



Washington Executives Association

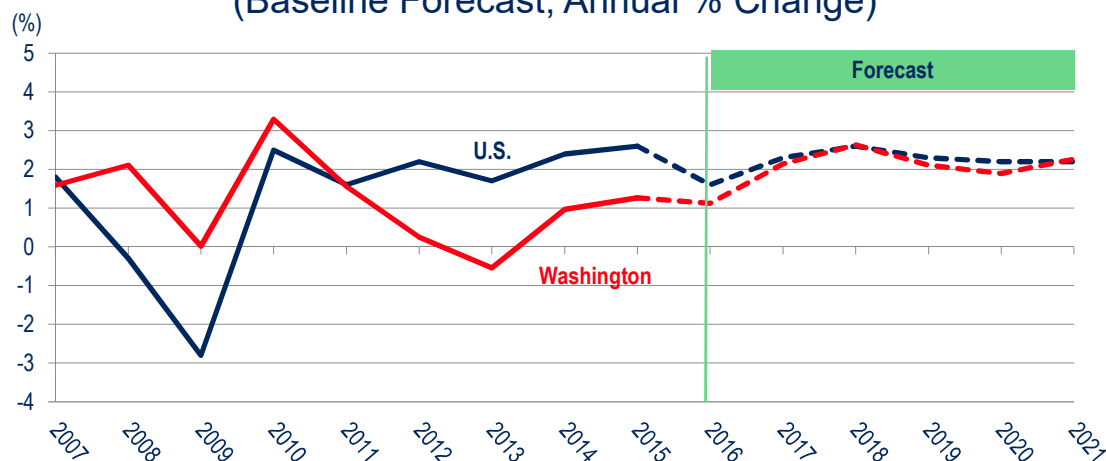
The Current Performance and Near-Term Outlook for The U.S. and Washington Region's Economies

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The Dwight Schar Faculty Chair and University Professor
Director, The Stephen S. Fuller Institute
Schar School of Policy and Government
George Mason University



November 15, 2017

U.S. GDP and Washington MSA GRP 2007 – 2015 – 2021 (Baseline Forecast, Annual % Change)



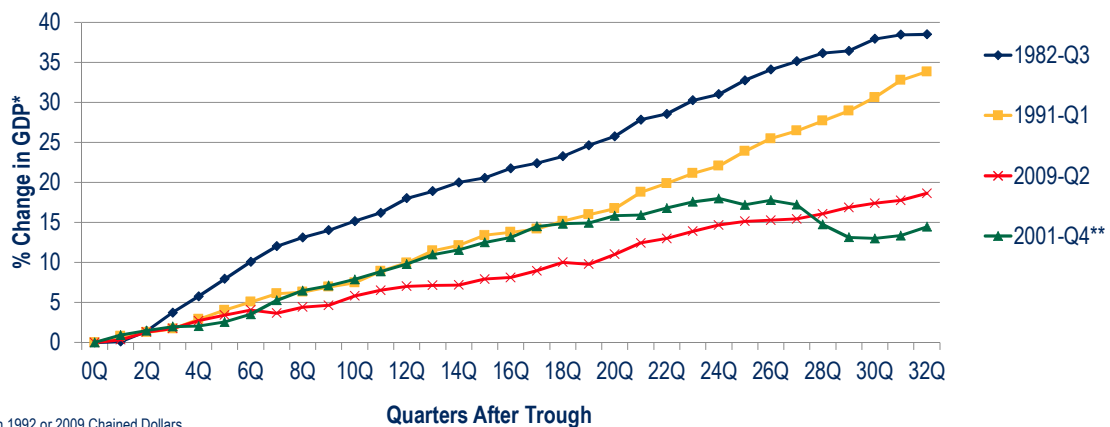
Sources: U.S. Bureau of Economic Analysis, IHS Economics (March 2017), The Stephen S. Fuller Institute at the Schar School, GMU



How is the U.S. economy performing and what is the outlook for 2018?



Recession Recovery Patterns of GDP Past Four Recessions



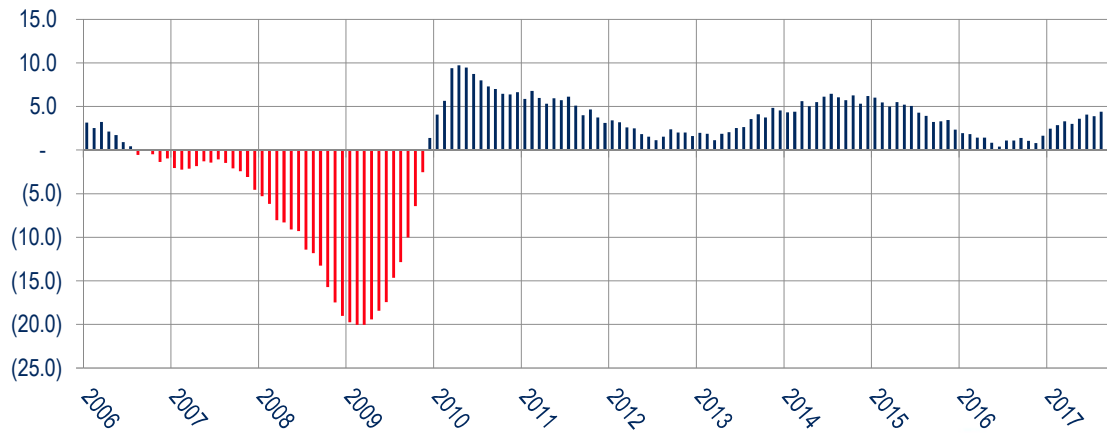
*in 1992 or 2009 Chained Dollars

** Quarters 26+ include the 2009 Recession

Sources: Bureau of Economic Analysis, The Stephen S. Fuller Institute at the Schar School, GMU



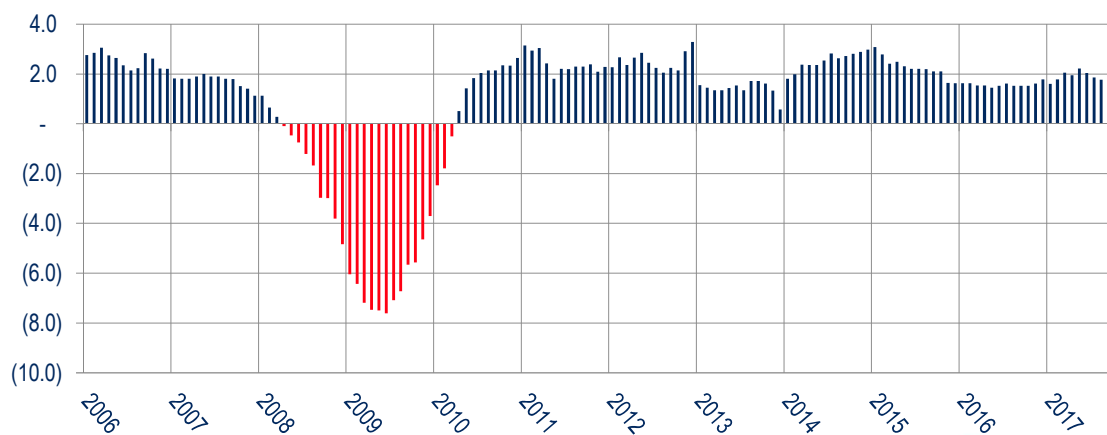
U.S. Leading Index Month-Over-Year Percent Change



Sources: The Conference Board, The Stephen S. Fuller Institute at the Schar School, GMU



