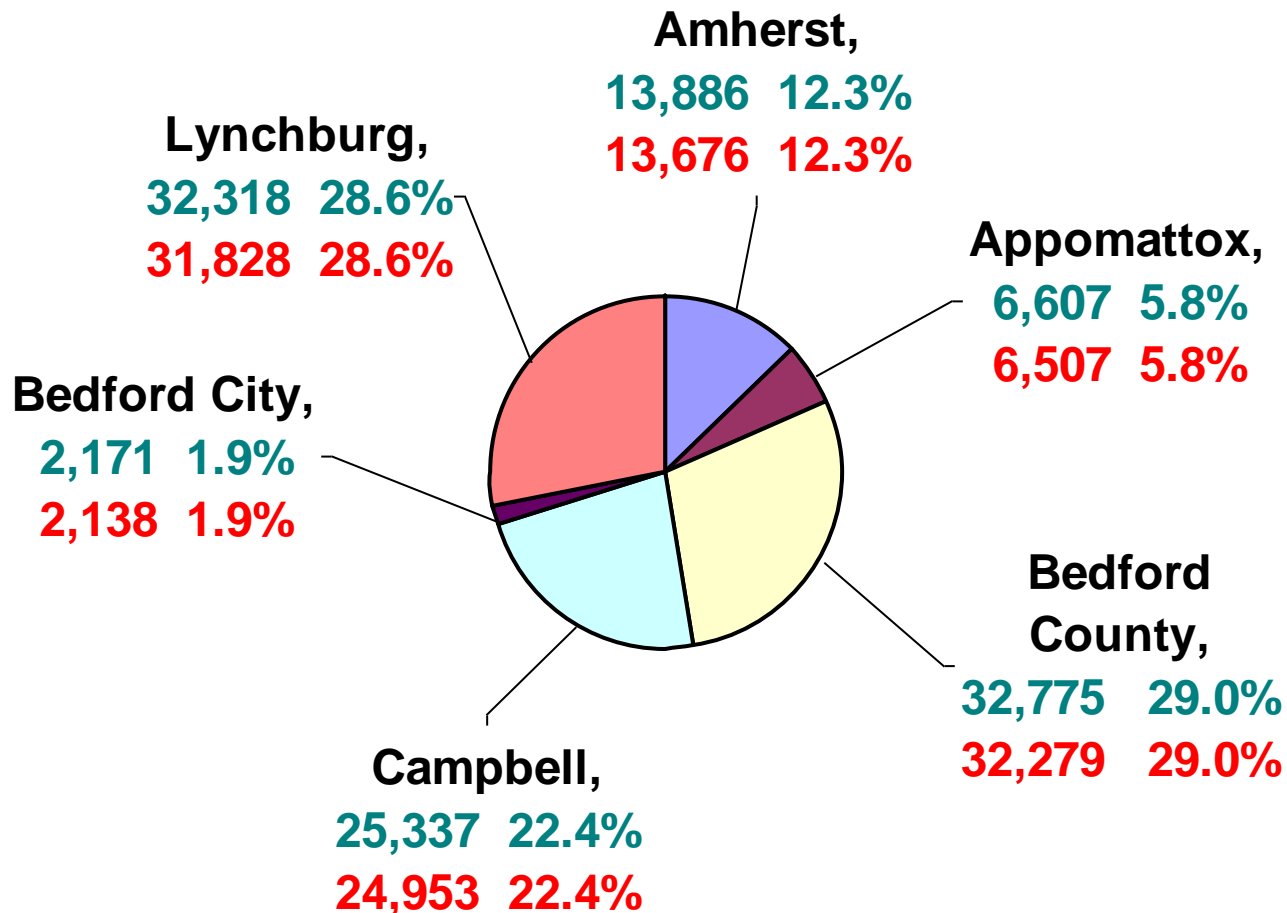


Economic Vulnerabilities in the Lynchburg MSA

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October 9, 2014
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Distribution of Regional Employment, August 2013 vs. August 2014

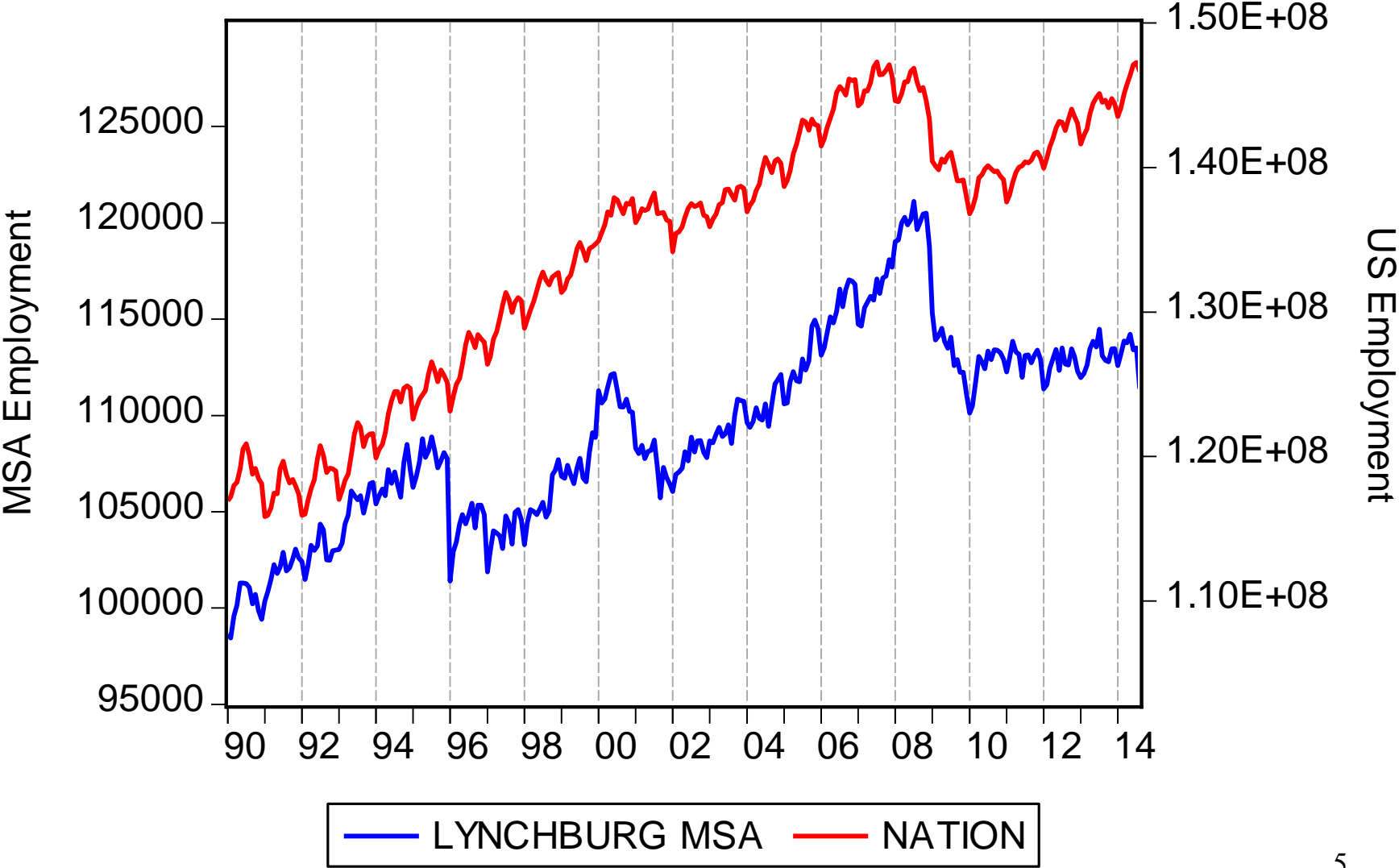


Resident Employment	% Change (8/13 – 8/14)			Change (8/13 – 8/14)	Unemployment Rate	
	Labor Force	Employment	Unemployment	Unemployment Rate	August 2013	August 2014
Amherst	-1.2	-1.5	3.5	0.3	6.6	6.9
Appomattox	-1.6	-1.5	-3.4	-0.1	6.2	6.1
Bedford County	-1.0	-1.5	7.5	0.5	5.5	6.0
Campbell	-1.1	-1.5	5.6	0.5	5.9	6.3
Town of Bedford	-1.5	-1.5	-1.7	0.0	7.5	7.5
Lynchburg	-1.4	-1.5	0.1	0.2	7.3	7.5
Lynchburg MSA	-1.2	-1.5	3.3	0.3	6.3	6.6
Virginia	0.7	0.6	3.0	0.1	5.6	5.7
US (1000s)	0.3	1.5	-14.6	-1.0	7.3	6.3

Metropolitan Statistical Areas	% Change (8/13 – 8/14)			Change (8/13 – 8/14)
	Labor Force	Employment	Unemployment	Unemployment Rate
Richmond	2.1	2.0	3.5	0.1
Harrisonburg	2.0	1.9	2.8	0.1
Blacksburg- Christiansburg-Radford	1.7	1.5	3.9	0.1
Winchester	1.1	1.2	-0.9	-0.1
Washington-Arlington- Alexandria	1.1	0.9	6.9	0.2
Virginia Beach-Norfolk- Newport News	0.3	0.2	1.7	0.1
Charlottesville	0.0	-0.5	8.5	0.4
Kingsport-Bristol	-1.4	-0.5	-12.3	-0.9
Roanoke	-1.0	-1.2	2.3	0.2
Lynchburg	-1.2	-1.5	3.3	0.3
Danville	-1.9	-1.9	-1.3	0.1

