



Greater Richmond Economic Analysis

December 2022

Table of Contents

3	Executive Summary
4	Economic Trends
5	Unemployment Rate
6	Seasonal Job Growth
7	Job Recovery Since COVID
8	Increases in Employment
9	Decreases in Employment
10	Labor Force & Employment
11	The Great Resignation
12	New & Expanding Industries

13	New & Expanding Companies
14	Regional Benchmarking
15	Focus on Diversity, Equity + Inclusion
16	Share of NonWhite Population
17	Business Ownership by Race
18	Change in Employment by Race
19	Employed Disabled Persons
20	Municipal Equality Index
21	GRP Research Committee
22	GRP Economic Analysis Contributors

Executive Summary

The key take-away from this edition of the Economic Analysis is that during October 2022 the Richmond metro area regained the number of jobs it had prior to the pandemic.

In February 2020, the region had 686,100 employed persons, but that number fell to 612,100 by April 2021, a loss of 11%.

After significant job losses in March and April 2022, the economy slowly regained the lost jobs; recovering an average of 2,500 jobs per month through October 2022.

Post-COVID employment looks different than pre-COVID; only four sectors of the economy have regained the number of jobs they had in February 2020 – professional and business services, leisure and hospitality, transportation and warehousing, and manufacturing. Eight sectors remain below their February 2020 employment, led by government, financial activities, construction and retail.

You will also see that the Richmond Region continues to attract new and expanding industries, especially in manufacturing, supply chain and professional services.

In our “Focus On... Diversity, Equity and Inclusion” section you’ll see through numerized data and rankings that Greater Richmond is a diverse community and is friendly to people of different races, abilities and orientations.

Chuck Peterson

Vice President of Research, Greater Richmond Partnership

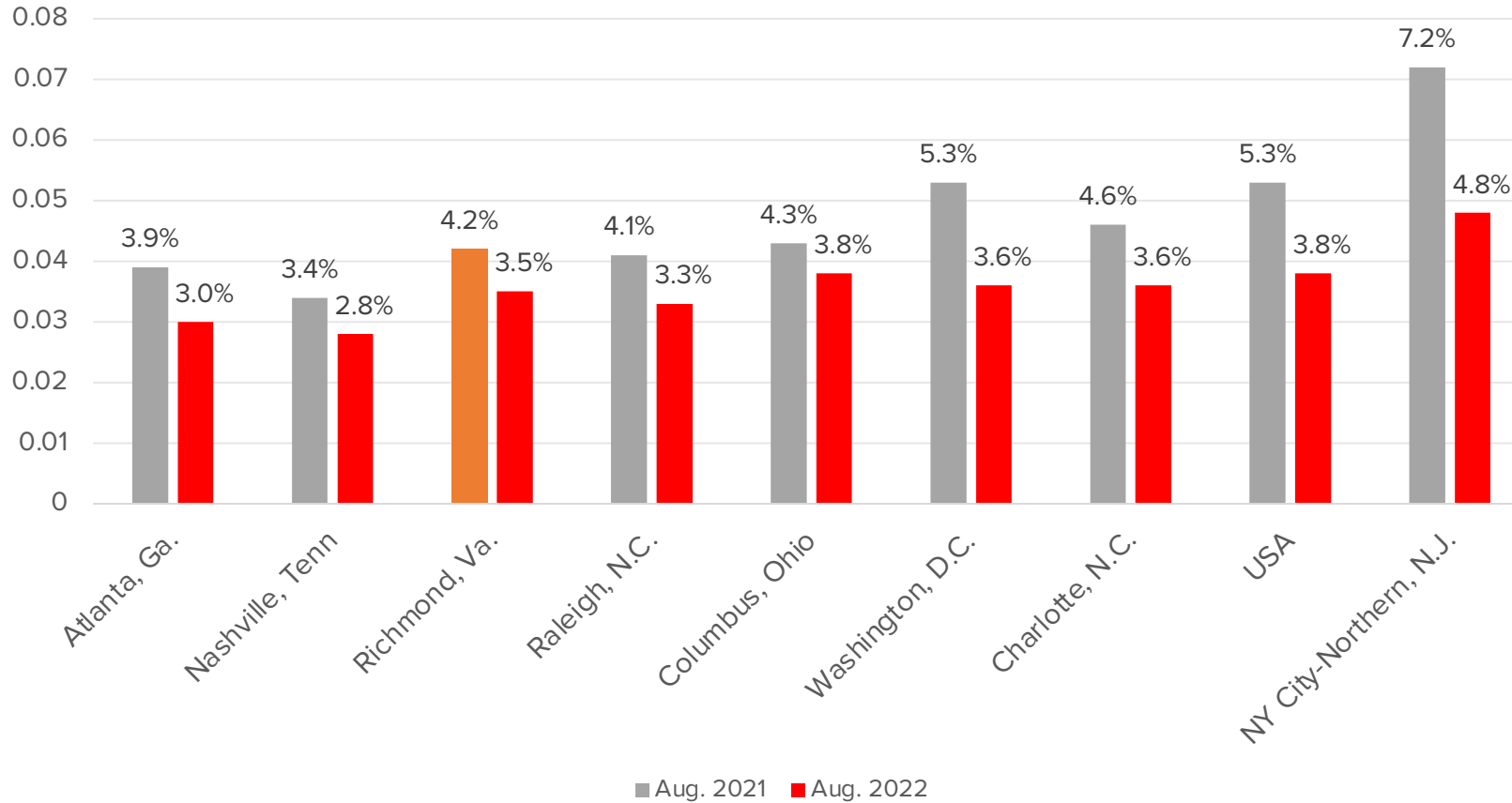
Dec. 13, 2022

Economic Trends

over the past year

- ▲ Population (+0.6%)
- ▲ Labor Force (+1.0%)
- ▼ Unemployment Rate (-0.9%)
- ▲ Unemployment Claims
- ▲ Payroll Employment (+2.0%)
- ▲ Class A Office Vacancy (+2.4%)
- ▼ Office Asking Rent (-1.7%)
- ▼ Industrial Vacancy (-0.7%)
- ▲ Industrial Asking Rent (+12.3%)
- ▼ Existing Home Sales (-29.3%)
- ▲ Median Home Sales Price (+9.8%)
- ▲ RIC Passengers (+11.5%)
- ▼ RIC Cargo Volume (-4.1%)
- ▼ Hotel Occupancy (-6.8%)