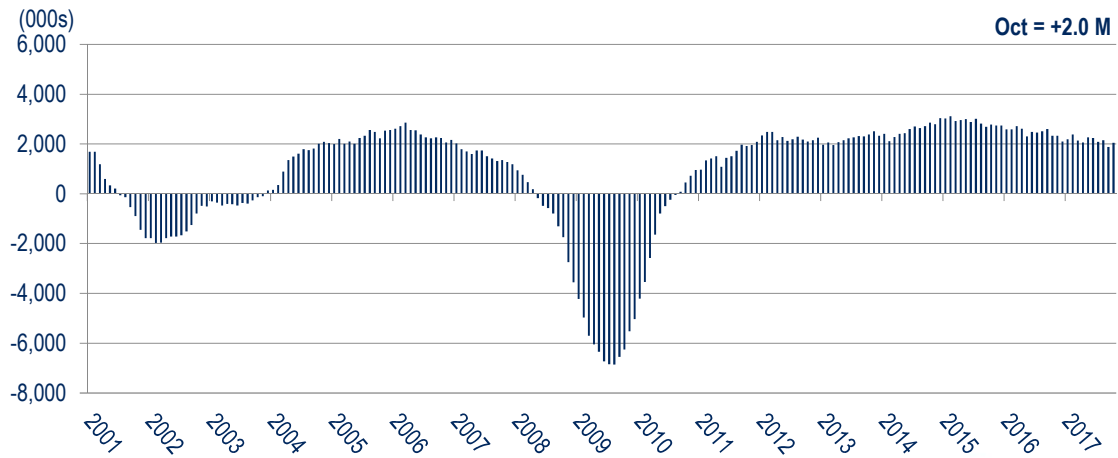
U.S. Coincident Index Month-Over-Year Percent Change



Sources: The Conference Board, The Stephen S. Fuller Institute at the Schar School, GMU



U.S. Annual Change in Payroll Jobs Month-Over-The-Year

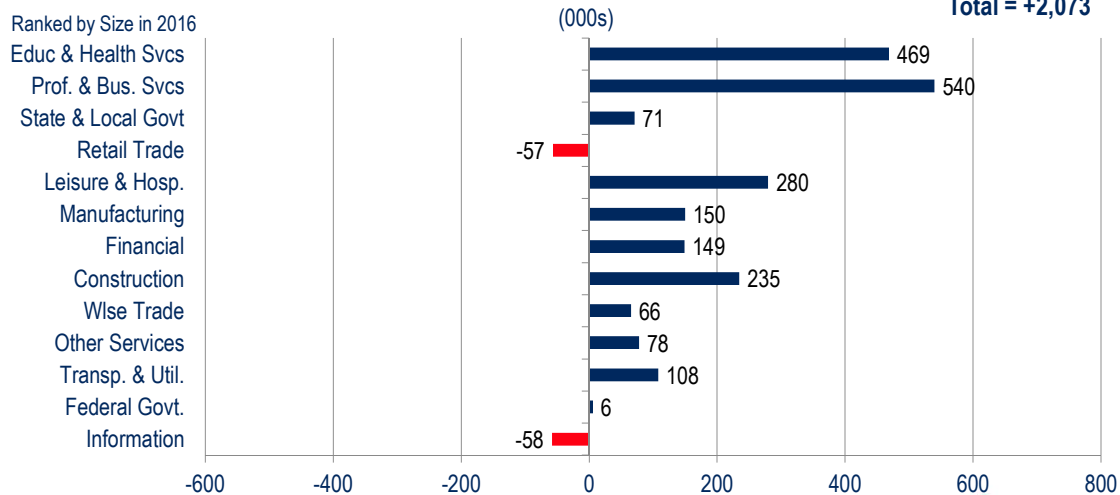


Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU



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U.S. Payroll Job Change by Sector October 2016 – October 2017

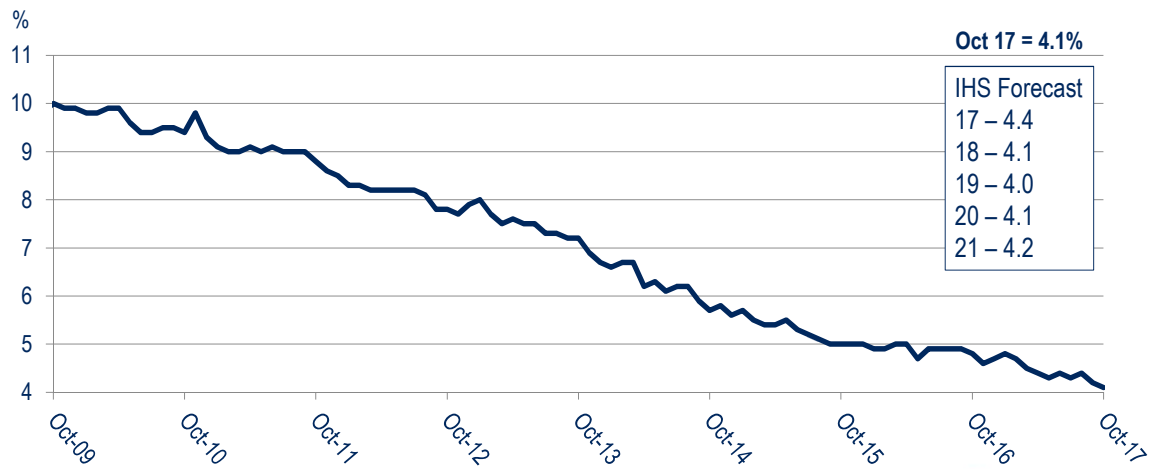


Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU



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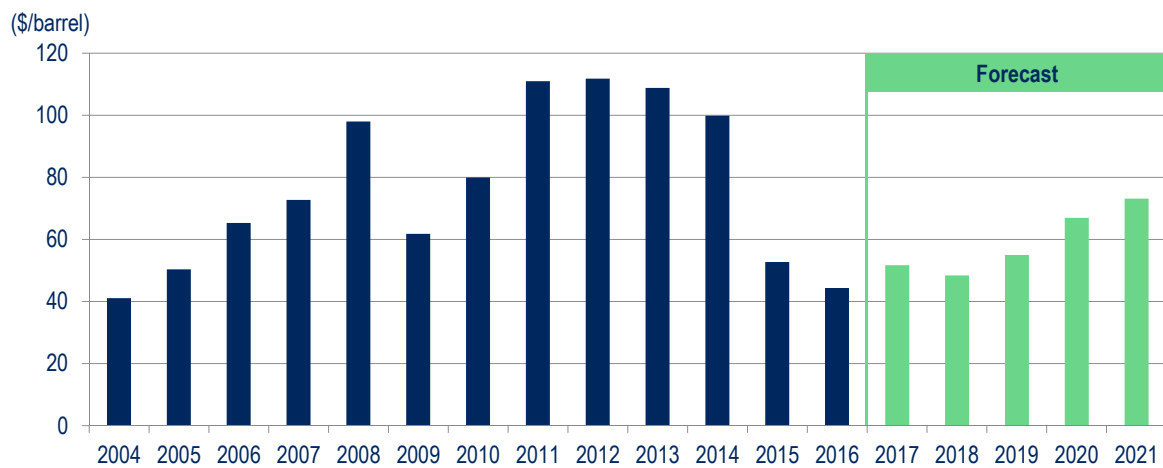
U.S. Unemployment Rate October 2009 – October 2017



Sources: U.S. Bureau of Labor Statistics (Seasonally Adjusted), IHS Economics (September 2017), The Stephen S. Fuller Institute at the Schar School, GMU



Brent Crude Spot Price \$ per barrel

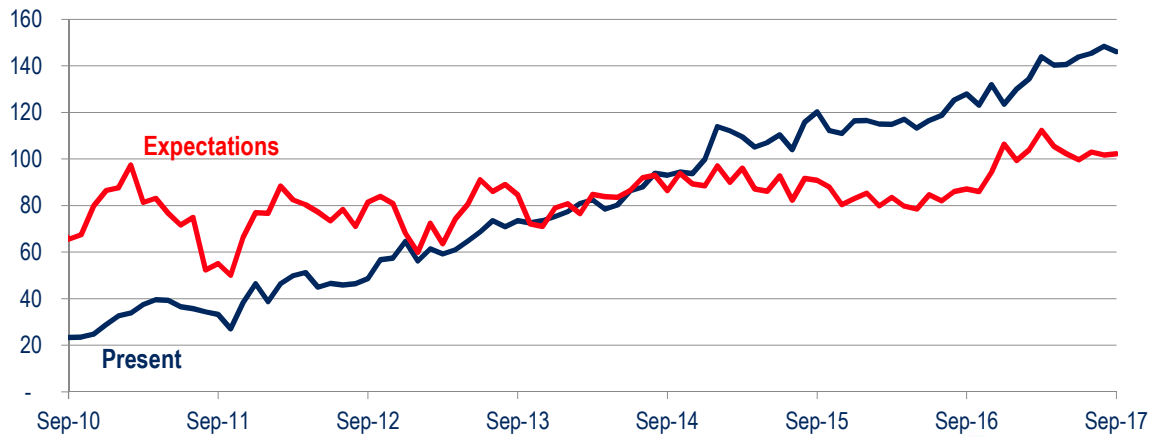


Sources: IHS Economics (September 2017), The Stephen S. Fuller Institute at the Schar School, GMU



