing	16,671	\$56,186	1.58	1,133	1.8%
Arts, Entertainment, and Recreation	2,121	\$31,735	0.75	1,064	19.0%
Health Care and Social Assistance	19,907	\$51,104	0.98	904	1.2%
Transportation and Warehousing	4,600	\$53,955	0.68	567	3.3%
Mining, Quarrying, and Oil and Gas Extraction	3,306	\$87,305	6.76	420	3.5%
Public Administration	10,341	\$54,018	1.63	281	0.7%
Construction	6,445	\$52,326	0.80	259	1.0%
Utilities	930	\$79,059	1.33	143	4.3%
Wholesale Trade	3,012	\$62,083	0.60	133	1.1%
Retail Trade	18,220	\$30,897	1.39	-36	0.0%
Real Estate and Rental and Leasing	897	\$43,655	0.38	-67	-1.8%
Professional, Scientific, and Technical Services	3,696	\$57,514	0.38	-68	-0.5%
Finance and Insurance	2,445	\$63,464	0.46	-91	-0.9%
Other Services (ex. Public Administration)	5,277	\$34,555	0.92	-125	-0.6%
Information	1,073	\$51,059	0.42	-221	-4.6%
Management of Companies and Enterprises	1,163	\$76,142	0.55	-233	-4.5%
Agriculture, Forestry, Fishing and Hunting	3,710	\$16,663	2.29	-347	-2.2%
Administrative and Support and Waste Management and Remediation Services	5,891	\$35,838	0.72	-765	-3.0%
Total - All Industries	134,607	\$45,575	1.00	5,777	1.1%

Favorable Shift in Industry Mix: 3,840 Jobs Added in Industries Paying Higher Than Average Wages

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Some High-Paying Industries in GO Virginia Region 1 Growing Faster than in the Nation Over Past 4 Years

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Information	1,073	\$51,059	0.42	-221	-4.6%	1.9%
Management of Companies and Enterprises	1,163	\$76,142	0.55	-233	-4.5%	2.9%
Agriculture, Forestry, Fishing and Hunting	3,710	\$16,663	2.29	-347	-2.2%	-0.8%
Administrative and Support and Waste Management and Remediation Services	5,891	\$35,838	0.72	-765	-3.0%	1.7%
Total - All Industries	134,607	\$45,575	1.00	5,777	1.1%	2.6%

Looking to the Future: Key Targets for GO Virginia Region 1

All Pay Above Average Wages

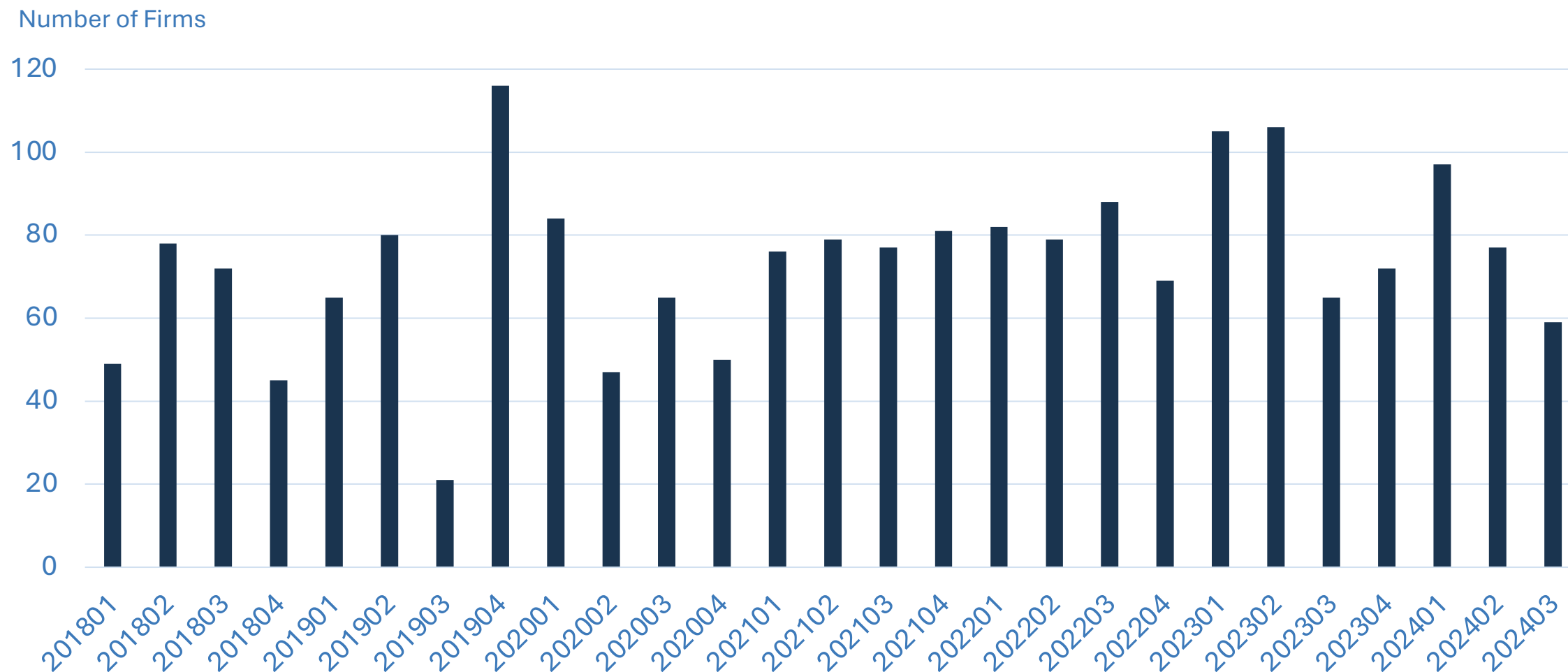
	Key Targets for GO Virginia Region One				
	Advanced Manufacturing	Food and Beverage Manufacturing	Energy and Minerals	Information Technology	Logistics, Transportation, and Warehousing
Location Quotient	1.58	0.89	3.54	0.63	0.69
Average Annual Wage	\$56,186	\$57,000	\$94,582	\$99,200	\$55,455
Employment	16,671	1,445	3,884	2,505	4,084
Export Sector	✓	✓	✓	✓	✓
Comments	The region possesses above-average wages and competitive advantages in many manufacturing industries.	Prominence of agriculture in the region creates a fertile environment to attract food and beverage manufacturers to the area.	High wages and competitive advantages showcase the importance of energy to the region.	Defined at an occupation level due to their importance across many industries. CGI, DP Facilities South, and Northrop Grumman are examples of this emerging cluster.	Above-average wages and rapid expansion of e-commerce over the pandemic support this emerging cluster.

Source: Chmura’s JobsEQ 2024Q4

Three Health Care Occupations in Top 15 Need 721 New Workers Each Year

Rank	Go Virginia Region 1: Occupations	2024Q4			1-Year Forecast				
		Empl	Mean Ann Wages ²	LQ	Total Demand	Exits	Transfers	Empl Growth	Ann % Growth
1	Cashiers	4,625	\$28,600	1.7	736	394	429	-87	-1.9%
2	Fast Food and Counter Workers	3,694	\$28,700	1.2	842	387	464	-9	-0.3%
3	Retail Salespersons	3,209	\$34,800	1.1	421	195	254	-29	-0.9%
4	Stockers and Order Fillers	3,080	\$35,700	1.3	479	180	305	-6	-0.2%
5	Farmers, Ranchers, Other Agricultural Mgrs	2,496	\$68,600	4.3	222	163	88	-29	-1.2%
6	Personal Care Aides	2,474	\$29,100	1.0	387	190	167	31	1.3%
7	General and Operations Managers	2,462	\$113,300	0.9	184	53	140	-10	-0.4%
8	Heavy and Tractor-Trailer Truck Drivers	2,300	\$52,800	1.3	219	93	138	-11	-0.5%
9	Registered Nurses	2,127	\$76,300	0.8	102	61	46	-5	-0.2%
10	Customer Service Representatives	2,098	\$37,300	0.9	232	101	161	-31	-1.5%
11	Office Clerks, General	1,919	\$37,600	0.9	187	99	115	-27	-1.4%
12	Team Assemblers	1,916	\$42,100	1.9	206	77	143	-13	-0.7%
13	Laborers, Freight, Stock, Material Movers, Hand	1,785	\$38,700	0.7	220	81	147	-8	-0.5%
14	Nursing Assistants	1,770	\$35,400	1.5	232	102	139	-9	-0.5%
15	Elementary School Teachers, Ex Special Ed	1,688	\$58,000	1.5	100	51	58	-9	-0.6%

Entrepreneurial Activity? New Start Ups (Less Than 20 Employees) Have Added 6,400 Jobs in GO Virginia Region 1 Since 2018



91 High Wage, High Growth Firms Opened In GO Virginia Region 1: 2022Q1 – 2024Q3

New Startups with 20 Employees or Fewer, GO Virginia Region 1, 2022Q1 and Forward - High Wage, High Growth						
NAICS	Title	Number of New Startups	New Startup Empl	Avg Empl	Avg Wage/ Employee	% New Startups in High- Wage, High-Growth Cluster
621111	Offices of Physicians (except Mental Health Specialists)	12	28	2.3	\$44,000	13.2%
541512	Computer Systems Design Services	8	7	0.9	\$58,000	8.8%
524210	Insurance Agencies and Brokerages	8	16	2.0	\$42,000	8.8%
541611	Administrative Management and General Management Consulting	7	8	1.2	\$82,000	7.7%
541511	Custom Computer Programming Services	7	10	1.4	\$66,000	7.7%
236220	Commercial and Institutional Building Construction	5	28	5.6	\$39,000	5.5%
561110	Office Administrative Services	4	7	1.8	\$69,000	4.4%
622110	General Medical and Surgical Hospitals	4	9	2.1	\$48,000	4.4%
524292	Third Party Administration of Insurance and Pension Funds	3	4	1.3	\$36,000	3.3%
423860	Transportation Equipment and Supplies (except Motor Vehicle) M	2	nd	nd	nd	2.2%
541618	Other Management Consulting Services	2	nd	nd	nd	2.2%
541690	Other Scientific and Technical Consulting Services	2	nd	nd	nd	2.2%
541613	Marketing Consulting Services	2	nd	nd	nd	2.2%
541620	Environmental Consulting Services	2	nd	nd	nd	2.2%
621999	All Other Miscellaneous Ambulatory Health Care Services	2	nd	nd	nd	2.2%
524291	Claims Adjusting	1	nd	nd	nd	1.1%
311821	Cookie and Cracker Manufacturing	1	nd	nd	nd	1.1%
621410	Family Planning Centers	1	nd	nd	nd	1.1%
524126	Direct Property and Casualty Insurance Carriers	1	nd	nd	nd	1.1%
512110	Motion Picture and Video Production	1	nd	nd	nd	1.1%
	Total	91	216	2.4	\$45,692	100.0%

Affordable Housing? Home Prices in 7 GO Virginia Region 1 Localities Rising Faster Than in the State But Remain Relatively Low

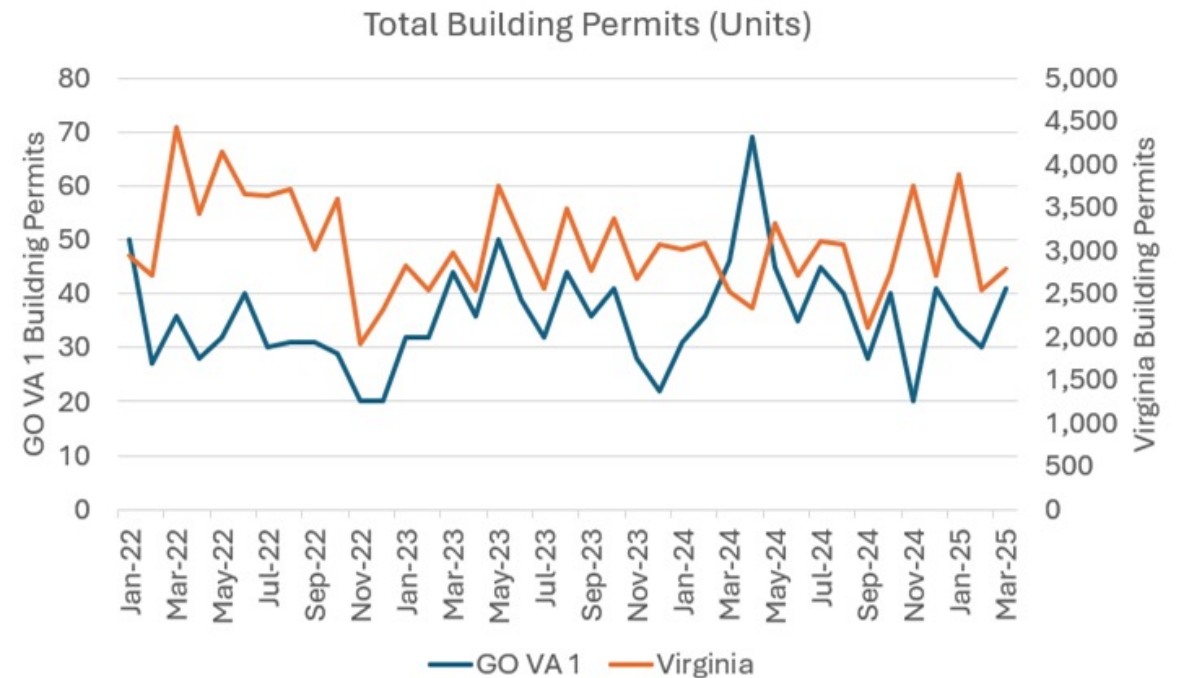
	Avg. Home Value	1-year Growth
Virginia	\$408,059	3.3%
Washington County	\$260,746	3.9%
Wythe County	\$199,706	2.2%
Grayson County	\$186,021	2.5%
Bristol City	\$182,444	1.7%
Carroll County	\$164,771	-6.4%
Scott County	\$163,071	2.4%
Bland County	\$162,821	2.4%
Galax City	\$160,302	7.9%
Smyth County	\$153,057	3.4%
Tazewell County	\$134,505	2.1%
Russell County	\$132,629	-3.7%
Wise County	\$124,801	4.6%
Norton City	\$120,565	3.6%
Lee County	\$100,382	8.6%
Dickenson County	\$100,112	7.5%
Buchanan County	\$74,137	-7.9%

