



# Virginia: Where are we and what is the outlook?

Sonya Ravindranath Waddell  
VP and Economist, Reg and Comm Analysis  
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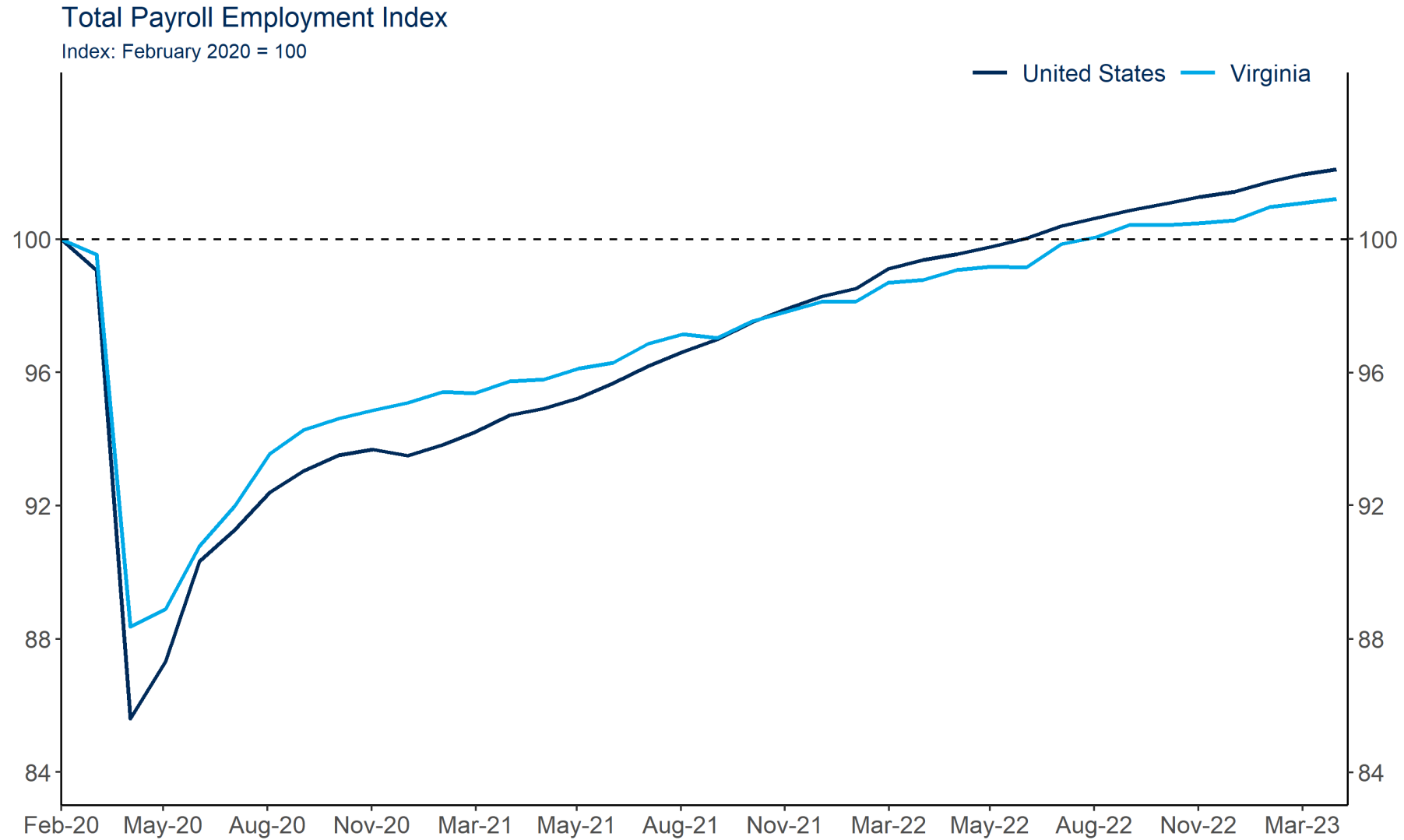