U.S. Consumer Confidence

September 2010 – September 2017

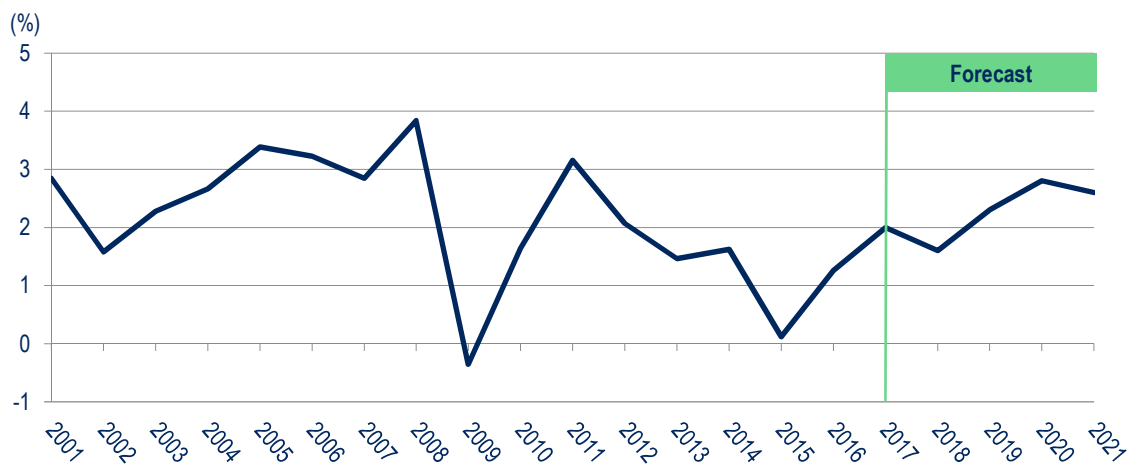


Sources: The Conference Board, The Stephen S. Fuller Institute at the Schar School, GMU



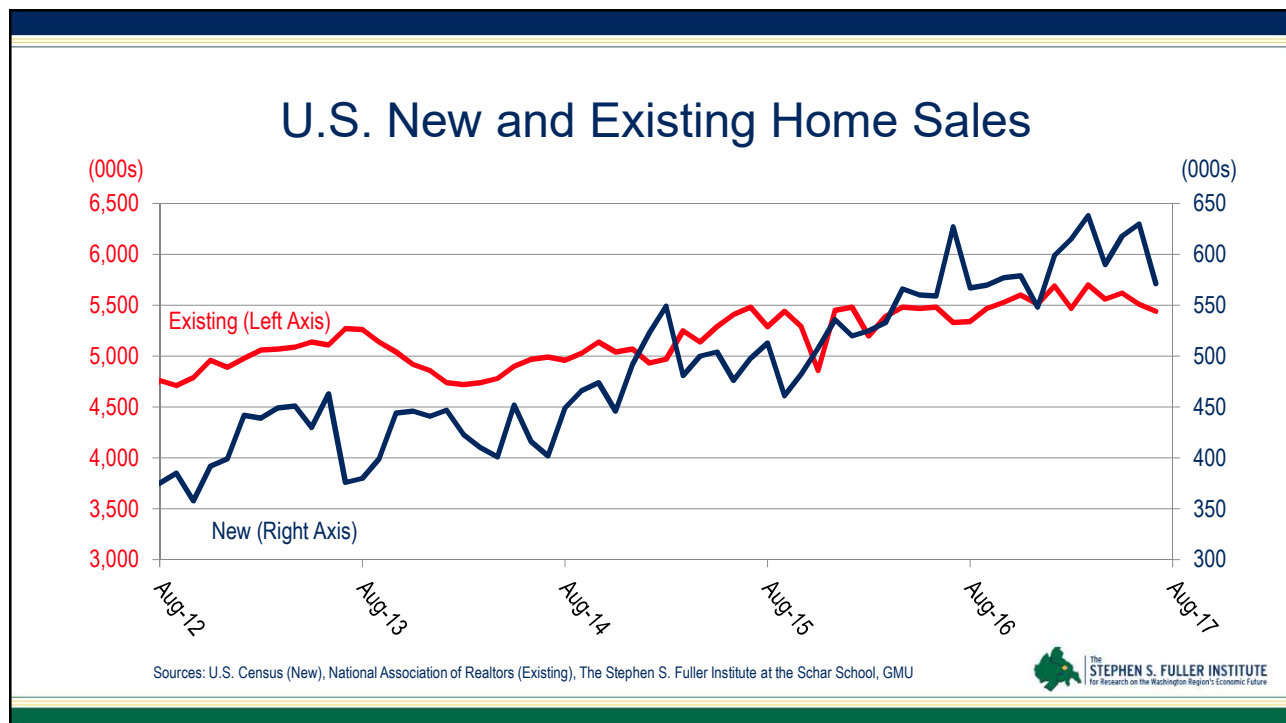
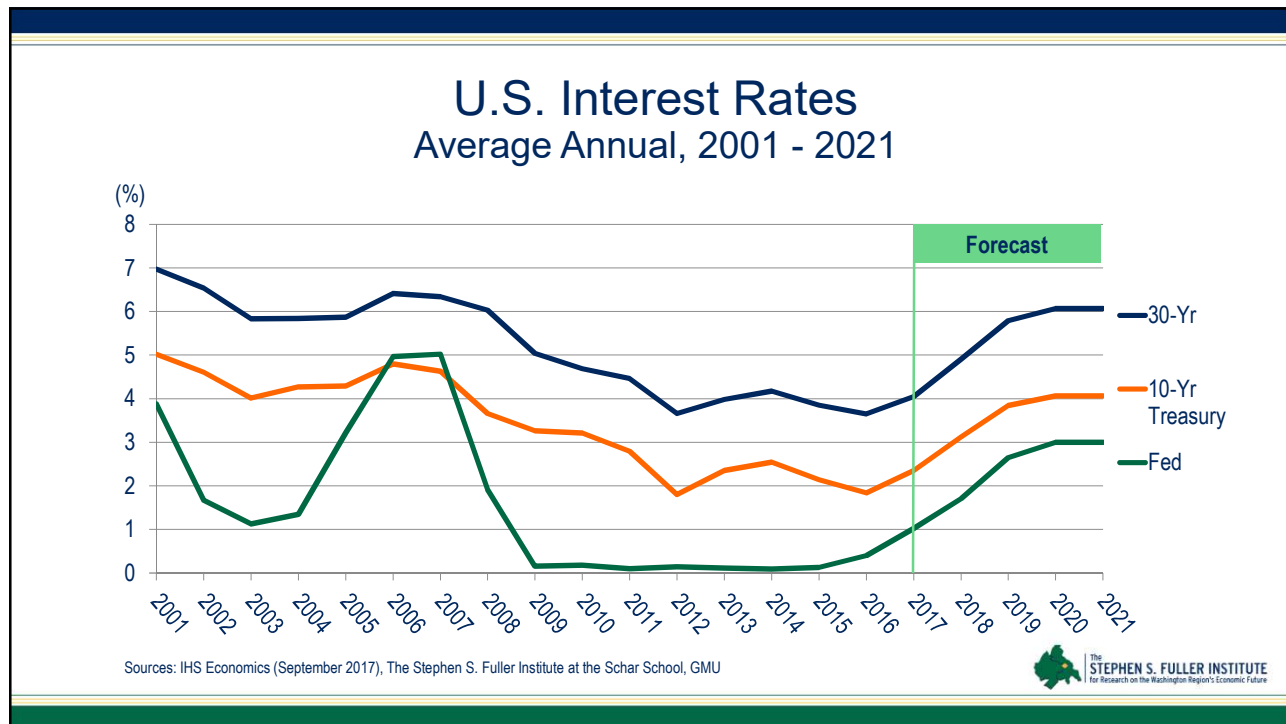
U.S. Consumer Prices

