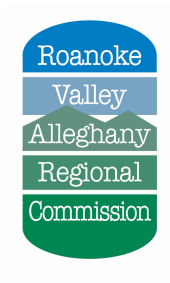


Research

Compiled By:

Presented By:



INTRODUCTION

The Roanoke Regional Partnership commissioned this first analysis of economic indicators for the Roanoke Region to establish a benchmark for economic progress. The indicators will be monitored during the next 5 years. The study was completed in cooperation with the Roanoke Valley Alleghany Regional Commission which developed the list of indicators that best reflected economic and quality of life indicators that are critical measurements of success in building regional prosperity. The study benchmarks Roanoke Region metrics against Virginia averages.

This report is part of the Roanoke Regional Partnership's program of work. In addition to business recruitment, image building, and asset development, the RRP is committed to providing an annual metrics report that paints a realistic picture of the region's economic prosperity and quality of life assets. These indicators recognize progress and identify opportunities that can be addressed by policy makers and implementers.

SUMMARY

The Roanoke Region in the last part of the first decade of the 21st century shows a mixed picture of progress and opportunity. Growth rates dramatically improved over the period of 2006 to 2008 from growth rates earlier in the decade. Several localities (cities of Covington, Roanoke and Salem) went from losing population each year (between 2002 and 2004 particularly) to positive growth. The region as a whole went from zero growth in the earliest part of this decade to 0.6% annualized growth between 2006 and 2008.

Another key indicator showing turnaround is income. Inflation –adjusted incomes have been stagnant in the region over the longer term. More recently (from 2004 to 2006), data suggests that the region has had faster growth than the Commonwealth. The MSA median adjusted gross income for married couples increased by 7.57 percent from 2004 to 2006, while the state's only increased by 6.11 percent. However, the region remains far off Virginia's income figures.

It will be important to see the results of the Great Recession of 2008-10 on these key prosperity indicators. An interesting and encouraging statistic is in taxable sales. While the Roanoke Region has seen decreases in taxable sales activity, the decline from what was roughly the economy's peak to its trough was approximately 5.98 percent, lower than the Commonwealth's lost sales activity (6.87 percent).

However, the formation of business establishments other than restaurants has suffered during the recession and fallen behind the Commonwealth in growth. Economic growth as measured by Gross Metropolitan Product has trailed state and national growth significantly most likely impacted by the recession.

Quality of life indicators present a confusing picture yet reinforce the region's new focus on promoting outdoor amenities. Virginia state park attendance in the region is increasing at a significantly higher rate than in the Commonwealth in general. Usage of Carvins Cove has grown as well.

The number of restaurants is growing faster in the region than in the Commonwealth. Restaurant establishments increased even during the beginning of the current recessionary period (between 2006 and 2008). However, employment in the arts, entertainment, and recreation sectors have declined; losing ground against Virginia trends and indicate a trying future for the growth and enhancement of these amenities.

The study also includes benchmarks on miles of trails and Roanoke Valley Greenway usage. These statistics will be compiled going forward to identify the value of these amenities.

POPULATION ESTIMATES. The data illustrates the progress the region has made in increasing its population growth rate. Growth rates dramatically improved over the period of 2006 to 2008 from growth rates earlier in the decade. Several localities (cities of Covington, Roanoke and Salem) went from losing population each year (between 2002 and 2004 particularly) to positive growth. Growth rates in Franklin County have been consistently higher than the remainder of the Roanoke Region, approaching the rate experienced by the Commonwealth through much of the period under analysis and eventually surpassing the Commonwealth's rate in 2006 to 2008. The region as a whole went from zero growth in the earliest part of this decade to .6% annualized growth between 2006 and 2008.