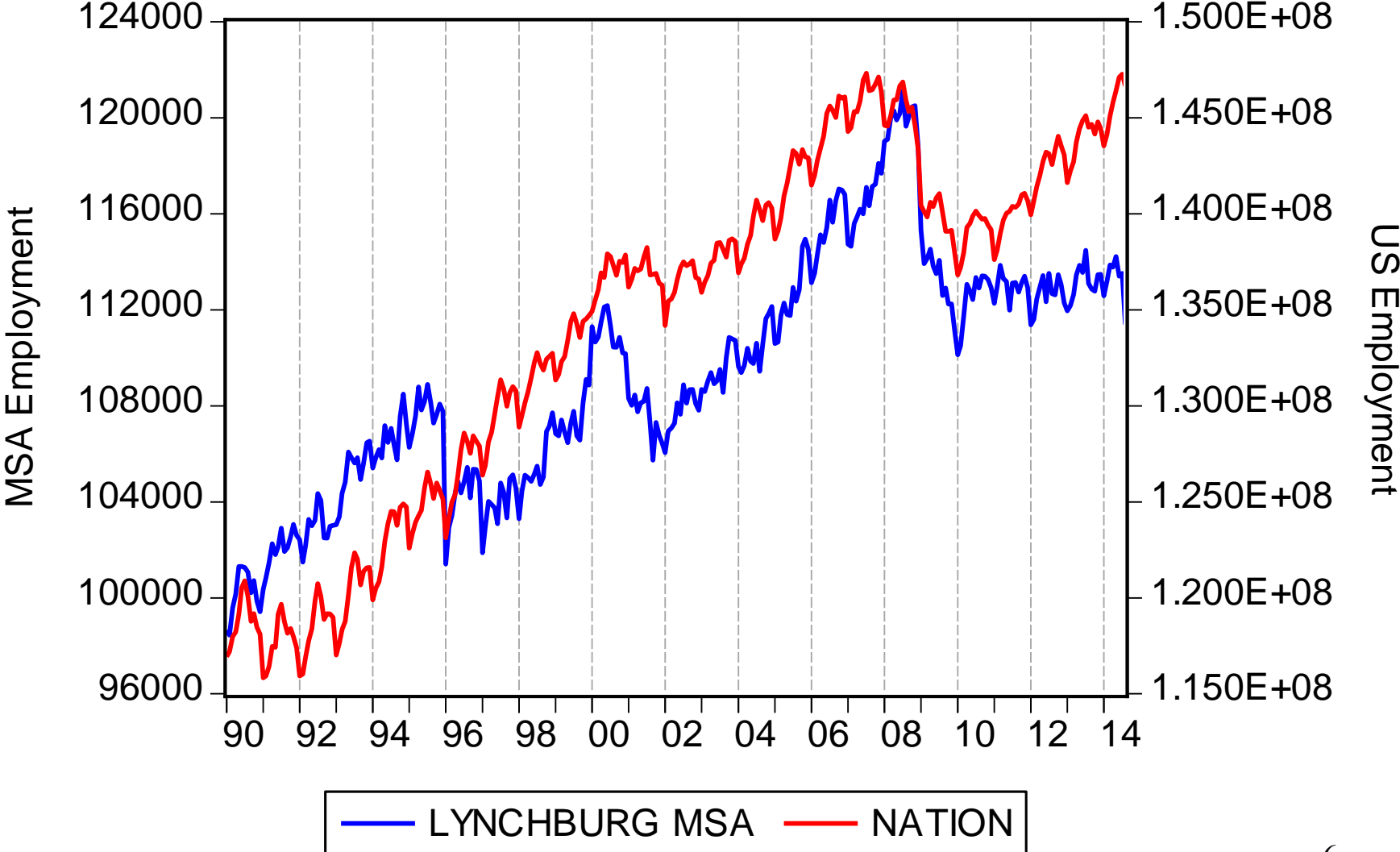
EMPLOYMENT BY PLACE OF RESIDENCE

1990:01 – 2014:08

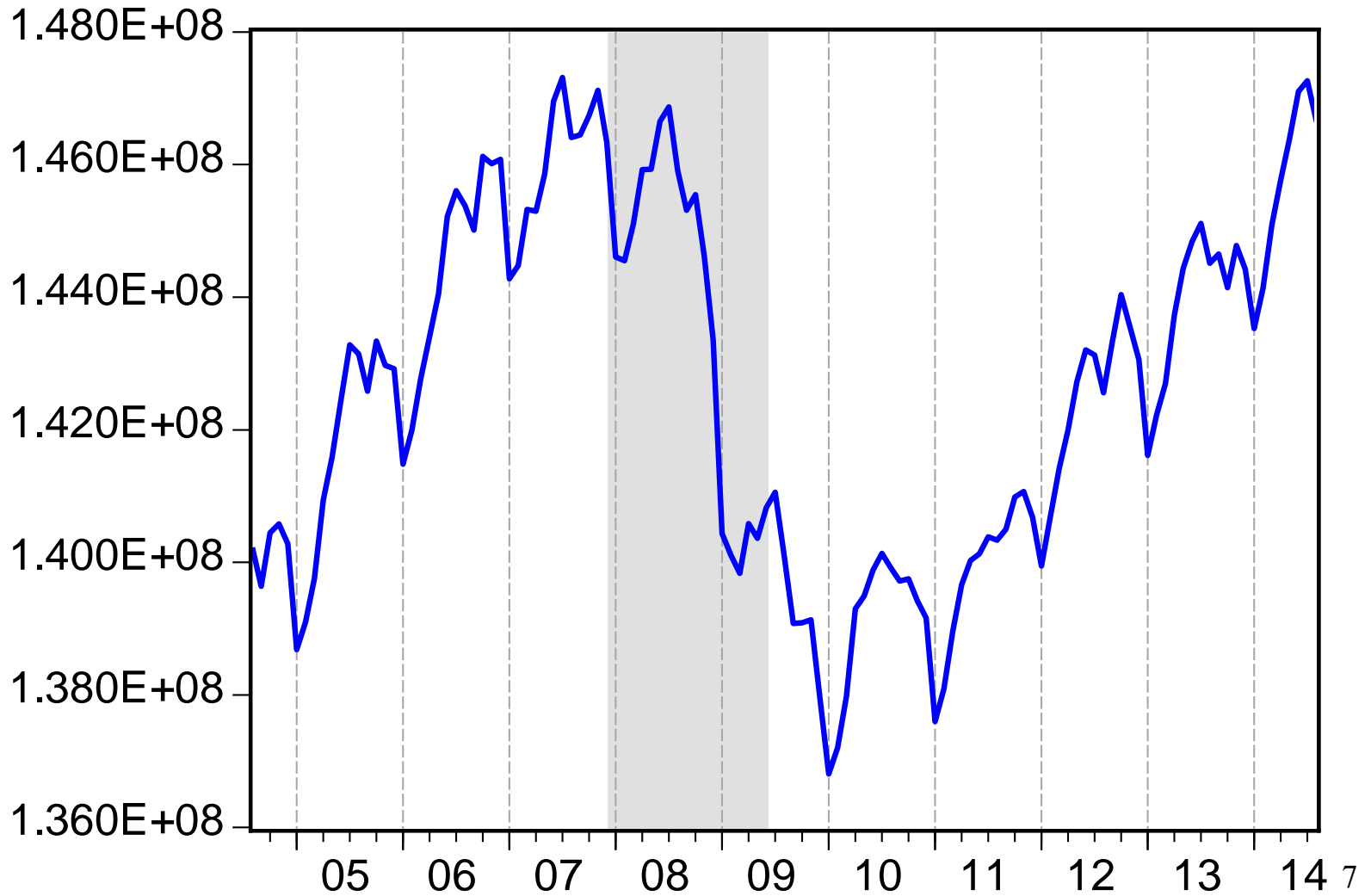


EMPLOYMENT BY PLACE OF RESIDENCE

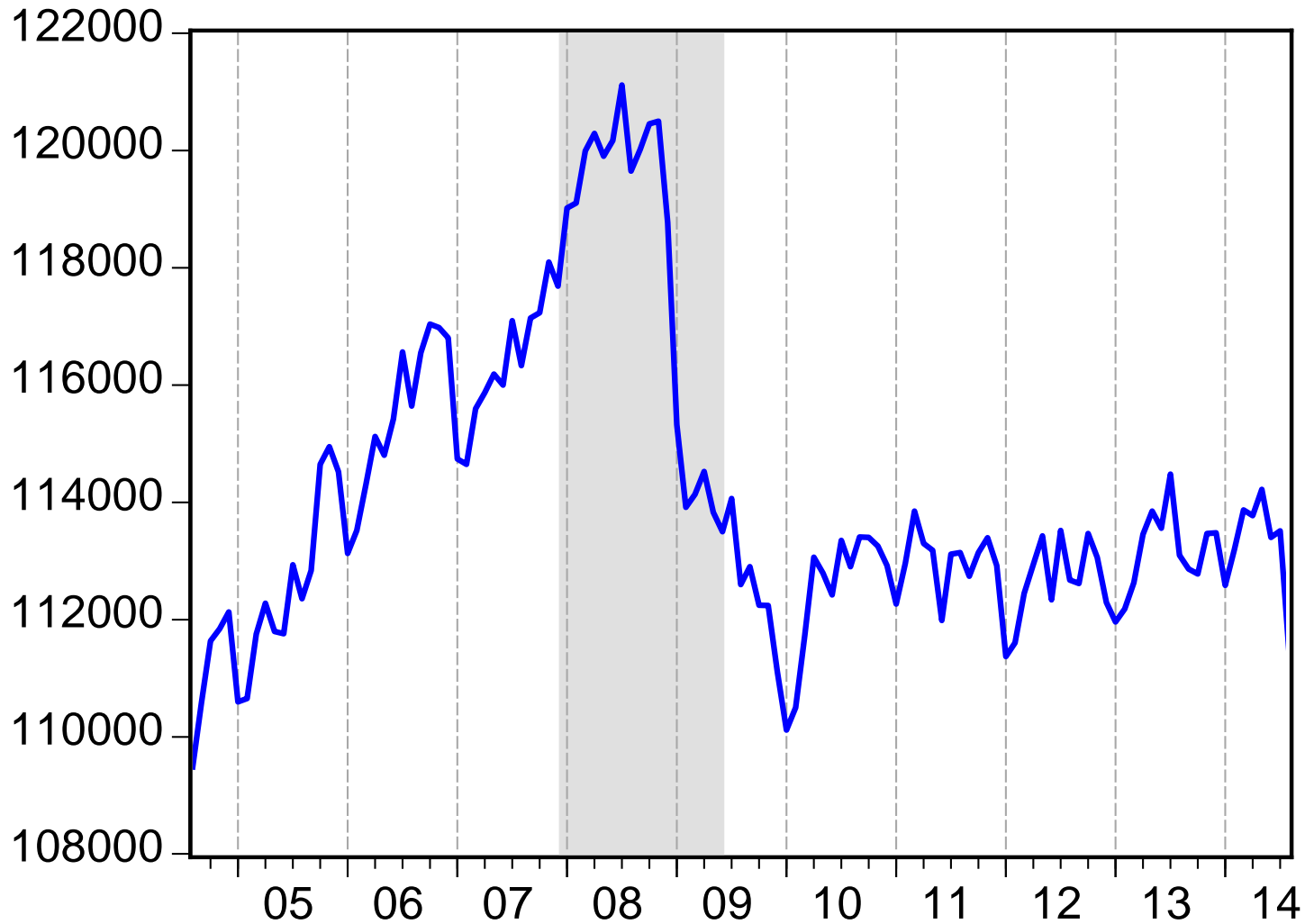
1990:01 – 2014:08



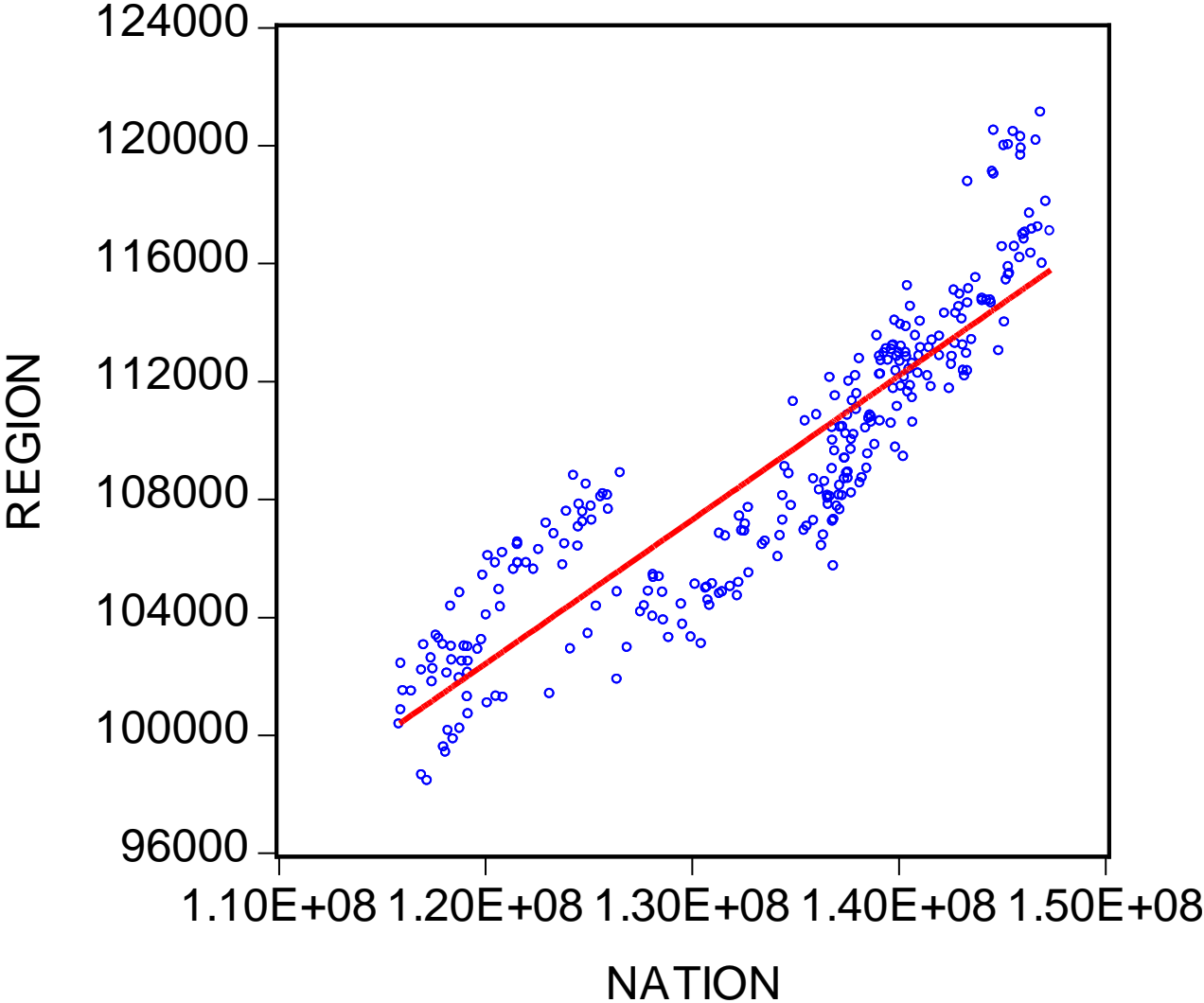
NATIONAL EMPLOYMENT, 2004:08 – 2014:08



LYNCHBURG MSA EMPLOYMENT, 2004:08 – 2014:08

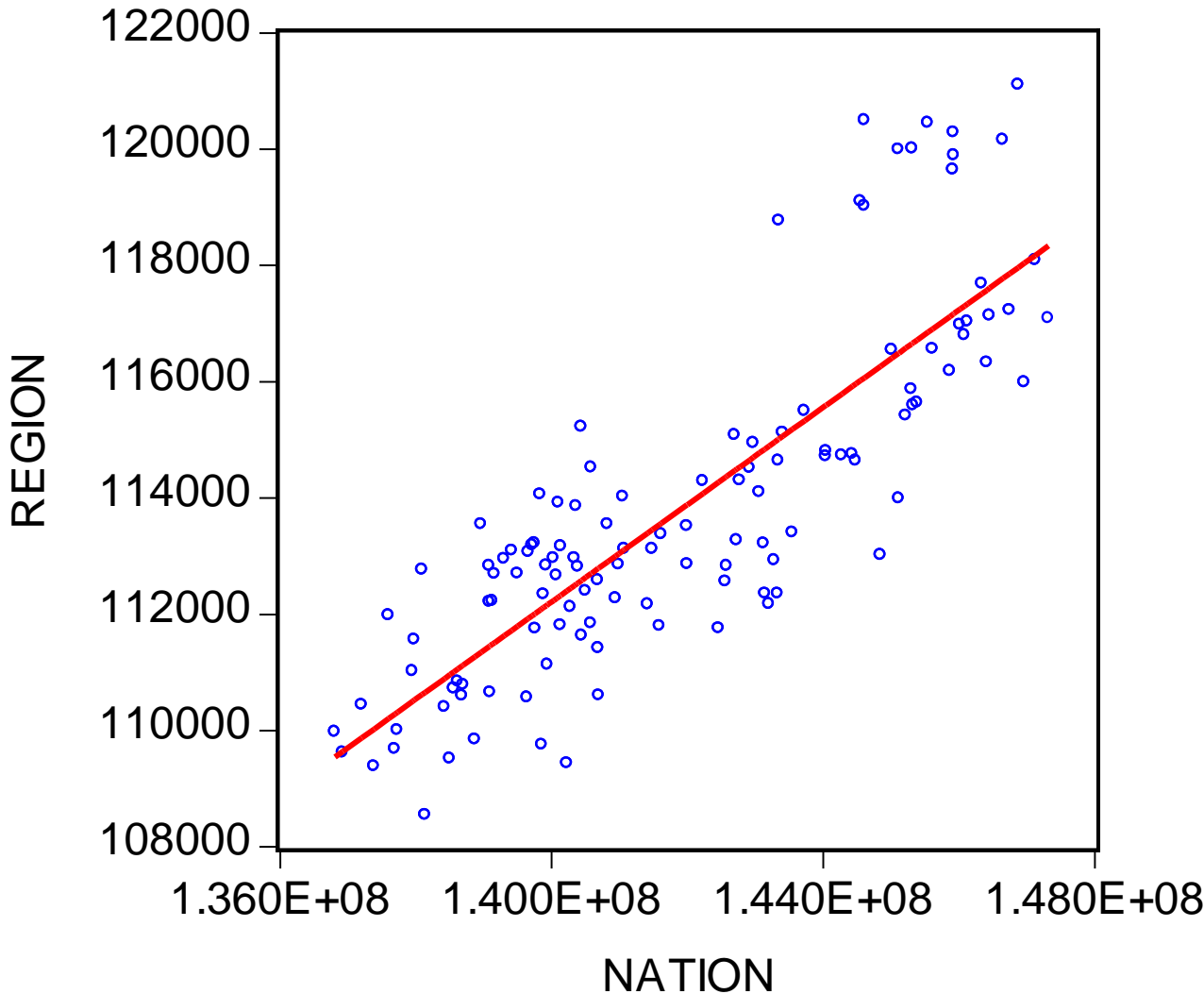


Regional Dependence on the National Economy, 1990:01–2013:07



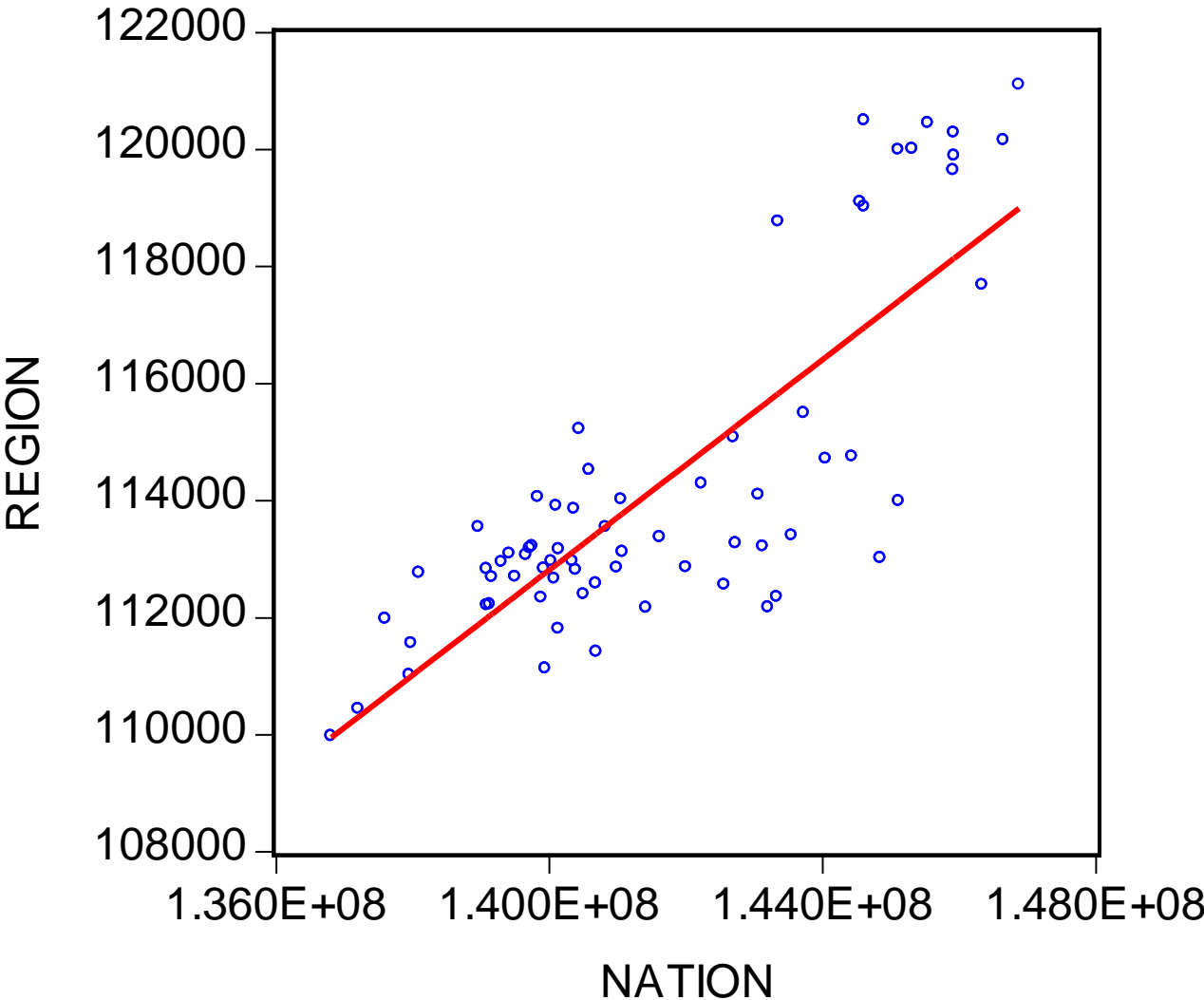
0.81

Regional Dependence on the National Economy, 2003:07–2013:07



