



VIRGINIA INITIATIVE FOR
**GROWTH &
OPPORTUNITY**
IN EACH REGION

Virginia Growth and Opportunity Board

2025 Board Retreat
September 9, 2025
Richmond, Virginia



VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities



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Welcome

Dr. Paula P. Pando, President,
Reynolds Community College





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Opening Remarks

Nancy Howell Agee

President and CEO of Carillion Clinic

GO Virginia Board Chair

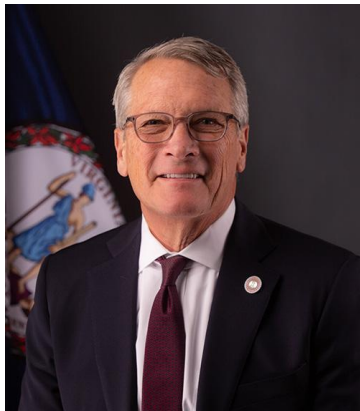




Virginia's Economic Landscape



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Steve Cummings
Secretary of Finance

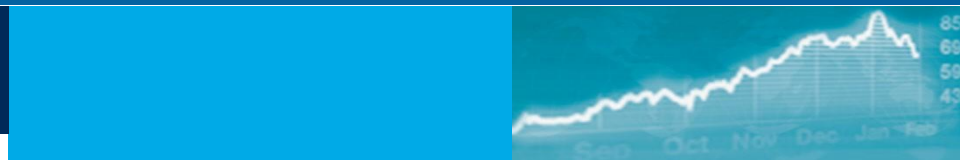


Joseph Mengedoth
Regional Economist, Federal Reserve
Bank of Richmond



Economic Update

Go Virginia Board Retreat
September 9, 2025



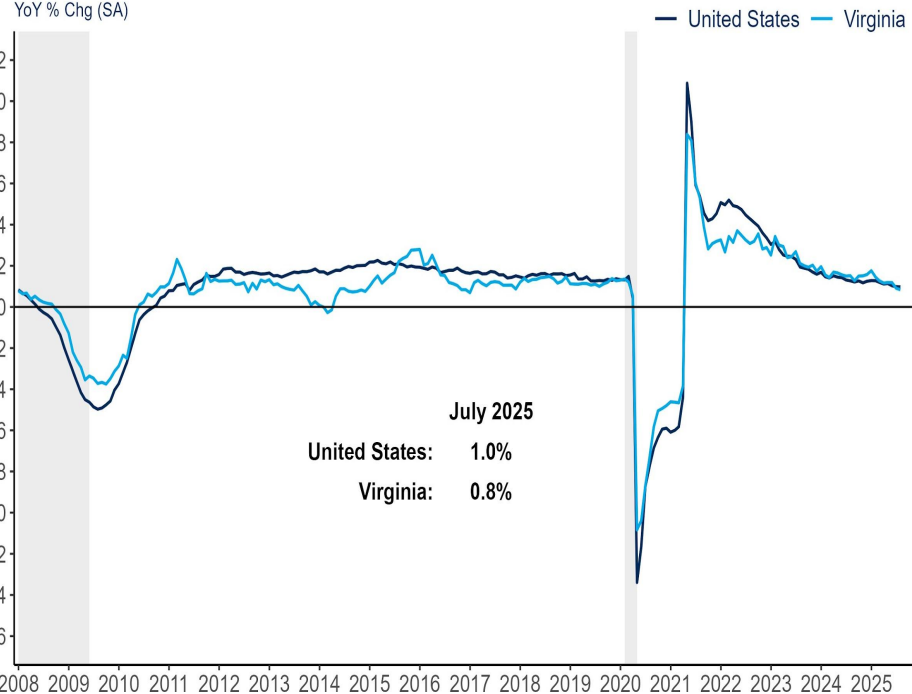
*Joseph Mengedoth, CBE
Regional Economist
Research Department*



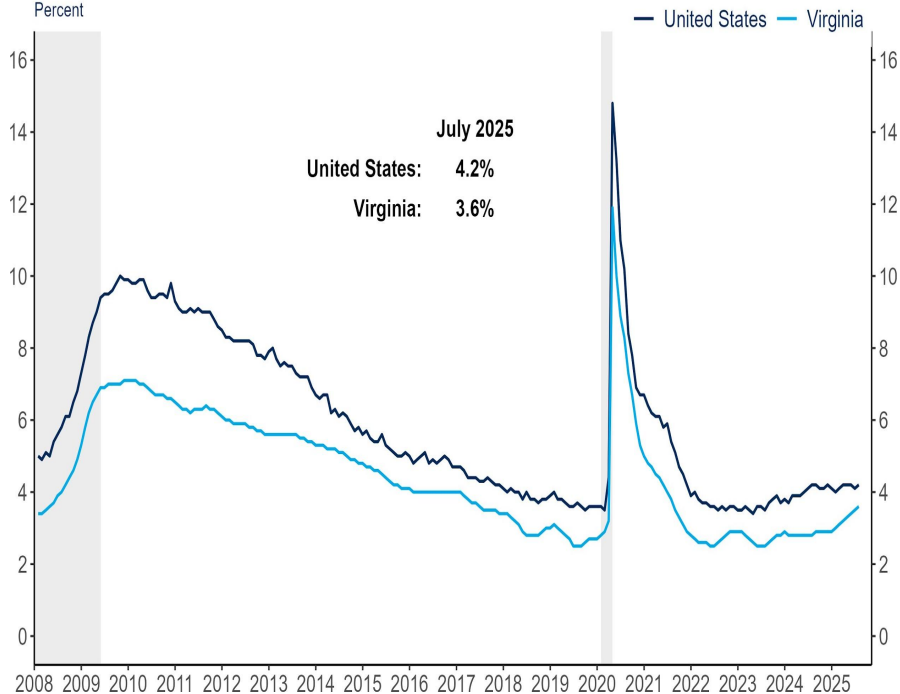
The views and opinions expressed herein are those of the author. They do not represent an official position of the Federal Reserve Bank of Richmond or the Federal Reserve System.

Virginia's labor market softening some, but not out of line with pre-pandemic

Payroll Employment
YoY % Chg (SA)

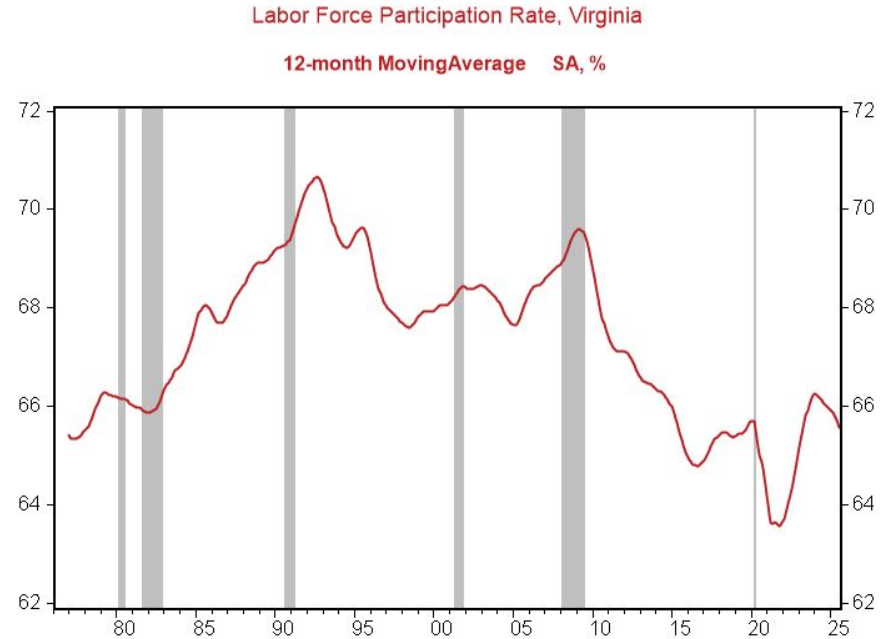
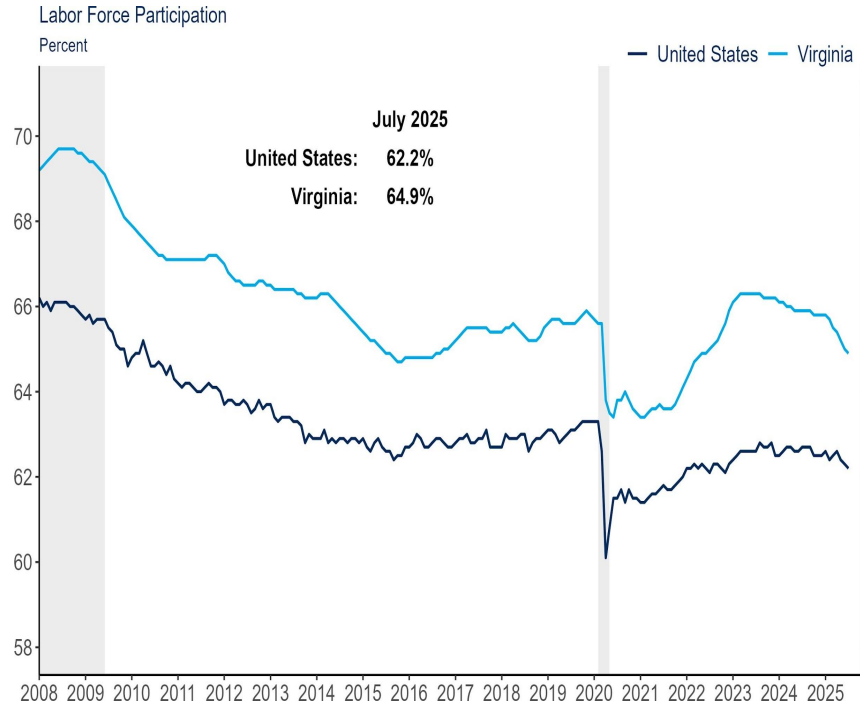