Percent Change, 2001 - 2021

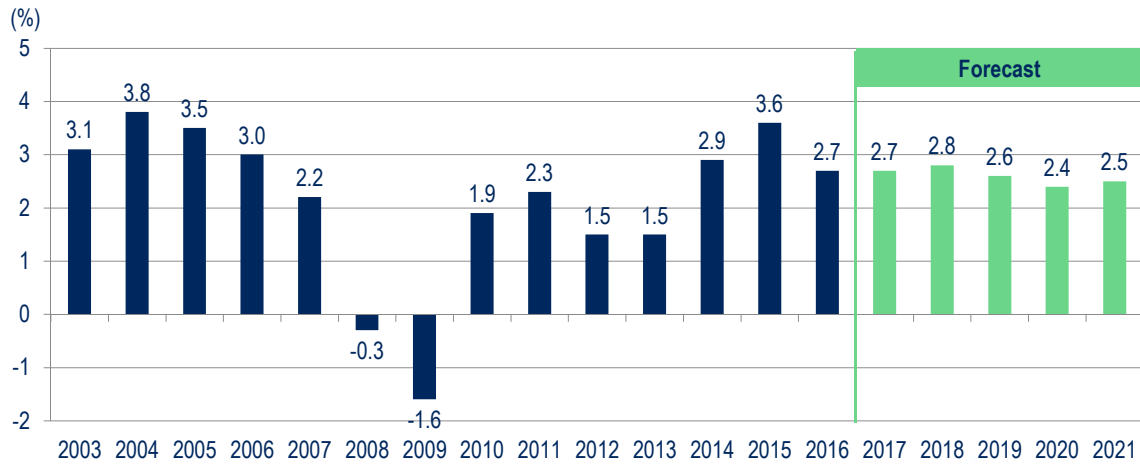


Sources: U.S. Bureau of Labor Statistics, IHS Economics (September 2017), The Stephen S. Fuller Institute at the Schar School, GMU





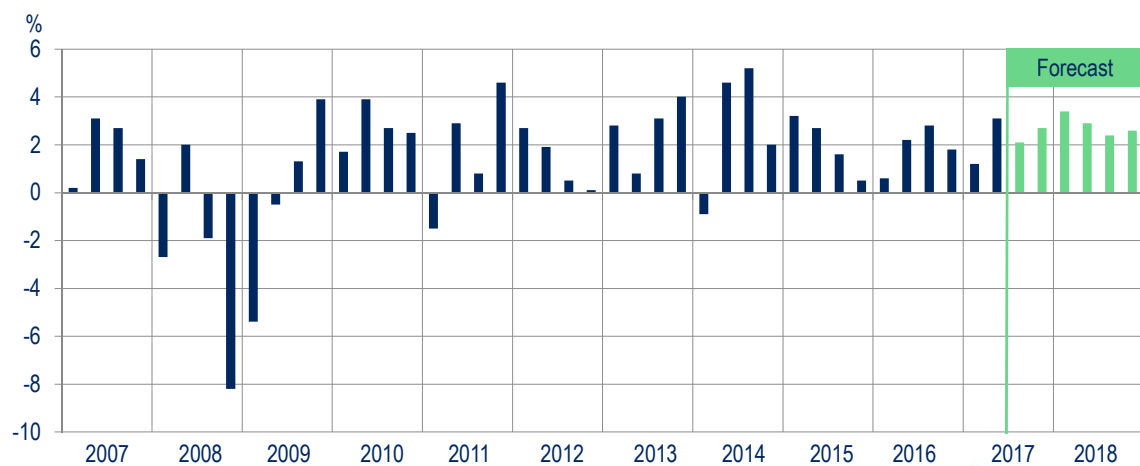
U.S. Growth in Total Consumption Outlays



Sources: U.S. Bureau of Economic Analysis, IHS Economics (September 2017), The Stephen S. Fuller Institute at the Schar School, GMU



U.S. Gross Domestic Product Quarterly Change: 2007 – 2018



Sources: U.S. Bureau of Economic Analysis, IHS Economics (September 2017), The Stephen S. Fuller Institute at the Schar School, GMU



The Washington Region's key Economic Challenges

Dependence on federal spending to drive economic growth;
job growth and mix since 2010 has favored lower-value added sectors;
non-federally dependent clusters are underperforming;
high cost-of-living has made region less competitive;
population growth is slowing with net domestic outmigration; and,
the region's economy is underperforming its peers.

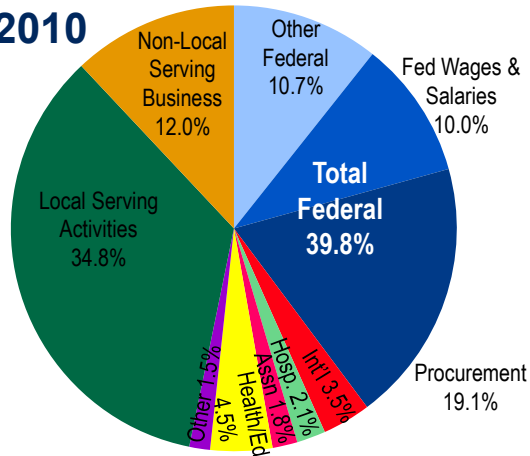


Washington
Region

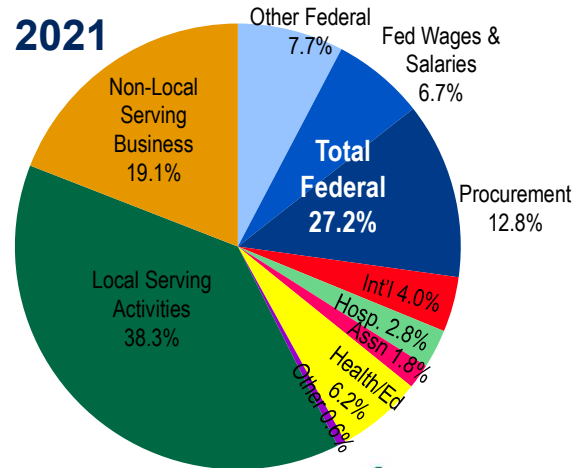


The Changing Structure of the Washington Region Economy

2010



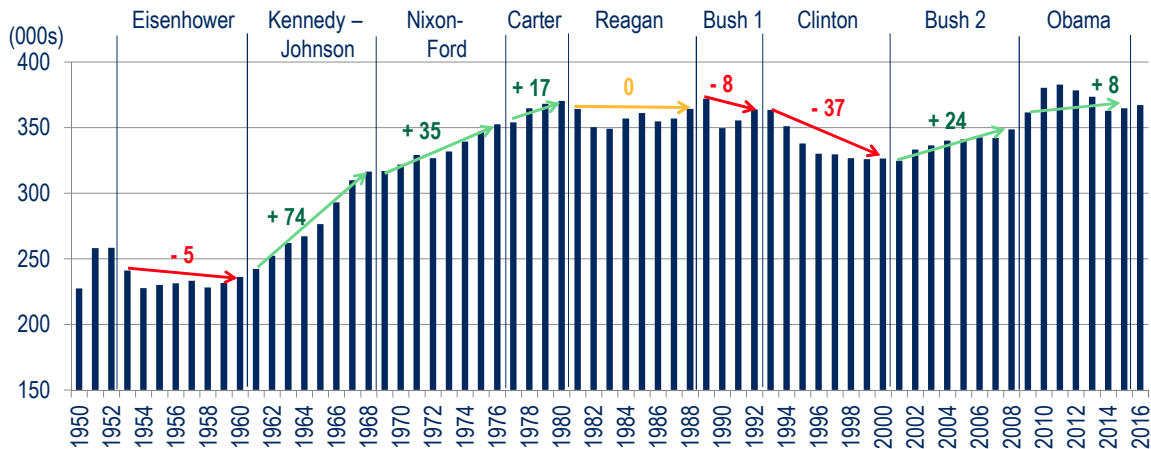
2021



Source: The Stephen S. Fuller Institute at the Schar School, GMU; Forecast January 2017