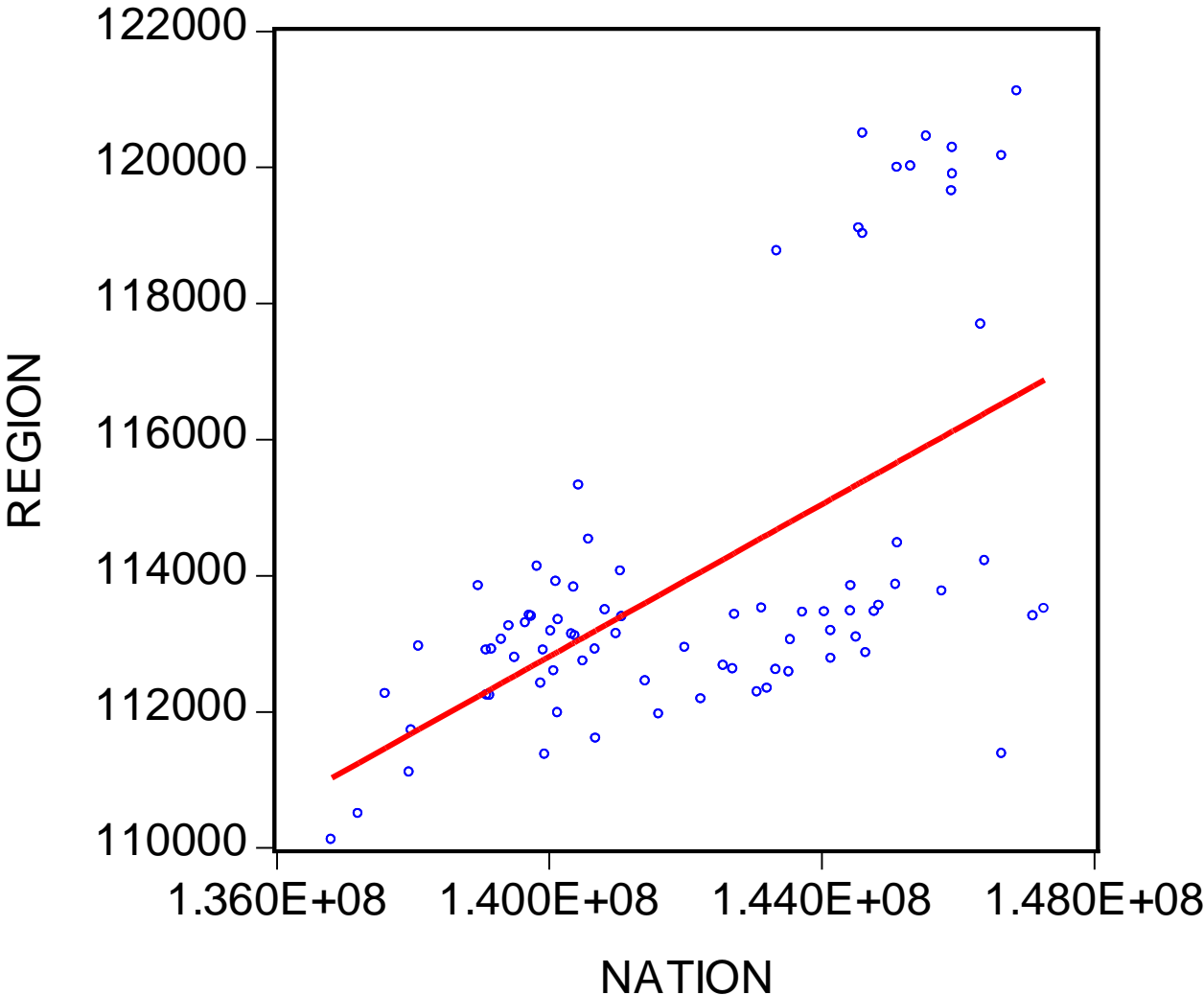
0.69

Regional Dependence on the National Economy, 2007:12 – 2013:07



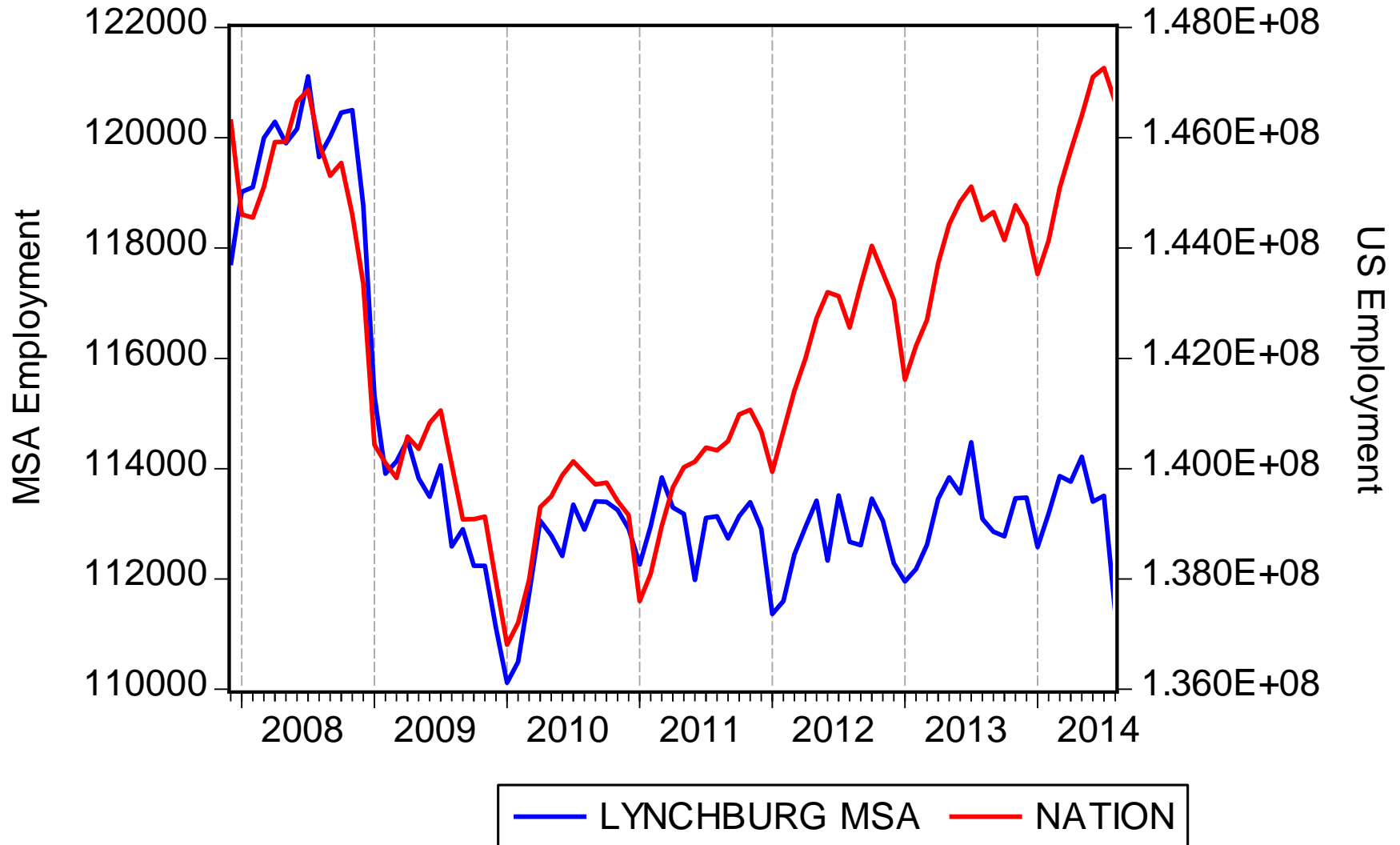
0.65

Regional Dependence on the National Economy, 2007:12 – 2014:08



0.58

Stuck in Low Gear

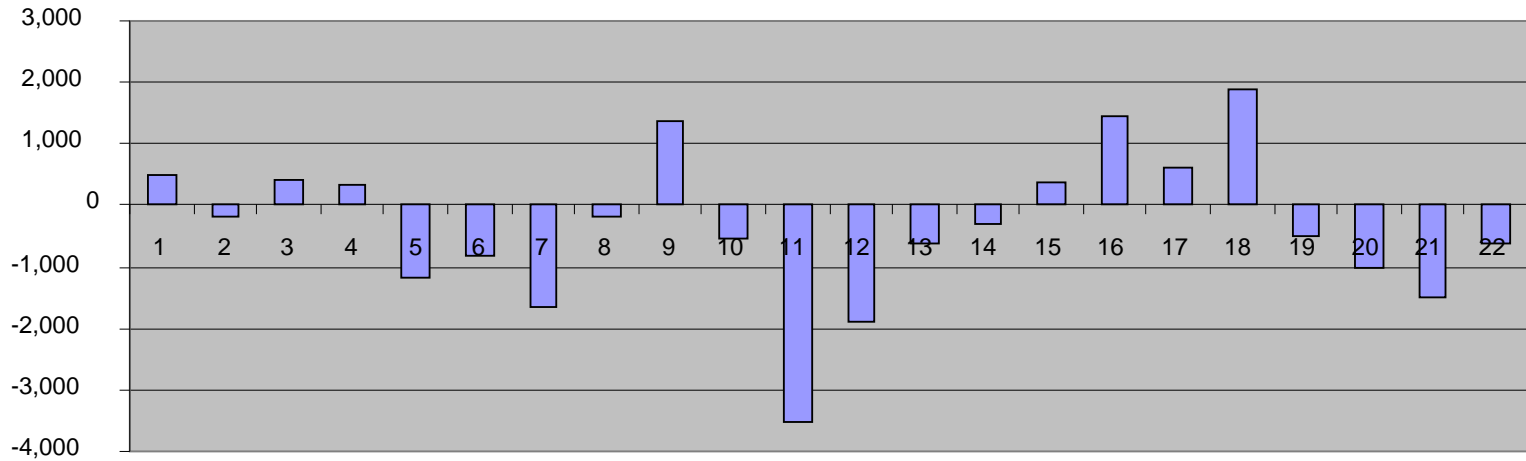


Shift-Share Analysis (benchmarked against Virginia)

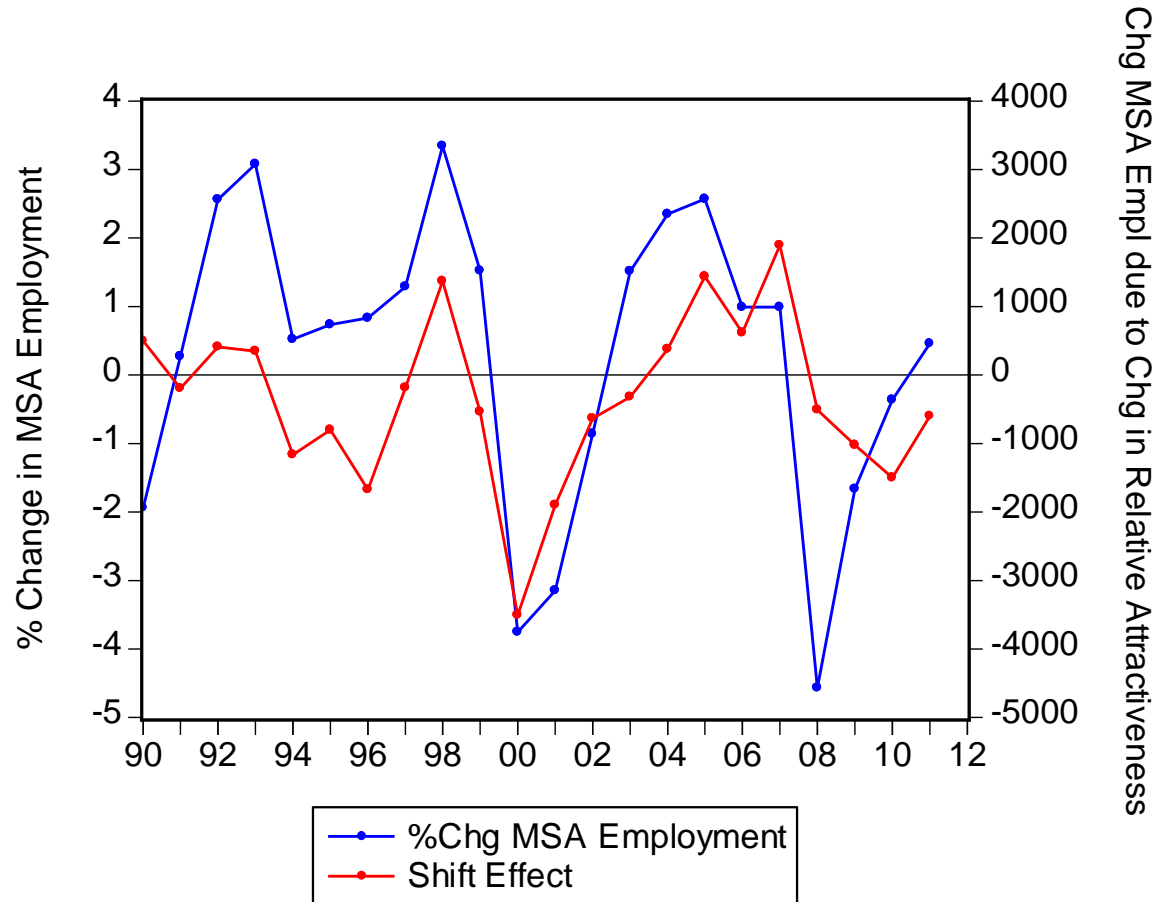
A preponderance of slow growing industries, coupled with declining locational attractiveness is causing employment in the Lynchburg MSA to grow more slowly than the state as a whole

2002-2012	Actual Change	State Growth	Industry Mix	Shift
Industry (NAICS Code)				
Agriculture, Forestry, Fishing and Hunting	83	16	-39	106
Mining, Quarrying, and Oil and Gas Extraction	-1	4	0	-5
Utilities	-82	25	-31	-75
Construction	-1782	458	-1811	-429
Manufacturing	-5183	1236	-6446	26
Wholesale Trade	864	175	-242	931
Retail Trade	-428	833	-829	-431
Transportation and Warehousing	-481	184	-339	-326
Information	-7	70	-407	330
Finance and Insurance	36	199	-215	52
Real Estate and Rental and Leasing	30	61	-114	83
Professional, Scientific, and Technical Service	2150	188	971	991
Management of Companies and Enterprises	306	98	100	108
Administrative, Support, Waste Mgmt	-79	270	-87	-262
Educational Services	774	533	1103	-863
Health Care and Social Assistance	3027	793	3040	-806
Arts, Entertainment, and Recreation	58	68	55	-65
Accommodation and Food Services	1684	406	843	435
Other Services (except Public Administration)	-254	201	32	-488
Public Administration	449	176	253	20
Unclassified establishments	-1	0	0	14 -1
Total, All Industries	1165	5993	-4162	-666