Unemployment
Percent



Source: Bureau of Labor Statistics/Haver Analytics

Labor participation in Virginia is falling, but still relatively high given demographics



Source: Bureau of Labor Statistics/Haver Analytics

Source: Bureau of Labor Statistics/Haver Analytics

Still strong demand for workers in Virginia and few layoffs and discharges

Job Openings: Virginia

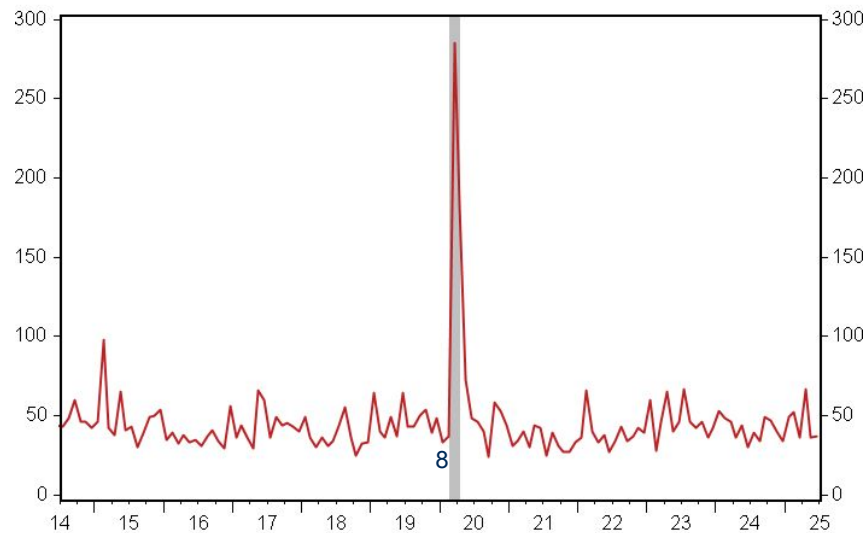
SA, Thous



Source: Bureau of Labor Statistics/Haver Analytics

Layoffs and Discharges: Virginia

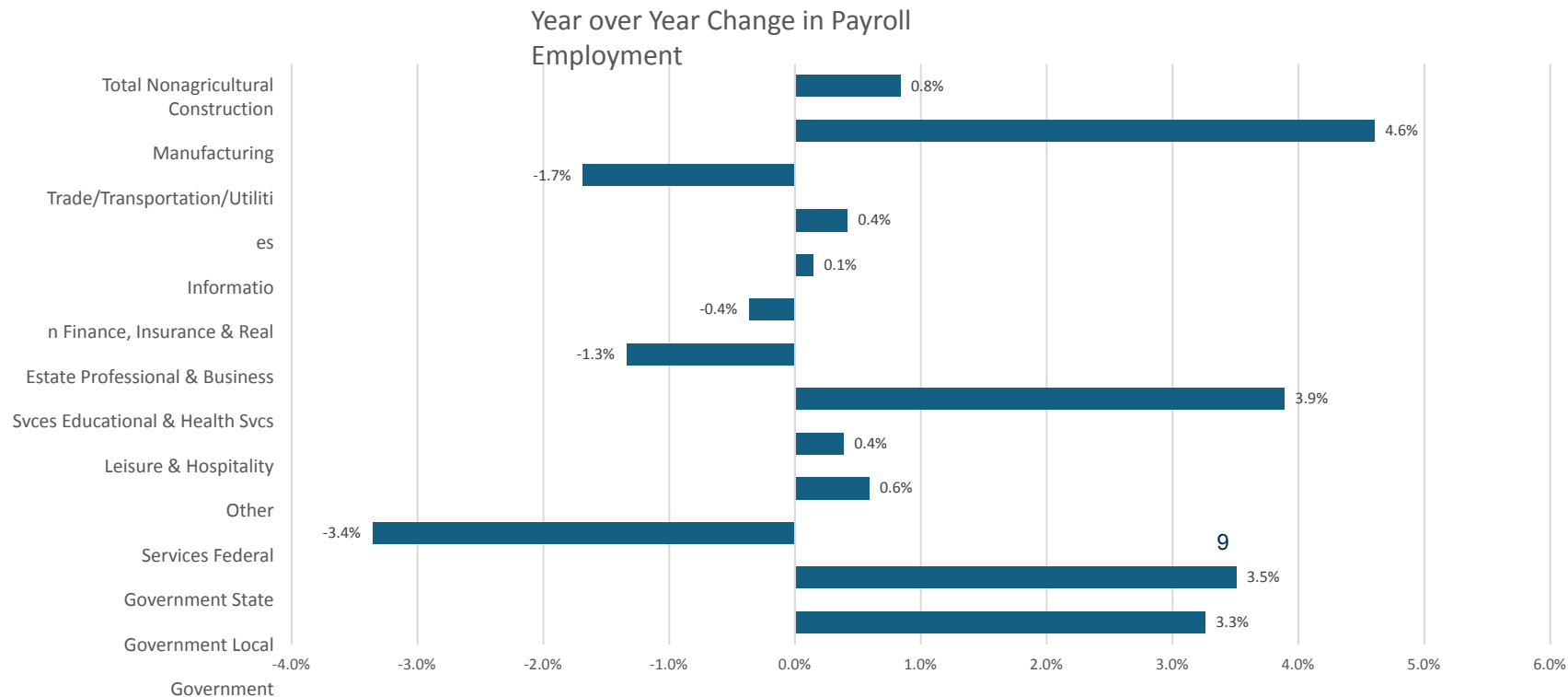
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Source: Bureau of Labor Statistics/Haver Analytics

Source: Bureau of Labor Statistics/Haver Analytics

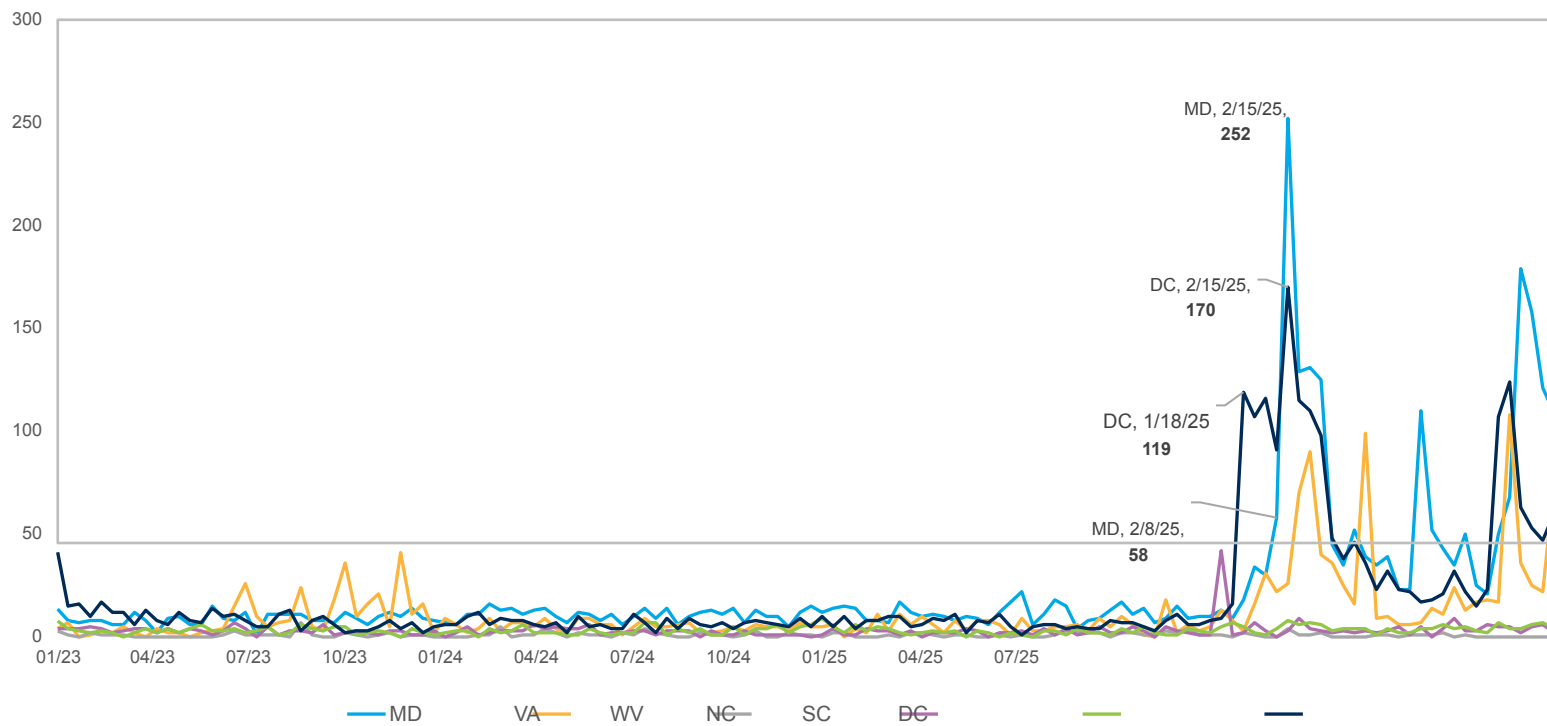
Job gains driven by education, health, state/local government and construction