*Research Department  
Federal Reserve Bank of Richmond*



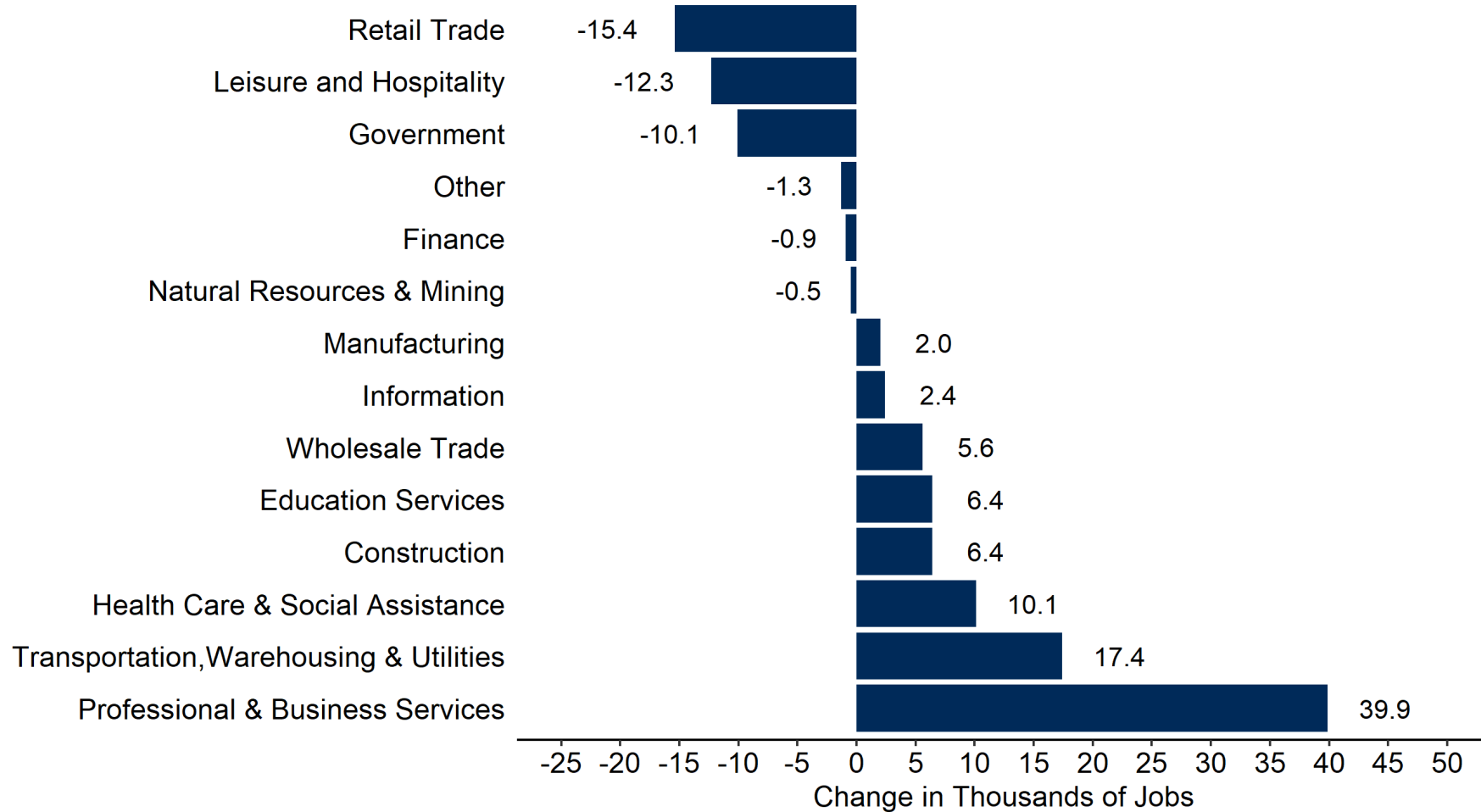
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# Employment growth in Virginia has been lagging U.S. growth



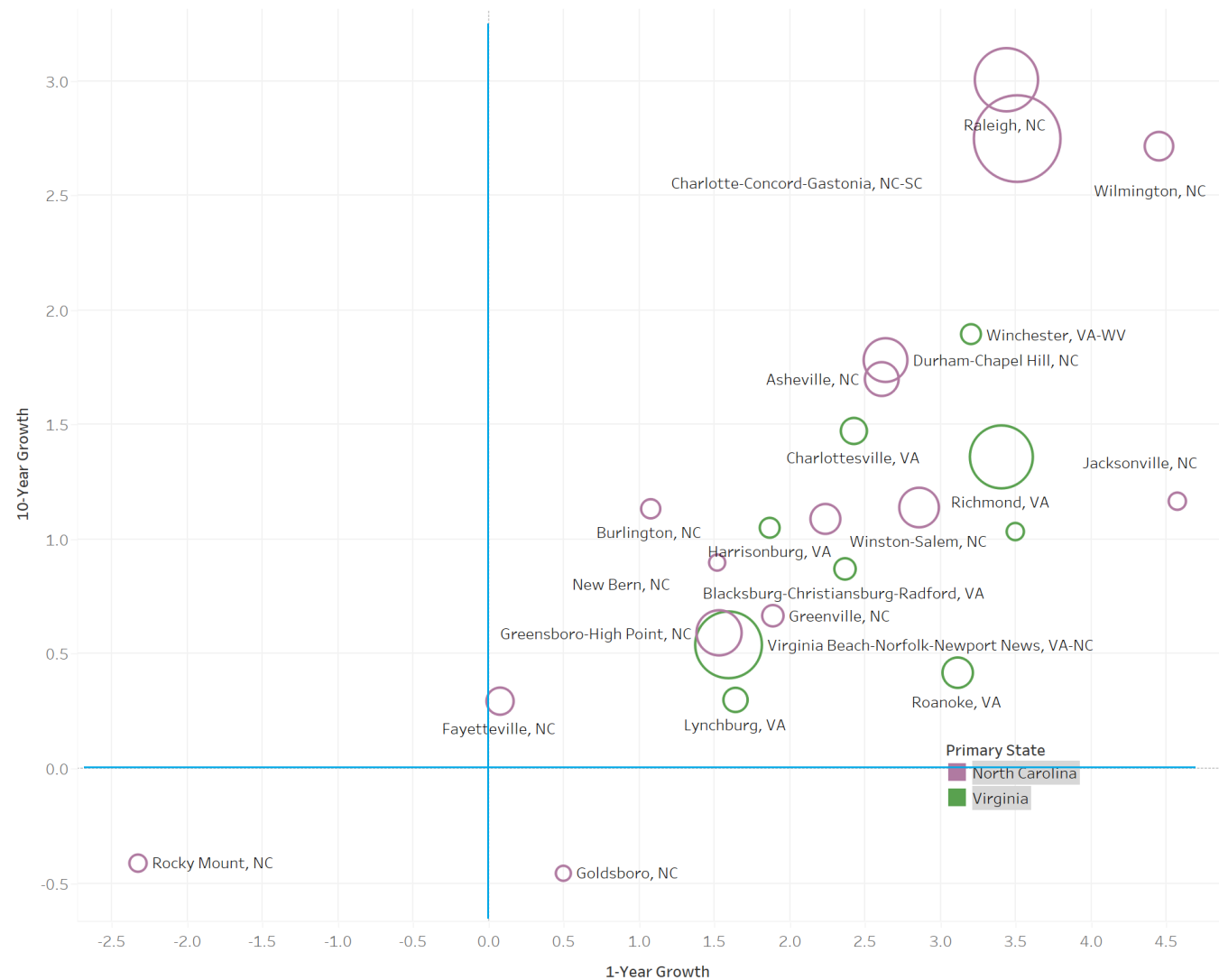
# The (employment) recovery from COVID has varied by industry...