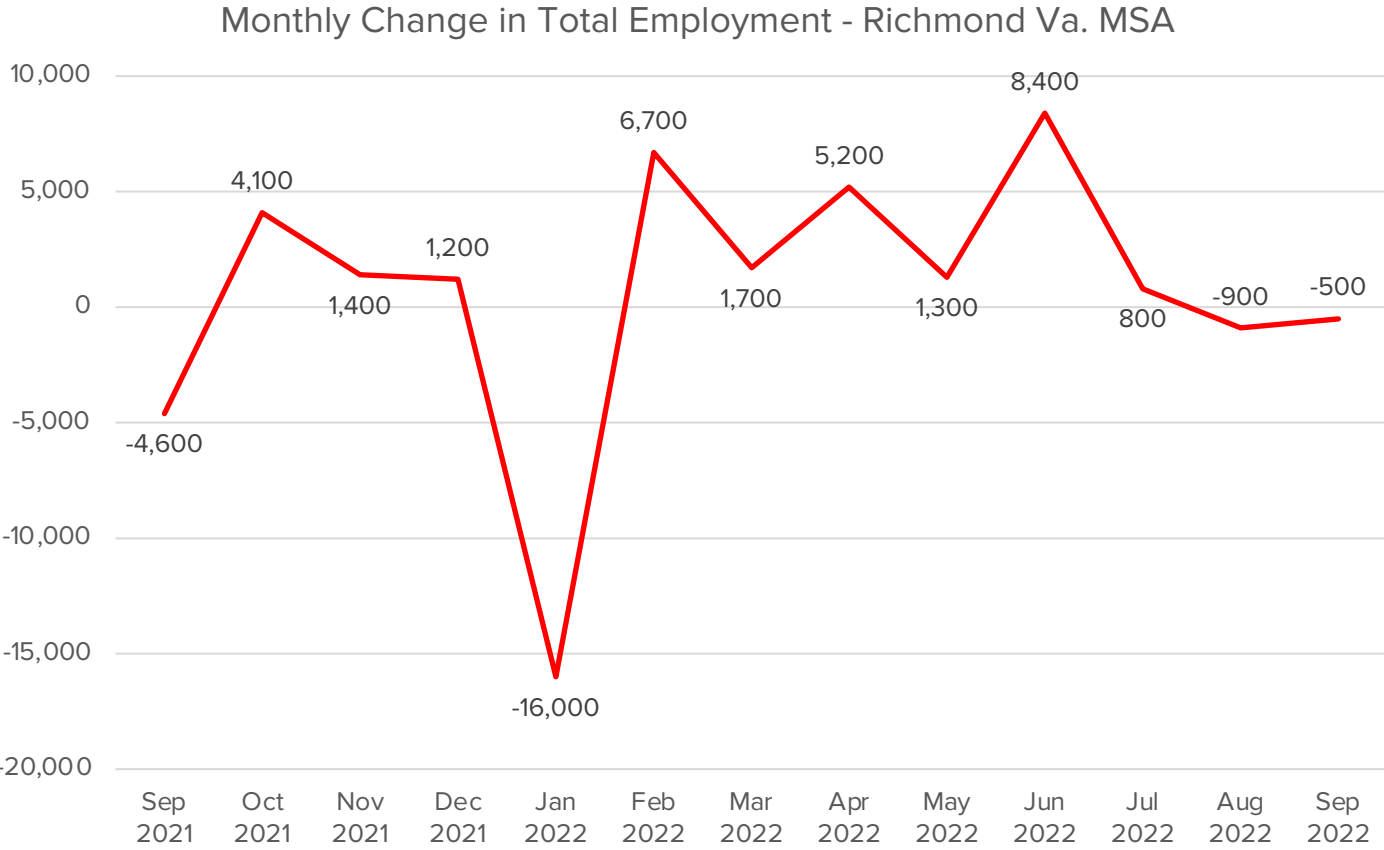
Unemployment Rate



In Aug. 2021, Richmond's unemployment rate was 1.2 percentage points below the national average. By August 2022, Richmond's rate had declined a further 0.7 point, but the U.S. rate declined by 1.5 points.

Among the eight comparison metro areas, Richmond had the 4th lowest Aug. 2022 unemployment rate; the rate was also below the group's average of 3.6%.

Seasonal Job Growth



Over the past year, the Richmond metro area has had a net gain of 8,800 jobs, but monthly growth was not steady.

Total employment grew slightly at the end of 2021, with 2,100 jobs added between September and December 2021.

The first four months of 2022 saw negative job growth, due mostly to seasonally-expected layoffs in January.

There was significant growth through the second half of 2022, with 7,800 jobs added between June and September.