Source: Bureau of Labor Statistics/Haver Analytics

Initial claims for federal workers in the DMV area have seen several spikes

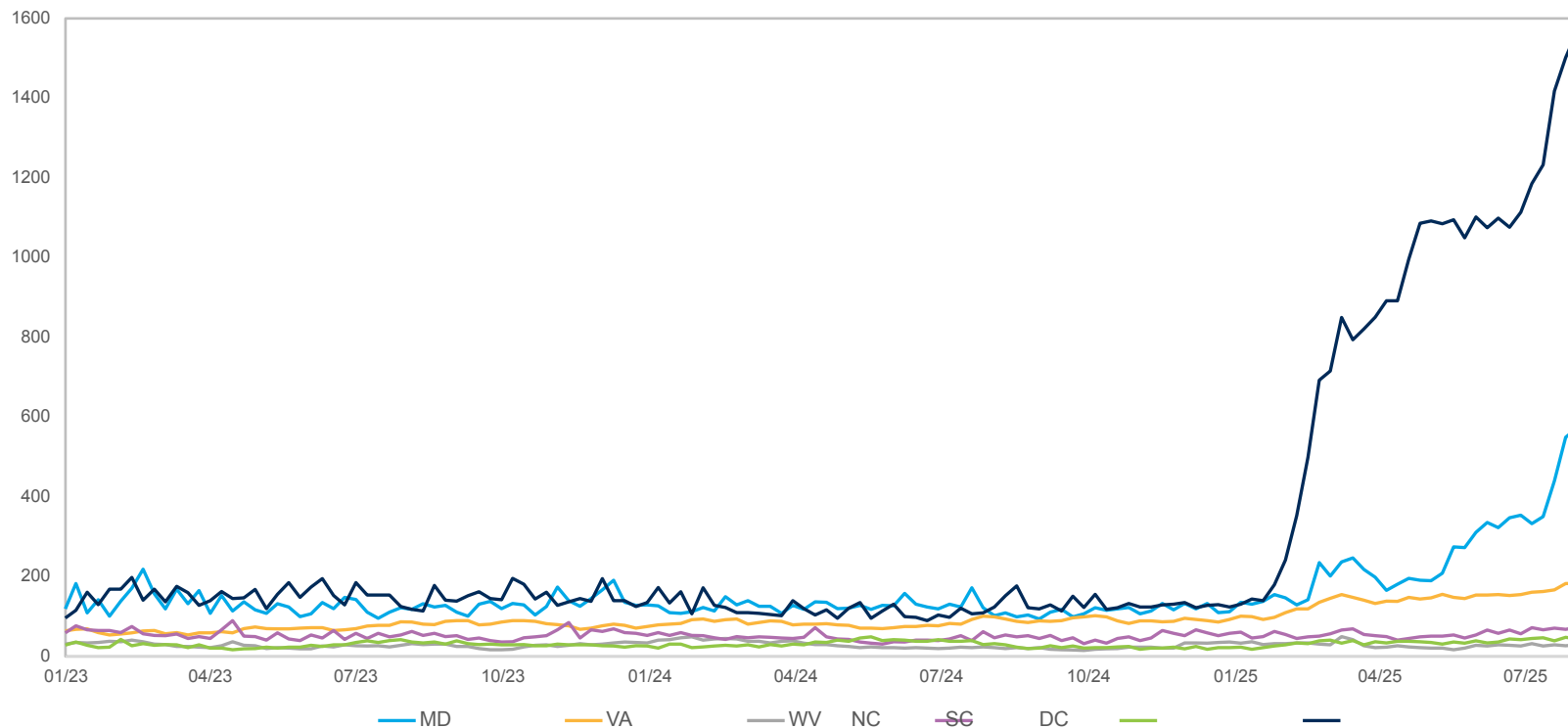
Unemployment Compensation for Federal Employees (UCFE), Initial Claims, 2023-2025



Source: US Department of Labor

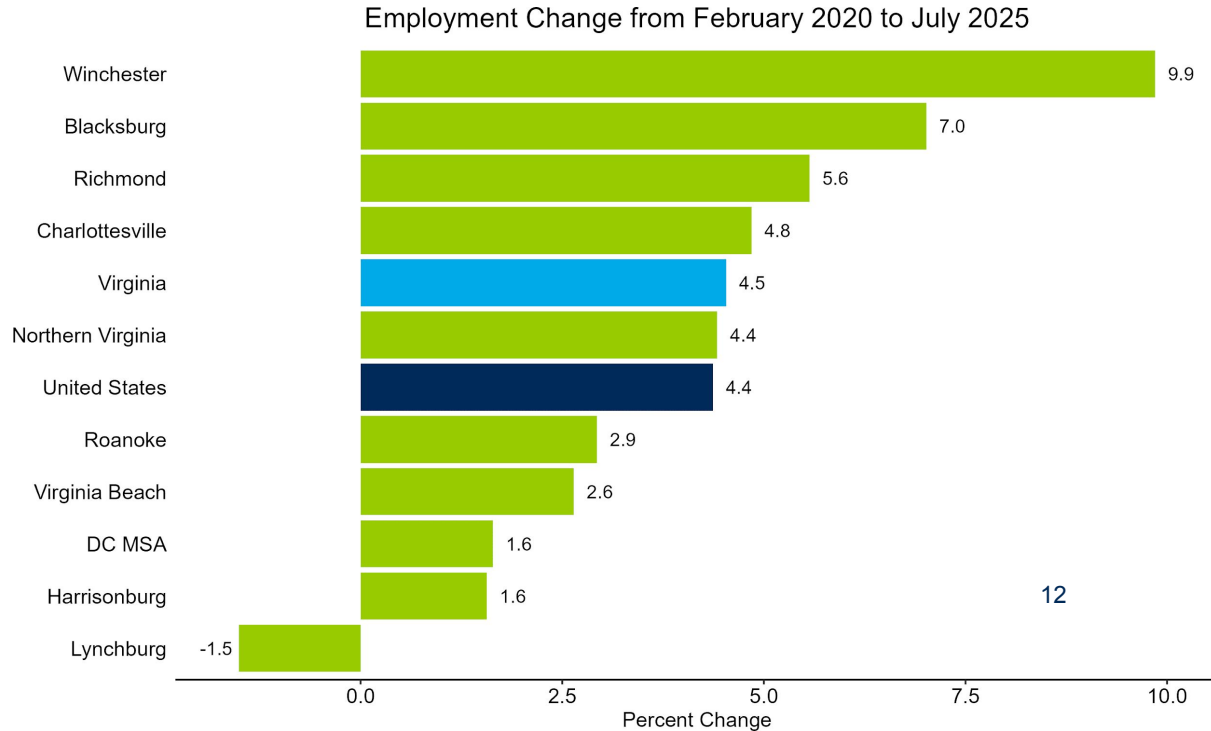
Continued claims rising most in DC, then MD; not as much in VA

Unemployment Compensation for Federal Employees (UCFE), Continued Claims, 2023-2025



