



# THE METRO POLL

A Poll Conducted for the Virginia Center for Urban Development  
By the Survey and Evaluation Research Laboratory

Center for Public Policy

Virginia Commonwealth University Richmond, Virginia 23284-3061

FOR IMMEDIATE RELEASE

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## POSITIVE ECONOMIC OUTLOOK CONTINUES FOR RICHMOND AREA

**RICHMOND, VA** - The Richmond area economy has exhibited solid employment growth over the last twelve months. Area residents continue to be positive about the state of the economy and forecasts indicate that the growth will continue.

According to the results of the Metro Poll, the consumer confidence index for the Richmond metropolitan area has risen 7 points since its low in December 1998 to reach 109.2, its highest mark since the index began in May 1997. University of Michigan's national consumer confidence index was 106.8 for May, an increase of 6 points since December.

The Survey and Evaluation Research Laboratory conducted the Metro Poll for Virginia Commonwealth University's Virginia Center for Urban Development. Interviewing for the Metro Poll was conducted by telephone May 20 - June 23 with 1,131 randomly-selected adult residents of the Richmond metropolitan area (the City of Richmond and the Counties of Chesterfield, Hanover and Henrico). The poll has a sampling error of plus or minus approximately 3%. Modeled after the national consumer confidence index reported by the Survey Research Center at the University of Michigan since 1952, the local index measures consumer attitudes about their current economic situation and their expectations for the future. The Virginia Center for Urban Development began tracking the consumer confidence index for the Richmond metropolitan area in May 1997.

The general optimism of area residents is reflected in responses to the component questions used in the survey. Sixty-one percent of the residents surveyed said that they and their families are better off financially than they were a year ago. However, they were somewhat less optimistic about their financial future. Fifty-five percent of the respondents said that they thought they and their families would be better off financially a year from now. A majority of the respondents (59%) expect favorable business conditions to continue over the next year and 46% expect the economy to continue to prosper over the next five years. Finally, reflecting their favorable views on the economy, 76% of the respondents said that now is a good time to buy major household items.

The Center's leading and coincident indexes indicate that area residents have every reason to have a positive outlook for the economy. The coincident index, which represents the current state of the local economy, has reached new highs this year remaining above 118 for all of 1999. In May, the index declined slightly to 118.5 from its high of 118.8 in April. The leading index provides a prediction of economic activity six to nine months in the future. Over the past two quarters, the index has grown at a record pace to reach 107.5 in May, a full point above April's 106.5 mark. The leading index indicates that the robust growth that the local economy has experienced in the late 90's will continue,

and perhaps accelerate, into the next millennium.

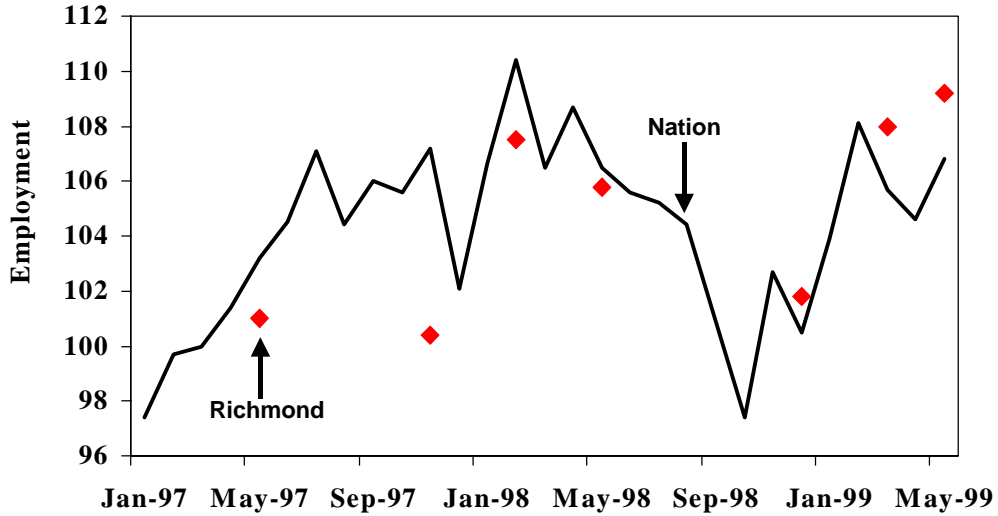
A good economy fuels employment growth, which has increased by about 1.6 percent since June of 1998. The Center predicts that the economy will continue to create jobs. The Richmond-Petersburg MSA is expected to add approximately 10,700 new jobs between now and the second quarter of 2000, a 2.0 percent growth rate.

“I would doubt that anyone is surprised by these results,” says Dr. Michael D. Pratt, Professor of Economics and Director of the Virginia Center for Urban Development in VCU’s Center for Public Policy. “Whether consumers look to business conditions in the Nation, Virginia or our region, they see a strong and robust economy with indications that this period of economic growth is sustainable.”