Source: Zillow.com, April 2025

Builders Have Responded with Getting Permits for 1,391 Residential Units Since January 2022

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Source: Zillow.com, April 2025



Higher Ed Pipeline? University of Virginia's College at Wise Conferred 225 Awards 2022-2023 Academic Year

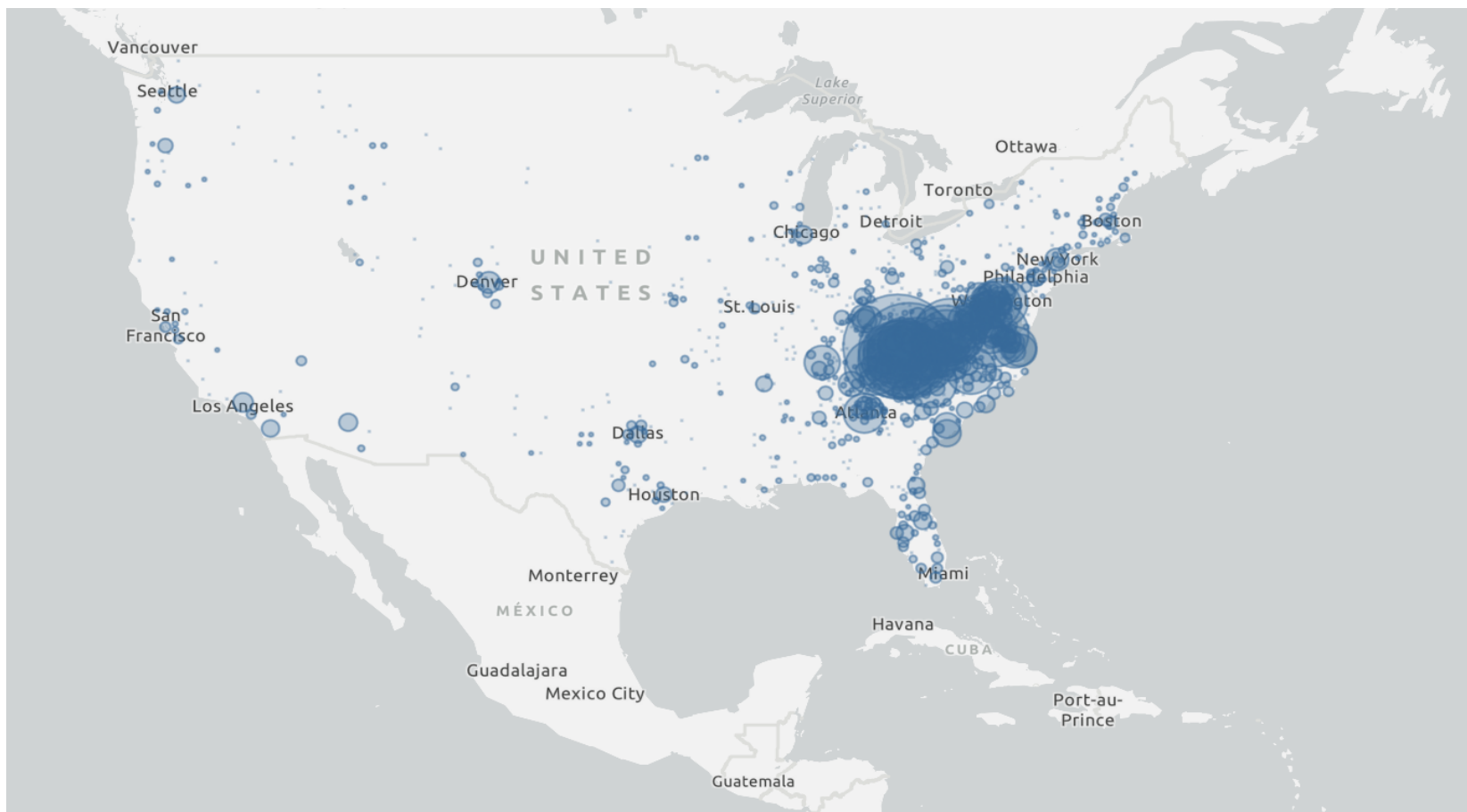
Rank	Classification of Instructional Program	4yr Awards	Postgraduate Awards	Total Awards
1	Liberal Arts and Sciences/Liberal Studies	66	0	66
2	Social Sciences, General	49	0	49
3	Business/Commerce, General	32	0	32
4	Registered Nursing/Registered Nurse	20	0	20
5	History, General	18	0	18
6	Biological and Physical Sciences	17	0	17
7	Computer Science	8	0	8
8	English Language and Literature, General	6	0	6
9	Management Information Systems, General	5	0	5
10	Mathematics, General	4	0	4
11	Computer Software Engineering	0	0	0

Source: Chmura's JobsEQ

Emory & Henry University Conferred 311 Awards: 2022-2023 Academic Year

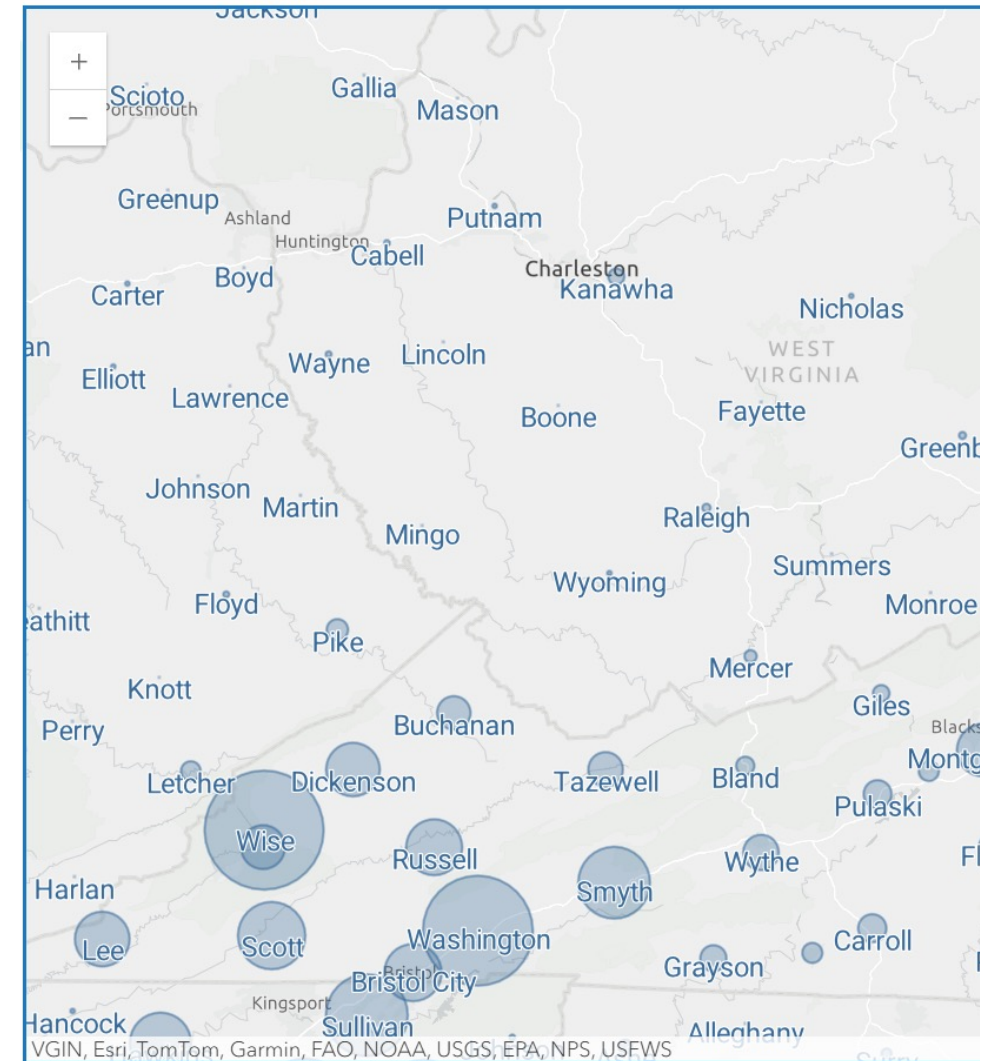
Rank	Classification of Instructional Program	4yr Awards	Postgraduate Awards	Total Awards
1	Physical Therapy/Therapist	0	32	32
2	Business Administration & Mgmt, General	31	0	31
3	Physician Associate/Assistant	0	30	30
4	Exercise Science and Kinesiology	27	0	27
5	Biology/Biological Sciences, General	13	0	13
6	Mass Communication/Media Studies	13	0	13
7	Teacher Education and Professional Development, Specific Levels and Methods, Other	0	13	13
8	Psychology, General	12	0	12
9	Political Science and Government, General	11	0	11
10	Sport and Fitness Administration/Management	11	0	11
11	History, General	9	0	9
12	Sociology, General	8	0	8
13	General Studies	6	0	6
14	Accounting	5	0	5
15	Chemistry, General	5	0	5
16	Community Organization and Advocacy	4	1	5
17	Economics, General	5	0	5
18	English/Language Arts Teacher Education	4	0	4
19	Environmental Science	4	0	4
20	Environmental Studies	4	0	4