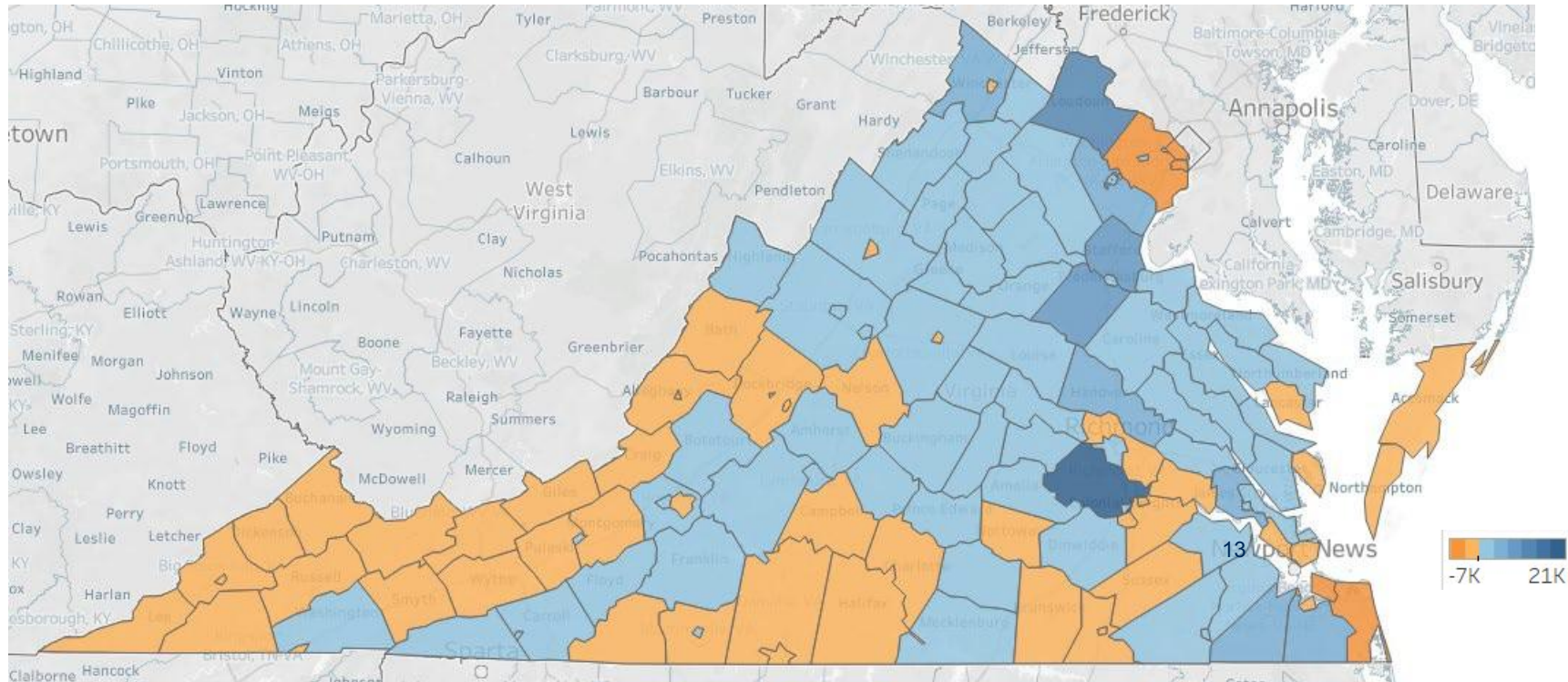
Source: US Department of Labor, Employment and Training Administration (4/19/25)

Post-Covid employment gains strongest in smaller cities



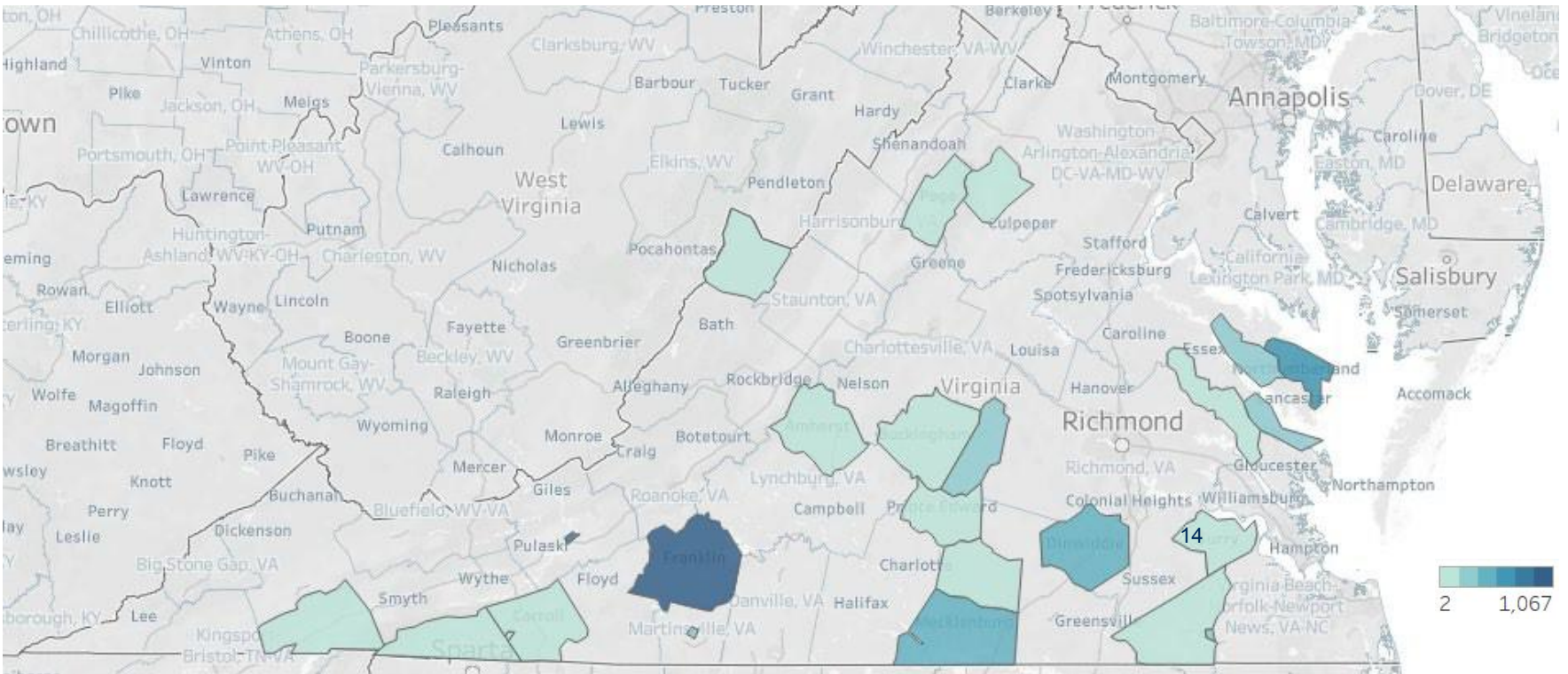
Source: Bureau of Labor Statistics/Haver Analytics

2020-2023 population change shows growth in exurbs and more rural areas



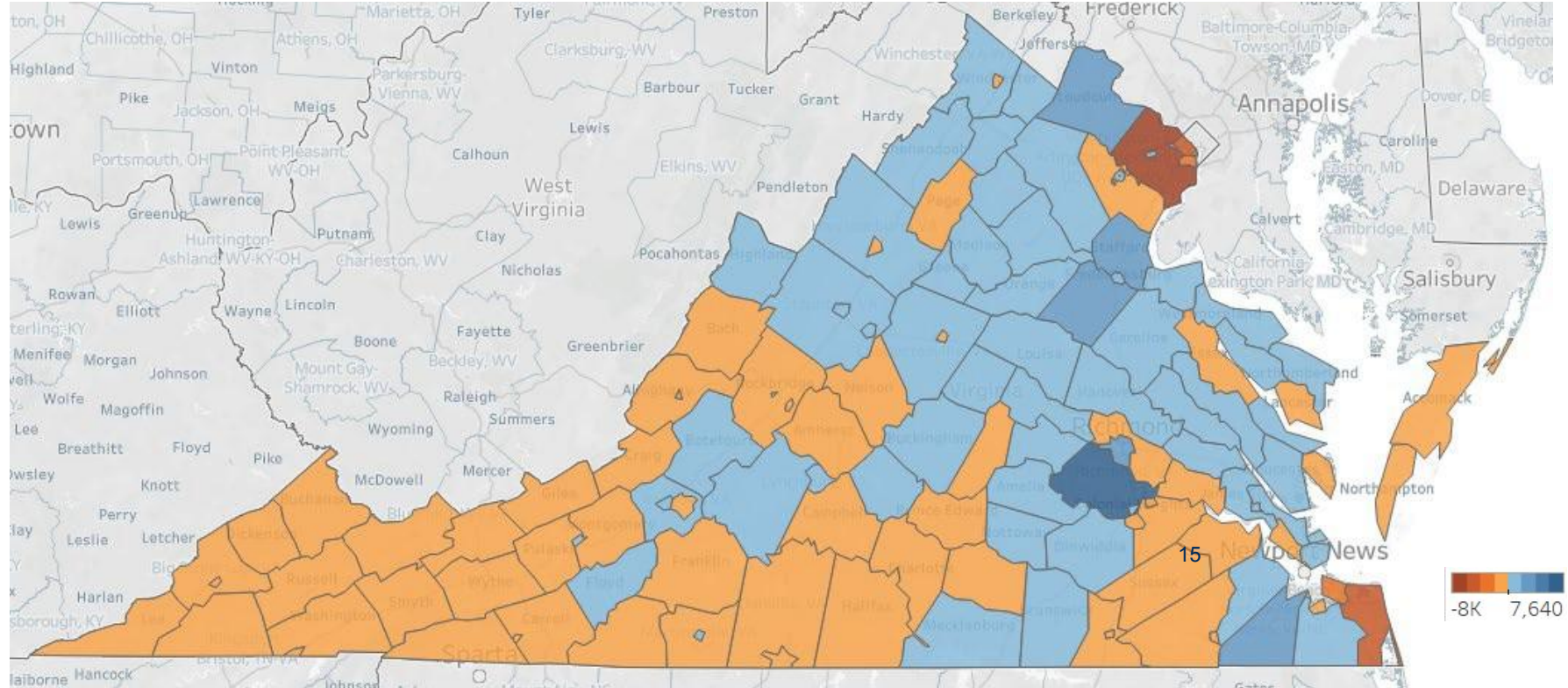
Source: Census Bureau Population Estimates