	2000	2002	2004	2006	2008	CAGR 2000- 08	CAGR 2000- 02	CAGR 2002- 04	CAGR 2004- 06	CAGR 2006-2008
Alleghany County	17,200	16,916	16,591	16,403	16,202	-0.7%	-0.8%	-1.0%	-0.6%	-0.6%
Botetourt County	30,564	31,056	31,527	31,862	32,261	0.7%	0.8%	0.8%	0.5%	0.6%
Craig County	5,092	5,051	5,094	5,088	5,087	0.0%	-0.4%	0.4%	-0.1%	0.0%
Franklin County	47,433	48,267	49,220	50,340	51,477	1.0%	0.9%	1.0%	1.1%	1.1%
Roanoke County	85,752	86,255	87,506	89,425	90,867	0.7%	0.3%	0.7%	1.1%	0.8%
City of Covington	6,294	6,364	6,297	6,092	6,120	-0.3%	0.6%	-0.5%	-1.6%	0.2%
City of Roanoke	94,797	93,276	92,318	92,408	92,967	-0.2%	-0.8%	-0.5%	0.0%	0.3%
City of Salem	24,804	24,791	24,507	25,058	25,449	0.3%	0.0%	-0.6%	1.1%	0.8%
Roanoke Region	311,936	311,976	313,060	316,676	320,430	0.3%	0.0%	0.2%	0.6%	0.6%
Virginia	7,104,354	7,276,785	7,454,688	7,628,347	7,769,089	1.1%	1.2%	1.2%	1.2%	0.9%

Census Bureau Population Estimates Program, 2009.

ESTIMATE OF TRAIL MILEAGE IN THE ROANOKE REGION. The Roanoke Valley – Alleghany Regional Commission intends to track this important metric in future years by compiling updated geospatial data in regards to hiking and biking trails on a regular basis. Trail development activities in the National Forest in the Alleghany Highlands area, development of the Jackson River Scenic Trail, and development of the Roanoke River Greenway system are expected to yield many new miles of trail in the Roanoke Region in years to come.

	National Forest	Carvins Cove	R.V. Greenways	Mill Mountain	County Parks	Chestnut Ridge	NPS Parkway	Explore Park	Havens Wildlife	Total
Alleghany County	110									110
Botetourt County	208	28			6.68					241
Craig County	88									88
Franklin County					24					24
Roanoke County	31	17	4		10		14	7	21	104
City of Salem			2							2
City of Roanoke			14	8		6				28
Total	437	45	20	8	34	6	14	7	21	597

Source: RVARC, 2009

BOATS REGISTERED BY LOCALITY GARAGED, DOCKED, AND/OR PARKED.

Regional growth has outpaced growth in the state in terms of the number of boats registered. Unsurprisingly, the largest single amount of increase is in Franklin County, which mirrors continued residential development in the Smith Mountain Lake area.

	2004 Registered	2005 Registered	2006 Registered	2007 Registered	2008 Registered	% Change 2004-2008	% Change 2006-2008
Alleghany County	664	650	657	640	652	-1.8	-0.8
Botetourt County	1,113	1,133	1,165	1,191	1,176	5.7	0.9
Craig County	177	190	192	188	185	4.5	-3.6
Franklin County	9,957	10,263	10,504	10,838	10,922	9.7	4.0
Roanoke County	1,899	1,962	2,067	2,053	1,984	4.5	-4.0
City of Covington	136	139	141	139	126	-7.4	-10.6
City of Roanoke	844	790	676	679	698	-17.3	3.3
City of Salem	415	377	350	348	247	-40.5	-29.4
Roanoke Region	14,790	15,127	15,402	15,728	15,743	6.4	2.2
Virginia	245,340	247,710	250,673	253,962	251,756	2.6	0.4

Department of Game and Inland Fisheries, 2009.

MEDIAN ADJUSTED GROSS INCOME FOR MARRIED COUPLES. Inflation –adjusted incomes have been stagnant in the region over the longer term with many localities actually seeing lower median incomes when adjusted for inflation from 2000 to 2006. More recently (from 2004 to 2006), data suggests that the region has had faster growth than the Commonwealth. The MSA median increased by 7.57% from 2004 to 2006, while the state’s only increased by 6.11%. The region has quite a ways to go if it is ever to match the Commonwealth’s income figures, but at least the trends are again positive after difficult years in the early 2000’s. A mitigating factor is that cost of living is below the Virginia average which increases the gross buying power. The MAGI indicator is derived from actual tax returns and is considered more accurate than survey methodology.