Virginia Employment Change from February 20 to March 23



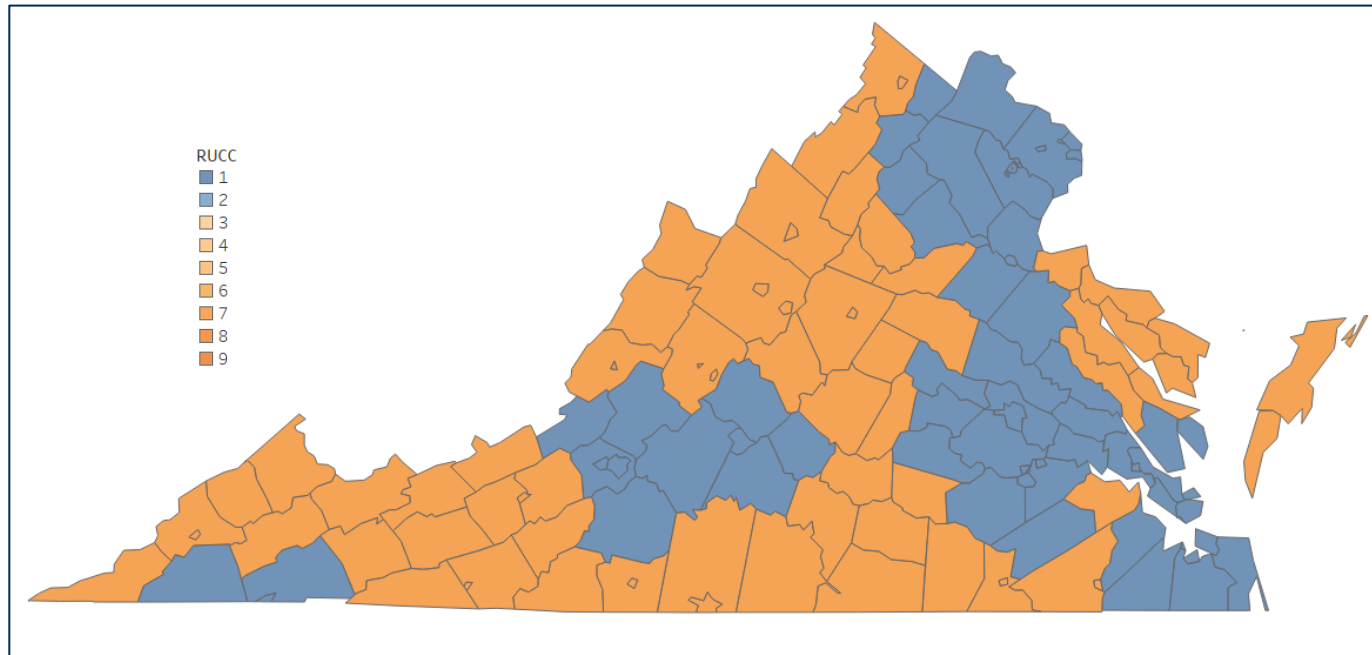
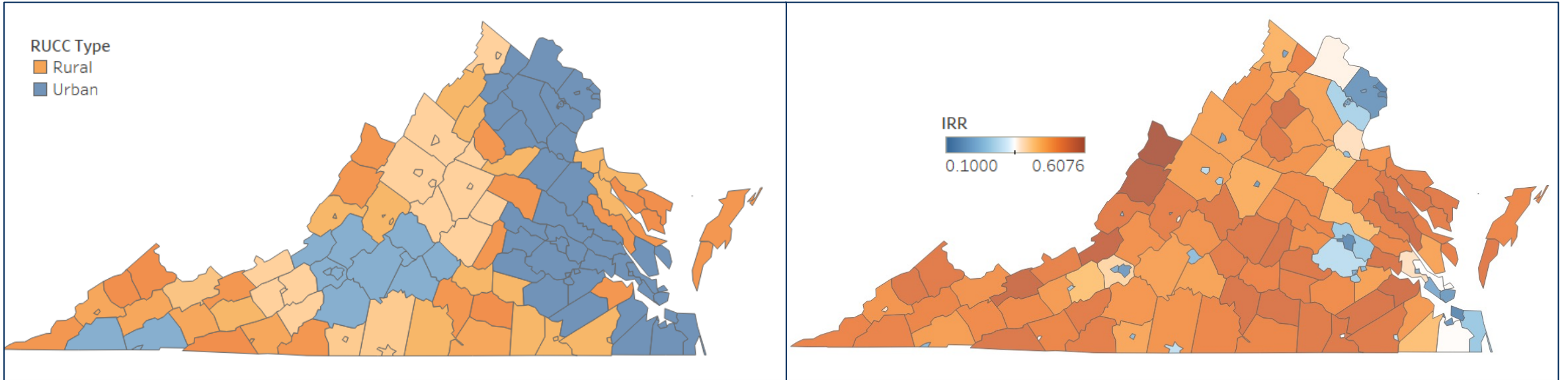
Source: Bureau of Labor Statistics/Haver Analytics