Source: US Bureau of Labor Statistics., June 2022



Job Recovery Since COVID

Industry	Richmond, Va. MSA		United States	
	Difference from Feb. 2020	Percent of Feb. 2020 Jobs Recovered	Difference from Feb. 2020	Percent of Feb. 2020 Jobs Recovered
Leisure + Hospitality	3,800	106%	(390,000)	98%
Professional and Business Services	5,400	105%	1,573,000	107%
Transportation, Warehousing & Utilities	2,700	110%	800,400	113%
Construction & Related	(1,400)	96%	574,000	107%
Other Services	(200)	99%	(132,000)	98%
Manufacturing	0	100%	197,000	102%
Information	(500)	93%	158,000	105%
Retail Trade	(1,000)	98%	468,400	103%
Wholesale Trade	(200)	99%	72,800	101%
Financial Activities	(3,200)	94%	175,000	102%
Education & Health Services	(800)	99%	286,000	101%
Government	(3,600)	97%	(381,000)	98%
Total NonFarm	1,000	100%	3,401,000	102%

In Oct. 2022, Richmond Region's overall recovery of pandemic-era job losses has reached 100% for the first time since the start of the pandemic.

However, it continues to lag behind the national rate of recovery by 2%.

While four industries in the Richmond MSA have surpassed the pre-pandemic rates, there are only two industries where Richmond's rate is better than the national level. Namely, Leisure + Hospitality and Other Services.

Nationally, the job recovery rate has risen to above 2% of the pre-pandemic numbers. The national job recovery has been picking up in the last few months, with only three industries below pre-pandemic employment levels: Government, Leisure + Hospitality, and Other.

Increases in Employment

Top Job Gaining Occupation	Employment Change 2021Q2 to 2022Q2
Food and Beverage Serving Workers	2,162
Business Operations Specialists	1,927
Cooks and Food Preparation Workers	1,270
Motor Vehicle Operators	1,215
Computer Occupations	1,192
Material Moving Workers	1,031
Top Executives	885
Information and Record Clerks	726

Seventy-nine of 95 broad occupations (83%) had more workers in 2022-Q2 than they had in 2021-Q2.

The 79 job-gaining occupations had an increase of 23,219 jobs, with 4,675 (20%) of the jobs in five food-related occupations.

Business Operation Specialists, including Wholesale and Retail Buyers and Management Analysts, accounted for 1,927 (8%) of the new jobs.

Decreases in Employment

Top Job Losing Occupations	Employment Change 2021Q2 to 2022Q2
Postsecondary Teachers	-448
Home Health and Personal Care Aides; and Nursing Assistants	-315
Financial Clerks	-192
Secretaries and Administrative Assistants	-167
Religious Workers	-39
Law Enforcement Workers	-30
Plant and System Operators	-30
Helpers, Construction Trades	-28

Sixteen of the 95 broad occupations (17%) lost workers over the past year, between 2021-Q2 and 2022-Q2.

The job-losing occupations had a total decrease of 1,341 jobs. After adding back the occupations that gained jobs, the region's net job gain was 21,878.

Postsecondary Teachers accounted for 448 (33%) of the lost jobs; Health care aides accounted for 315 (23%) of the losses.

Labor Force & Employment

MSA	Change in Total Labor Force	Change in Employed Persons	Change in Unemployed Persons
Raleigh, N.C.	5%	5%	-14%
Nashville, Tenn.	2%	3%	-19%
Charlotte, N.C.	4%	5%	-18%
Atlanta, Ga.	2%	3%	-22%
Washington, D.C.	0.4%	2%	-30%
Columbus, Ohio	1%	1%	-13%
Richmond, Va.	1%	2%	-23%
New York City, N.Y.	1%	3%	-40%
USA	2%	3%	-26%

The U.S. Labor Force Participation Rate in Oct. 2022, at 62.2, has shown little net change over the past year.

Between Sept. 2021 and Sept. 2022, the nation's labor force grew slightly by 2%, and the number of employed people grew by 3%.

Richmond's labor force and employed persons grew slightly, but below the average for all metropolitan statistical areas. The change in unemployed persons in Richmond fell by 23% YoY in September 2022, slightly above the average.

The Great Resignation



The "Great Resignation" or the pandemic-caused trend of people completely leaving the labor force, appears to be over.

The number of people nationwide who were unemployed and seeking work fell by 23% YoY in Sept. 2022, compared to a 45% decline in the year prior. Employees have shown weakening confidence of the ability to find a new job if they leave their current job.

The number of unemployed increased through Jan. 2022 and again in May 2022, as fears of a recession mounts and companies have announced hiring freezes and laying offs.

New + Expanding Industries

Over the past two-plus years, companies have continued to locate and expand in Greater Richmond. The Virginia Economic Development Partnership tracked 81 projects, summarized below by how they align with GRP's target industry clusters (though the GRP did not assist all these companies).

Manufacturing and supply chain companies, led by The Lego Group (plastic toys) and Amazon (robotics fulfillment center), had the highest jobs and capital investment numbers.

Announcements from companies that need office space were led by CoStar (real estate analytics), SimpliSafe (customer support for security systems) and T-Mobile (telecommunications customer support).

Cluster	Projects	Announced Jobs	Announced Investment
Adv. Manufacturing	31	3,895	\$1,859,392,000
Logistics + E-Commerce	15	2,193	\$711,204,000
Food/Beverage	7	546	\$486,043,000
Life Sciences	8	945	\$175,703,000
Corp. Services	8	3,940	\$528,118,000
Other	5	441	\$27,040,000
Informational Tech	5	383	\$8,066,000
Finance + Insurance	3	163	\$1,820,000
Grand Total	81	12,506	\$3,797,386,000

New & Expanding Companies

Corp. Services

The CoStar Group; E; 2,000 jobs; \$460.5m
SimpliSafe; N; 836 jobs; \$7.9m
T-Mobile; E; 500 jobs; \$30.0m
EAB; E; 206 jobs; \$7.9m

Logistics + E-Commerce

Carvana; N; 400 jobs; \$25m
AutoZone; N; 352 jobs; \$185.2m
Walgreens; N; 249 jobs; \$34.2m
Amazon.com; E; 150 jobs; \$3m

IT

Intact Technology; E; 125 jobs; \$1.5m
ASGN Incorp; E; 121 jobs; \$5m
Paymerang; E; 86 jobs; \$200k
Marathon Consulting; E; 51 jobs; \$300k

E= Existing Company Expansion
N= New-to-market Company

These are the leading corporate expansions in Greater Richmond since Jan. 2020.