	2000	2002	2004	2006	% Change 2000-2006	%Change 2004-2006
Alleghany County	52,763	49,981	49,524	50,125	-5.00	1.21
Botetourt County	62,736	60,878	62,392	65,546	4.48	5.05
Craig County	48,092	46,477	44,548	47,889	-0.42	7.50
Franklin County	46,485	44,107	45,506	48,880	5.15	7.42
Roanoke County	65,998	62,880	62,907	67,027	1.56	6.55
Clifton Forge	40,652	NA	NA	NA	NA	NA
City of Covington	43,784	42,754	42,366	42,153	-3.73	-0.50
City of Roanoke	48,224	46,976	45,981	49,943	3.57	8.62
City of Salem	57,464	56,049	57,447	59,685	3.86	3.90
Roanoke MSA	58,764	56,739	54,588	58,720	-0.07	7.57
Virginia	66,181	64,911	66,285	70,335	6.28	6.11

Source:2006 dollars. Va Dept. of Taxation and Weldon Cooper Center of Public Service, 2009.

QUARTERLY TAXABLE SALES. As one might expect in the current recessionary cycle, the Roanoke Region has seen decreases in taxable sales activity. The decline from what was roughly the economy's peak to its trough was approximately 5.98%, lower than the Commonwealth's lost sales activity (6.87%). There is an even starker contrast between the region and the Commonwealth in terms of slowing sales activity from 4th Quarter 2007 to 4th Quarter 2008, during which the Roanoke region's sales activity declined 3.76% and sales activity in the Commonwealth as a whole declined 8.73%.

	2000Q4	2001Q4	2002Q4	2003Q4	2004Q4	2005Q4	2006Q4	2007Q4	2008Q4	% Change 06Q4- 08Q4	% Change 07Q4- 08Q4
Alleghany County	12.94	19.60	19.28	15.17	18.17	16.91	15.82	16.04	15.58	-1.5	-2.9
Botetourt County	44.95	43.74	45.19	50.86	48.35	48.41	49.12	45.12	41.76	-15.0	-7.4
Craig County	2.83	2.83	2.69	2.75	2.95	2.81	3.18	3.36	3.29	3.4	-2.1
Franklin County	84.78	83.36	86.79	94.47	95.00	99.81	99.63	96.80	85.95	-13.7	-11.2
Roanoke County	218.09	213.05	226.68	248.34	217.58	215.24	226.20	225.57	217.81	-3.7	-3.4
Clifton Forge*	7.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0
City of Covington	34.00	32.76	34.22	20.81	32.30	28.13	27.58	27.34	27.33	-0.9	0.0
City of Roanoke	534.18	521.26	505.06	524.83	531.70	496.73	496.99	479.55	468.59	-5.7	-2.3
City of Salem	135.69	138.06	140.83	144.95	142.85	124.34	123.50	124.18	119.37	-3.3	-3.9
Roanoke Region	1074.81	1054.66	1060.73	1102.17	1088.90	1032.38	1042.03	1017.96	979.68	-6.0	-3.8
Virginia	22440.53	22074.30	22143.81	24243.97	24757.10	23135.50	22783.24	23246.73	21217.29	-6.9	-8.7

* Clifton Forge reverted to a Town in 2001, thus becoming a part of Alleghany County.

Virginia Department of Taxation, Weldon Cooper Center of Public Service, Bureau of Labor Statistics, Consumer Price Index.

BUSINESS ESTABLISHMENTS BY YEAR. The table illustrating the number of business establishments by year shows that business creation is occurring across the Roanoke Region. The region as a whole has lagged behind the Commonwealth in the last two years. Business creation has been particularly robust in Roanoke County and Franklin County.

	2003	2004	2005	2006	2007	2008	% Change 2006- 2008
Alleghany County	307	312	309	306	308	318	3.9
Botetourt County	688	707	732	743	763	775	4.3
Craig County	73	75	78	74	77	87	17.6
Franklin County	1119	1160	1219	1254	1289	1312	4.6
Roanoke County	1955	2008	2063	2069	2112	2179	5.3
City of Covington	269	266	274	284	282	278	-2.1
City of Roanoke	3441	3406	3367	3338	3304	3338	0.0
City of Salem	960	972	993	1008	1011	1040	3.2
Roanoke Region	10815	10910	11040	11082	11153	11335	2.3
Virginia	198362	201875	209455	215046	221599	226958	5.5

Virginia Employment Commission, 2009.