In 24 mostly rural counties, recent population growth is shift from prior decade of decline, even if that growth is somewhat small



Source: Census Bureau Population Estimates

Change in prime working age population shows outflow from NOVA and VA Beach and growth in some rural areas that typically attract older adults



Source: Census Bureau Population Estimates



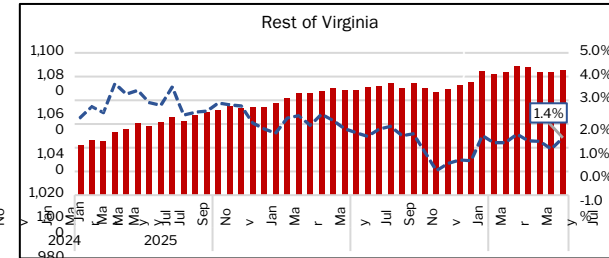
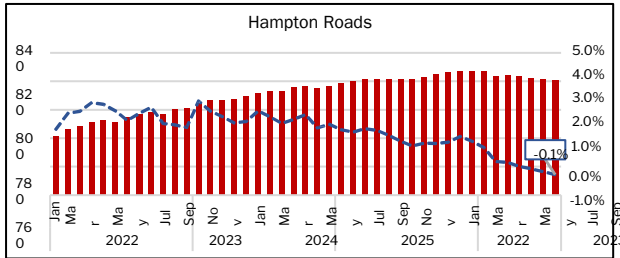
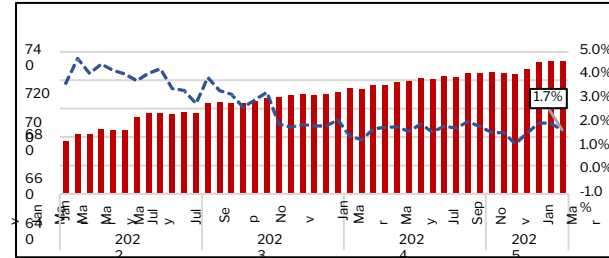
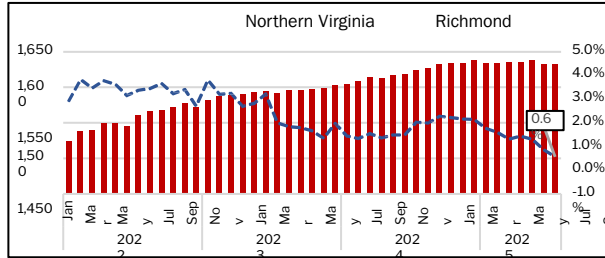
VIRGINIA'S ECONOMIC LANDSCAPE

A BRIEFING FOR THE GO VIRGINIA
BOARD

Stephen E. Cummings
Secretary of Finance
Commonwealth of
Virginia
www.finance.virginia.gov

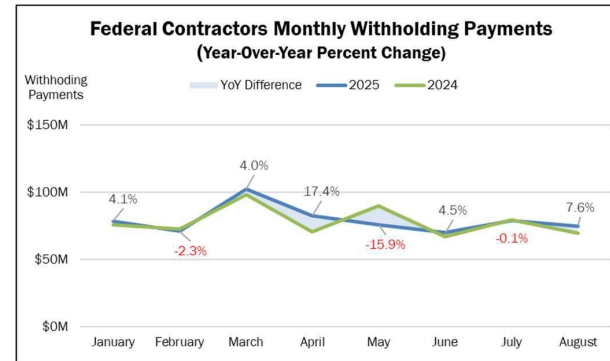
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September 9, 2025

YEAR-OVER-YEAR EMPLOYMENT GROWTH IS POSITIVE IN MAJOR METRO REGIONS EXCEPT HAMPTON ROADS FOR THE MONTH OF JULY



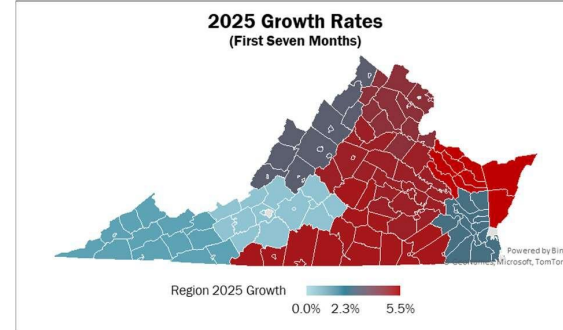
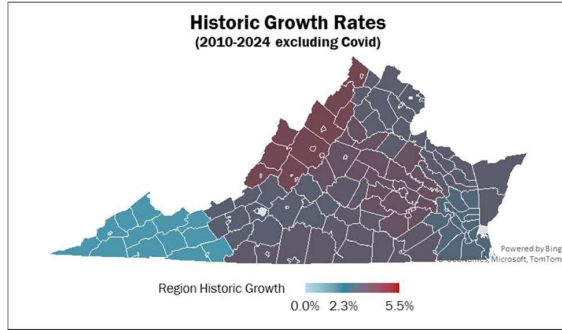
Source: Bureau of Labor Statistics, Current Employment Statistics (CES); Includes: Arlington-Alexandria-Reston Metropolitan Division, Richmond MSA, Virginia Beach-Chesapeake-Norfolk MSA. 'Rest of Virginia' calculated as VA statewide total less the three regions listed above.

FEDERAL GOVERNMENT LINKED PAYROLLS REMAINS STEADY



- The above charts track the payroll withholding of the largest Federal agencies and contractors with significant federal business.
- Other than a timing shift between January and February for Federal agency withholding, payments from these cohorts have been very stable, with no statistically significant differences from the year prior.

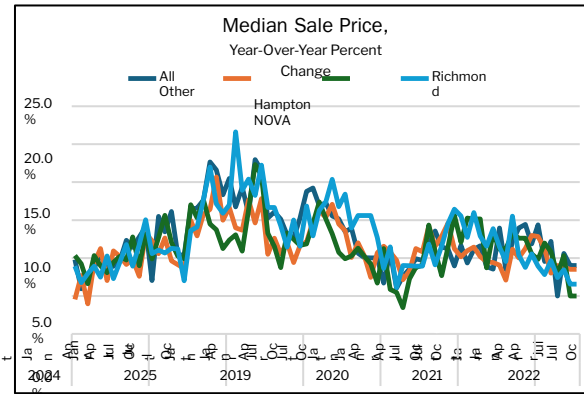
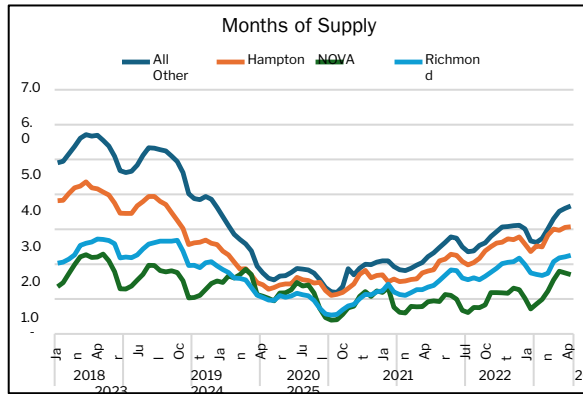
LOCAL SALES TAX COLLECTIONS SHOW CONTINUED GROWTH ACROSS THE COMMONWEALTH



- Since 2010, Virginia has averaged a little more than 3 percent growth as measured by local option sales tax.
- In the first seven months of 2025, most regions have seen higher than average growth.