UVA Wise and Emory & Henry Alumni Live Across the Nation



33% of UVA Wise and Emory & Henry Alumni Currently Live in Go VA Region 1

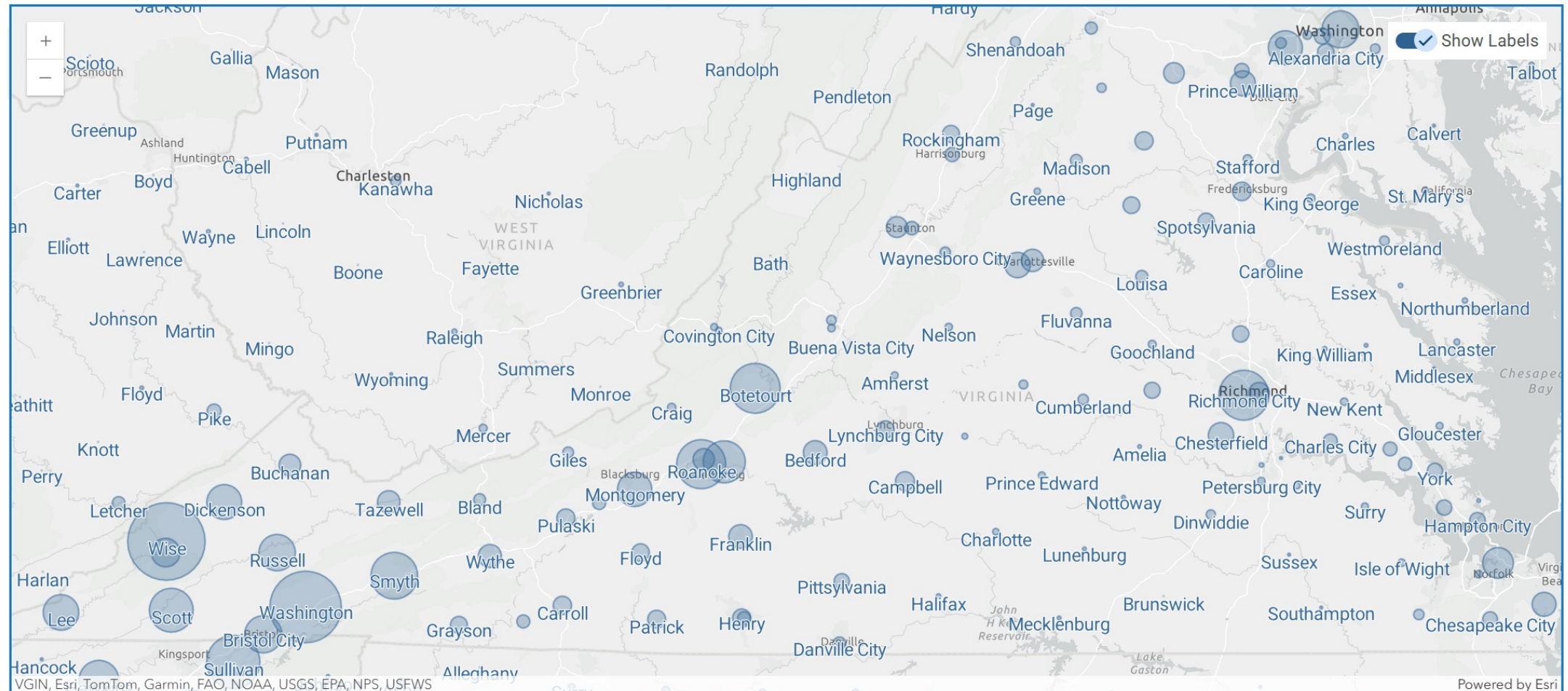
Residence Locations



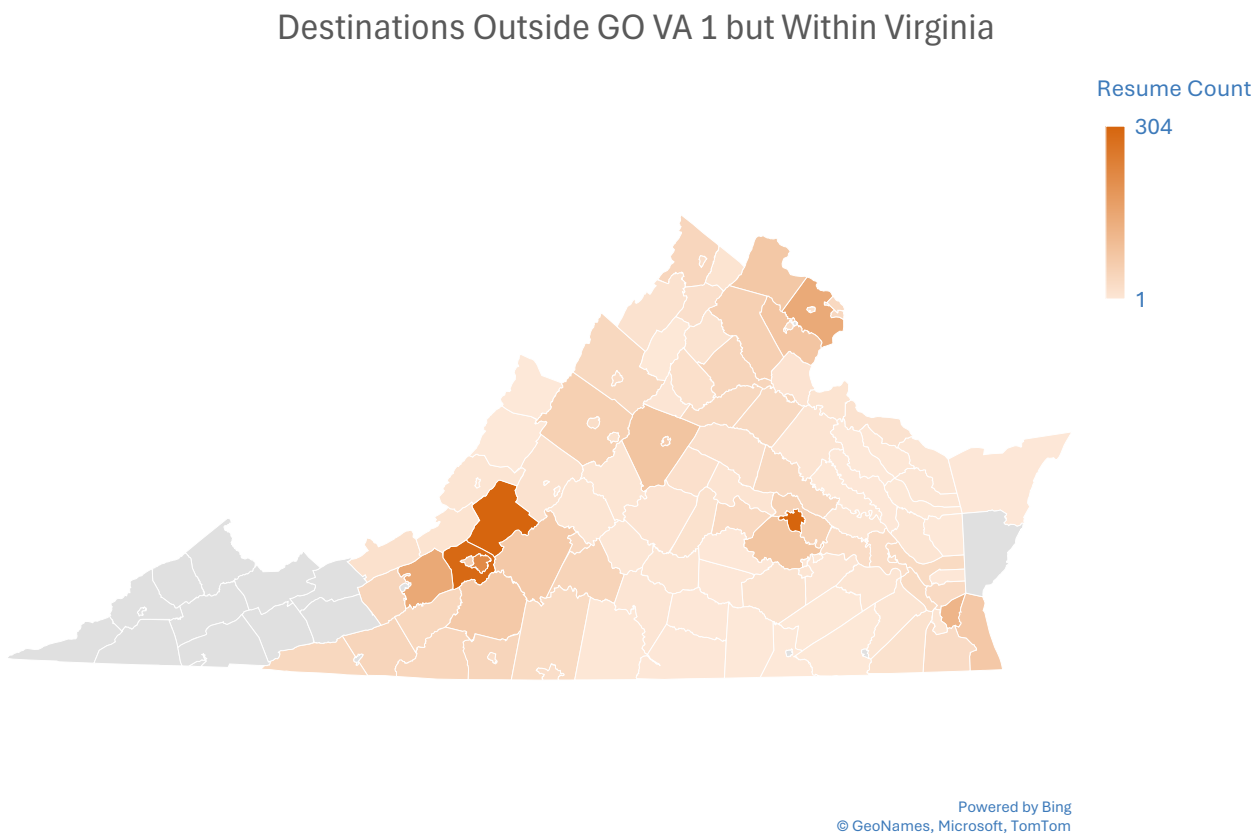
78% of UVA Wise and Emory & Henry Alumni Currently Live in Virginia

Residence Locations

Clip



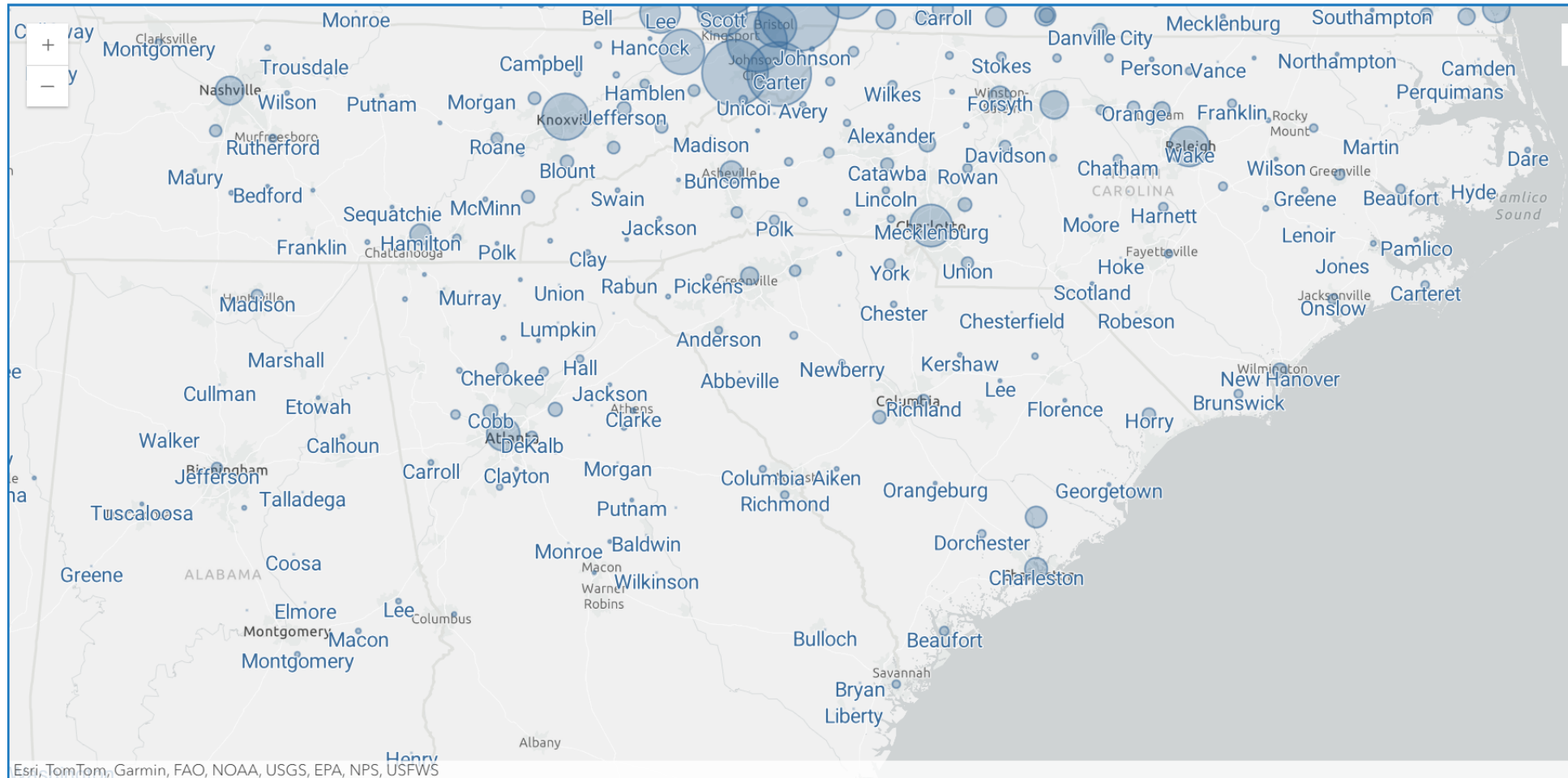
UVA Wise and Emory & Henry Alumni Top Residences are City of Richmond and Roanoke MSA



County	Resumes
Richmond City	304
Botetourt County	303
Roanoke County	294
Roanoke City	218
Montgomery County	147
Fairfax County	145
Norfolk City	119
Chesterfield County	83
Albemarle County	83
Prince William County	81
Loudoun County	76
Virginia Beach City	74
Bedford County	73
Franklin County	72
Charlottesville City	65
Salem City	60
Augusta County	57
Fauquier County	56
Henrico County	55
Campbell County	48

34% of UVA Wise and Emory & Henry Alumni Currently Live in North Carolina or Tennessee

Residence Locations



Concluding Thoughts

- Uncertainty surrounding U.S. economy remains high
 - Recession unlikely but still possible
 - Expect pick up in 2nd half of year with tax cuts and tariff resolution
- GO Virginia Region 1
 - Favorable shift in industry mix
 - Moderate employment growth
 - 3,840 jobs added in high paying industries over last 12 months
 - Progress on target sectors
 - But lack of job growth in professional industries
 - Favorable Quality of Life
 - Good SOL scores
 - Good climate for new start ups
 - Alumni staying or returning to the region

Weekly Economic Update

Sign up here for complimentary updates: <https://www.chmura.com/weekly-economic-update>



WEEKLY ECONOMIC UPDATE

Summary

U.S. stocks tumbled on Friday and ended the week lower as investors worried the Federal Reserve will cause the economy to slow too much by raising interest rates faster than previously expected. For the week, the Dow Jones Industrial Average declined 1.9%, the S&P 500 decreased 2.8%, and the NASDAQ fell 3.8%. It was a light week for economic reports. Initial unemployment claims for the week ending April 16 decreased 2,000 to 184,000. Housing starts inched

forward 0.3% and building permits—a forward-looking metric—were up 0.4% last month as strong activity in the volatile multifamily segment offset declines in single-family activity. On a year-over-year basis, starts climbed 3.9% and building permits were 6.7% higher. Sales of existing homes—which are counted when contracts are closed—decreased 2.7% last month and were down 4.5% on a year-over-year basis. The median sales price rose 15.0% from March 2021. In more

housing news, the National Association of Home Builders October Housing Market Index, a gauge of builder confidence, declined 2 points to 77, but still signaled strong confidence among builders. The Conference Board's Leading Economic Index, a gauge of the outlook for the U.S. economy over the next three to six months, rose 0.3% in March after advancing an upwardly revised 0.6% in February.



WEEKLY ECONOMIC UPDATE

Economic Review

Housing starts and building permits—a forward-looking metric—rose modestly last month driven by activity in the volatile multifamily segment. HOUSING STARTS inched forward 0.3% in March to 1,793 thousand units at an annualized rate (TUAR). The March rate is 3.9% above the March 2021 rate of 1,725 TUAR. Starts to build single-family homes declined 1.7% while starts to build units in buildings with at least five units jumped 7.5%. By region, total starts advanced 110.8% in the Northeast and 7.7% in the West while falling 2.5% in the Midwest and 17.2% in the South. New BUILDING PERMITS edged up 0.4% to 1,873 TUAR and are 6.7% above the March 2021 rate of 1,750 TUAR. Permits for units in buildings with five units or more jumped 10.0% in March while permits to build single-family homes fell 4.8%.

Sales of existing homes declined more than expected in March while the median existing home sales price increased at a healthy pace. EXISTING HOME SALES, which are counted when contracts are closed, fell 2.7% to 5.77 million units at an annualized rate (MIUAR) from 5.93 MIUAR in February. From March 2021, sales decreased 4.5%. First-time buyers purchased 30% of all existing homes sold last month, up 1 percentage point from February. All-cash sales

represented 28% of sales in March, up 3 percentage points from February. Distressed sales accounted for less than 1% of March sales, unchanged from February. The median sales price advanced 15.0% from March 2021 to \$375,500. At the current sales pace, it would take 2.0 months to sell the 950,000 existing homes for sale. Sales decreased 2.0% in the Northeast, 4.5% in the Midwest, and 3.0% in the South while remaining unchanged in the West.

INITIAL UNEMPLOYMENT CLAIMS declined to 184,000 for the week ending April 16, slightly below economists' expectations. The four-week moving average rose 4,500 to 177,250. CONTINUED BENEFITS decreased 58,000 to 1,417,000 for the week ending April 9. The four-week moving average, a better measure of underlying trends, fell 31,250 to 1,481,750.



WEEKLY ECONOMIC UPDATE

Fed Speeches

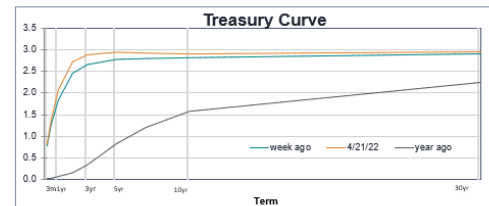
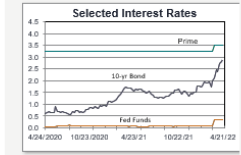
Federal Reserve Bank of St. Louis President and CEO James Bullard spoke at Princeton University last week. President Bullard talked about how the United States experienced a core personal consumption expenditure (PCE) inflation rate similar to the current rate of 5.4% in both 1974 and 1983. The Federal Open Market Committee (FOMC) kept the target range for the federal funds rate — “the Fed is not as far behind the curve, although it would still have to raise the policy rate to ratify the forward guidance.”

President Bullard also presented two interpretations of whether the central bank, which is expected to raise the target range for the federal funds rate by at least 50 basis point at its next meeting, is “behind the curve” on increasing rates. Based on the second interpretation, which takes into account the credibility of the modern Fed, “the Fed is not as far behind the curve,” although it would still have to raise the policy rate to ratify the forward guidance.”

The 1982 FOMC, which was also looking at a core PCE inflation rate similar to today's, had a different response to monetary policy and quite more about monetary policy affecting inflation.

Financial Markets

U.S. stocks ended last week lower with the Dow Jones Industrial Average decreasing 1.5%, the S&P 500 declining 2.8%, and the NASDAQ falling 3.8%. Treasury yields rose across the curve with the 10-year yield increasing 7 basis points (bps) to 2.90% and the 30-year yield up 3 bps to 2.95%. Oil prices eased 0.8%, ending the week at \$105.67 per barrel. The U.S. dollar climbed 2.1% against the Japanese yen and the euro decreased 0.3% against the greenback last week.