STATE PARKS TOTAL ATTENDANCE reflects that these assets are increasingly popular attractions for day users and campers alike. Overall total attendance figures show dramatic increases in regional and state attendance. Increases in attendance at Douthat and Smith Mountain Lake far exceed those in the overall state system of parks in recent years. This suggests that the Roanoke Region has two of the most popular state parks in the entire system and that an increasing number of visitors are entering the region every year to enjoy outdoor activities.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	% Change 2000- 2008	% Change 2006- 2008
Douthat	167,820	175,491	186,719	170,943	173,199	179,692	178,706	194,580	195,564	16.5	9.4
Smith Mountain Lake	258,089	412,635	329,259	275,159	337,639	335,597	277,554	327,676	308,277	19.4	11.1
Total Roanoke Region Parks	425,909	588,126	515,978	446,102	510,838	515,289	456,260	522,256	503,841	18.3	10.4
Total All VA State Parks	6,319,300	7,017,052	7,008,004	6,272,203	6,977,889	6,996,375	7,077,217	7,452,271	7,250,019	14.7	2.4

EMPLOYMENT IN ARTS AND CULTURAL INSTITUTIONS alone has suffered in the region, declining by over 20% between 1st quarter 2006 and 1st quarter 2009. The Commonwealth as a whole saw a dramatic increase in employment in Arts and Cultural Institutions during the same period.

The trend in the **ARTS, ENTERTAINMENT, AND RECREATION** industry cluster which includes related businesses including scenic transportation services, travel agencies, other attractions, hotels and accommodations is still negative. Growth in the cluster at the state level has been quite impressive over the same period. While other data involving tourism related industries and travel trends (travel expenditures and state park visitation) are on the whole fairly positive, arts and cultural employment is unusually negative. Possible explanations may include the nature of funding for arts organizations, which must rely on local, state, and federal governments for a portion of their operating budgets and oftentimes upon attendance and donations from local residents. Arts organizations are not merely 'tourist' attractions and, hence, a number of different trends could be impacting this industry including reductions in public funding, local visitation trends, and reduced donor activity (slow real income growth over the long term in the region).

Employment in Arts & Cultural Institutions

	1992	2002	2006	2009	% Change 2006-2009
Roanoke Region	377	317	289	231	-20.1
Virginia	13,464	12,139	12,679	15,091	19.0

Source: Quarterly Census of Employment and Wages, VEC, 2009.

Employment in Arts, Entertainment, and Recreation Industries

	1992	2002	2006	2009	% Change 2006-2009
Roanoke Region	3,368	4,292	4,054	3,765	-7.1
Virginia	117,974	118,326	122,274	157,322	28.7

Source: Quarterly Census of Employment and Wages, VEC, 1st Quarter 2009.

RETAIL AND RESTAURANT ESTABLISHMENTS. The number of retail establishments is trending negatively for the region. The number of restaurants, on the other hand, is growing faster in our region than in the Commonwealth. Restaurant establishments increased even during the beginning of the current recessionary period (between 2006 and 2008).

	% Change, 2000-2008		% Change, 2004-2008		% Change, 2006-2008	
	Retail	Restaurants	Retail	Restaurants	Retail	Restaurants
Alleghany County	54.8	200.0	-12.7	28.6	-9.4	28.6
Botetourt County	-7.6	35.7	-9.9	5.6	-2.7	-5.0
Craig County	37.5	**	22.2	**	37.5	**
Franklin County	14.2	25.0	2.9	7.1	-2.7	7.1
Roanoke County	9.2	51.5	-2.2	25.0	-2.2	28.2
City of Covington	-10.0	71.4	1.6	71.4	-4.5	9.1
City of Roanoke	-13.9	17.6	-7.5	3.4	-4.3	3.4
City of Salem	-5.3	25.9	0.0	17.2	5.1	9.7
Roanoke Region of Virginia	-3.2	30.5	-4.1	11.8	-2.6	8.7
Virginia	0.9	27.4	2.3	11.9	0.4	5.0

** Data not disclosed due to requirements regarding business confidentiality.

GROSS METROPOLITAN PRODUCT is the market value of all final goods and services produced within a metropolitan area. BEA data on Gross Metropolitan Product when adjusted for inflation suggests that economic growth has trailed state and national growth significantly and that the recession has impacted local activity profoundly. However, according to the 2009 Best Performing Cities index by the Milken Institute, the Roanoke MSA led Virginia in High Tech GDP growth from 2007-2008.