### **METHODOLOGY OF THE METRO POLL**

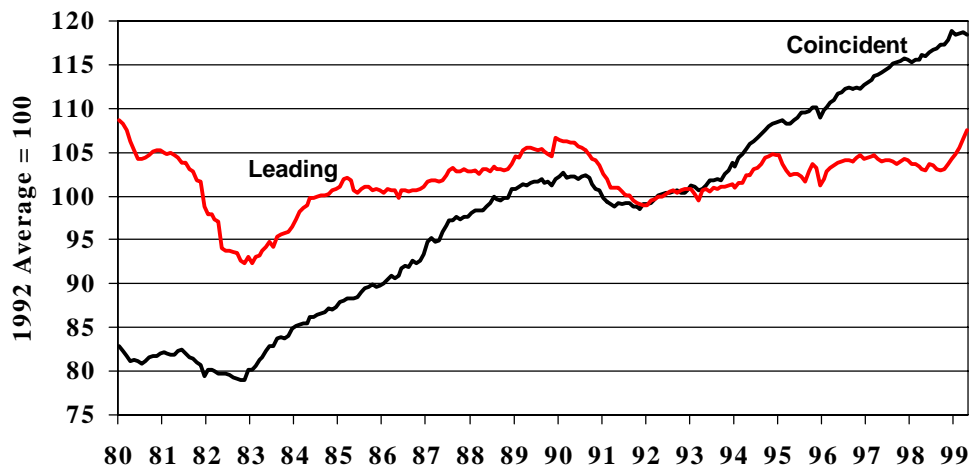
Interviewing for the Metro Poll was conducted from the facilities of the Survey Evaluation and Research Laboratory at Virginia Commonwealth University in Richmond from May 20 – June 23, 1999 with a randomly-selected sample of 1,131 Richmond area residents age 18 and older. The sample of telephone numbers was designed so that all residential telephones, including new and unlisted numbers, had a known chance of inclusion. Interviews were obtained with respondents in 41.5% of the known or assumed residential households in the sample. The data were weighted on sex, race, and education. Percentages reported in the text and tables are weighted, while the number of cases shown in the tables for various subgroups is the actual number of respondents. Questions answered by the sample of 1,131 respondents are subject to a sampling error of plus or minus approximately 3 percentage points at the 95 percent level of confidence. This means that in 95 out of 100 samples like the one used here, the results obtained should be no more than 3 percentage points above or below the figure that would be obtained by interviewing all adult residents with telephones. Where the answers of subgroups are reported, the sampling error would be higher. Because of nonresponse (refusals to participate, etc.), standard calculations of sampling error are apt to understate the actual extent to which survey results are at variance with the true population values. Surveys are also subject to errors from sources other than sampling. While every effort is made to identify such errors, they are often difficult or impossible to measure. Readers making use of the results are urged to be mindful of the limitations inherent in survey research.

Figure 1  
**Consumer Confidence Indexes: Richmond and Nation**



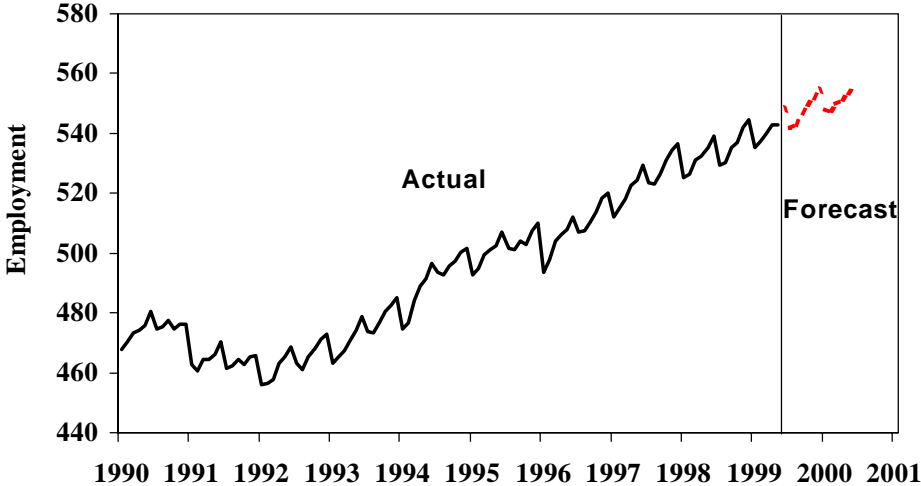
Sources: Survey Research Center, University of Michigan and Virginia Center for Urban Development

Figure 2  
**Richmond-Petersburg MSA Composite Indexes**



Source: Virginia Center for Urban Development

Figure 3  
**Richmond-Petersburg MSA Employment Forecast**



Sources: Bureau of Labor Statistics and Virginia Center for Urban Development