WEEKLY ECONOMIC UPDATE

Interest Rate Forecast*

The Federal Open Market Committee (FOMC) raised the federal funds rate target to 0.25% to 0.50% at the Fed's March policy meeting. In the statement released following the March meeting, the FOMC said, “Indicators of economic activity and employment have continued to strengthen. Job gains have been strong in recent months.”

and the unemployment rate has declined substantially. Inflation remains elevated, reflecting supply and demand imbalances related to the pandemic, higher energy prices, and broader price pressures.” The statement went on to say, “...the Committee anticipates ongoing increases in the target range will be appropriate.”

FINANCIAL MARKET SUMMARY

	As of 4/22/2021	As of 4/16/2021	Weekly Change	4-Week Change	15-Week Change
MONEY MARKET (Changes in BPs)					
Prime	3.50	3.50	0	0	25
LIBOR Index Base Rate (1 Month)	0.82	0.55	7	17	55
Fed Funds (90-day)	0.33	0.33	0	0	25
TREASURY (BES) (Changes in BPs)					
8 Months	0.83	0.79	4	28	66
1 Year	1.34	1.25	9	33	99
2 Years	2.06	1.84	22	39	142
5 Years	2.72	2.47	25	42	171
10 Years	2.94	2.79	15	39	140
30 Years	2.90	2.83	7	42	115
15 Years	2.95	2.82	3	35	68
MUNICIPAL BAA-AAA 0.0 & Mortgage (Changes in BPs)					
2-Year Muni	2.21	2.02	19	48	162
5-Year Muni	2.48	2.26	22	49	154
10-Year Muni	2.89	2.46	21	70	136
30-Year Muni	3.04	2.85	19	44	125
30-Year Conventional Mortgage	5.11	5.00	11	69	155
MARKET INDICATORS (Changes in %)					
DAX	33,511.40	34,451.23	(1.9)	(3.0)	(1.3)
S&P 500	4,271.78	4,282.59	(2.8)	(8.0)	(2.9)
NIKKEI	12,839.29	13,351.08	(3.8)	(9.4)	(8.8)
CRB Futures	323.79	331.82	(2.4)	(1.0)	22.8
Oil (WTI Crude)	105.67	106.50	(0.8)	(0.2)	24.1
Gold	1,934.50	1,977.10	(2.2)	(1.0)	13.0
Yen / Dollar	128.50	125.88	2.1	5.2	9.5
Dollar / Euro	1.08	1.08	(0.3)	(1.7)	(8.8)

The information in this newsletter is obtained from sources we believe to be reliable. We cannot, however, guarantee its accuracy and completeness. Furthermore, the opinions in this report constitute our present judgment, which is subject to change without notice.



Week of April 25, 2022

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10TH ANNUAL **SWVA ECONOMIC FORUM**



**SW
VA**



Shifting Landscapes: Demographic Trends in Southwest Virginia

Hamilton Lombard



Demographic Trends in Southwest Virginia During the 2020s

SWVA Economic Forum

May 2025

Hamilton Lombard

Hamilton.Lombard@Virginia.edu



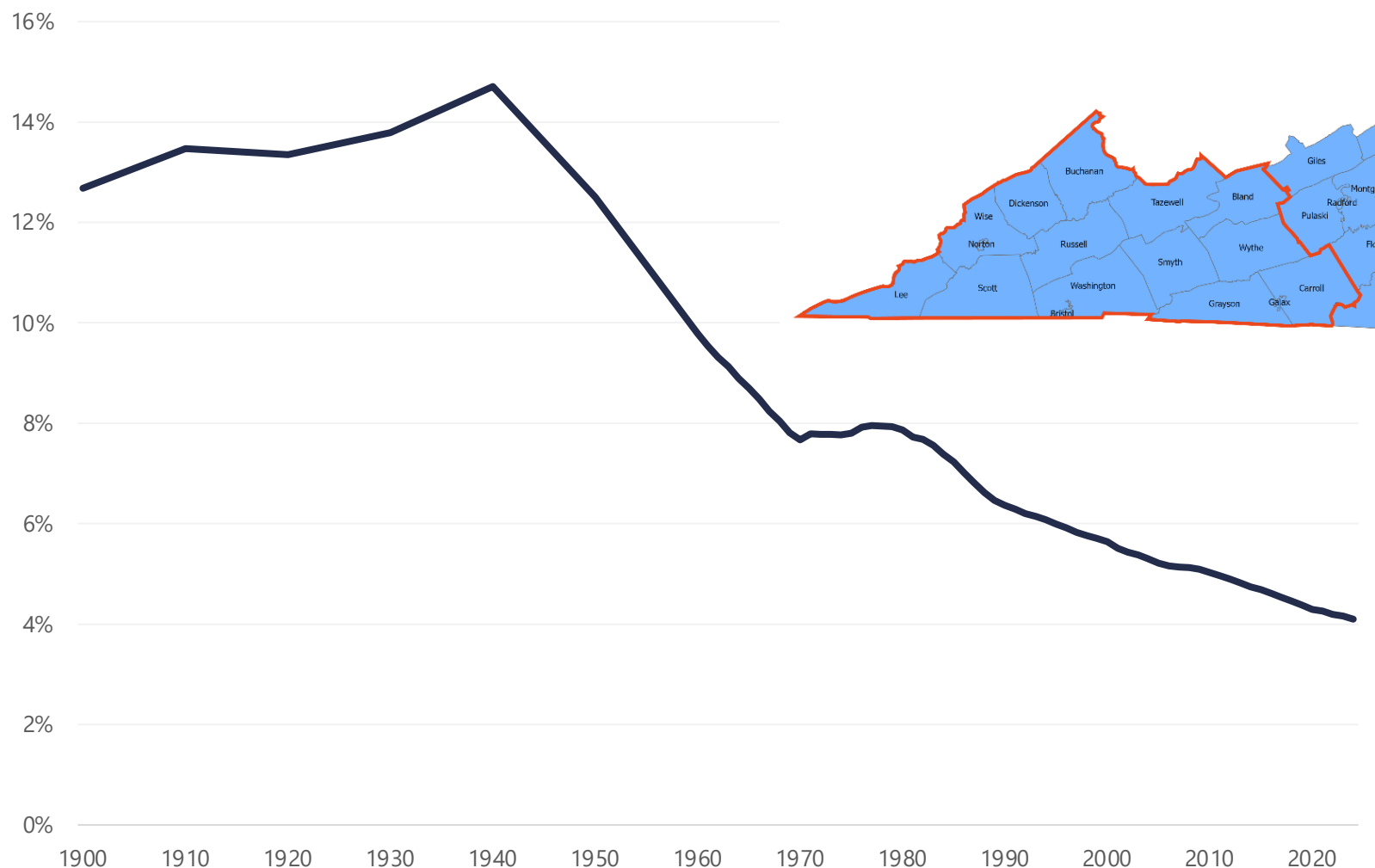
Weldon Cooper Center
for Public Service

Presentation Overview

- **The demographic trends that shaped modern SWVA**
- Examining how migration has shifted since 2020
- What's driving migration today and what it means for the future

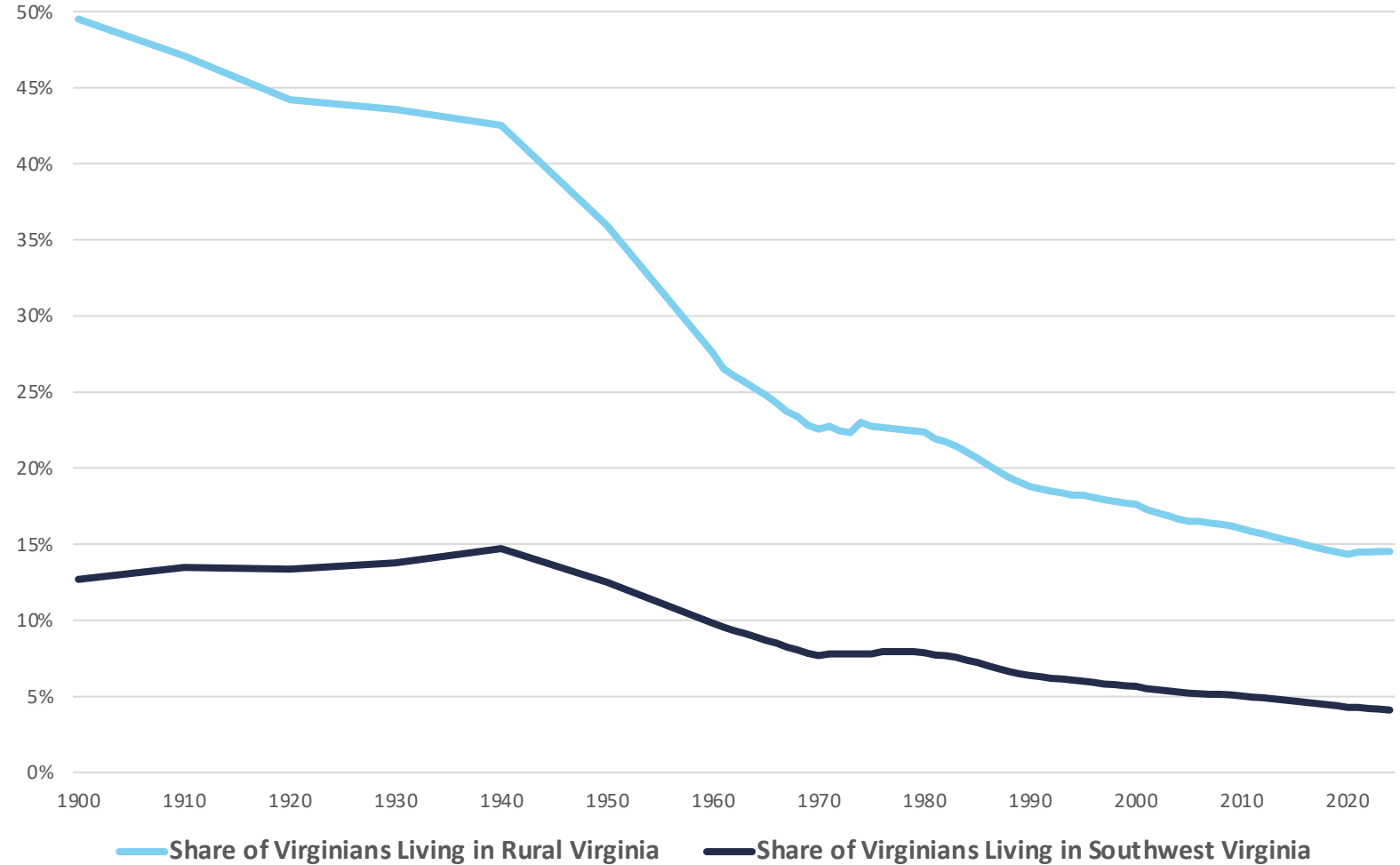
Southwest Virginia's population has declined both in number and in share of the state's population

Share of Virginians Living in Southwest Virginia



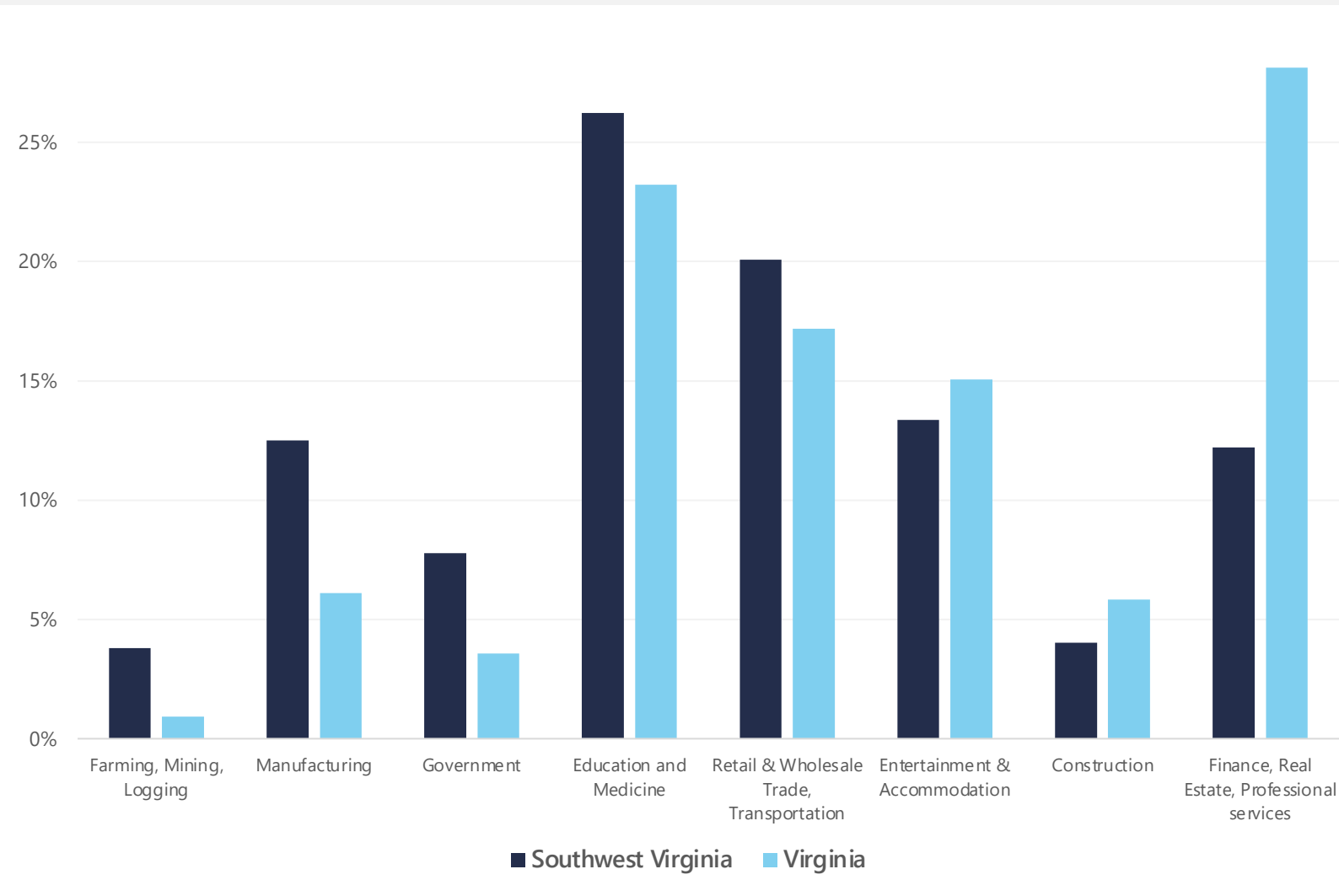
The decline in population share seen in Southwest Virginia is part of a broader trend of rural decline in Virginia

