



Albemarle County

Legislation Details (With Text)

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AGENDA DATE: 1/20/2021

TITLE:
Q2 FY 21 Albemarle County Economic Outlook

SUBJECT/PROPOSAL/REQUEST: Albemarle County Economic Outlook as of December 31, 2020

ITEM TYPE: Regular Information Item

STAFF CONTACT(S): Richardson, Walker, Filardo, Allshouse, S.

PRESENTER (S): Steve Allshouse

LEGAL REVIEW: Not Required

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: With a goal of giving the Board a sense of the current state and future direction of the county's economy, staff have reported quarterly on a set of economic indicators. After a hiatus in 2020 due to the impact of the pandemic on staff resources, this quarterly report resumes. These indicators include:

1. Specific General Fund revenues that correlate with changes in regional Gross Domestic Product (GDP);
2. U.S., Virginia, and Albemarle unemployment rates;
3. The total number of jobs, by sector, in the County;
4. Average weekly wage data for Albemarle; and
5. Regional house price index information for the Charlottesville Metropolitan Statistical Area.

These quarterly reports also have contained analyses of global and U.S. macroeconomic conditions that could have a significant impact on the county's economy and, by extension, Albemarle's fiscal health. The current

economic outlook report is being delivered in presentation form, as a precursor to the County's annual budget process.

STRATEGIC PLAN: Mission: To enhance the well-being and quality of life for all citizens through the provision of the highest level of public service consistent with the prudent use of public funds.

DISCUSSION: This presentation examines the state of the county's economy as of December 31, 2020 and offers insight into the county's likely economic trajectory in the coming twelve to eighteen months. Topics of discussion include:

1. County, State, and U.S. unemployment rates during the past year; interpreting the meaning of these numbers; and the likely direction of the County's unemployment rate in the near-term;
2. The relative performance of job sectors in the county during the pandemic, and prospects for growth in these sectors in coming quarters;
3. The ongoing impact of the Coronavirus pandemic on the U.S., state, and local economies, and the extent to which vaccinations might help improve the economic outlook;
4. U.S. household survey data regarding consumer sentiment, expected household income, net worth, and spending behavior and the related implications for the local economy.
5. Impact of U.S. fiscal and monetary policy on Virginia and Albemarle County; and
6. Results of national surveys of economists (e.g., NABE, *Wall Street Journal*) regarding U.S. economic conditions and what these survey results might portend for the county's economy.

The presentation and discussion of these topics seeks to clarify the economic opportunities and challenges Albemarle County will face between now and the end of Fiscal Year 2022 (FY 22).

BUDGET IMPACT: There is no direct budgetary impact related specifically to this information. Current and anticipated economic conditions, however, provide insight into the likely direction of the current year (FY 21) General Fund budget and offer critical information for the development of the FY 22 General Fund budget.

RECOMMENDATION:

As the Q2 FY 21 Economic Outlook report is a presentation, there is no formal action required.

ATTACHMENTS: None.