Adv. Manufacturing

The Lego Group; N; 1,761 jobs; \$1b
Starplast USA; N; 300 jobs; \$17.7m
Grenova; E; 250 jobs; \$10.6m
Moore; E; 239 jobs; \$25m

Life Sciences

PPD; E; 458 jobs; \$92.3m
Aditxt; N; 347 jobs; \$31.5m
Civica Rx; N; 186 jobs; \$124.6m
AMPAC; E; 156 jobs; \$25m

Food + Beverage

Mondelez; E; 80 jobs; \$123m
Coca-Cola; E; 40 jobs; \$23m
Greenswell Growers; N; 27 jobs; \$17.4m
Mafco Worldwide; E; 15 jobs; \$6.1m

Jobs and investment from newly-locating companies account for 40% of jobs and 50% of capital investment.

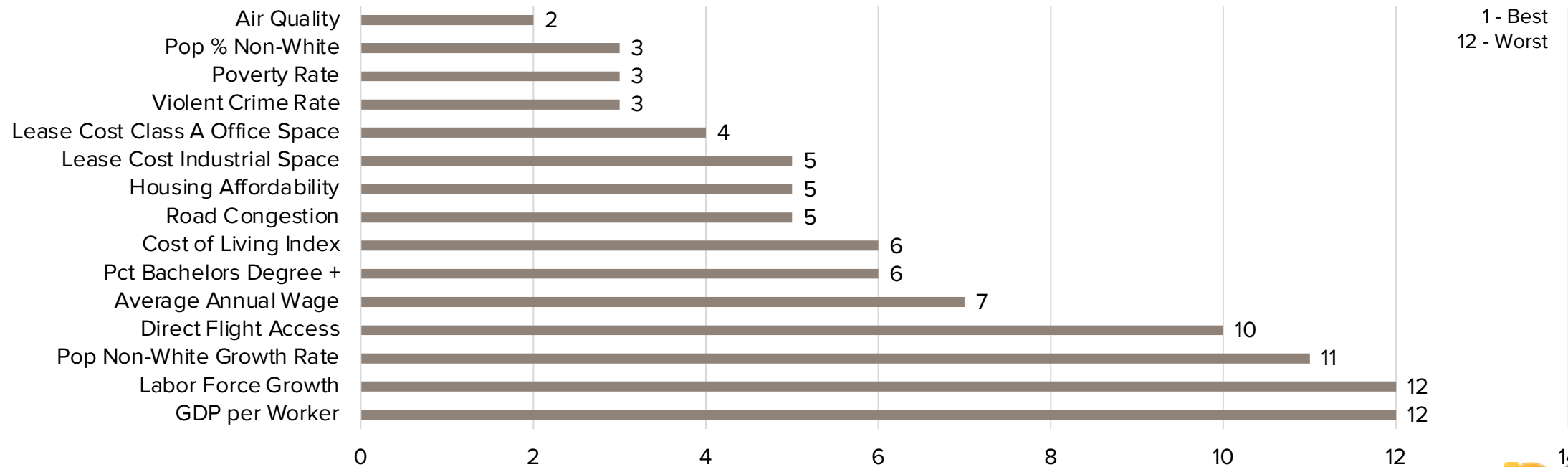
Finance + Insurance

Hamilton Insurance; N; 76 jobs; \$415k
Richmond Nat Group; N; 73 jobs; \$200k
Piper Sandler; N; 14 jobs; \$1.2m
Paymerang; E; 86 jobs; \$25k

Regional Benchmarking

The Greater Richmond Partnership benchmarks the region against 11 other eastern and southeastern metro areas on 26 topics including economy, environment, business climate and population. The benchmarking communities include Atlanta, Ga., Birmingham, Ala., Charleston, N.C., Charlotte, N.C., Columbus, Ohio, Hampton Roads, Va., Hartford, Conn., Jacksonville, Fla., Louisville, Ky., Nashville, Tenn., and Raleigh, N.C.

The graph below presents Richmond's rankings on 15 of the 26 measured. In most instances the rankings represent a single point-in-time. Growth rate comparisons are compared to the previous year. The new direct flights added by Breeze Airlines this year made Richmond equal with Louisville at 33 direct flights locations.



Focus On ...



Diversity, Equity + Inclusion

Greater Richmond is already a diverse community. As ESG (environmental, social and governance issues) -- and a key component of this, DEI (diversity, equity and inclusion) -- rise in importance in making great communities and in the corporate site selection process, it's important to have an understanding of our community's strengths and challenges regarding ESG and DEI.



Environmental, social and governance (ESG) criteria have become increasingly important as a barometer for all-around business success. Increasingly, companies are seeking locations that are environmentally and socially conscious, and therefore able to sustain a company's planned long-term growth. Locations that are out in front of the ESG investment model can provide a competitive edge in the site selection process.

