Washington Area Economy: Performance and Outlook

Presentation to:

Virginia’s Economic Future
Thomas Jefferson Institute for Public Policy

Center for Regional Analysis
Schar School of Policy and Government
George Mason University

September 14, 2016
Annual Job Change
Washington MSA, 2002-2016

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Federal Government
Washington MSA

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Jul-16 Total: 371.4

TOTAL = $1,235.9 Billion

Source: US Census, Consolidated Federal Funds Report and USAspending.gov
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Professional & Business Services
Washington MSA
Annual Month Over the Year

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Washington MSA

<table>
<thead>
<tr>
<th>Sector</th>
<th>(ooos)</th>
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</thead>
<tbody>
<tr>
<td>Prof. &amp; Bus. Svcs</td>
<td>5</td>
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<tr>
<td>Federal Govt.</td>
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<tr>
<td>Educ &amp; Health Svcs</td>
<td>8</td>
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<tr>
<td>State &amp; Local Govt</td>
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<tr>
<td>Retail Trade</td>
<td>3</td>
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<tr>
<td>Leisure &amp; Hosp.</td>
<td></td>
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<tr>
<td>Construction</td>
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<tr>
<td>Other Services</td>
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<tr>
<td>Financial</td>
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<tr>
<td>Information</td>
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<tr>
<td>Manufacturing</td>
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<tr>
<td>Whse Trade</td>
<td></td>
</tr>
<tr>
<td>Transp. &amp; Util.</td>
<td></td>
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</tbody>
</table>

Total = 94,800

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
15 Largest Job Markets

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
WMSA Payroll Job Change: Private Sector
The Great Recession and Recovery

Aug 2008-Feb 2010
- Prof. & Bus. Svcs: -24
- Educ & Health Svcs: -23
- Retail Trade: -34
- Leisure & Hosp.: -49
- Construction: -34
- Other Services: -8
- Financial: -10
- Information: -12
- Manufacturing: 0
- Wsle Trade: -10
- Transp. & Util.: -7

Total: -181

Feb 2010-Jul 2016
- Prof. & Bus. Svcs: 0
- Educ & Health Svcs: 65
- Retail Trade: 43
- Leisure & Hosp.: 97
- Construction: 34
- Other Services: 24
- Financial: 10
- Information: 0
- Manufacturing: 1
- Wsle Trade: 2
- Transp. & Util.: 5

Total: 363

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Annual Job Change
Northern Virginia, 2002-2016

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
## Job Change by Sector
**Jul 2015 – Jul 2016**
**Northern Virginia**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Change (000s)</th>
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<tbody>
<tr>
<td>Transp. &amp; Util.</td>
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<tr>
<td>Wisel Trade</td>
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<tr>
<td>Manufacturing</td>
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<tr>
<td>Information</td>
<td>0</td>
</tr>
<tr>
<td>Financial</td>
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</tr>
<tr>
<td>Construction</td>
<td>3</td>
</tr>
<tr>
<td>Leisure &amp; Hosp.</td>
<td>-1</td>
</tr>
<tr>
<td>Retail Trade</td>
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<tr>
<td>State &amp; Local Govt</td>
<td>3</td>
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<tr>
<td>Federal Govt.</td>
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<td>Educ &amp; Health Svcs</td>
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<tr>
<td>Total</td>
<td>26,300</td>
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</table>

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Unemployment Rates in the WMSA
By Sub-State Area, 2009-2016

Washington MSA Leading Economic Index
Month-Over-Year Percent Change

Source: GMU Center for Regional Analysis
Source: IHS Economics, GMU Center for Regional Analysis, Forecast: April 2016
Where are we?

• We are growing:
  • Some diversification
  • Some catch-up
  • Recent job growth across all wage levels

• Advantages
  • Government Center
  • International Institutions
  • Connectivity to the World
  • Concentration of Leaders
  • High Quality-of-Life
  • Diverse Population
  • Higher Educational Services
  • Educated Work Force
  • High Labor Force Participation
  • Advanced Occupational Specializations

• Headwinds
  • Sequester?
  • Further market shifts needed
  • Cost of living
  • Cost of doing business
  • Mobility
  • Access to capital
  • Lack of regional branding, economic development cooperation
  • Globally competitive?
Thank You

cra.gmu.edu