Share of Virginians Living in Rural Virginia & Southwest Virginia



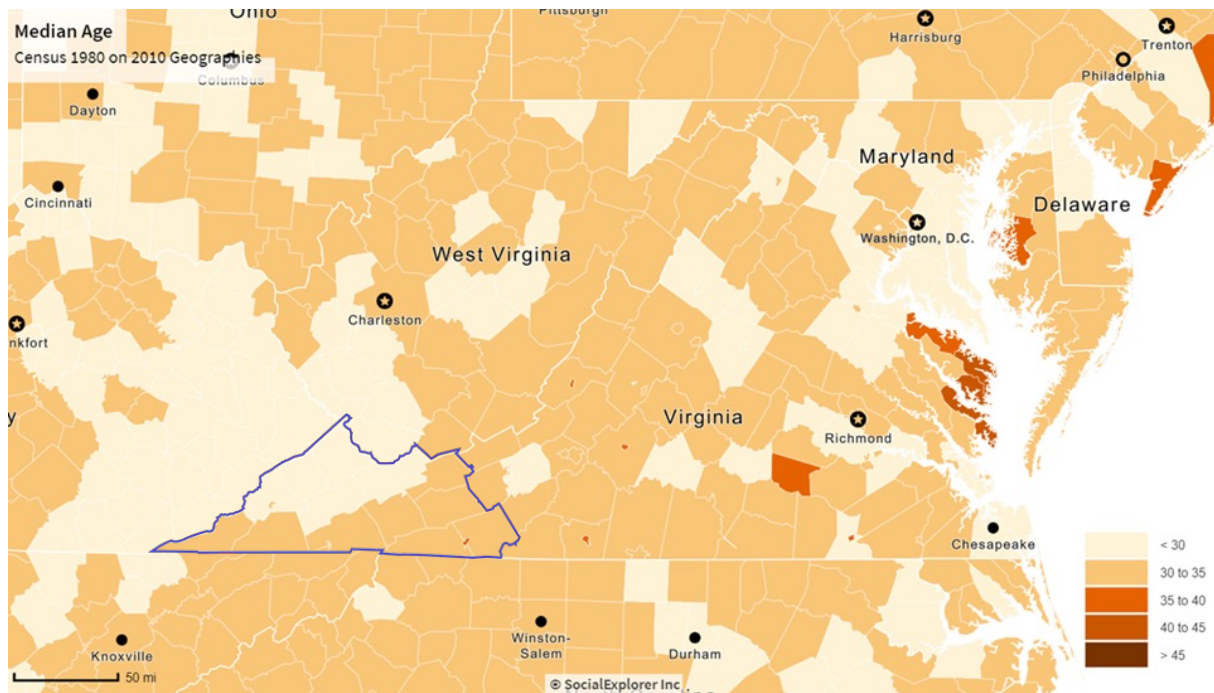
The structure of rural economies like Southwest Virginia has diverged sharply from Virginia's metro areas

Virginia workforce distribution by industry

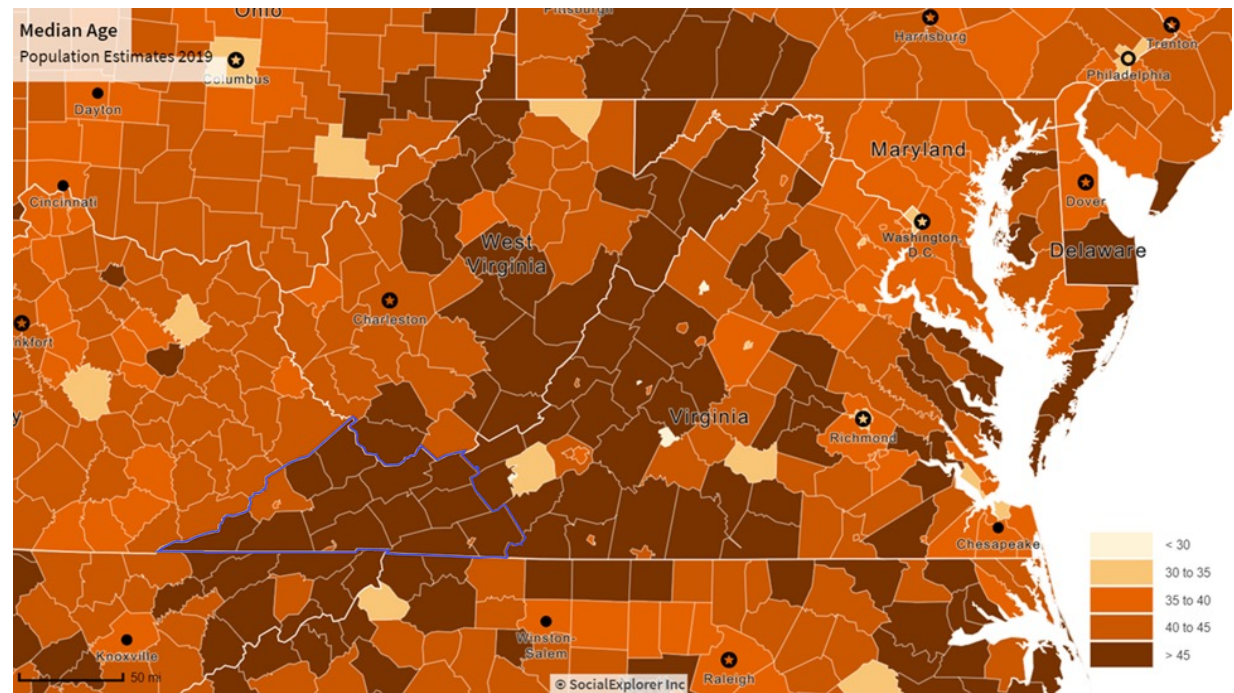


Virginia's rural areas have aged far more than urban ones since 1980

Median Age, 1980

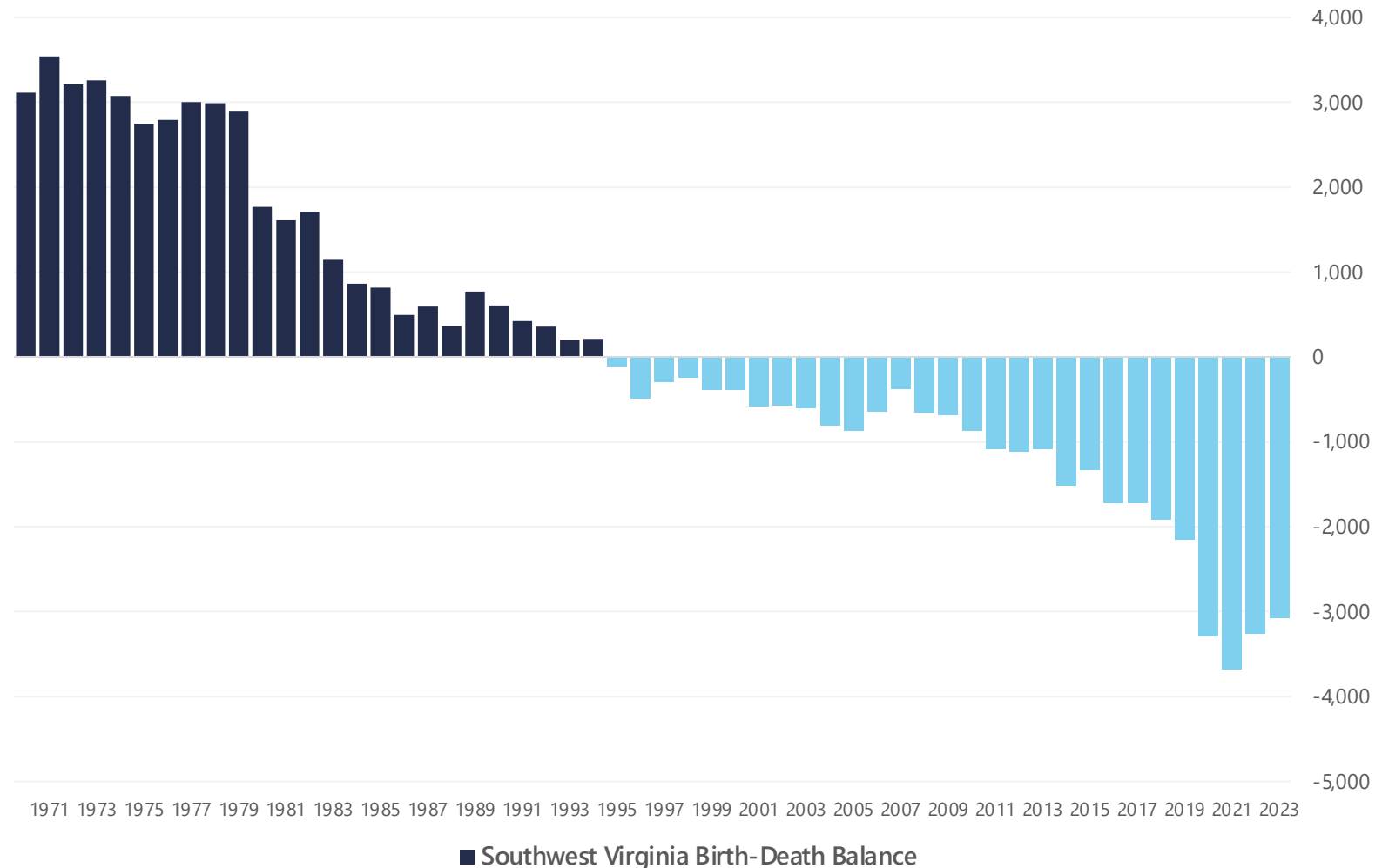


Median Age, 2019



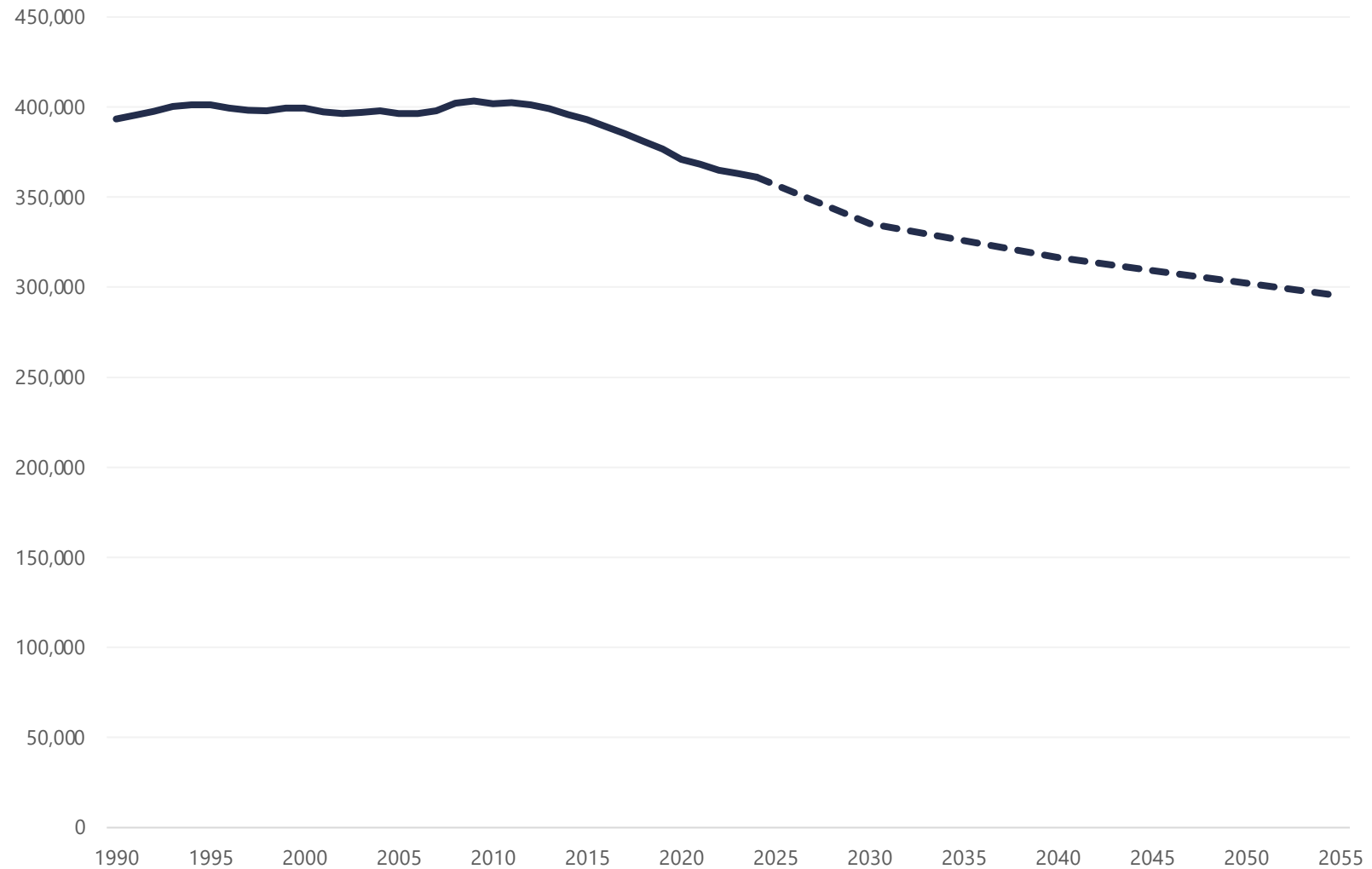
With fewer young adults and more older residents, Southwest Virginia has thousands more deaths than births each year