Biggins Lacy Shapiro & Company

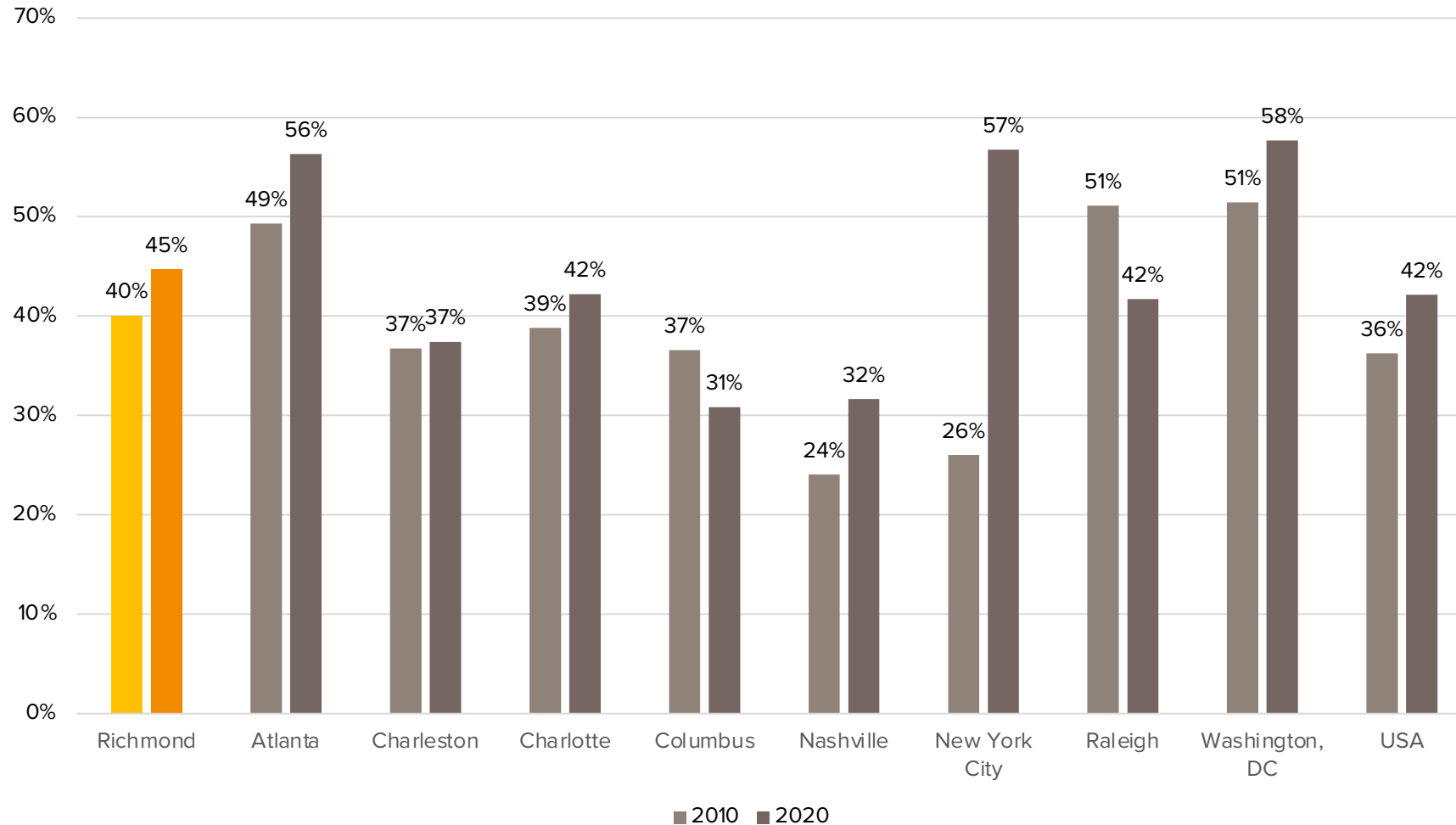


“Richmond is a growing community with access to a deep pool of diverse, highly-skilled workers, a vibrant culture of innovation and a wonderful quality of life for our existing and future employees.”