# ...and by area

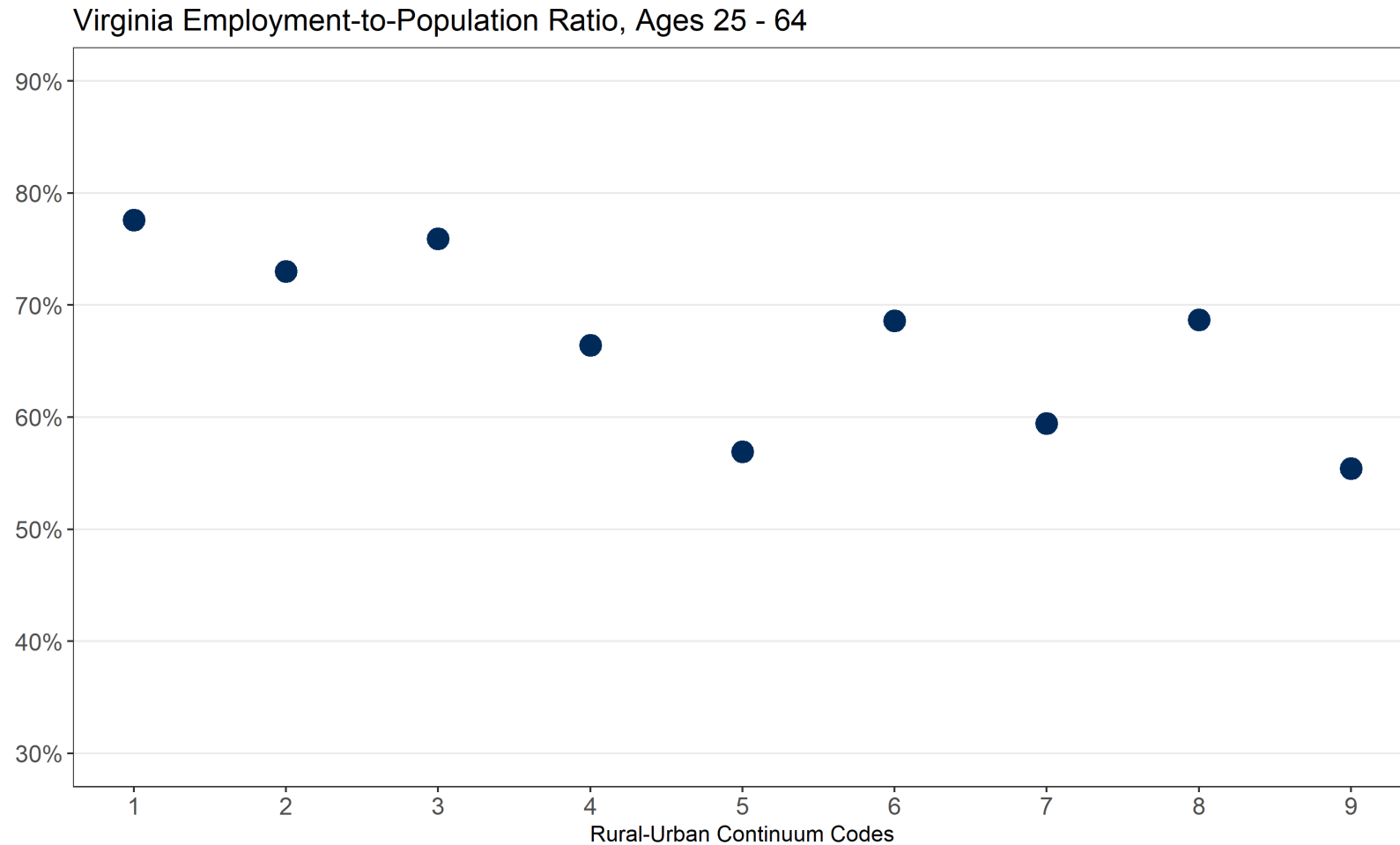


Source: Bureau of Labor Statistics/Haver Analytics

# How do we categorize areas?



# Employment tends to be lower in rural counties in Virginia...