Southwest Virginia Birth-Death Balance



**Population loss
in Southwest
Virginia is
expected to
continue, with a
25% decline by
2050**

Southwest Virginia Population

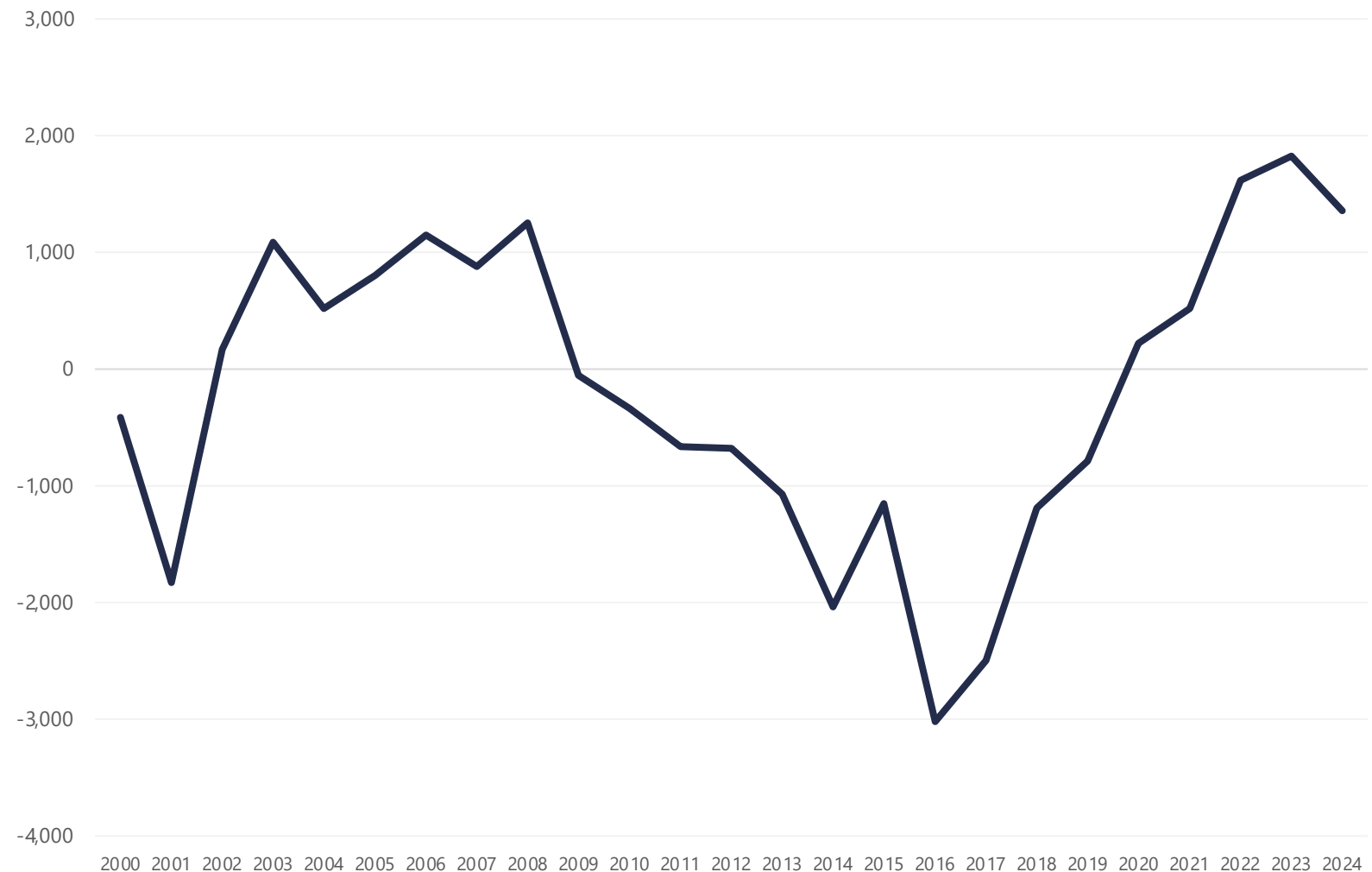


Presentation Overview

- The demographic trends that shaped modern SWVA
- **Examining how migration has shifted since 2020**
- What's driving migration today and what it means for the future

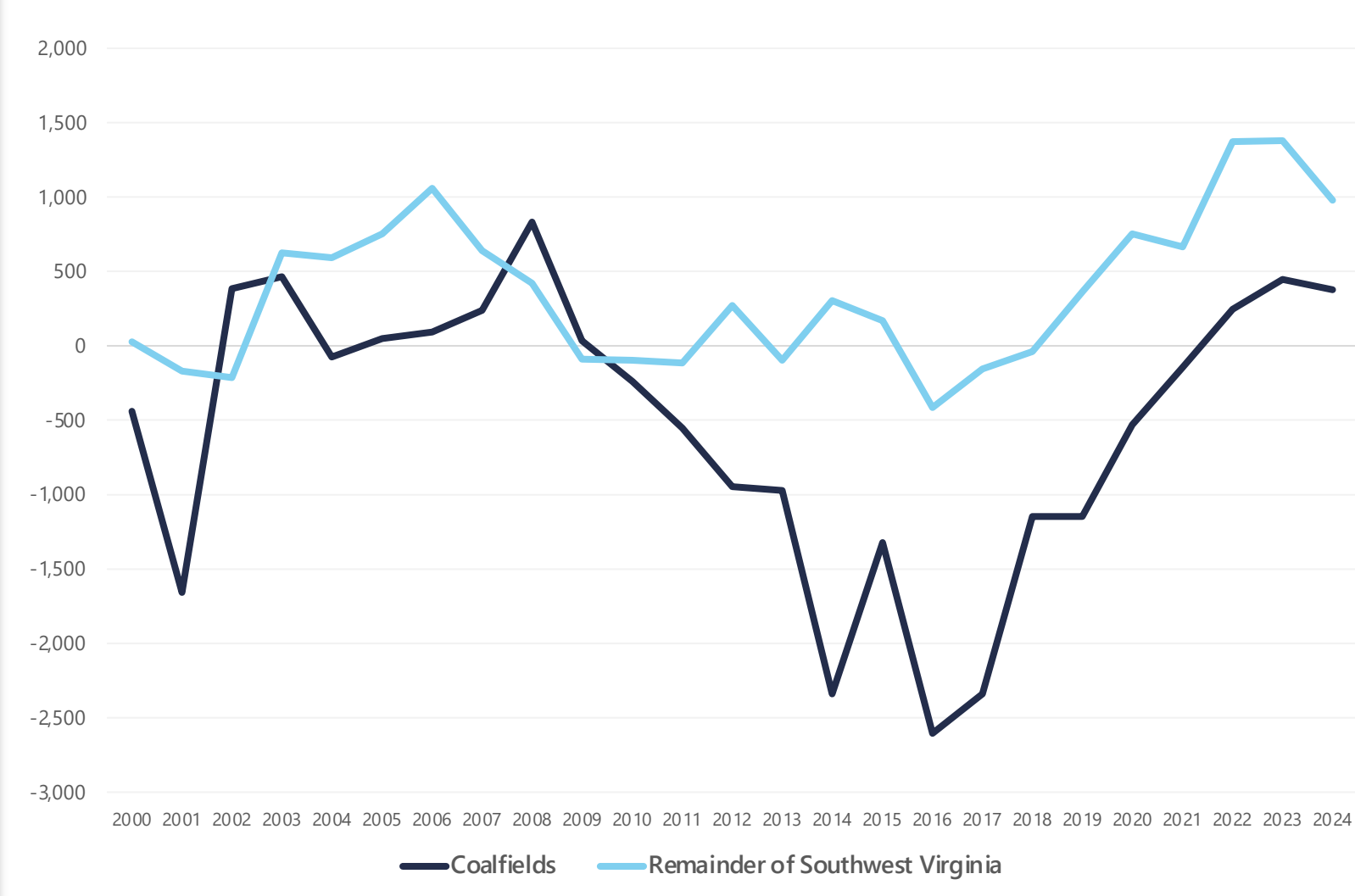
Migration into Southwest Virginia has surged in recent years, reaching its highest levels in half a century

Southwest Virginia Net Domestic Migration



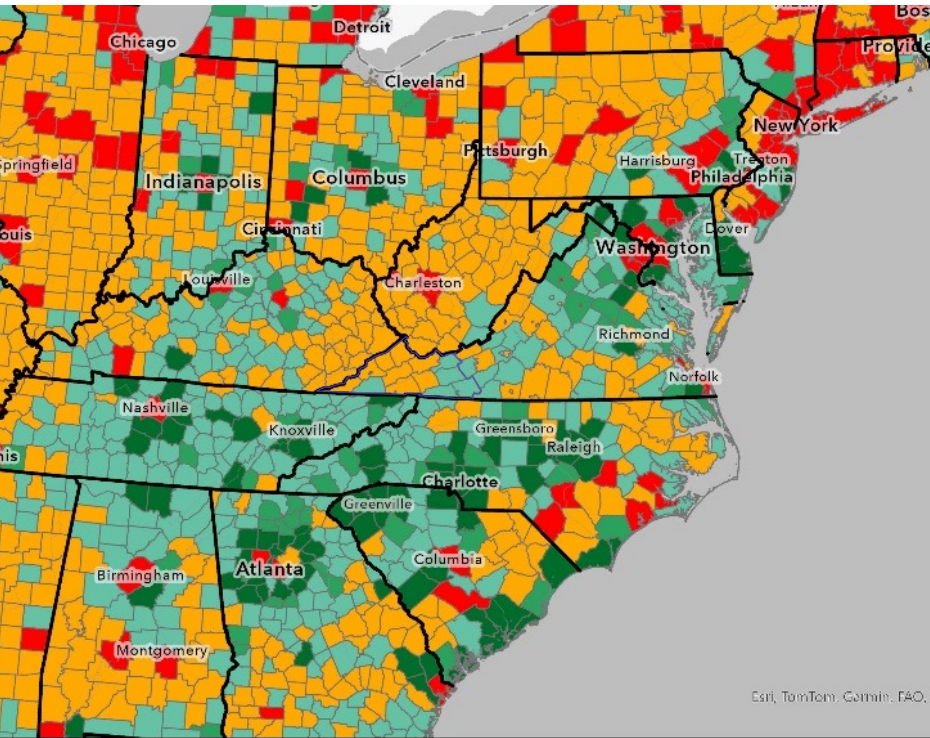
Both the Coalfield region and Mount Rogers PDC have experienced rising in-migration in recent years

Southwest Virginia Net Domestic Migration

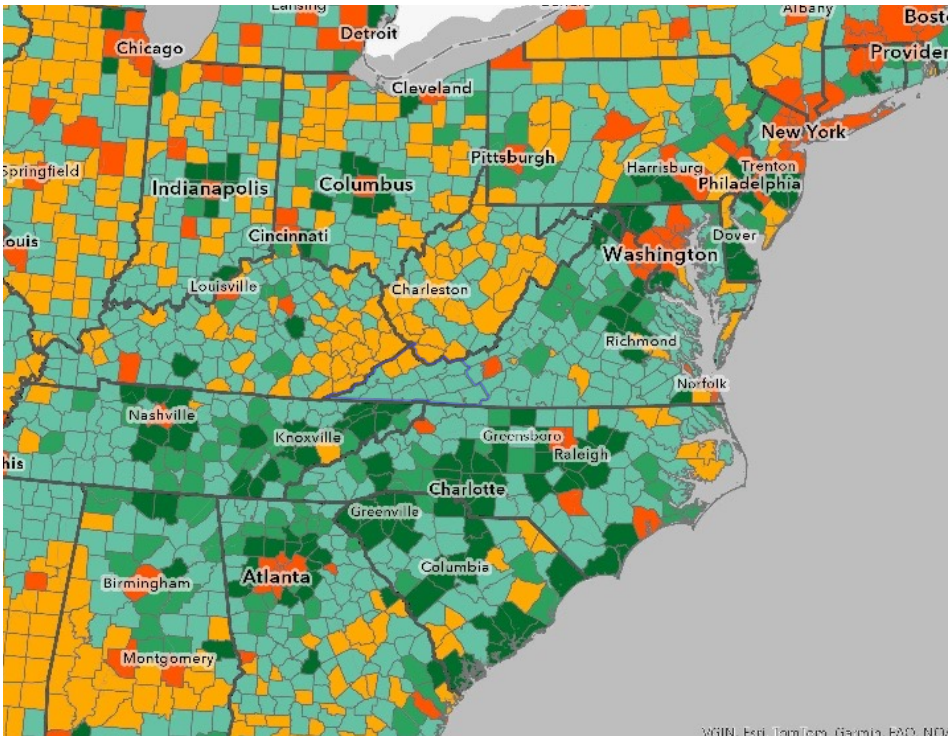


Migration into rural counties and small towns remained more widespread in 2024 than in 2019