*Andy Florance
Founder and CEO
CoStar Group*



Share of NonWhite Population in 2010 & 2020

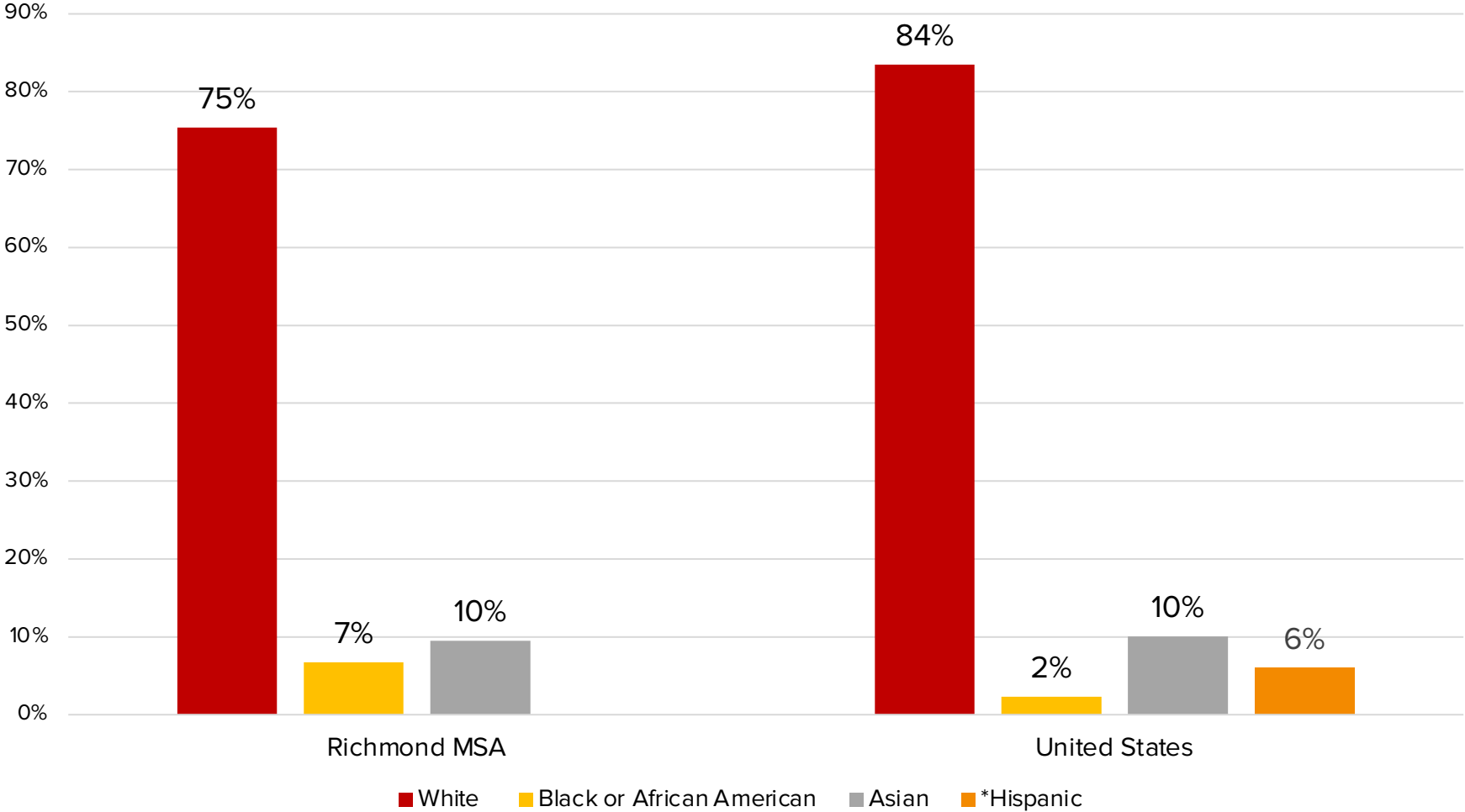


The percentage of NonWhite population increase in the Richmond MSA in the last decade is suppressed because it was high in 2010.

There are a higher percentage of NonWhites in Richmond compared to the national average.

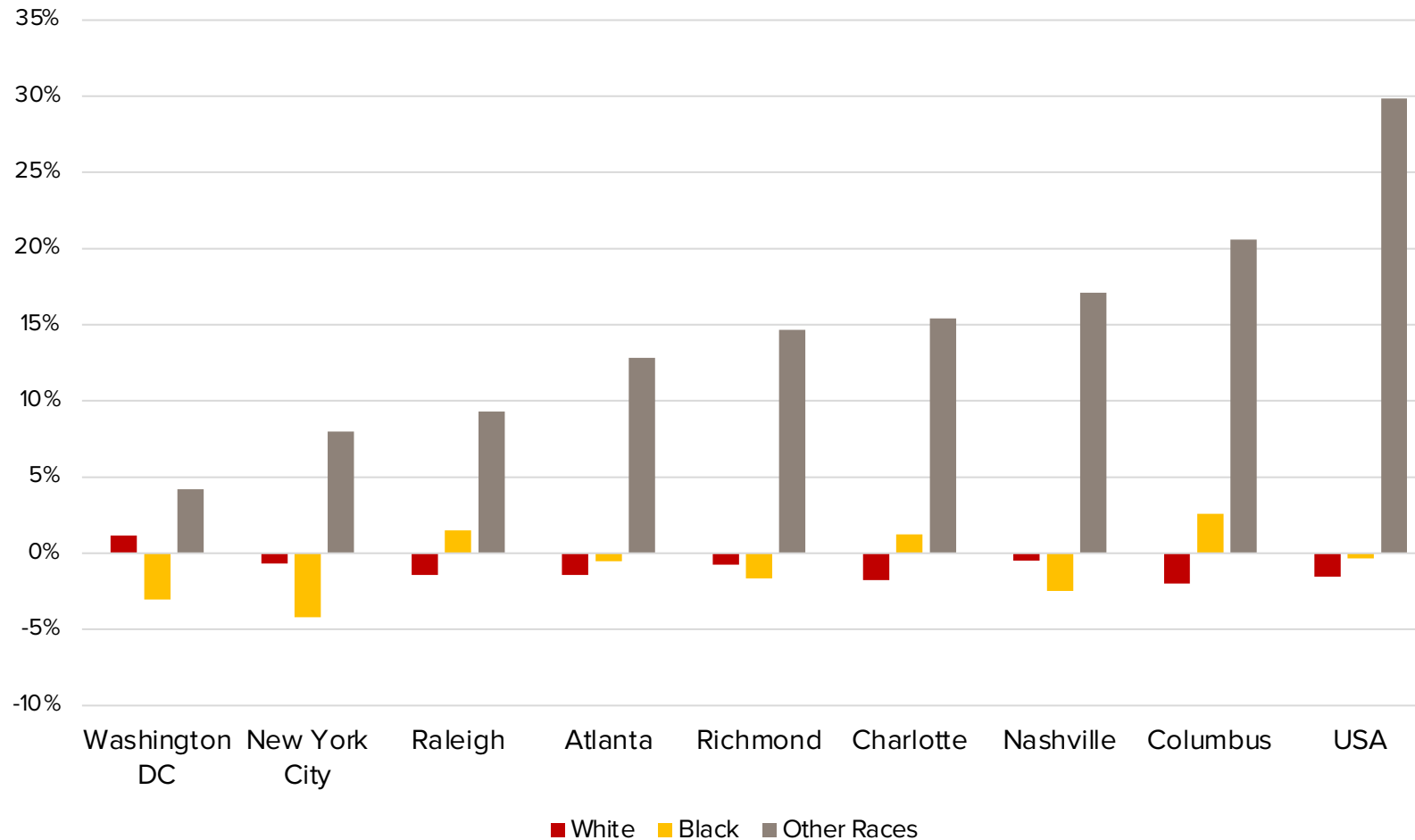
Compared to its peers, Richmond has a more diverse population.