	2001	2002	2003	2004	2005	2006	2007	2008	% Change 2001- 2008	% Change 2007- 2008
Roanoke MSA	11,869	12,000	12,031	12,258	12,524	12,827	12,922	12,425	4.7	-3.8
Virginia Total GDP	336,459	341,990	354,005	370,273	386,831	393,023	398,956	397,025	18.0	-0.5
US Metro Portion	10,997,367	11,187,252	11,434,259	11,869,233	12,217,259	12,572,188	12,799,773	12,724,270	15.7	-0.6
US Total GDP	12,227,688	12,444,558	12,738,005	13,229,200	13,602,597	13,980,377	14,245,051	14,165,565	15.8	-0.6

Source: 2008 dollars, Bureau of Economic Analysis, 2009.

CHANGE IN REGISTRATIONS OF NEW VEHICLES BY COUNTY GARAGED. With the exception of one year period (between 2004 and 2005), the Roanoke Region's registrations of new cars decreased at a slower pace than did new vehicle registrations at the Commonwealth level. New vehicle registrations have been on an overall negative trend in the Commonwealth and in the region in the last five years. This data set pertains to the sale of new cars only (and not all vehicle registrations).

	2004	2005	2006	2007
Alleghany County	-8.1%	-7.0%	5.8%	-13.7%
Botetourt County	3.6%	-4.6%	-5.0%	-21.8%
Craig County	-19.3%	-3.8%	-7.3%	-12.2%
Franklin County	-0.6%	-6.8%	1.5%	-24.4%
Roanoke County	-6.8%	-5.3%	-3.4%	-13.9%
City of Covington	-2.9%	0.4%	-18.1%	-8.2%
City of Roanoke	-9.8%	0.2%	1.4%	-13.9%
City of Salem	27.7%	-21.2%	-5.2%	-22.8%
Roanoke Region	-3.1%	-5.5%	-1.6%	-17.0%
Virginia	-1.6%	-6.0%	-4.7%	-21.0%

Source: Virginia Automobile Dealers Association, 2009.

SELECTED HOME SALES STATISTICS. After a decade of significant growth, regional home sales took a dramatic turn downward from 2007-08. While there was a similar trend across Virginia, it was more severe in the Roanoke Region. A bright spot was in home value, as reflected by median sales price, which held fairly steady both in Virginia and the region. The current trend was a direct result of the recessionary climate.

**Selected Home Sales Statistics, Roanoke
MLS**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	% Change 2000- 2008	% Change 2007- 2008
Median Sales Price - Roanoke Region	117,276	126,110	129,318	136,120	145,450	156,200	164,475	168,449	165,820	41.4	-1.6
Number Sold - Roanoke Region	4,195	4,859	4,896	5,259	5,393	5,831	5,556	4,964	3,732	-11.0	-24.8
Median Sales Price - VA MLS Total	NA	NA	NA	NA	NA	NA	NA	247,395	244,483	NA	-1.2
Number Sold - VA MLS Total	NA	NA	NA	NA	NA	NA	NA	94,662	81,808	NA	-13.6

Virginia Association of Realtors, 2009 and US Statistical Abstract, 2009.

CARVINS COVE USAGE. The 2nd largest urban park in the United States is Carvins Cove which is experiencing an increasing popularity as a venue for outdoor recreation.

Permit Sales

	2008	2009
Sales of Permits at Carvins Cove	\$52,000	\$74,000

Source: Western Virginia Water Authority, 2009.

METRO PERFORMANCE. The Milken Institute annually ranks the 200 largest metros in the U.S. for economic performance based on job growth, wage growth, and high tech gross domestic product. The Roanoke Region's performance has been uneven since the study began in 2002. However, it achieved its highest ranking in 2009 and was also ranked the first in Virginia for high tech sector output growth from 2007-2008.

	2002	2003	2004	2005	2006	2007	2008	2009
Roanoke MSA Ranking	166	139	181	179	N/A	138	168	126

Roanoke River Greenway Summer Usage Statistics, 2009. Staff from the Roanoke Valley – Alleghany Regional Commission employed trail counters along a portion of the Roanoke River Greenway over the summer of 2009. In future years, the Commission will deploy counters along the same segment and same timeframe to arrive at comparable statistics. Counters were checked weekly to ensure constant counting. Statistics from the first year demonstrate a high level of usage during the warm weather season with the peak 24-hour count of 1,150 actually occurring over Labor Day weekend 2009.

Average Daily Count	540
Average Weekend Daily Count	690
Peak 24 Hour Count	1,150

Source: Roanoke Valley - Alleghany Regional Commission, 2009