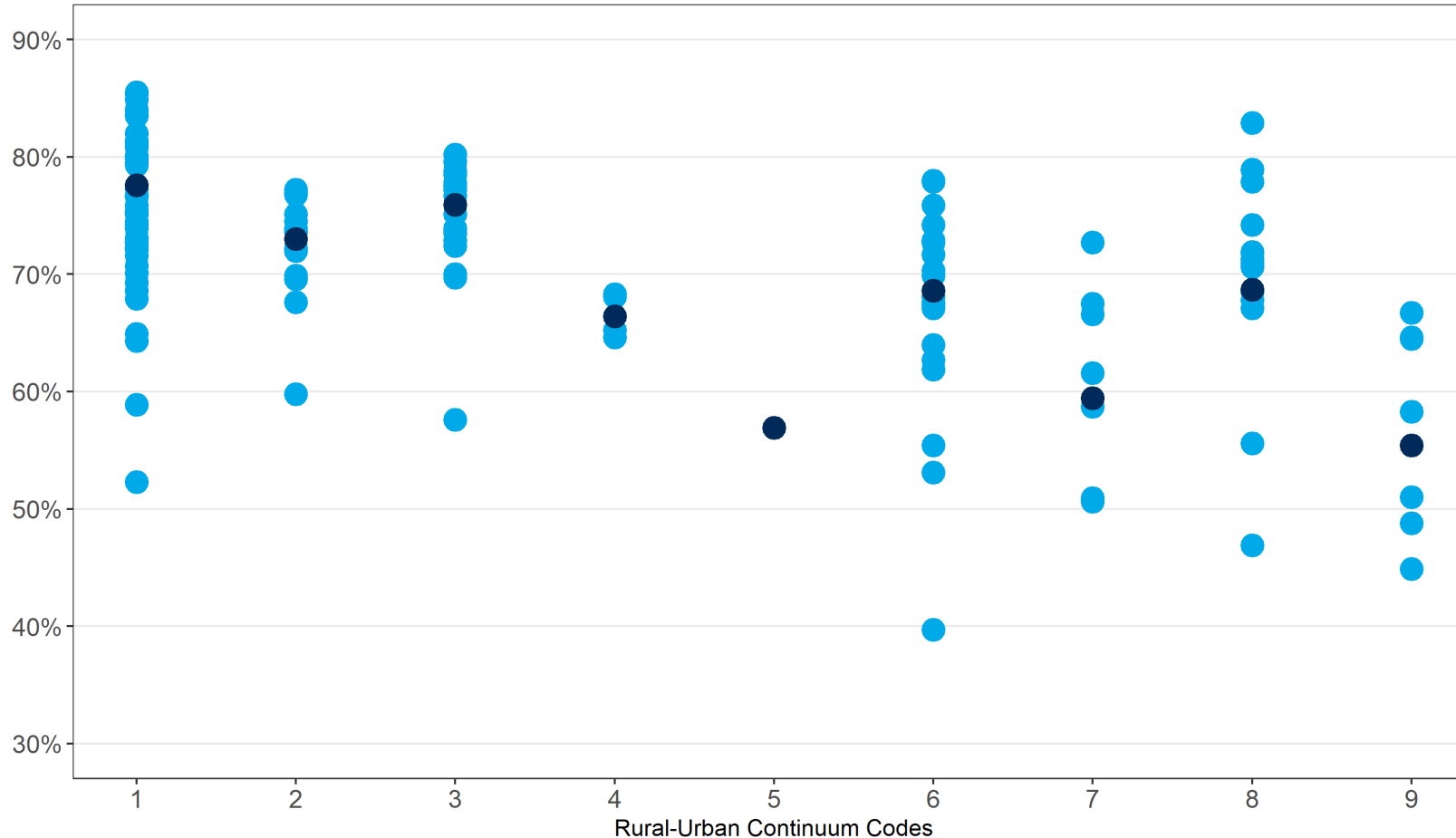


Not Rural

Small Town and Rural

# ... but there's a lot of variation

Virginia Employment-to-Population Ratio, Ages 25 - 64