Business Ownership by Race, 2019



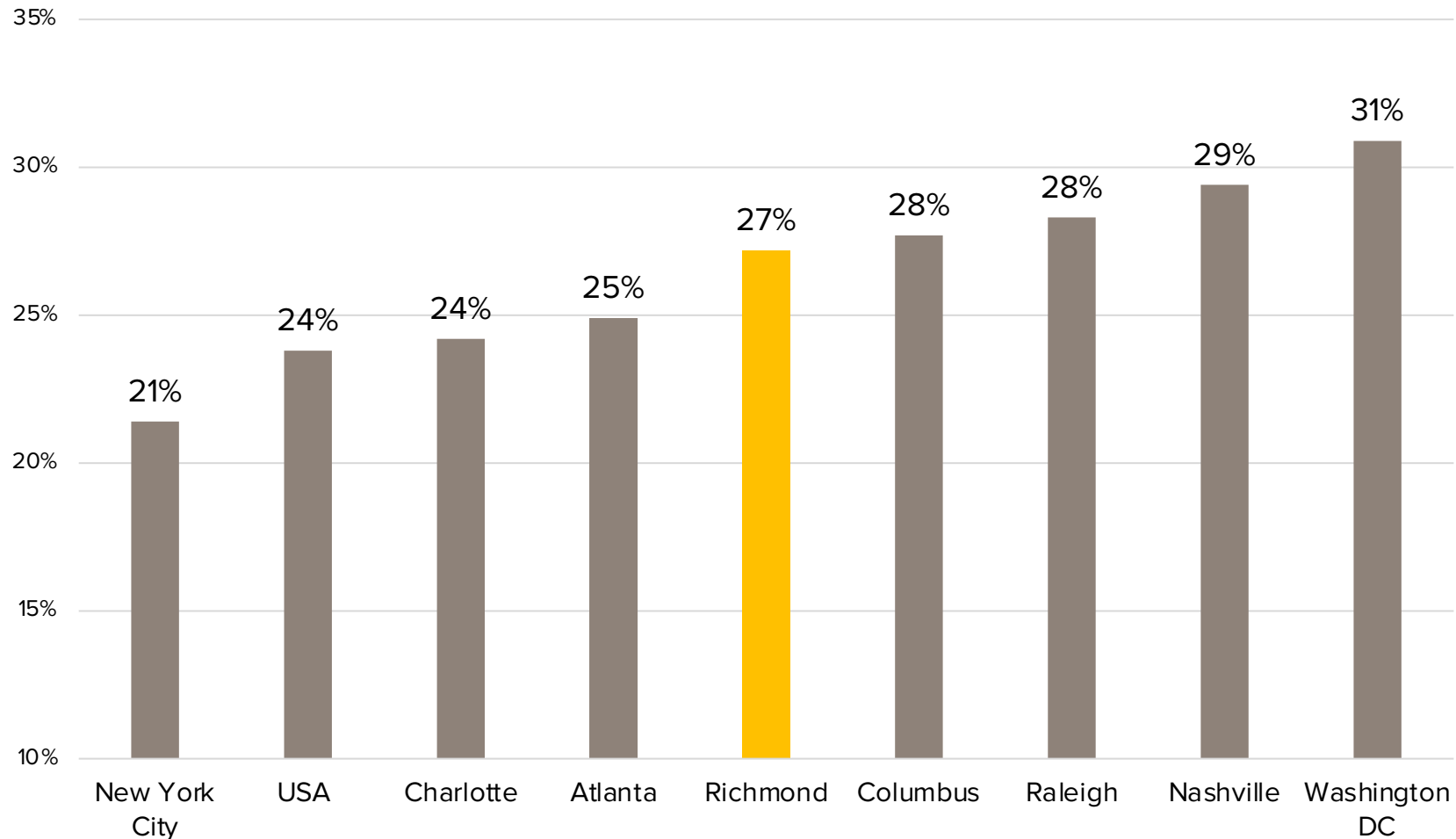
- White individuals owned the majority of businesses nationally and in the Richmond area.
- Richmond has more diversity in businesses owned compared to the national average.
- Richmond has a higher percentage of Black-owned businesses versus the national average.
- Richmond MSA data for Hispanic-owned businesses is not disclosed by the U.S. Census Bureau.