Shift Effect



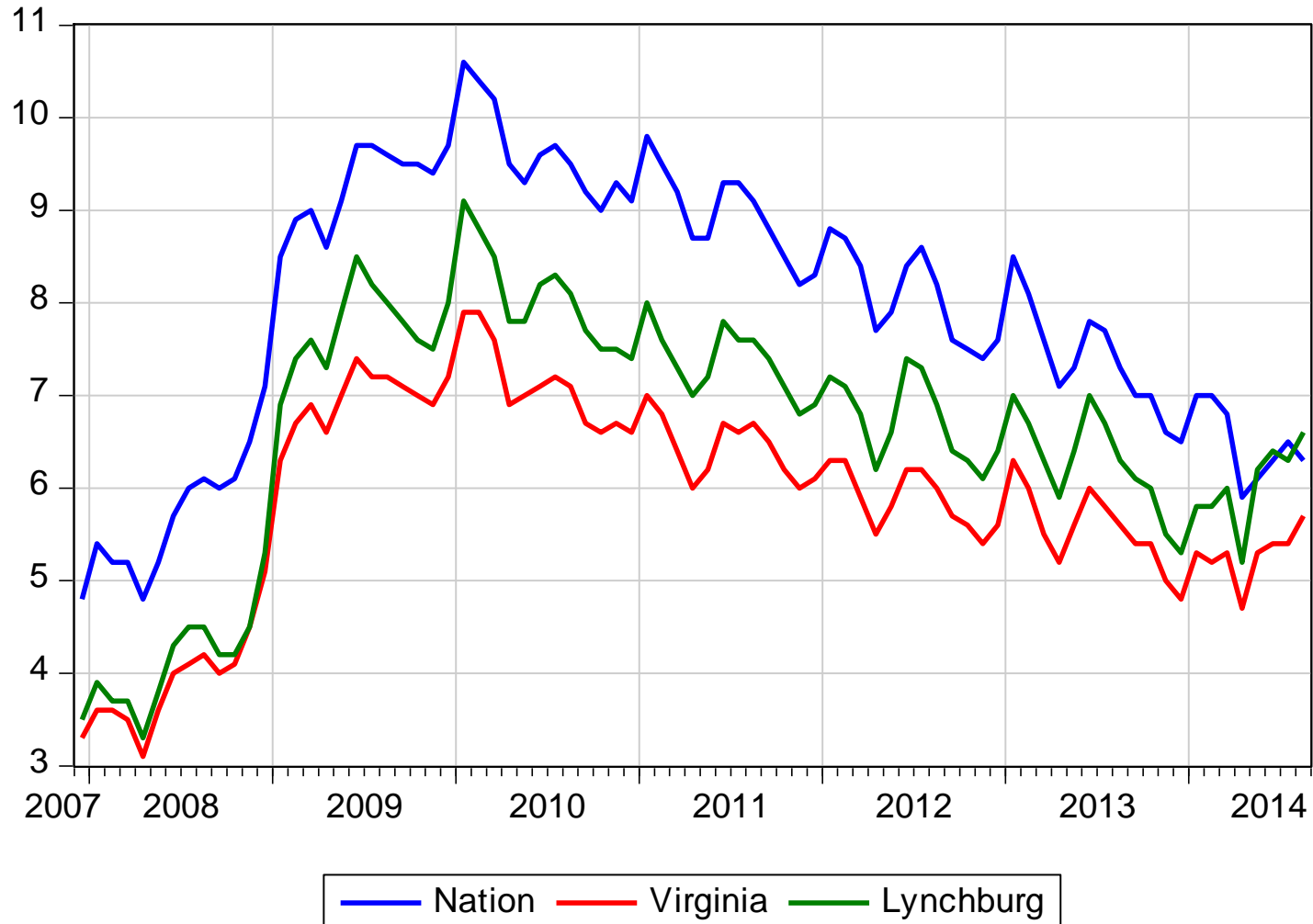
THE RELATIONSHIP BETWEEN RELATIVE REGIONAL ATTRACTIVENESS AND EMPLOYMENT GROWTH



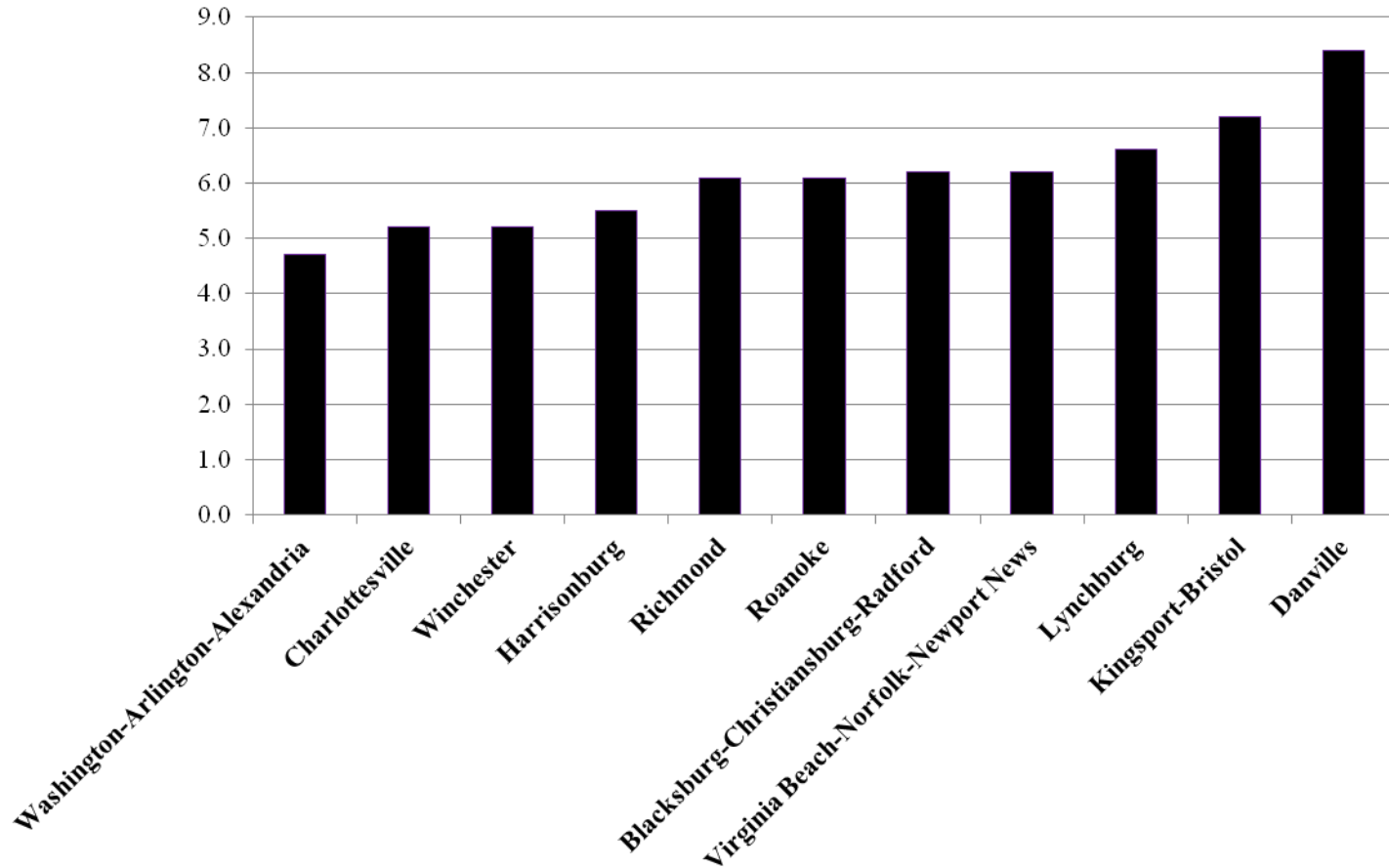
SHIFT EFFECT (Lynchburg MSA vs. Virginia)

INDUSTRY	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Accommodation and Food Services	80	-53	-52	96	-102	117	66
Admin & Support and Waste Mgmt	469	-267	338	-100	171	-1,008	-310
Ag, Forestry, Fishing and Hunting	37	17	17	-24	8	-1	-17
Arts, Entertainment, and Recreation	50	-72	-3	-13	-50	-21	28
Construction	76	246	386	52	-342	-337	111
Educational Services	118	76	-106	-118	-6	-174	-48
Finance and Insurance	67	135	108	-278	59	55	-127
Health Care and Social Assistance	-247	-104	221	-82	-735	48	76
Information	120	36	63	24	20	1	-5
Mgmt of Companies & Enterprises	15	-25	31	86	-4	5	-73
Manufacturing	565	179	-1,196	83	203	-102	-159
Mining, Quarrying, Oil/Gas Extraction	-6	2	-4	-6	-8	16	-4
Other Services (except Public Ad)	-62	-19	3	10	11	3	-9
Prof/Scientific/Technical Services	-98	6	1,793	-112	-253	-66	-63
Public Administration	-3	58	13	-32	21	-43	34
Real Estate and Rental and Leasing	66	15	32	64	-75	33	-91
Retail Trade	-20	135	104	21	322	68	-43
Transportation and Warehousing	-61	64	48	-159	-157	-16	-48
Utilities	0	2	-1	6	-7	-3	0
Unclassified establishments	10	-13	-3	-13	-58	-28	9
Wholesale Trade	261	202	102	-11	-40	-43	72
TOTAL	1,438	620	1,893	-507	-1,022	-1,497	1,600