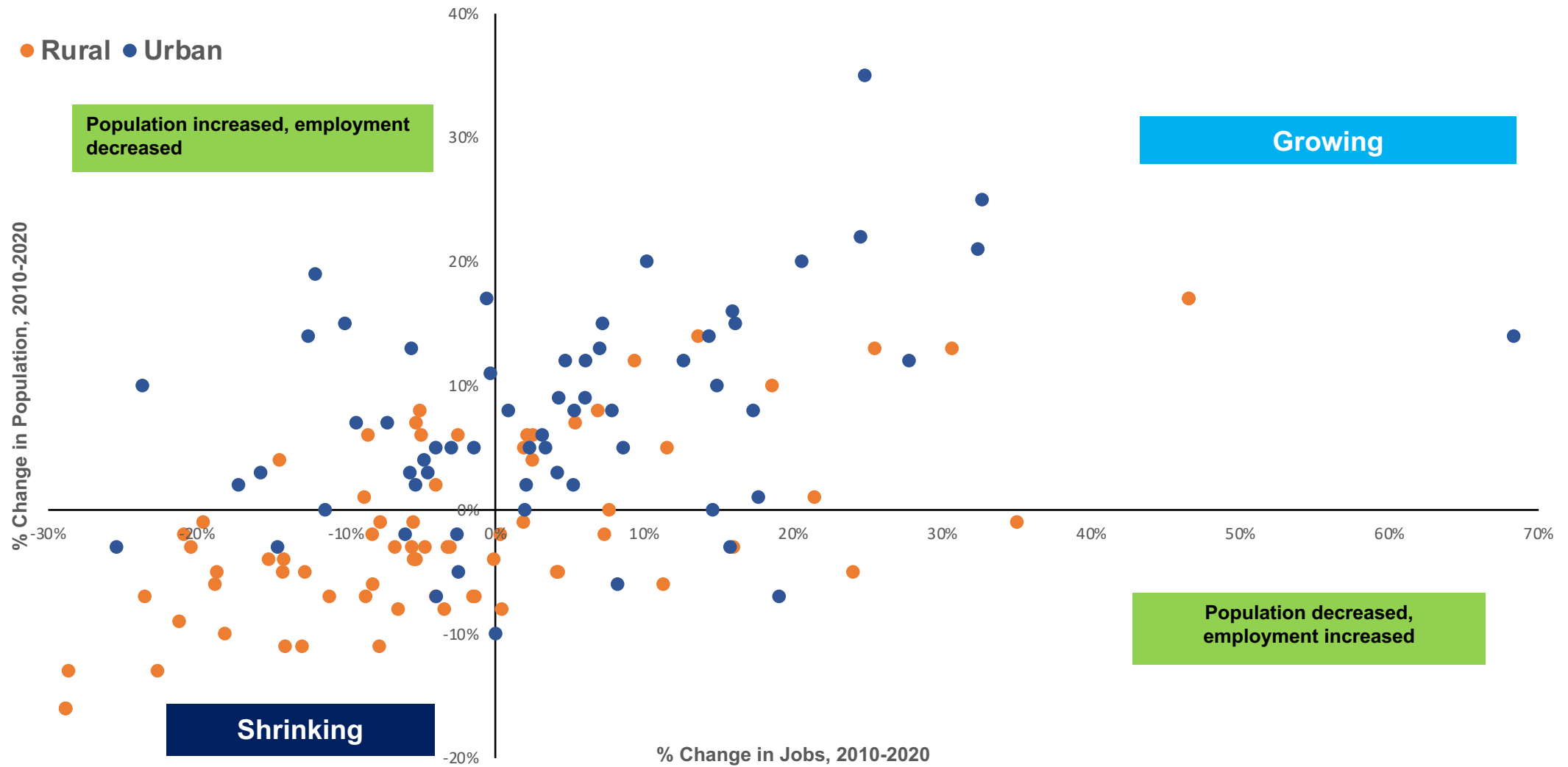


Not Rural

Small Town and Rural

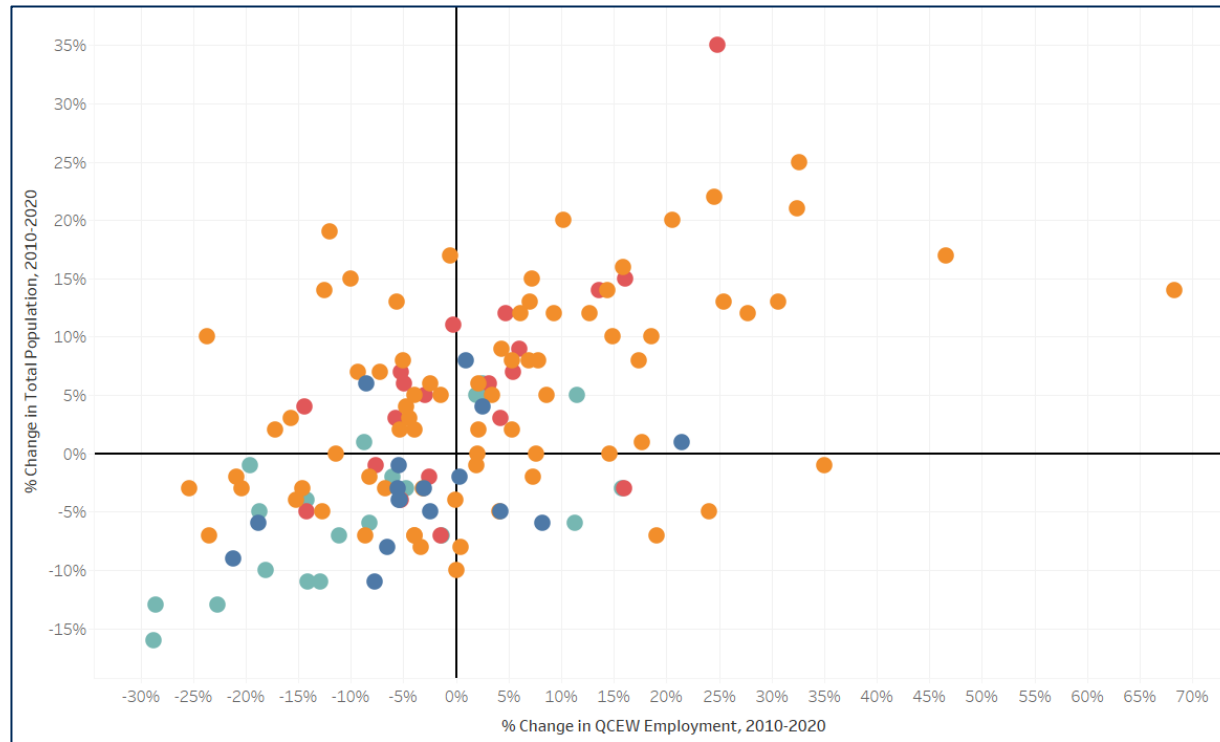


# More urban areas are more likely to be growing, but again there is a lot of