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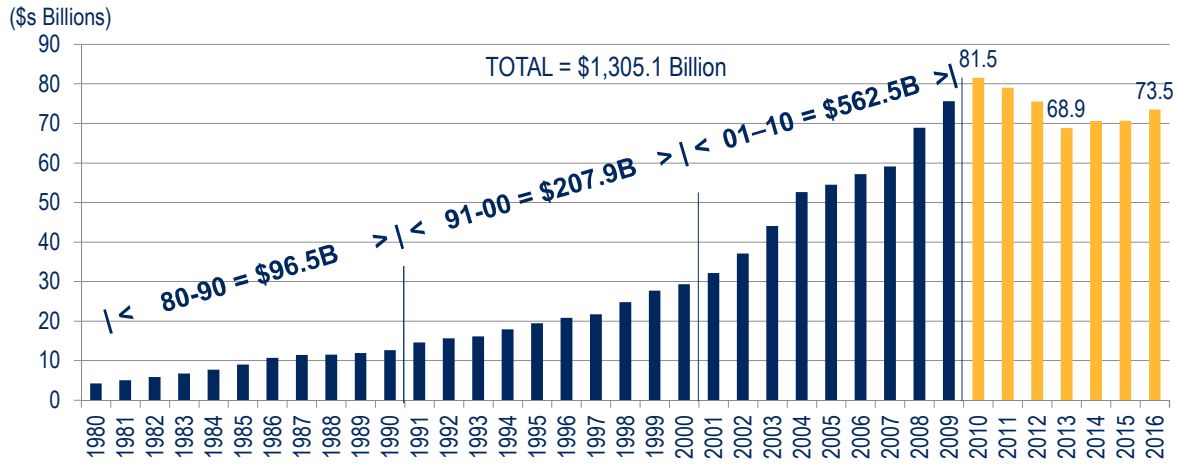
Federal Employment in the Washington Region, 1950-2016



Source: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU

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Federal Procurement in the Washington Region, 1980-2016

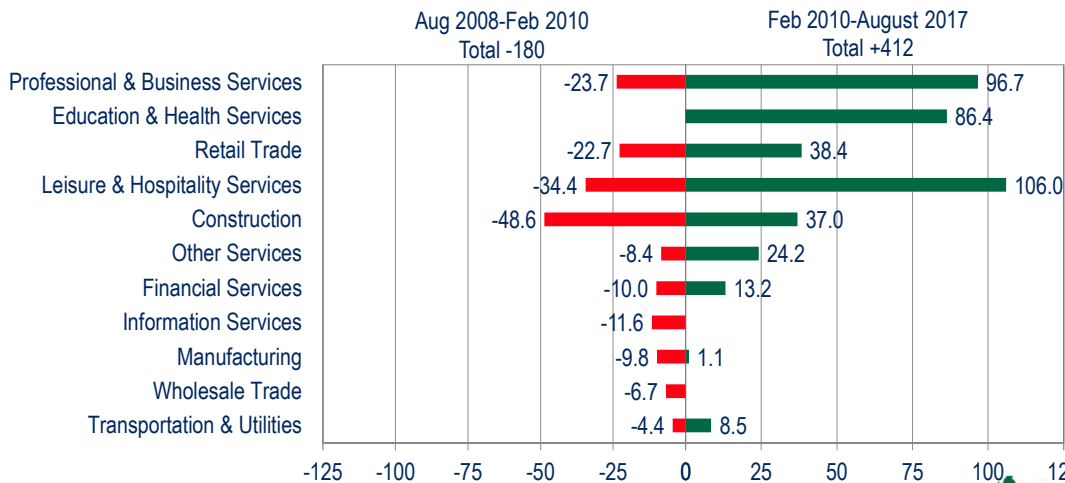


Source: US Census, Consolidated Federal Funds Report and USAspending.gov, The Stephen S. Fuller Institute at the Schar School, GMU



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Washington Region Job Change: Private Sector The Great Recession and Recovery



Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU



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The GRP* Effects of Private Sector Job Change in the Washington Region ~2007 to July 2017 (in 2014 \$s)

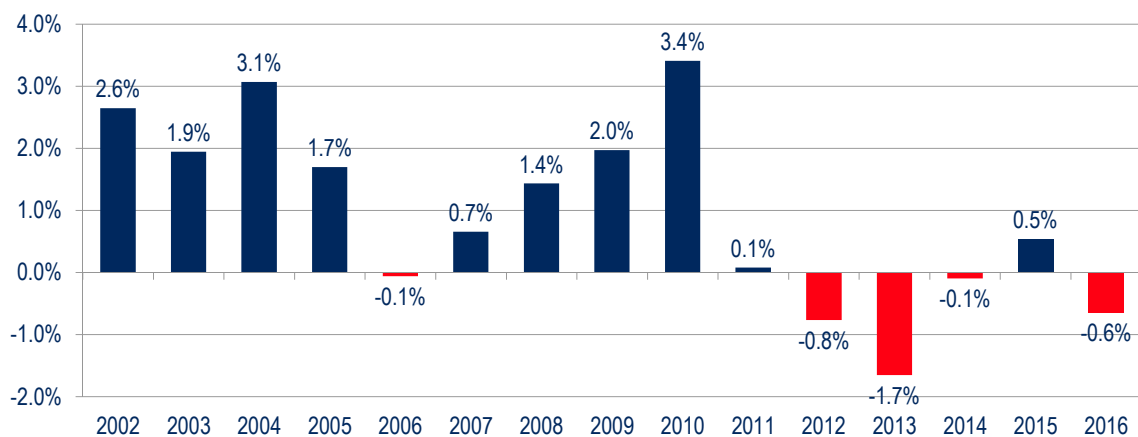
<u>Job Change</u>	<u>Average GRP* Value</u>	<u>Total GRP* Value</u>
-180,300	\$160,233	-\$28,890,059,000
<u>+411,500</u>	<u>\$109,916</u>	<u>+\$45,230,434,000</u>
+231,700		+\$16,340,375,000

*Gross Regional Product

Source: The Stephen S. Fuller Institute at the Schar School, GMU



GRP Per Worker in the Washington Region Annual Percent Change (Real GRP)

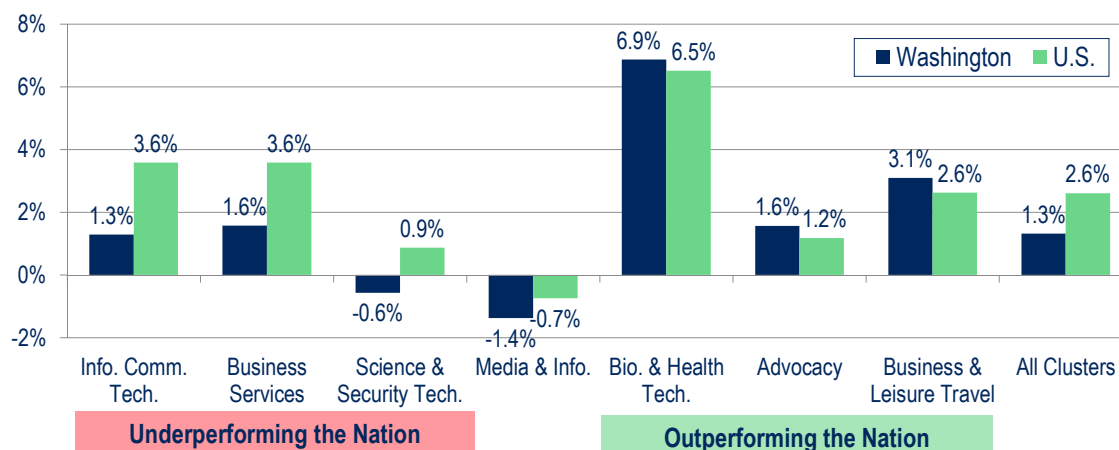


Sources: U.S. Bureau of Economic Analysis, The Stephen S. Fuller Institute at the Schar School, GMU