Region	Historic Growth	2025 Growth
Central	3.5%	4.7%
Eastern	3.2%	6.2%
Hampton Roads	3.0%	2.8%
Northern	3.2%	4.3%
Southside	3.3%	4.9%
Southwest	1.8%	1.5%
Valley	3.8%	3.2%
West Central	3.2%	0.7%

HOUSING SUPPLY IS IMPROVING, THOUGH STILL CONSTRAINED RELATIVE TO PRE-2020



Sources: Virginia Realtors, Virginia Tax staff analysis

- Housing became extremely scarce in the pandemic, with the total months of supply dropping below two in all regions.
- Since then, housing supply has recovered steadily, though all regions remain below their pre-pandemic levels.
- The result is that housing inflation is slowing, now below 5 percent in all regions.

FY 2025 GF REVENUES EXCEEDED THE OFFICIAL FORECAST BY \$572 MILLION, GROWING 6.1% OVER FY 2024

\$572 MILLION, GROWING 6.1% OVER FY 2024									
SOURCE, \$ Mil	FY 2024		FY 2025		FY 2025		FY 2025		5 FY 2025
			\$ Growth	% Growth	Variance \$	Variance %	Variance \$	Variance %	

SUMMARY

- While the Virginia economy is slowing, jobs and wages continue to grow, and consumers remain resilient.
- Virginia continues to outperform national averages on unemployment, job openings and labor force participation.
- Despite federal reductions, withholding receipts for Virginia residents working for federal agencies and contractors has remained stable, with no statistically significant differences from the prior year.
- Continuing unemployment claims are elevated vs prior year but remain at the low end of historical norms and have flattened over the last few weeks.
- While uncertainty in the outlook remains, the risks are significantly lower than a few months ago and Virginia is in an extremely strong financial position.
 - Approximately \$1.6 billion cash cushion carried into FY 2026, including FY 2025 surplus revenues over forecast of \$572 million.
 - July 2026 revenues exceeded forecast by \$145 million.
 - Virginia has \$4.5 billion in Rainy Day/Revenue Reserve funds.
- While MD and DC have been recently downgraded by Moody's, Virginia's rating was reaffirmed.
- Virginia has a pipeline of economic development capital commitments totaling \$125 billion and over 80,000 new jobs.



BREAK | Return 10:10 am



Problem

Sammi was very entrepreneurial growing up. She was constantly designing and creating things.

She identified two passions of that she had, sustainability and fashion and found a niche in the market that was not being served.

Solution

Sammi created a clothing line that focuses on sustainable growth, the brand design and other to consumers that want.

She started in May 2021 and had sold over 100 items and had started to gain momentum surrounding with donors and customers.

even more So these are just a couple things that within the Virginia Tech community within the E club these



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Exploring Virginia's Economic Competitiveness



Dr. Eddie Amos
Economic Strategist



Bill Donohue
President
GENEDGE



Robby Demeria
Chief Corporate Affairs
Phlow



BREAK | Return 11:10 am



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Increasing GO Virginia's Collective Impact



Keith Boswell,
President & CEO,
Virginia Gateway



Steve Harrison, Chief
Operating Officer,
Hampton Roads Alliance



Dr. Jay Langston, Executive
Director, Shenandoah Valley
Partnership



LUNCH





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Facilitated Conversation: GO Virginia Investment Strategies

Sara Dunnigan

Deputy Director, Economic Development and Community Vitality

Department of Housing and Community Development





GO Virginia Grant Awards by Investment Strategy



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\$24,550,751.70,
18%

\$36,838,722.00,
27%

Startup Ecosystem
Cluster Scale-Up
Workforce Development
Site Development and
Infrastructure



Program Impact



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Total Investment - Leverage

**\$144M GOVA + \$148M in Non-State Match
+\$112M in Post-Award Non-State Funding**

Regional Collaboration

- 200 unique local co-funders – public and private sector

Project Outcomes (250 completed projects)

- 24,000 jobs created
- 1,200 businesses created
- 24,000 businesses served
- \$660,000,000 capital accessed
- 49,000 individuals trained
- 11,000 industry-recognized credentials awarded
- 3,000 Individuals provided high-quality work-based learning activities
- 11,000 impacted acres of business-ready sites

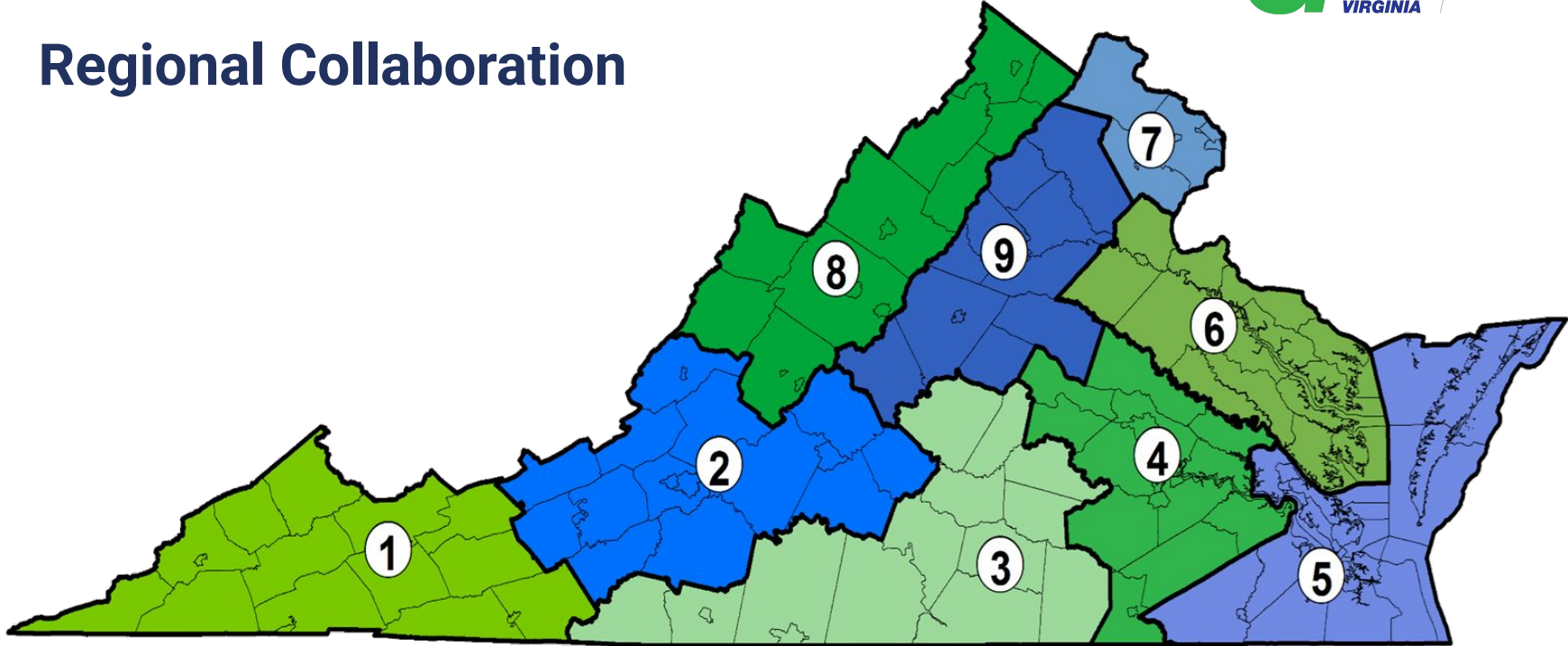


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Regional Collaboration





Growth and Diversification Plan

A Regional Plan for Action

- Priority Traded Sectors – Situational Analysis
- Sector Skills Analysis – Talent Pipeline Assessment
- Selected Investment Strategies
- Collaborators/Partners
- Measures of Success



Four Investment Strategies

- Cluster Scale Up
- Talent Development
- Entrepreneurship and Innovation
- Sites/Infrastructure

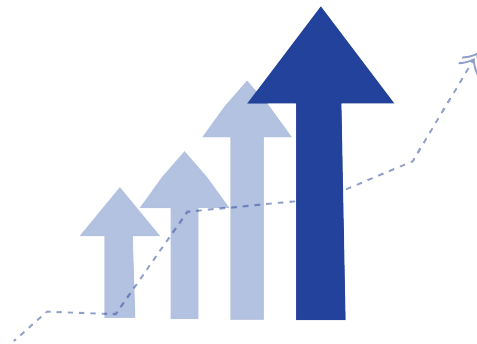


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Cluster Scale Up

- Focus on high-potential opportunities for firms within an existing industry cluster or the development of a nascent or emerging industry cluster.
- Cluster scale-up projects ask the question “what’s next?”
- They build off a foundation of capabilities and assets that support existing clusters, unique intellectual property, or workforce know-how.