variation

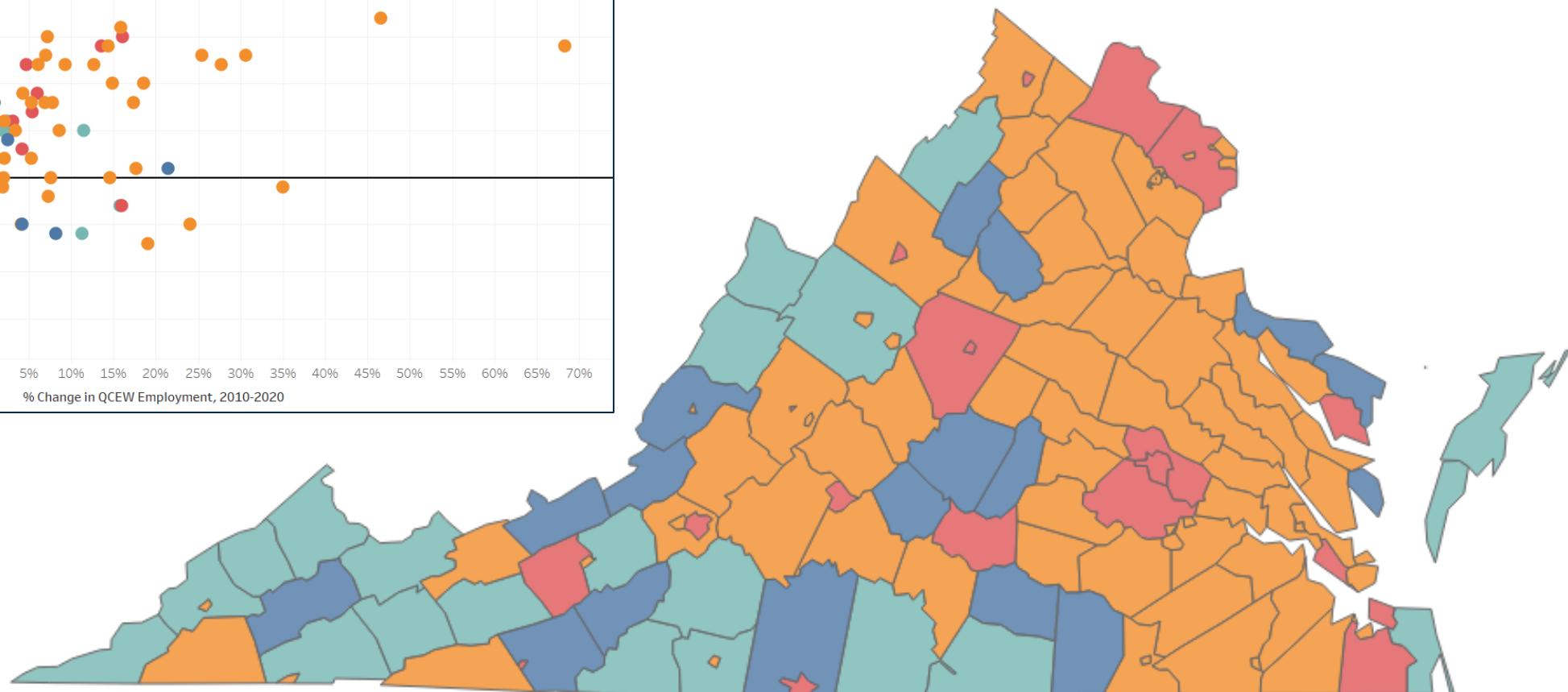




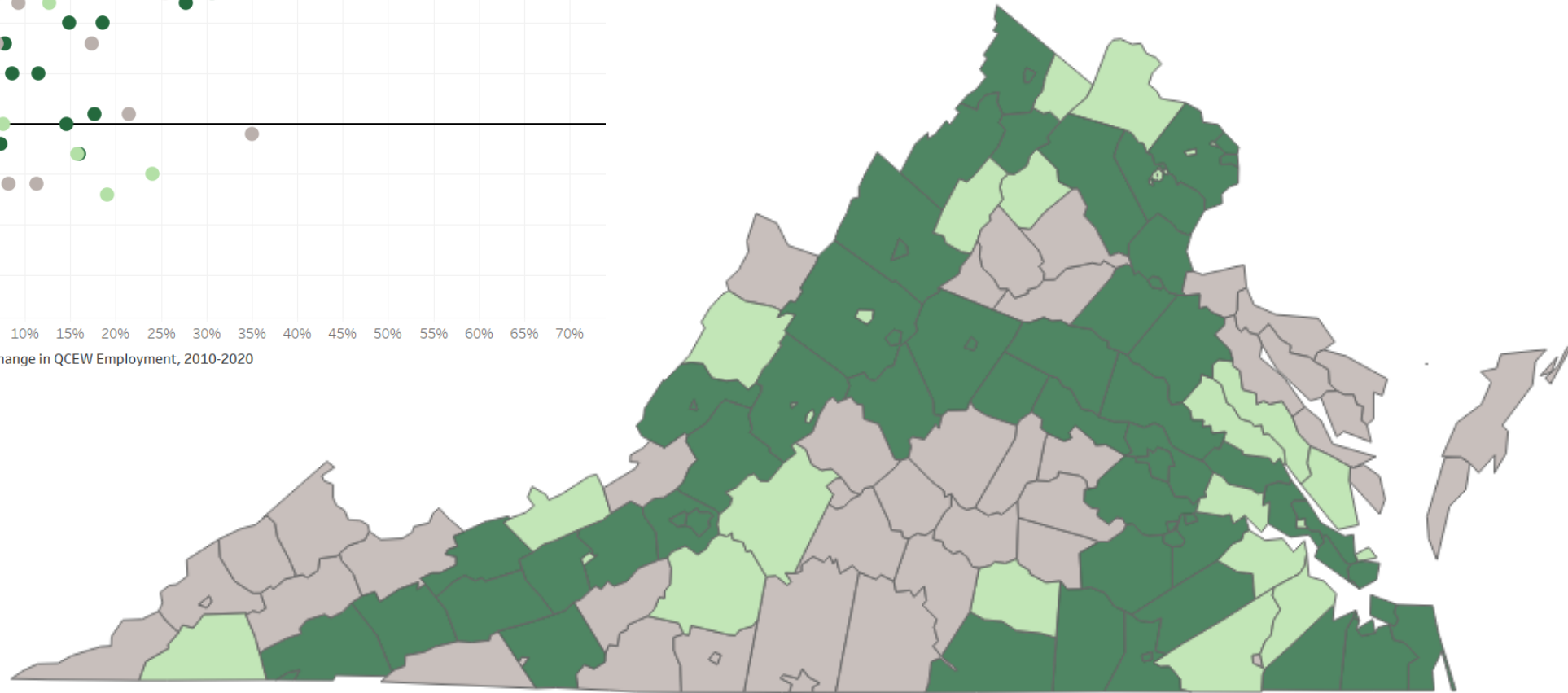
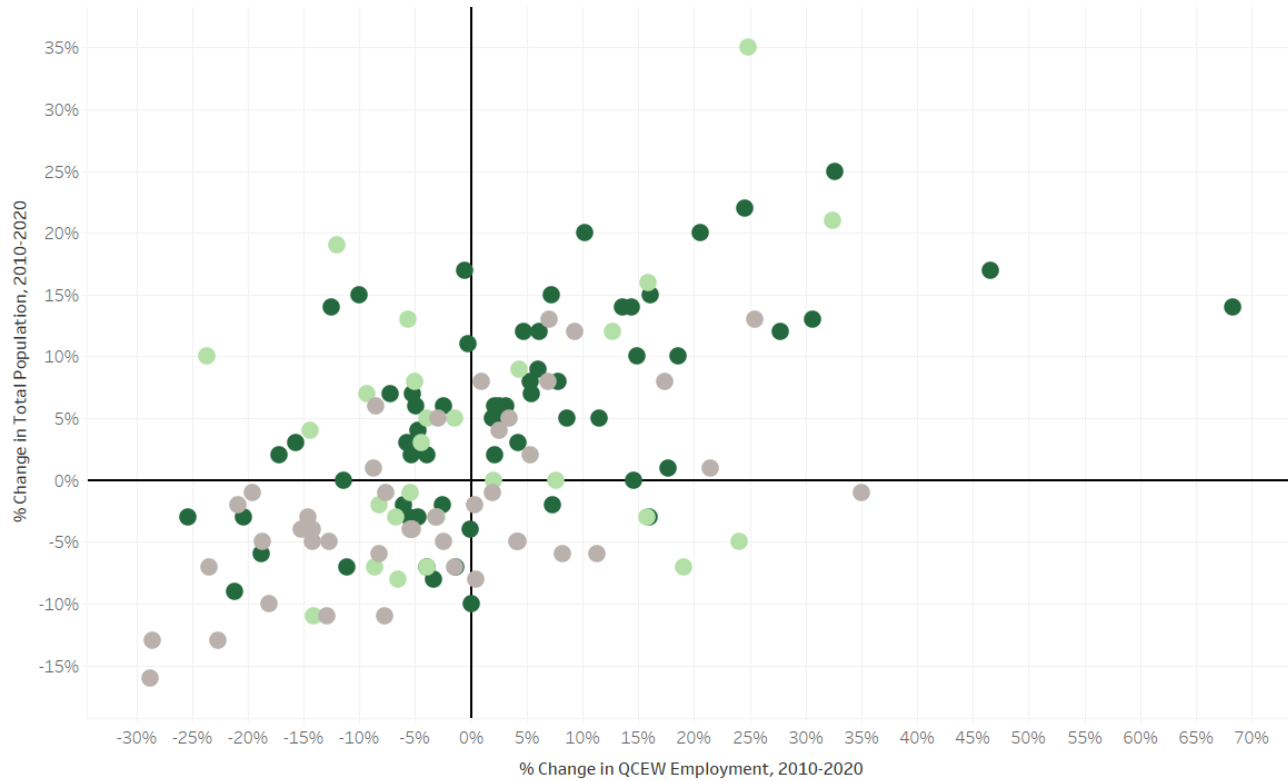
# One factor in growing vs shrinking: connectedness