2019 Domestic Migration



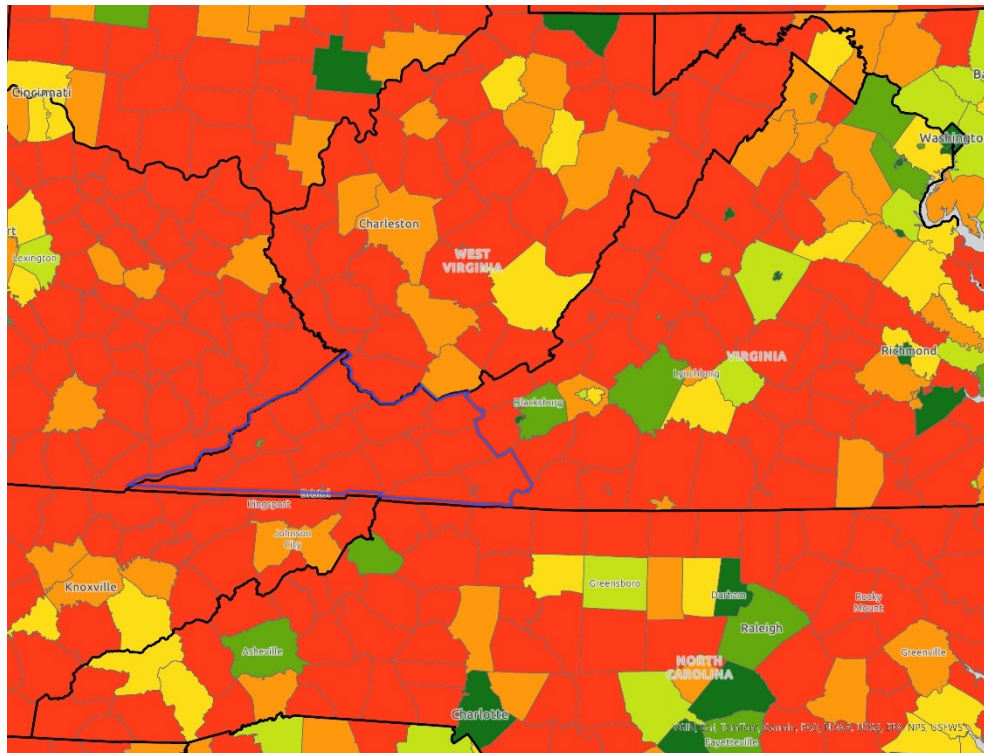
2024 Domestic Migration



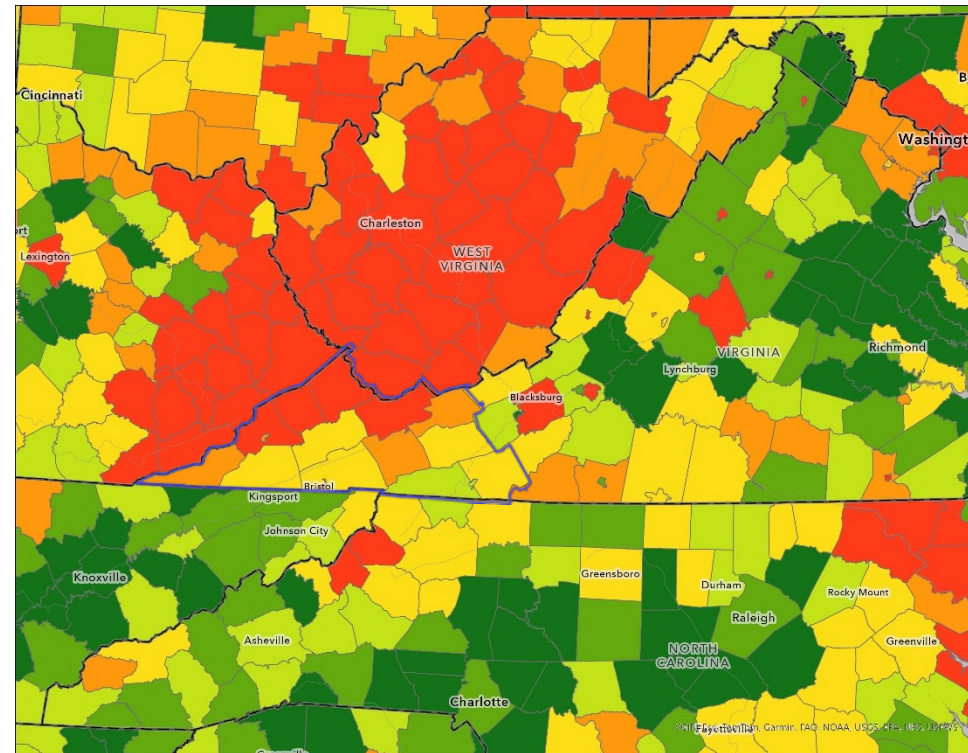
- Lost over 500
- Lost under 500
- Gained up to 500
- Gained 500 to 1,000
- Gained over 1,000

The increase in rural and small-town migration has been driven mostly by adults aged 25 to 44

2010 to 2013



2020 to 2023

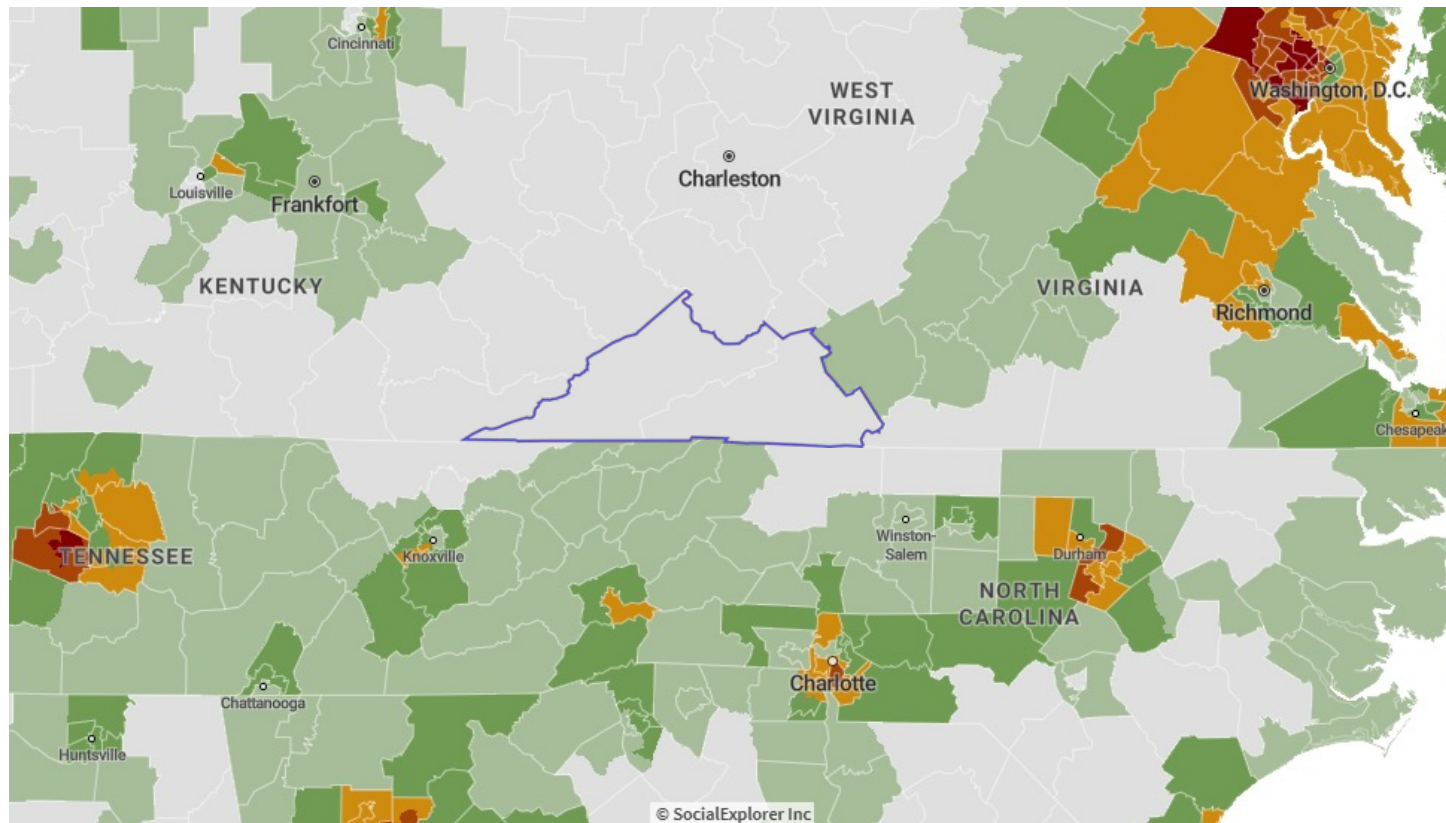


- Declined over 2 Percent
- Declined 0 to 2 Percent
- Grew 0 to 2 Percent
- Grew 2 to 4 Percent
- Grew 4 to 6 Percent
- Grew over 6 Percent

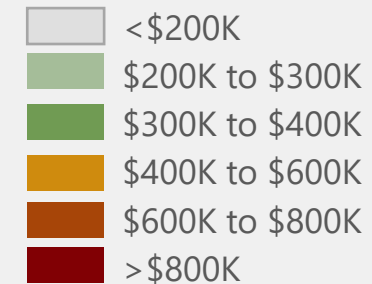
Presentation Overview

- The demographic trends that shaped modern SWVA
- Examining how migration has shifted since 2020
- **What's driving migration today and what it means for the future**

Decades of concentrated population growth in large metros have driven housing prices up far more than in rural areas



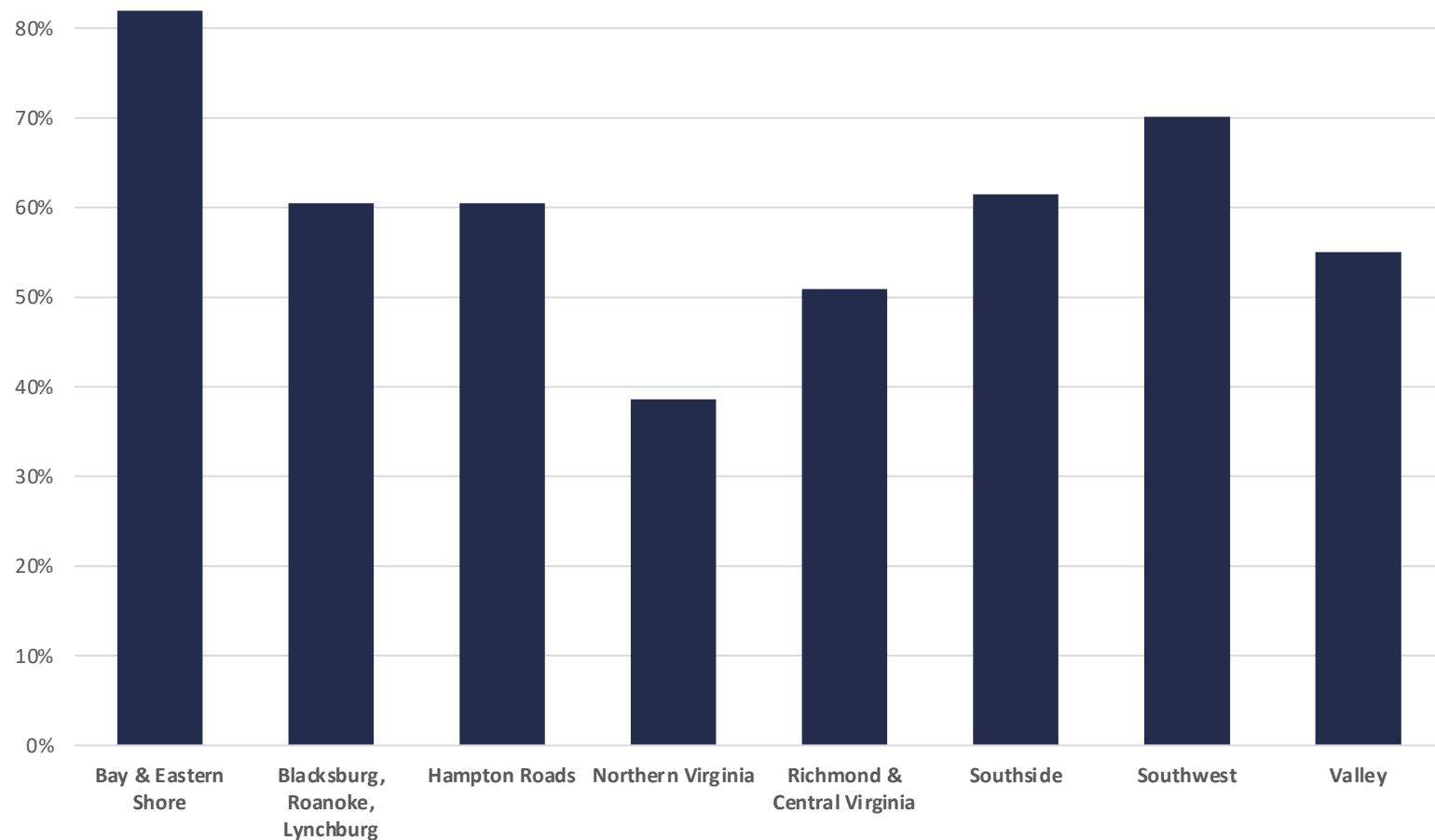
Median Home Value, 2023



ACS 2023 (1-Year Estimates)