Total Investments	Total Projects
\$40.3M	71



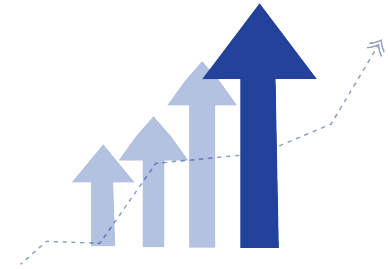


Cluster Scale Up Common Core Performance Measures



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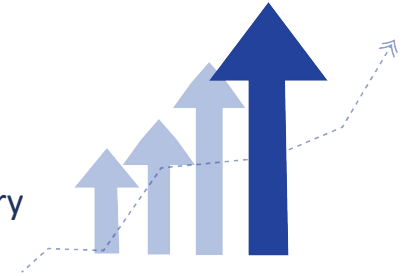
- Number of existing businesses served/scaled
- Number of new firms created
- Number of jobs created
- Number of new products completed/released to production
- Revenues increased from export (out of Virginia) sales





Cluster Scale Up– Critical Success Factors

- Identification of an existing cluster (pivot) or high growth potential nascent/emerging cluster
- Catalyst investment from one or more private sector partners
- Unique technology or intellectual property
- Involvement of regional economic development partner or other trusted industry intermediary
- Knowledge of global market place and regulatory environment
- Asks the question “what’s next”

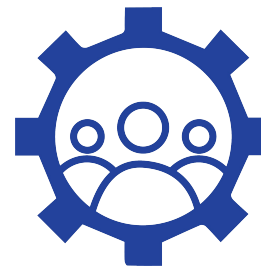




Talent Development

- To create a larger pool of qualified workers to meet unmet employer demand.
- Address the need for new/emerging skills within area talent pools
- Focus on occupations integral to the industry sectors identified in the region's Growth & Diversification Plan
- Provide industry-aligned training opportunities for individuals that provide a pathway to good-paying jobs

Total Investments	Total Projects
\$59.6M	155





Talent Development Common Core Performance Measures



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- Number of individuals trained
- Number of new training programs implemented
- Number of credentials awarded
- Number of jobs created/filled
- Number of businesses served
- Number of new internships created
- Number of new apprenticeships created

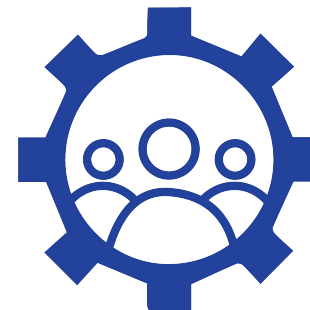




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Talent Development – Critical Success Factors

- Targeted cluster focus
- Employer engagement
- Actionable labor market Information
- Strong regional collaboration (labor shed approach)
- Commitment to the pathway development
- Employer-driven solutions

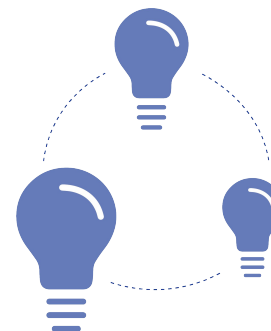




Entrepreneurship and Innovation

- To develop a resource-rich environment that supports the launch of new businesses and provides critical support for high-growth potential early-stage businesses in targeted traded clusters.

Total Investments	Total Projects
\$19.7M	68





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Entrepreneurship and Innovation Common Core Performance Measures

- Number of new businesses created
- Number of existing businesses served/scaled
- Number of jobs created
- Number of entrepreneurs engaged/trained
- Number of mentors engaged
- Total capital raise by new/served businesses
- Number of new products completed/released to production
- Revenues increased from export (out of Virginia) sales

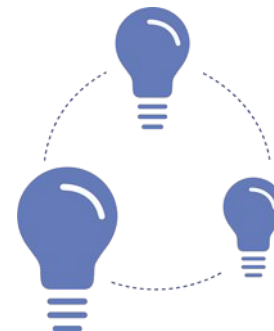




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Entrepreneurship and Innovation – Critical Success Factors

- Identification of a coordinating entity
- An agile and evolving Regional Entrepreneurship Investment (REI) strategy with next step recommendations to advance the ecosystem
- Tight focus on traded sector industries – “thickness”
- Intentionality around a continuum – ideation, incubation, acceleration, scale
- Holistic approach – people, places, programming, mentorship, capital, etc.
- Longer-term impact horizon
- Commitment to developing an ecosystem – strong partnerships
- Connections to a university/research/anchor institution
- Local government support
- Sustainability strategy

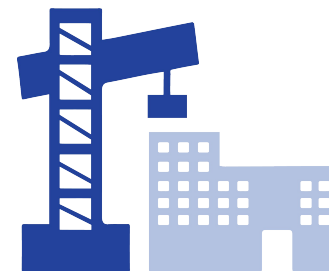




Sites/Infrastructure

- Strengthen the regional portfolio of business-ready sites available to accommodate the expansion or attraction of businesses in the regions' targeted industry sectors
- Demonstrated regional collaborations through cost/revenue sharing, joint workforce development efforts and/or other partnerships or agreements, such as Regional Industrial Facility Authorities (RIFAs).

Total Investments	Total Projects
\$25.1M	49





Sites/Infrastructure

Common Core Performance Measures



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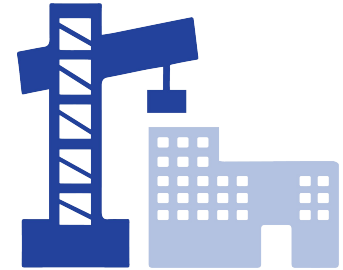
- Number of acres advanced to higher tier per Virginia Business Ready Sites Program (VBRSP)
- Number of acres positively impacted
- Number of increased locality engagement in establishing a RIFA/revenue sharing agreement
- Number of linear feet of sewer infrastructure
- Number of linear feet of water infrastructure
- Number of linear feet of gas infrastructure
- Number of prospects (active company visits)
- Number of businesses attracted





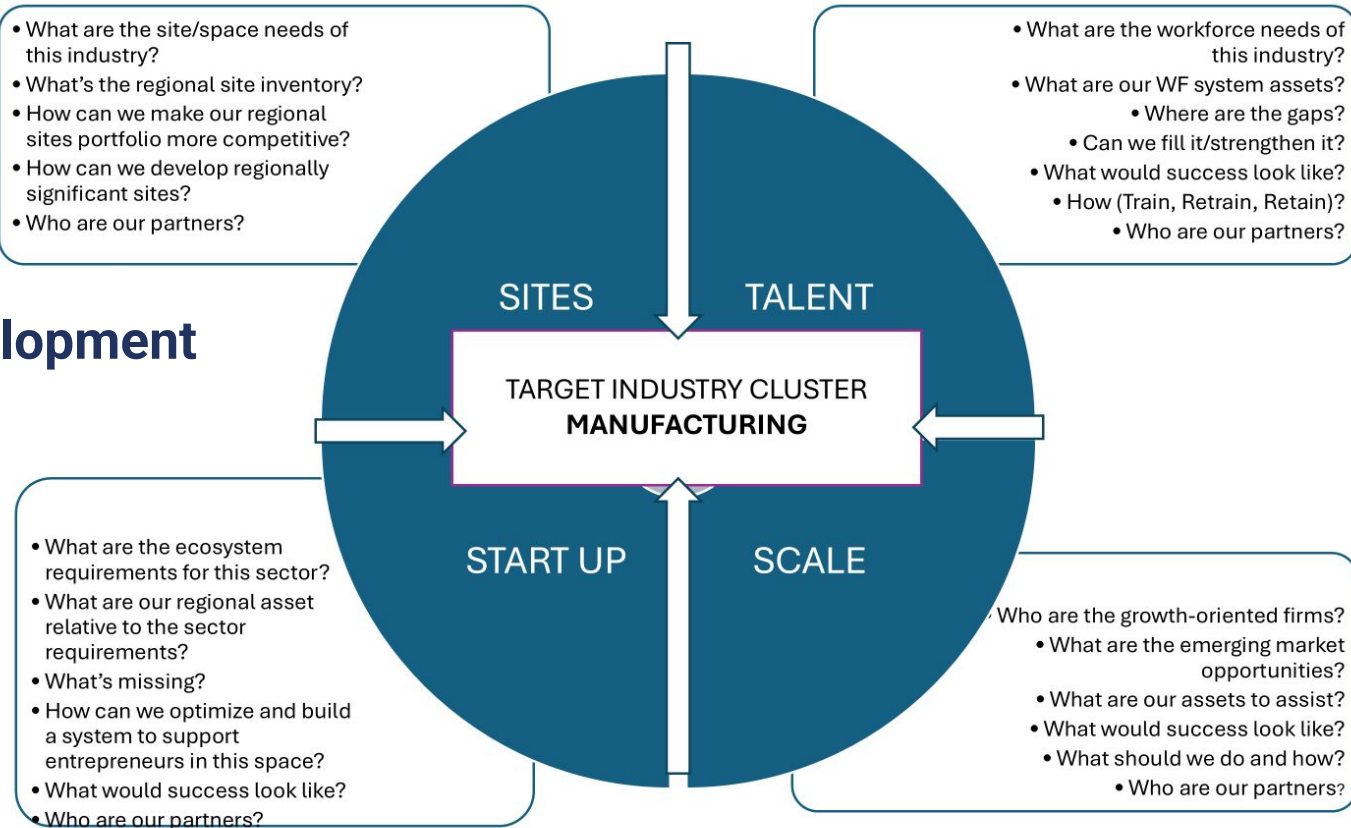
Sites/Infrastructure – Critical Success Factors