Unemployment Rates Dec 2012 – Aug 2014

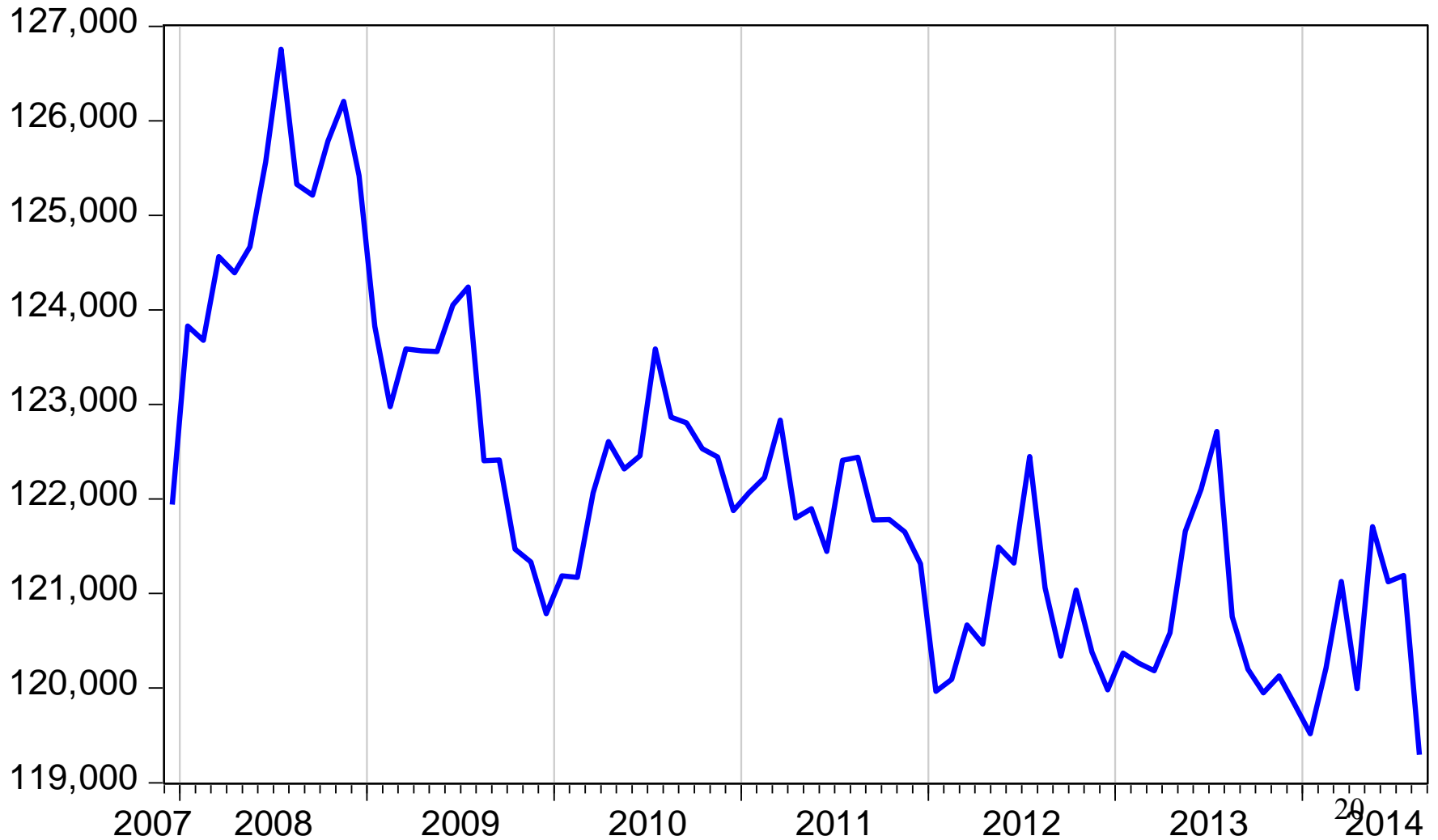


MSA Unemployment Rates August 2014



Lynchburg MSA Labor Force

Dec 2007 – Aug 2014



Number of Unemployed per Advertised Job Opening, MSAs

	Aug-13	Aug-14
Blacksburg-Christiansburg-Radford	0.90	0.72
Charlottesville	0.55	0.44
Danville	1.62	1.22
Harrisonburg	0.85	0.61
Lynchburg	1.13	1.00
Richmond	0.63	0.56
Roanoke	0.84	0.67
Virginia Beach-Norfolk-Newport News	0.94	0.84
Winchester	0.89	0.62

C2ER Cost of Living Index, 2014 Q2

MSA	Composite	Grocery	Housing	Utilities	Transport	Health	Misc
Charlottesville	103.4	99.9	108.4	88.1	99.2	99.0	107.6
Hampton Roads	102.3	102.5	93.3	105.9	101.4	110.3	107.5
Winchester	101.3	99.3	93.4	106.7	89.4	102.9	110.9
Richmond	100.2	103.6	89.0	104.8	97.5	105.5	106.4
Harrisonburg	98.1	97.3	102.4	101.3	87.0	100.7	97.9
Blacksburg	97.4	88.9	87.7	110.8	97.2	102.7	103.7
Danville	95.7	99.7	85.2	112.1	94.7	94.2	98.0
Staunton	93.2	95.2	89.0	100.8	89.5	94.5	94.7
Lynchburg	92.7	93.0	86.3	107.9	82.0	94.8	96.7
Lexington	92.5	98.0	88.9	100.8	92.4	86.6	91.5
Roanoke	90.9	91.5	88.8	98.0	90.3	97.7	89.4

Percent by which metro area COL exceeds (+) or falls short of (-) the Lynchburg MSA COL, 2014 Q2

Metro Area	Composite	Grocery	Housing	Utilities	Transport	Health	Misc
Charlottesville	11.5	7.4	25.6	-18.4	21.0	4.4	11.3
Hampton Roads	10.4	10.2	8.1	-1.9	23.7	16.4	11.2
Winchester	9.3	6.8	8.2	-1.1	9.0	8.5	14.7
Richmond	8.1	11.4	3.1	-2.9	18.9	11.3	10.0
Harrisonburg	5.8	4.6	18.7	-6.1	6.1	6.2	1.2
Blacksburg	5.1	-4.4	1.6	2.7	18.5	8.3	7.2
Danville	3.2	7.2	-1.3	3.9	15.5	-0.6	1.3
Staunton	0.5	2.4	3.1	-6.6	9.1	-0.3	-2.1
Lexington	-0.2	5.4	3.0	-6.6	12.7	-8.6	-5.4
Roanoke	-1.9	-1.6	2.9	-9.2	10.1	3.1	-7.5

Relative labor cost in Lynchburg MSA needed to provide the same purchasing power to employees in:

MSA	2013 Q2	2014 Q2
Charlottesville	86.5	89.7
Hampton Roads	89.4	90.6
Winchester	88.5	91.5
Richmond	88.0	92.5
Harrisonburg	89.5	94.5
Blacksburg	92.7	95.2
Danville	95.1	96.9
Staunton	94.9	99.5
Lexington	94.6	100.2
Roanoke	99.3	102.0

Housing Market Conditions

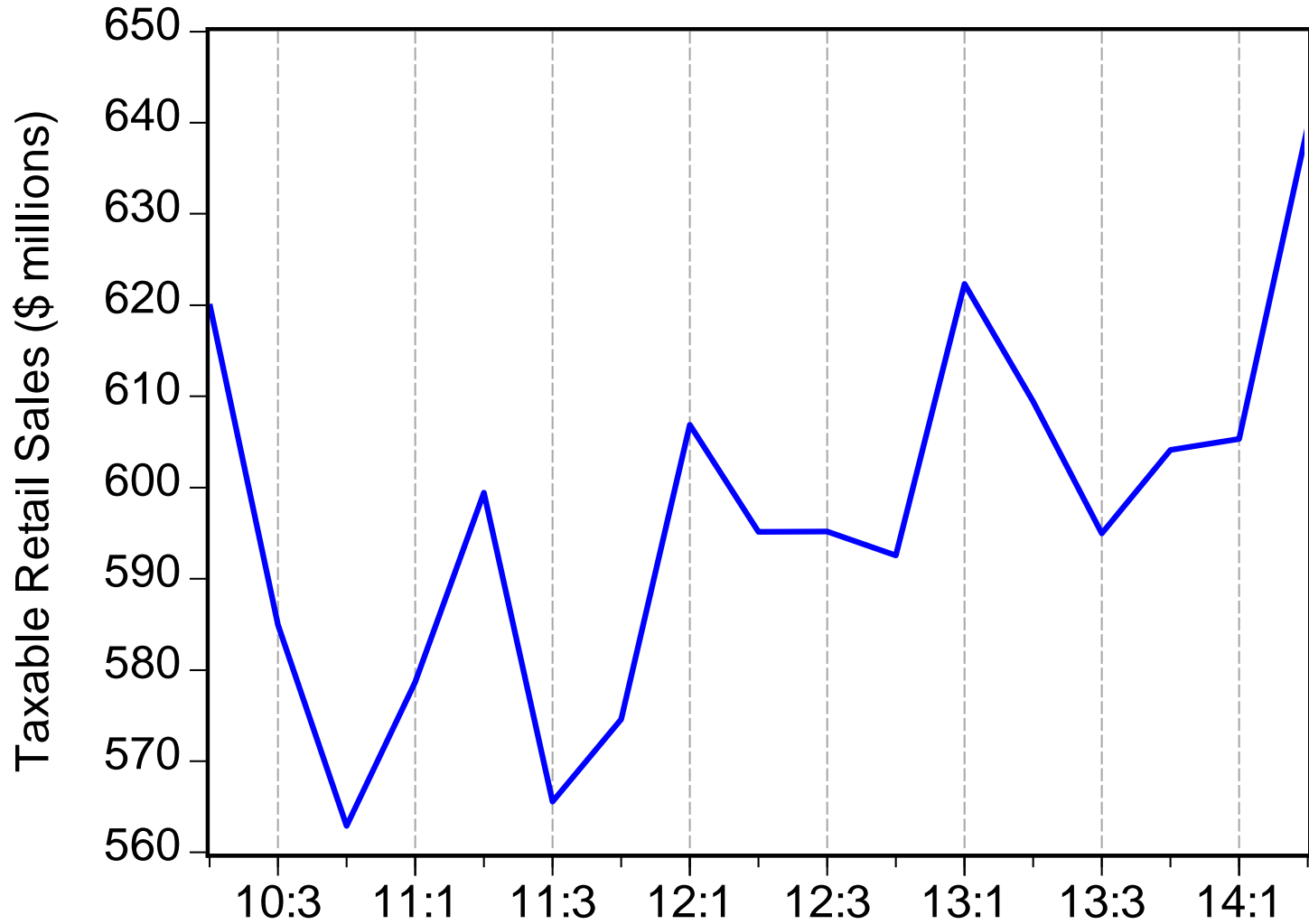
2013:2 – 2014:2

	% Change Median Sales Price	% Change Sales
Roanoke/Lynchburg/Blacksburg	-2.4	-2.3
Greater Richmond	4.0	-1.9
Northern Virginia	0.0	-9.7
Hampton Roads	1.4	-2.9
Southside Virginia	-2.4	-2.3
Southwest Virginia	-0.9	-9.4
All of Virginia	1.0	-5.7