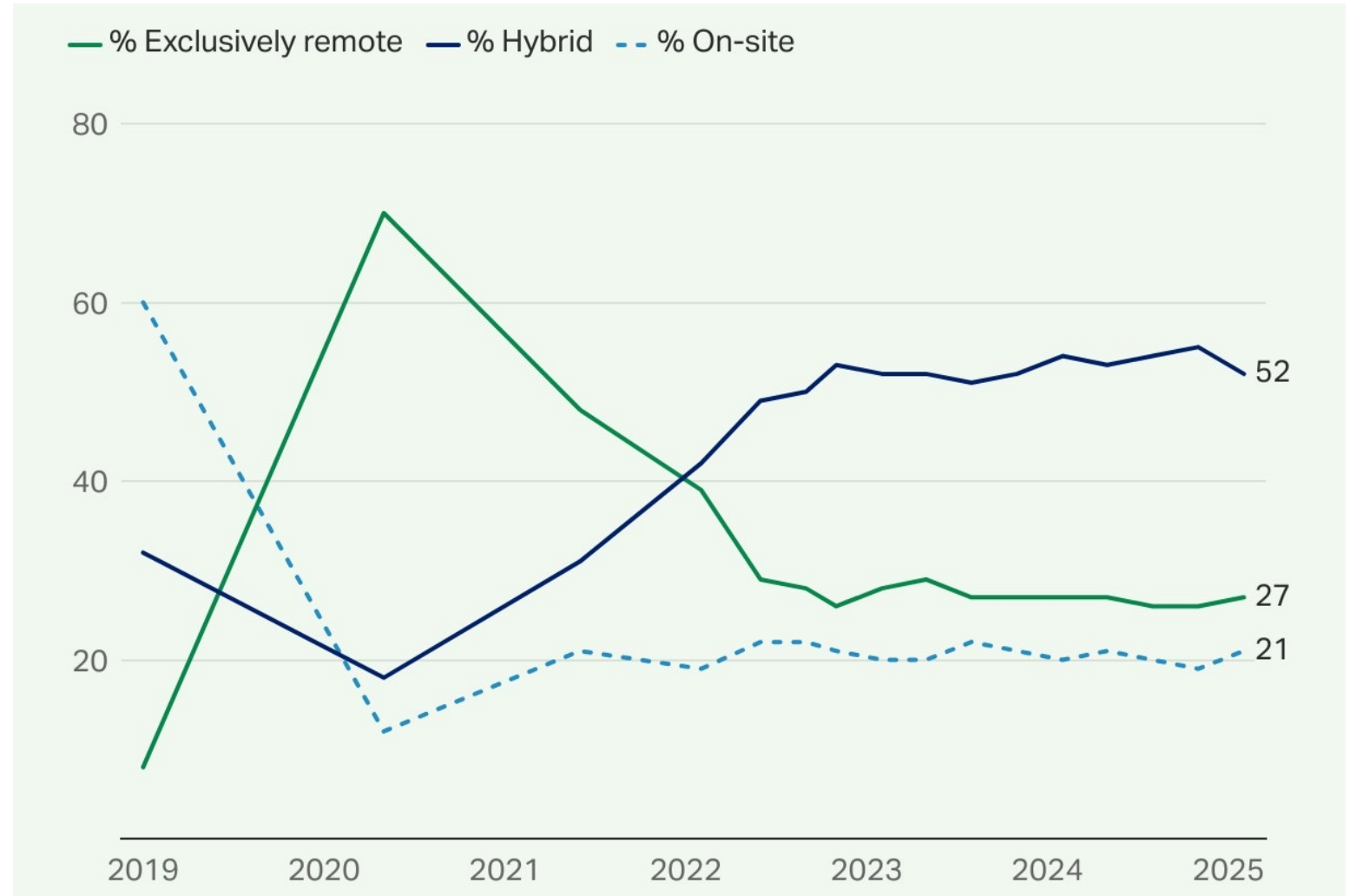
New business growth in Virginia has been strongest outside of the state's largest metro areas

Change in IRS new business applications by Virginia region, 2019-2023



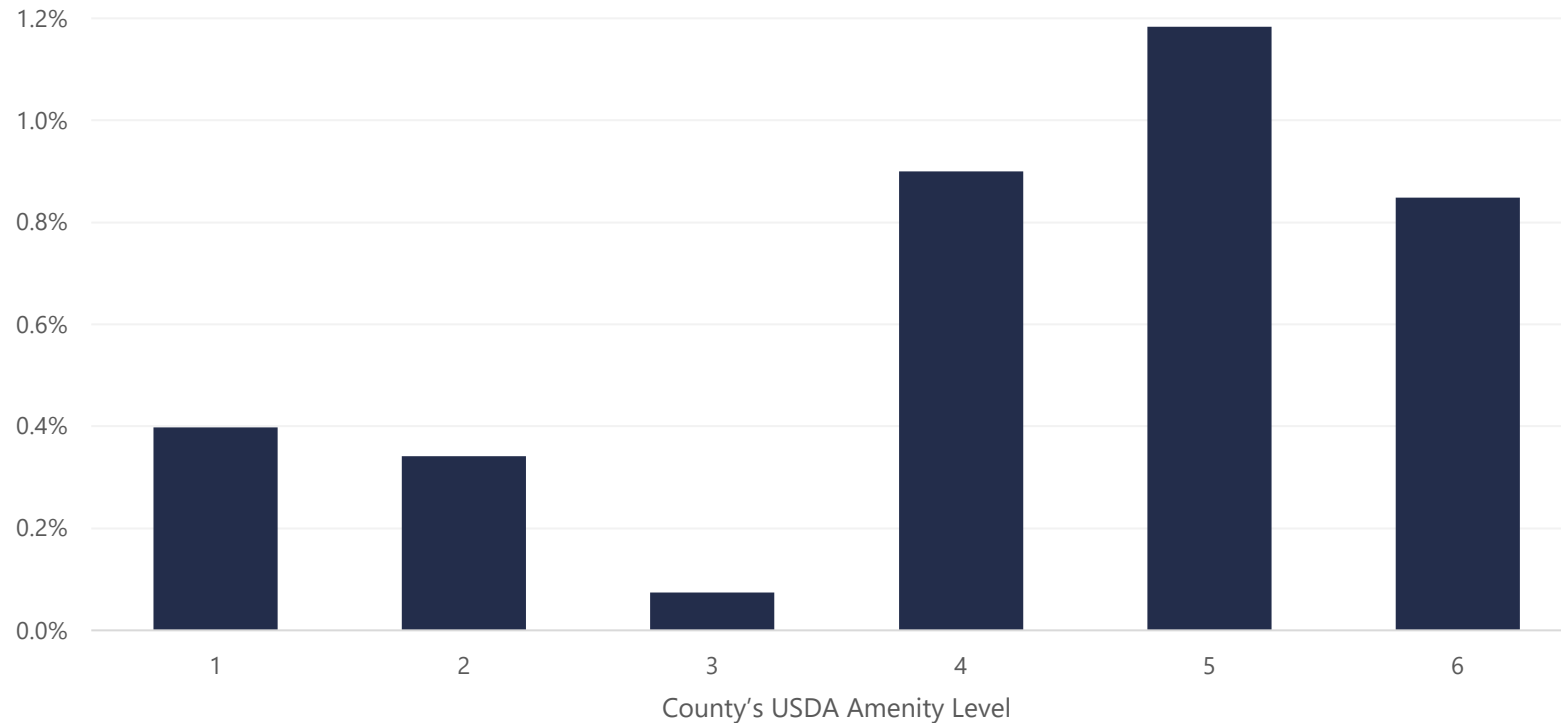
Work Locations for U.S. Employees with Remote-Capable Jobs

The persistence of remote work is helping sustain migration into more affordable communities outside major metro areas



U.S. full-time, remote-capable employees, Gallup

Quality of life is driving more migration, particularly to areas with natural amenities

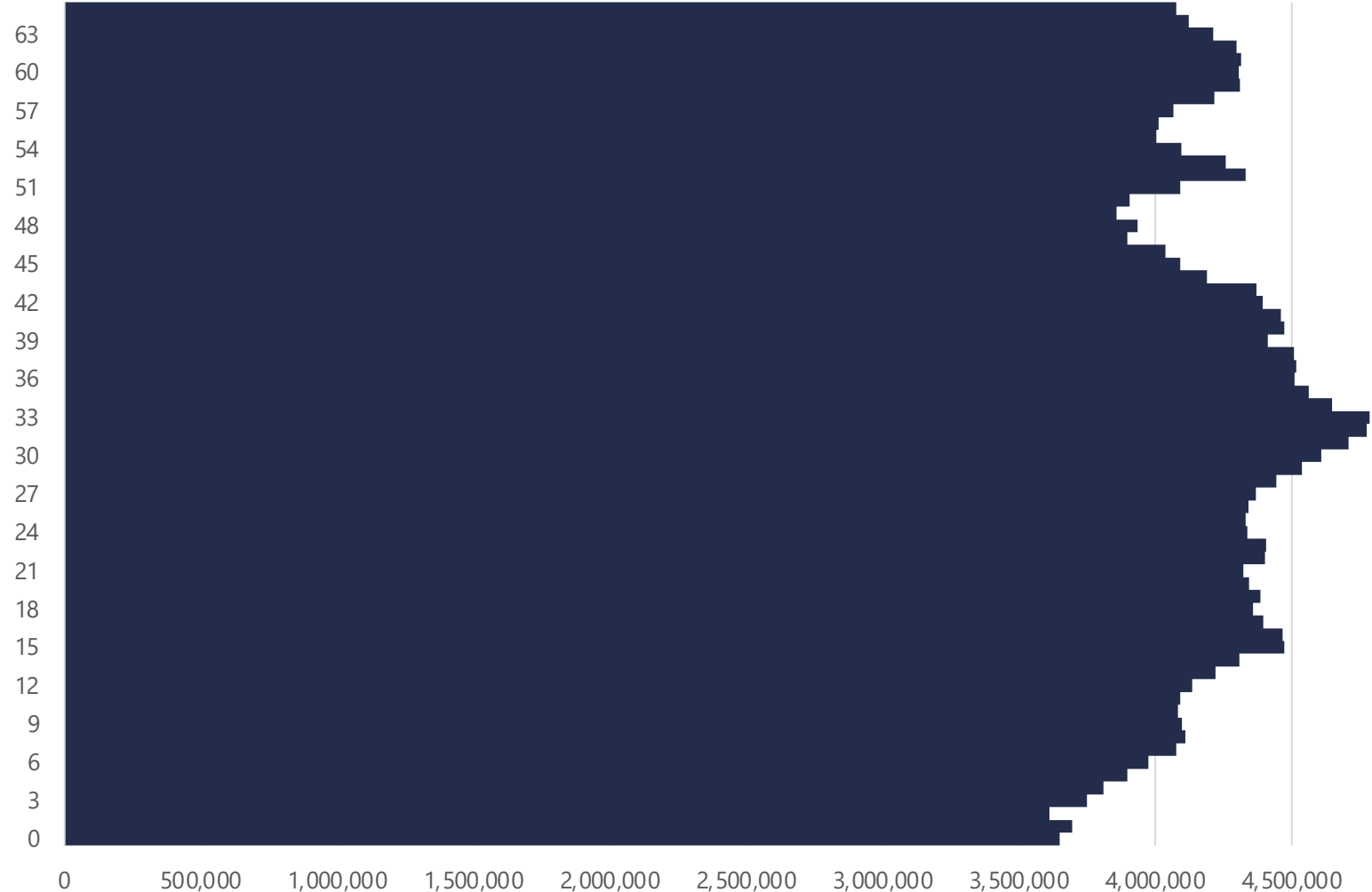


Change in population age 25 to 44, 2020 to 2023 by U.S. County's USDA rate Natural Amenity Levels

- Counties with abundant natural amenities have seen the largest income gains among new residents since 2020.
- Communities with relatively affordable housing near large metro areas have experienced a surge in growth.
- As remote work continues to offer more geographic choices to workers, quality of life will remain a key driver of migration.

**The aging of the
U.S. population
means
communities
will face more
competition for
a limited supply
of workers**

U.S. Population under 65 by Age, 2023



Demographic Trends in Southwest Virginia During the 2020s

SWVA Economic Forum

May 2025

Hamilton Lombard

Hamilton.Lombard@Virginia.edu



Weldon Cooper Center
for Public Service

Keynote
Michelle Rozen, Ph.D.





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State Leadership Perspectives: Agency Priorities for a Thriving Southwest Virginia



Juan Pablo
Segura



Glenn Davis



Bryan Horn



Rita McClenny

The Sandy Ratliff Community Champion Award



Cindy Green



John Kilgore

In Memory of

Sandy Rattliff

1962-2024



The Sandy Ratliff Community Champion Award Recipient

FRED RAMEY

Decade in Review

Dan Minahan



Regional Overview – Education & Workforce



72.5% to 75%
High School
Diploma

Compared to
87% for
Virginia

5.6% to 14.6%
Bachelor's
Degree or
Higher

Compared to
20.7% for
Virginia

3% to 5.9%
Graduate or
Professional
Degree

Compared to
15% for
Virginia

* Percentages of adults, 25 and older.
Source: 2010 U.S. Census Bureau, American Community Survey, 10-Year Summary (2010).





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