- Market driven – sites are developable and marketable
- Relevant/trusted/accurate data
- Ownership/cost/revenue sharing
- Regional site portfolio approach
- Small number of regionally significant sites
- Site control
- Connection to an executable marketing and business recruitment strategy
- Shared commitment to building adjacent assets





Project Development Framework





A Case Study

Advanced Pharmaceutical Manufacturing

GO Virginia Region 4



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ADVANCED PHARMACEUTICAL MANUFACTURING

Cluster Scale Up

Scale Up Strategy Questions

- Who are the growth-oriented firms?
- What are the emerging market opportunities?
- What are our assets to assist?
- What should we do and how?
- Who are our partners?

Funded Projects

- (2020) VCU Pharmaceutical and Chemical Engineering Commercialization (VCU College of Engineering): This was a planning effort that was geared toward understanding the commercialization opportunities in biopharmaceuticals; as well as a small component of the scope of work that assessed industry workforce needs in the region.
- (2020) Virginia Bio-Connect (Virginia Biotechnology Association): This project is a statewide application that crosses GO Virginia regions 2, 4, 5, 7, and 9. The goal of the project was to develop a system of bio-hubs across the Commonwealth.
- (2021) Pharmaceutical Manufacturing Cluster Scaleup (Activation Capital): This project is the implementation phase of the VCU Pharmaceutical and Chemical Engineering Commercialization planning effort. This project included activities to bolster the pharmaceutical manufacturing cluster. This included analyzing the need for lab space in the region and a software system for analyzing lab space demand and supply data.



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ADVANCED PHARMACEUTICAL MANUFACTURING Workforce Development

Workforce Strategy Questions

- What are the workforce needs of this industry?
- What are our WF system assets?
- Where are the gaps?
- Can we fill it/strengthen it?
- How (Train, Retrain, Retain, Attract)?
- Who are our partners?

Funded Projects

- (2023) Building a Pharmaceutical Manufacturing Talent Pipeline (Brightpoint Community College): This project created new assets for the region, including a lab on the college's campus, a new Pharmaceutical Manufacturing Career Studies Certificate program, a fast-track, and a non-credit pharmaceutical manufacturing technician training and certification program.
- (2023) Advancing a Regional Skilled Ecosystem in Life Sciences (Reynolds Community College): This project, which was based on a 2021 workforce needs study, created a laboratory technician program and a fully equipped learning laboratory at the Reynolds Downtown Campus.
- (2023) GOTEC Region 4 (CCAM): This project is the first expansion of the middle school GOTEC career exploration program into GO Virginia Region 4. This program targeted a number of industries, including pharmaceutical manufacturing, with the goal of bolstering the interest of students in pursuing careers in pharmaceuticals.
- (2023) Talent Pathways Initiative



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ADVANCED PHARMACEUTICAL MANUFACTURING Sites Strategy

Sites Strategy Questions

- What are the site/space needs of this industry?
- Do we have it? What's the regional inventory?
- If not, can we create it?
- How?
- Who are our partners?

Funded Projects

(2019) The Virginia Gateway Region evaluates a regional portfolio of 89 sites, characterizes each site according to the Virginia Business Ready Site Program (VBSP), and delivers a plan for advancing sites to Tier 4 characterization with cost estimates.

(2021) Virginia Gateway Region Sites - The Virginia Gateway Region successfully progressed 15 properties, encompassing a total of 1,652 acres in Region 4, to Tier 4 on the Virginia Economic Development Partnership (VEDP) Site Characterization scale.

(2025) Site Discovery



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ADVANCED PHARMACEUTICAL MANUFACTURING

Entrepreneurship and Innovation Strategy

Funded Projects

Start Up Strategy Questions

- What are the ecosystem requirements for this sector?
- What are our regional asset relative to the sector requirements?
- What's missing?
- How can we optimize and build a system to support entrepreneurs in this space?
- Who are our partners?

(2024) VITAL - Activation Capital has expanded the Bioscience industry in GO Virginia Region 4. This project takes a multi-faceted approach to growing this industry by providing programming and interventions. The project will assess the research portfolio in the region to prioritize the concepts with the highest potential for commercialization. Services for feasibility assessments, IP registration, and other early-stage steps will be provided to assist with maturing research into commercially viable enterprises. The project will expand programming for startups further along in the business formation process by assisting with identifying funding opportunities. Finally, the project will identify and implement opportunities to integrate advanced computing methods into the bioscience industry and expand programming to connect the bioscience industry within the region.

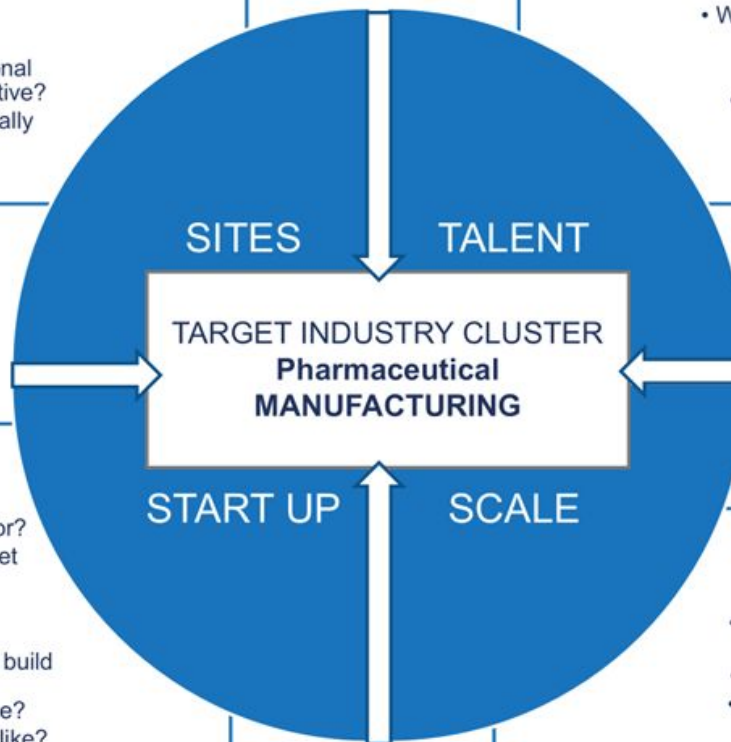


- What are the site/space needs of this industry?
- What's the regional site inventory?
- How can we make our regional sites portfolio more competitive?
- How can we develop regionally significant sites?
- Who are our partners?

- What are the workforce needs of this industry?
- What are our WF system assets?
 - Where are the gaps?
 - Can we fill it/strengthen it?
- What would success look like?
- How (Train, Retrain, Retain)?
- Who are our partners?

- What are the ecosystem requirements for this sector?
- What are our regional asset relative to the sector requirements?
- What's missing?
- How can we optimize and build a system to support entrepreneurs in this space?
- What would success look like?
- Who are our partners?

- Who are the growth-oriented firms?
- What are the emerging market opportunities?
- What are our assets to assist?
- What would success look like?
- What should we do and how?
- Who are our partners?





Questions?

What's Next?

Table Discussions

Exploring GO Virginia's Funding Priorities



Table Discussions

GO Virginia Investment Strategies

Instructions for Discussion

- Break into groups by strategy (Workforce, Sites, Start-Up Ecosystem, Cluster Scale-Up)
- Use the discussion prompts at your table to guide conversation
- Focus on strengths, opportunities, and next steps
- Capture 2–3 key takeaways for your group's report-out



*Thank
you!*

PARAMOUNT

BLACK MARIA
FILM FESTIVAL
FRI - MON 10PM

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