Growth Rates of the Washington Region's Advanced Industrial Clusters

March 2014 to March 2017, Annualized Growth



Sources: U.S. Bureau of Labor Statistics (QCEW), The Stephen S. Fuller Institute at the Schar School, GMU



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2010	2016
*Loudoun, VA	*Loudoun, VA
*Fairfax, VA	Howard, MD
Howard, MD	*Fairfax, VA
Hunterdon, NJ	Hunterdon, NJ
*Arlington, VA	Santa Clara, CA
Douglas, CO	*Arlington VA
*Stafford, VA	Douglas, CO
Somerset, NJ	San Mateo, CA
*Prince William, VA	Morris, NJ
Morris, NJ	Williamson, TN
Nassau, NY	Nassau, NY
*Montgomery, MD	Somerset, NJ
*Calvert, MD	Marin, CA
St. Mary's, MD	San Francisco, CA
*Charles, MD	Delaware, OH

Sources: American Community Survey (2010 1-Year and 2016 1-Year surveys), The Stephen S. Fuller Institute at the Schar School, GMU
*within Washington Metropolitan Statistical Area



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Median Household Income: Top 15 U.S. Counties

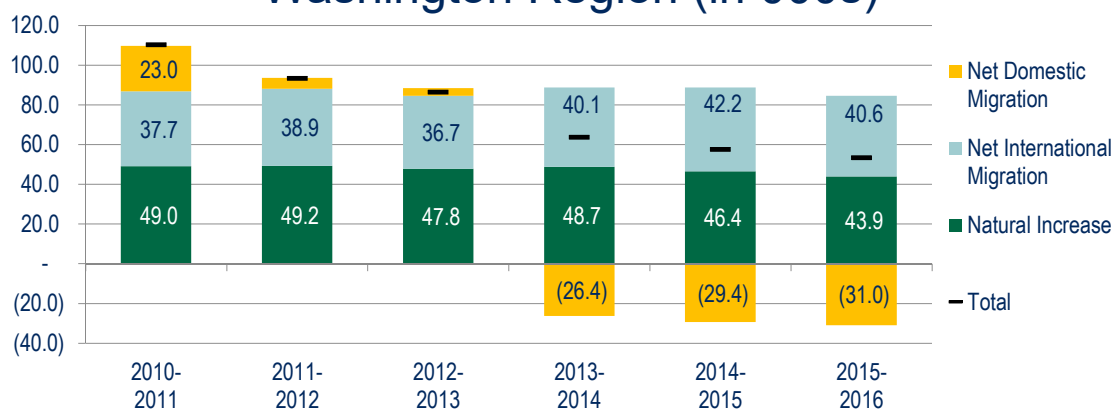
2008	2015
SF-Oakland	SF-Oakland
New York	New York
Washington	Washington
Los Angeles	Los Angeles
Boston	Boston
Philadelphia	Seattle
Seattle	Miami
Chicago	Philadelphia
Miami	Chicago
Phoenix	Minneapolis
Minneapolis	Houston
Dallas	Dallas
Houston	Phoenix
Detroit	Detroit
Atlanta	Atlanta

Sources: U.S. Bureau of Economic Analysis, The Stephen S. Fuller Institute at the Schar School, GMU

Cost-of-Living Ranking for 15 Largest Metros



Population Growth By Component Change Washington Region (in 000s)



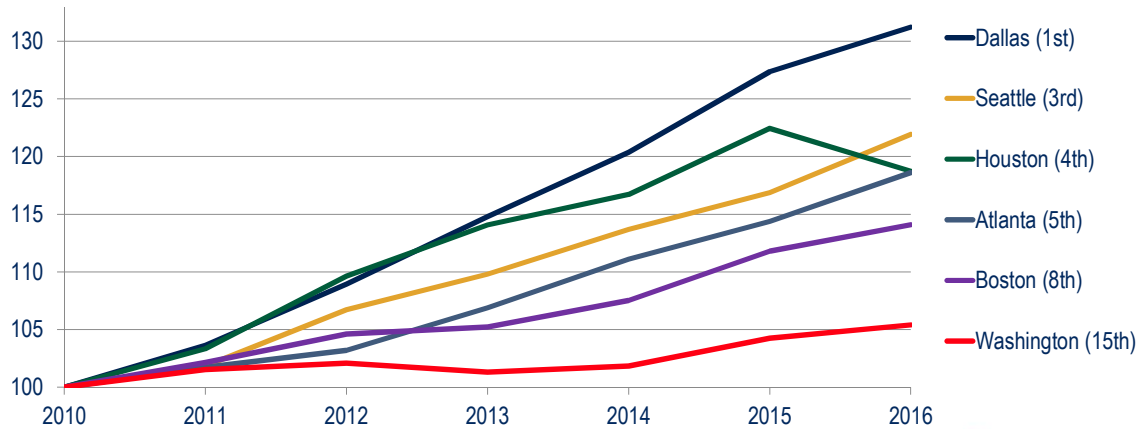
Total Increase: +1.9% +1.6% +1.5% +1.1% +1.0% +0.9%

Sources: U.S. Census Bureau (v2016 Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU



GRP Growth in Washington and Peer Metros, 2010 – 2016

100 = 2010



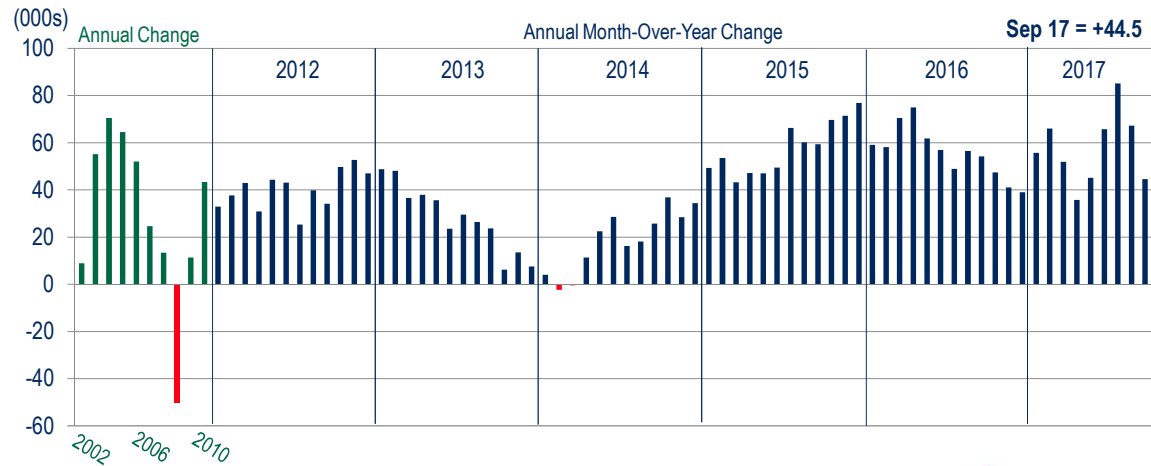
Sources: U.S. Bureau of Economic Analysis, The Stephen S. Fuller Institute at the Schar School, GMU



How is the Washington Region's economy currently performing?