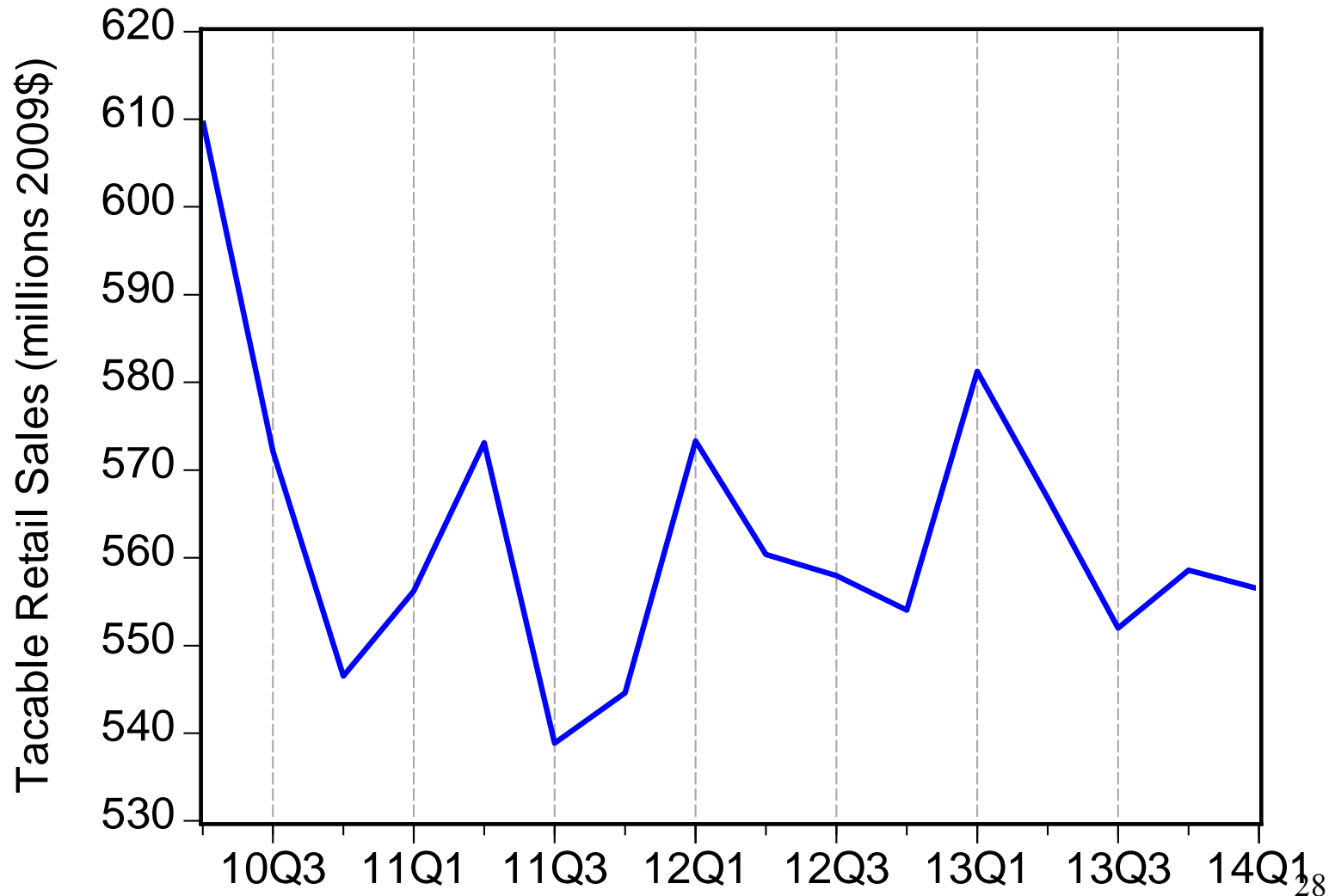
Taxable Retail Sales

	2013 Q2	2014 Q2	% Change
Amherst	57,171,006	59,956,365	4.9
Appomattox	31,751,989	35,637,451	12.2
Bedford County	107,714,579	111,417,204	3.4
Campbell	107,474,129	111,931,091	4.1
Lynchburg	305,310,924	320,649,093	5.0
REGION	609,422,627	639,591,203	5.0
Virginia	23,771,551,791	24,202,537,687	1.8

LYNCHBURG MSA TAXABLE RETAIL SALES, 2010:2 – 2014:2



REAL LYNCHBURG MSA TAXABLE RETAIL SALES, 2010:2 – 2014:1

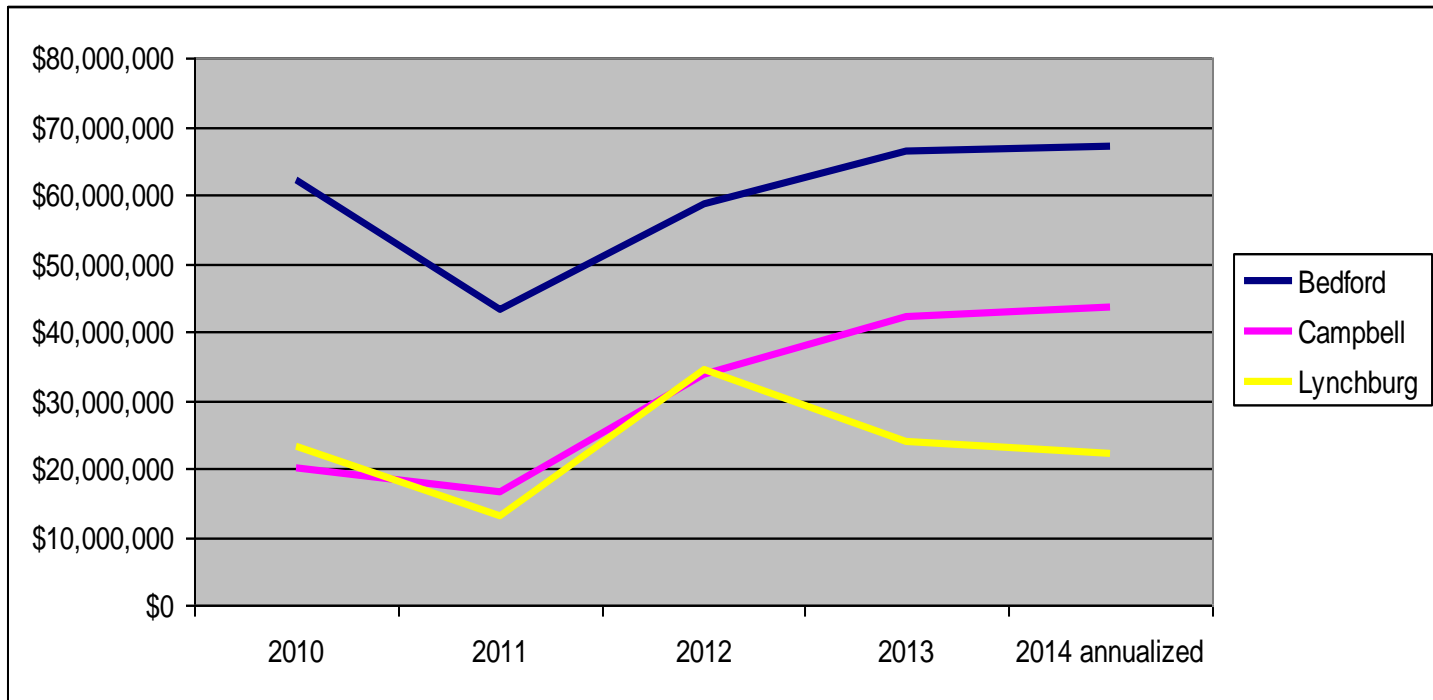


YEAR: QTR	Taxable Retail Sales	% CHG
2010:02	620,133,912	
2010:03	584,935,628	-5.7
2010:04	562,922,298	-3.8
2011:01	578,694,092	2.8
2011:02	599,451,742	3.6
2011:03	565,557,298	-5.7
2011:04	574,576,810	1.6
2012:01	606,896,286	5.6
2012:02	595,155,034	-1.9
2012:03	595,206,059	0.0
2012:04	592,550,227	-0.4
2013:01	622,352,164	5.0
2013:02	609,422,627	-2.1
2013:03	594,958,730	-2.4
2013:04	604,109,225	1.5
2014:01	605,334,943	0.2
2014:02	639,591,203	5.7

Foreclosures

	2014:1	2014:2	% Change
Roanoke/Lynchburg/Blacksburg	89	105	18
Greater Richmond	297	238	-20
Northern Virginia	486	459	-6
Hampton Roads	479	488	2
Southside Virginia	21	39	86
Southwest Virginia	12	28	133
All of Virginia	1,422	1,397	-2

Value of Building Permits (annual totals, 2010 through 2014)



% Change	Bedford County	Campbell	Lynchburg
2010 - 2014	7.7	115.2	-5.0

SCORECARD

Employment	Down
Labor Force	Down
Unemployment Rate	Up
Cost of Living	Relatively low, but rising
Median Home Sales Price	Down
Home Sales	Down
Taxable Retail Sales	Down
Foreclosures	Relatively low, but up slightly
Building Permits	Gently increasing

Next Steps

- **Support Regional Economic Research.** If you're willing to provide firm-level data (confidentiality guaranteed) to assist us in our study of regional economic dynamics, contact Joe Turek at turek@lynchburg.edu or (434)544-8542.
- **Get involved.** The Biz Forward Task Force is working with regional leaders to strengthen collaboration across communities. If you'd like to know more and want to get involved, contact Christine Kennedy at Kennedy@lynchburgchamber.org or (434)845-5968.

- **Get Informed.** The School of Business and Economics at Lynchburg College is developing a regional economic trends newsletter (to be delivered electronically). If you want to get on our distribution list, send your name, company name, and email address to Janice Quattlebaum at Quattlebaum@lynchburg.edu.