

# Prescriptions we need to fill

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Jim Koch isn't that kind of doctor. Still, the lack of an M.D. hasn't stopped him from being the keenest diagnostician of the region's ailments.

For 13 Octobers now, the former Old Dominion University president has produced an annual State of the Region report, a shiny collection of that year's most interesting conclusions of who we are, what we want and what's keeping us from getting it.

Several hundred people showed up at the Norfolk Marriott before 8 a.m. last week to hear the good economist (his doctorate comes in the form of a Ph.D. in economics from Northwestern) provide the highlights from this year's report.

Think about that. Hundreds upon hundreds of people crowding probably the biggest conference room in the city, paying real money to listen to an economist talk about - well - anything.

That's how crucial Koch's work has become to our sense of identity and purpose, to our policy and practices. It's how completely the soft-spoken, rail-thin Montana man has captured Hampton Roads, both as a place and as a people. And it's how good he is at explaining it all.

By now you've read the headlines from the 2012 report: The local economy is slowly recovering, attorneys are in trouble, homeschooling is huge. Oh, and pending defense cuts could spin this region into a horrendous recession. Maybe even a localized depression.

The report is much deeper than the headlines, of course.

One example: Local politicians and economic-development types have been saying for as long as I've been here that the region needs to diversify its economy away from the military.

Koch shows, with hard data, that despite that talk we've been doing precisely the opposite. The military remains almost 46 percent of the local economy, far higher than when Koch first started producing his reports.

Not incidentally, it's also far higher than is wise.

Those are the kinds of dots Koch connects every year. He shows - in too many cases - where our ambitions fail to meet results, in the cold-eyed analysis of a man who loves his data and his charts.

(In the interests of complete disclosure, through the years Koch's reports have been supported financially by the owners and officers of this newspaper.)

Beyond the wonky frisson of numbers, each of Koch's annual reports contains prescriptions, some implicit and some painfully not.

To pick just one small example: The reason you don't want a local economy largely dependent on the military is that when military spending wanes - as it promises to do next year, fiscal cliff or no - you're vulnerable to economic troubles, or even disaster.

That's where we find ourselves right now. Right where Koch said we'd be.

It's not the first time he has proven prescient.

Back in 2000, Koch was already tracking a troubling trend for Hampton Roads' place in the commonwealth: "In every year since 1984 to the present," he wrote, "Virginia's economic growth rate has exceeded that of Hampton Roads. The result of this year-in, year-out differential has been a persistent decline in Hampton Roads' share of state output."

If there's a cleaner economic explanation for why Richmond has felt no reason to fund the needs of Hampton Roads and plenty of reason to send money to Northern Virginia, I haven't seen it.

The 2000 report also included warnings on the state of transportation, the difficulties of regional cooperation, the state of the workforce and the health of the people.

If that seems like the parameters of much of our conversation 12 years later, it's no coincidence. But it explains why the region is so fortunate to have the doctor around.

For more than a decade now Koch has correctly identified the ills that ail us. The sad thing, given the quality of his diagnoses, is that we still haven't found the cure.