- Connectedness
- Connected
  - Bedroom community
  - Employment center
  - Mostly intracounty commuters



# Interstate connectivity can drive economic growth



# What keeps workers on the sidelines?

## **Skill barriers**

- Education and training

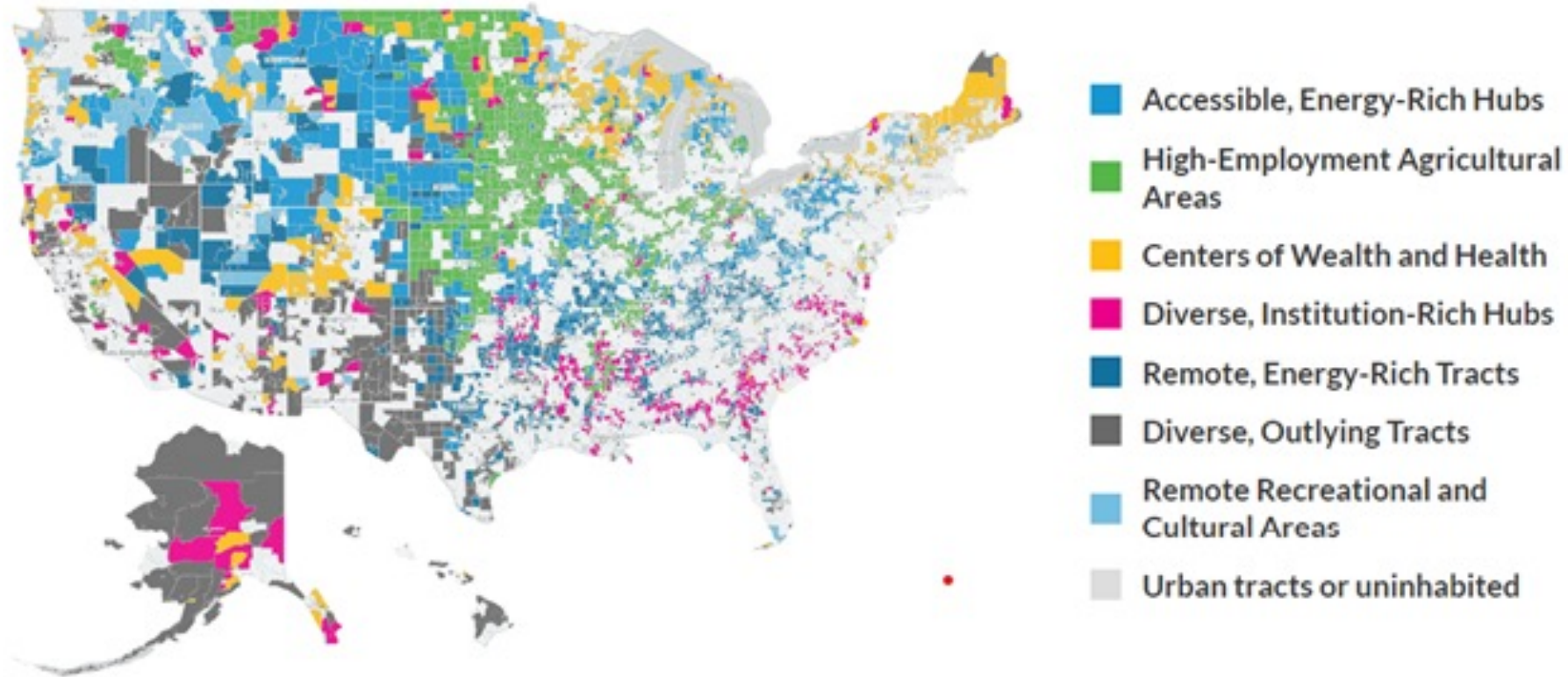
## **Non-skill barriers**

- Personal: childcare, health
- Infrastructure: housing, transportation, broadband
- Incentives: benefits cliffs, aspiration

**Solutions to any of these tend to be harder in rural communities.**

**And this is where community development – strengthening from within – is economic development.**

# What are the assets of rural areas? And how to build on them?



*Note: Rural areas with either zero population or zero housing units were excluded from our peer group analysis.*

[Reenvisioning Rural America \(urban.org\)](http://urban.org)



For example, much of Virginia is institution rich

## Local assets can include:

- Hospitals
- Community colleges
- Four-year colleges and universities
- Community Development Financial Institutions (CDFIs)

While these assets are important in all communities, their roles as anchor institutions can be even more vital to rural communities.