Change in Employment by Race, 2016 - 2020



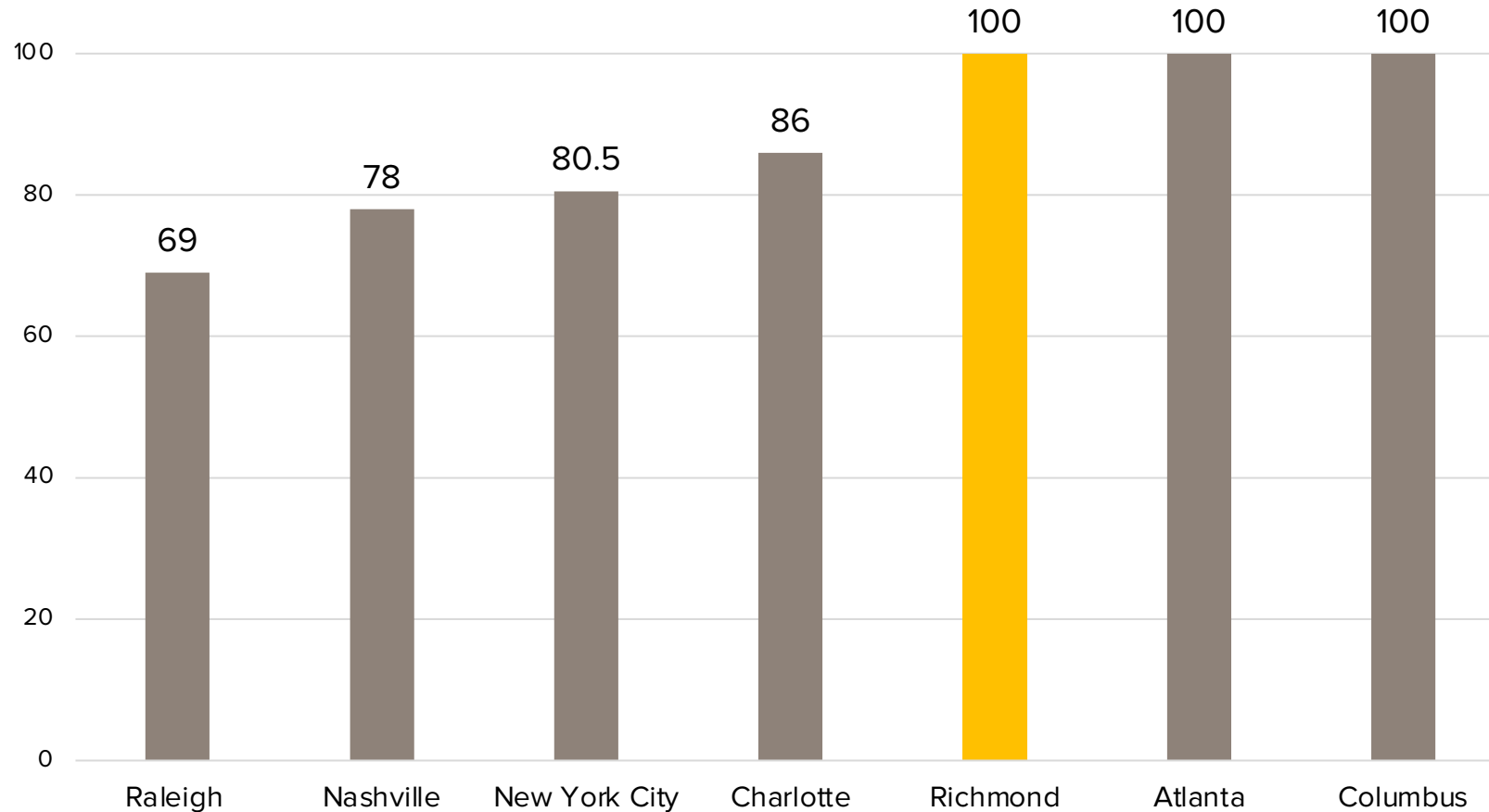
- Changes in all three of Richmond's groups (White, Black and Other Races) were typical among its comparison communities.
- Only Washington DC had an increased in White employment between 2016 and 2021.
- All areas examined had significant increases in the share of Other Races among employed persons.

Employed Persons with Disabilities, 2019



- The Richmond Region has more individuals with disabilities employed than the national average.
- Richmond is typical among its comparison communities.

Municipal Equality Index 2021



- This is an evaluation of the cities' laws and policies, and an examination of how inclusive city services are of LGBTQ people.
- Richmond has a perfect score on its MEI index.
- Compared to its peers, Richmond has one of the highest index scores for inclusive municipal laws, policies, and services towards LGBTQ+ individuals.

Greater Richmond Research Committee

Dr. Chris Chmura (CHAIR) Chmura Economics & Analytics

John Budesky (CO-CHAIR) Hanover County

Kathryn Abelt Chesterfield Economic Development

Michael Cobb CoStar

Gizelle Curtis Dominion Energy

Elizabeth Creamer Community College Workforce Alliance

Jane DuFrane Highwoods Properties

Sara Dunnigan Go Virginia

Dr. Lori Dwyer Reynolds Community College

Reinhard Eberl Anton Paar

Liz Greving Cushman & Wakefield Thalhimer

Renee Haltom Federal Reserve Bank of Richmond

Dr. Sara Hanson University of Richmond

Dr. Elsie Harper-Anderson Virginia Commonwealth University

Stephen Hartka Virginia Economic Development Partnership

Adam McEwen Richmond Association of REALTORS

Lucy Meade Venture Richmond

Phyllis Palmiero Collegiate School

Chet Parsons Plan RVA

Anthony Romanello Henrico County

Laura Smith Swankler Port of Virginia

Brandon Turner Hanover County

Beth Weisbrod ChamberRVA

Kai Amado Greater Richmond Partnership

Zach Evans Greater Richmond Partnership

Kassidy Francis Greater Richmond Partnership

Aitasam Haroon Greater Richmond Partnership

Chuck Peterson Greater Richmond Partnership

Jennifer Wakefield Greater Richmond Partnership

Warren Wright Greater Richmond Partnership



GRP Economic Analysis Contributors



Chuck Peterson

Vice President of Research

cpeterson@grpva.com

+1 804 503 5748



Kassidy Francis

Director of Market Research

+ Business Analytics

kfrancis@grpva.com

+1 804 314 7903



Kai Amado

Research Intern

kamado@grpva.com