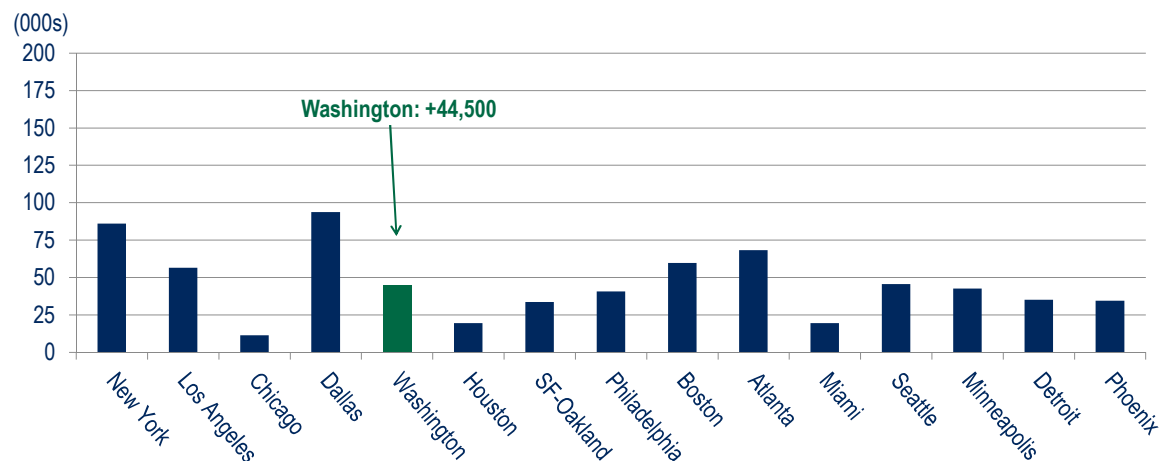
Annual Job Change, 2002-2017 Washington Region



Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU



15 Largest U.S. Job Markets Job Change: September 2016 – September 2017

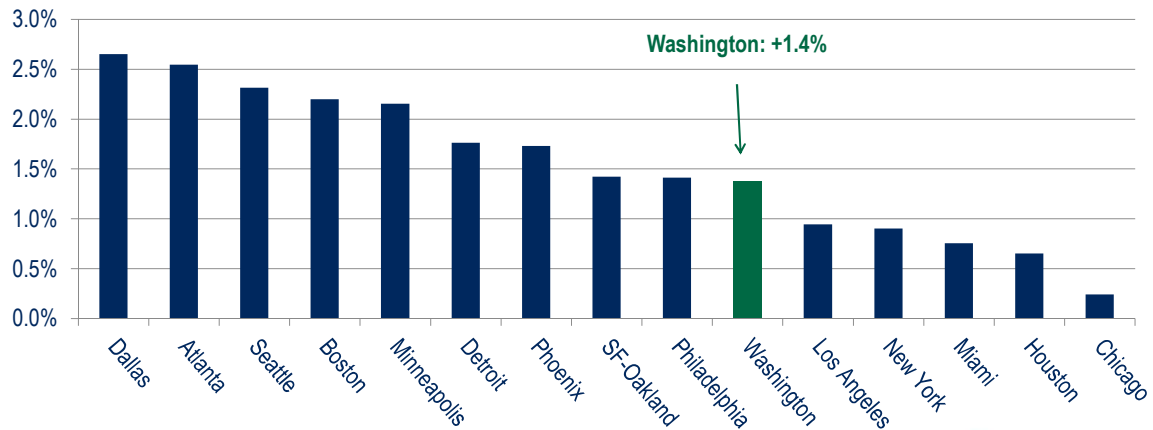


Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU



15 Largest U.S. Job Markets

Job Change: September 2016 – September 2017



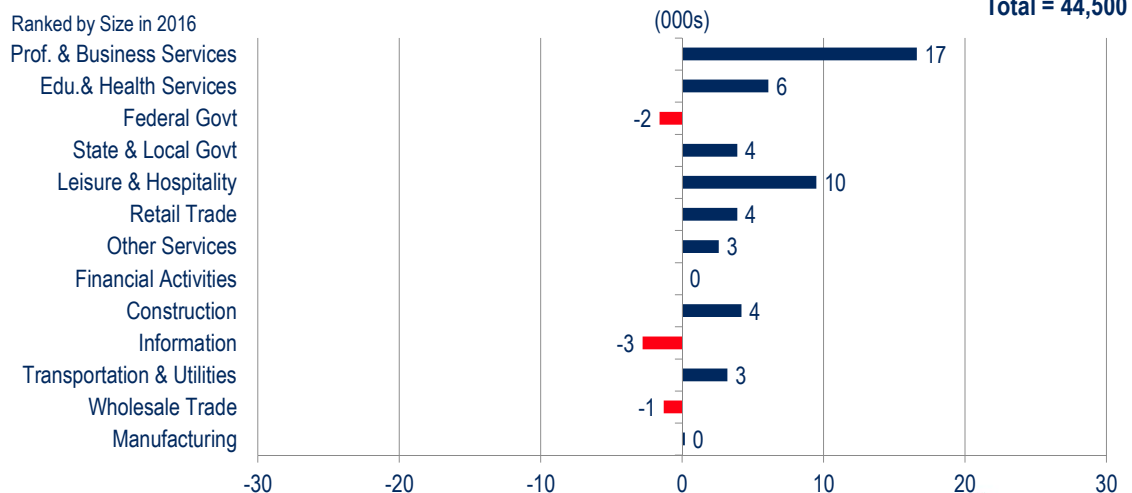
Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU



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Washington MSA Job Change by Sector

September 2016 – September 2017

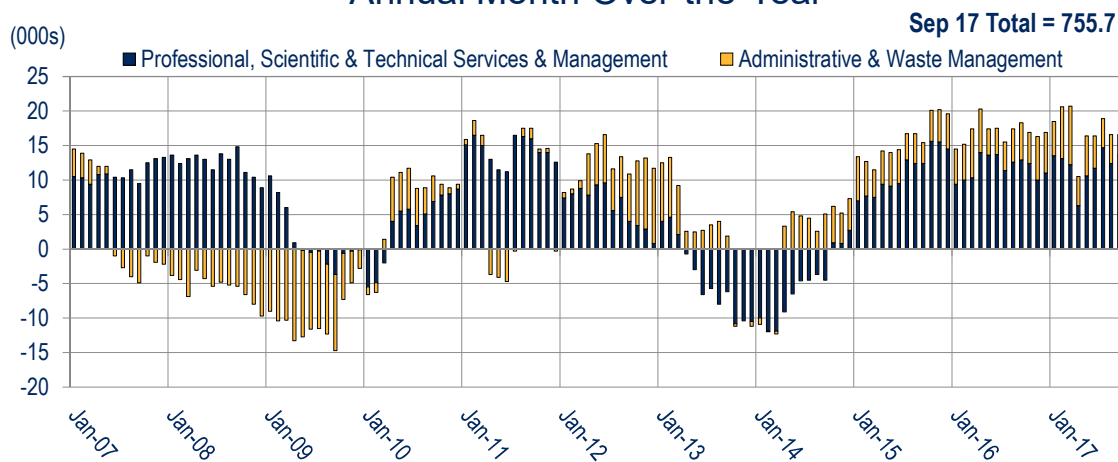


Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU



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Professional and Business Services Jobs Washington MSA Annual Month Over-the-Year

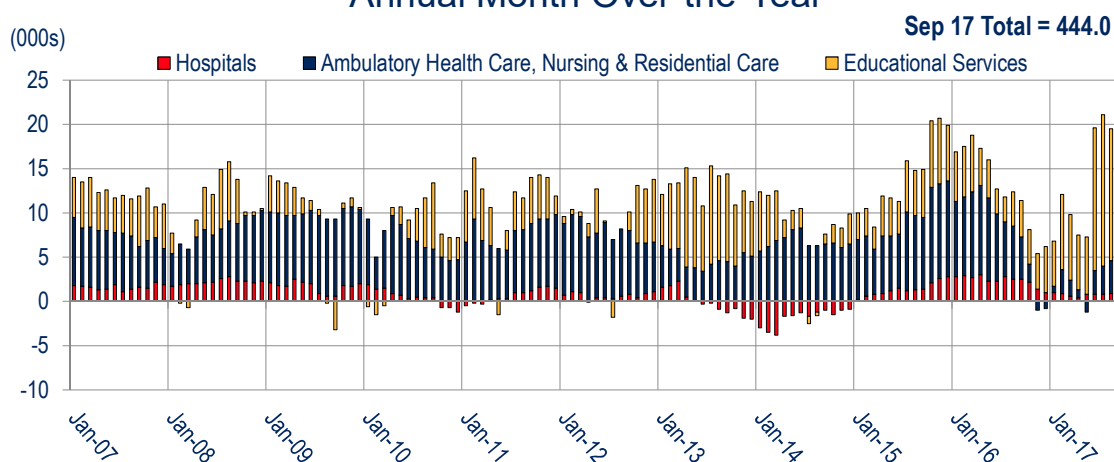


Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU



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Education and Health Services Jobs Washington MSA Annual Month Over-the-Year

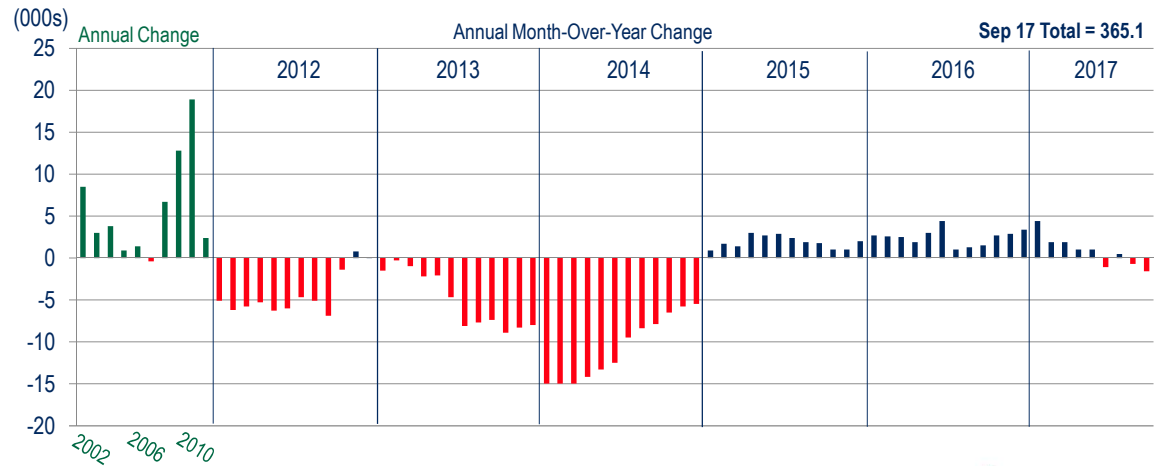


Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU



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Federal Government Jobs Washington MSA

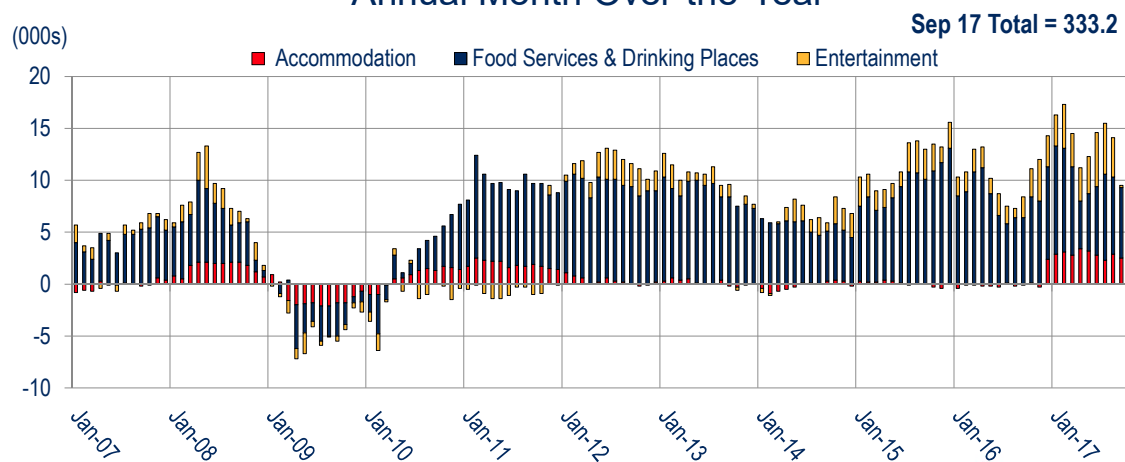


Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU



Leisure and Hospitality Services Jobs Washington MSA

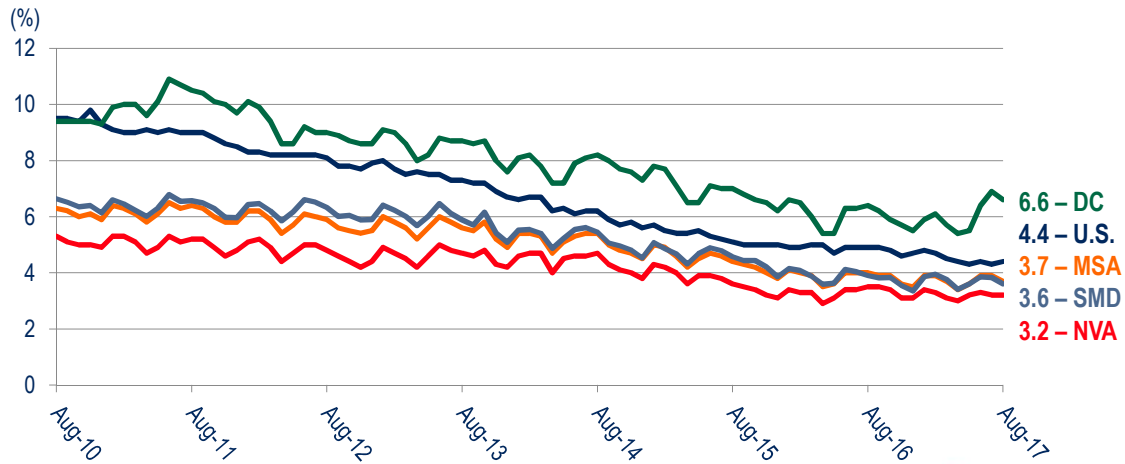
Annual Month Over-the-Year



Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU



Washington Metropolitan Area Unemployment Rates By Sub-State Area, 2010-2017



Sources: U.S. Bureau of Labor Statistics (US: Seasonally Adjusted; MSA: Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU



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What is the Washington Region's economic near-term outlook?



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Employment Change by Sub-State Area Baseline Forecast (000s)

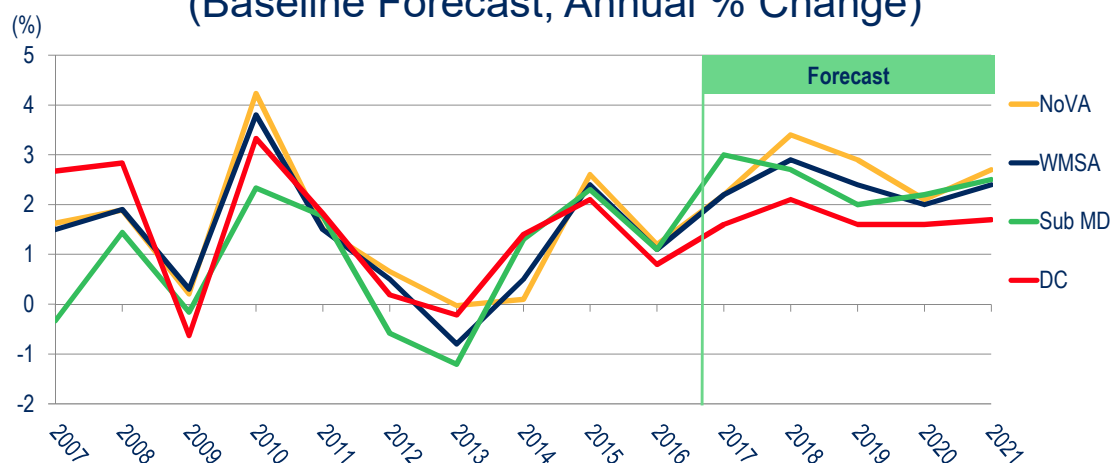
	2014	2015	2016	2017	2018	2019	2020	2021
D.C.	5.2	15.9	13.0	10.4	9.2	8.1	6.2	5.5
Sub. MD	10.2	12.5	14.4	22.8	16.6	16.2	13.1	12.3
No. VA	0.8	29.8	31.0	19.8	20.4	20.8	15.1	13.0
REGION	18.6	57.7	55.6	53.0	46.2	45.1	34.4	30.8

Average Annual Change 1990-2010 = 36,300

Source: BLS, IHS Economics, The Stephen S. Fuller Institute at the Schar School, GMU (forecast as of September 2017)
NOTE: The regional totals include Jefferson, WV.



Washington MSA and Sub-State Areas Economic Outlook (GRP), 2007-2021 (Baseline Forecast, Annual % Change)

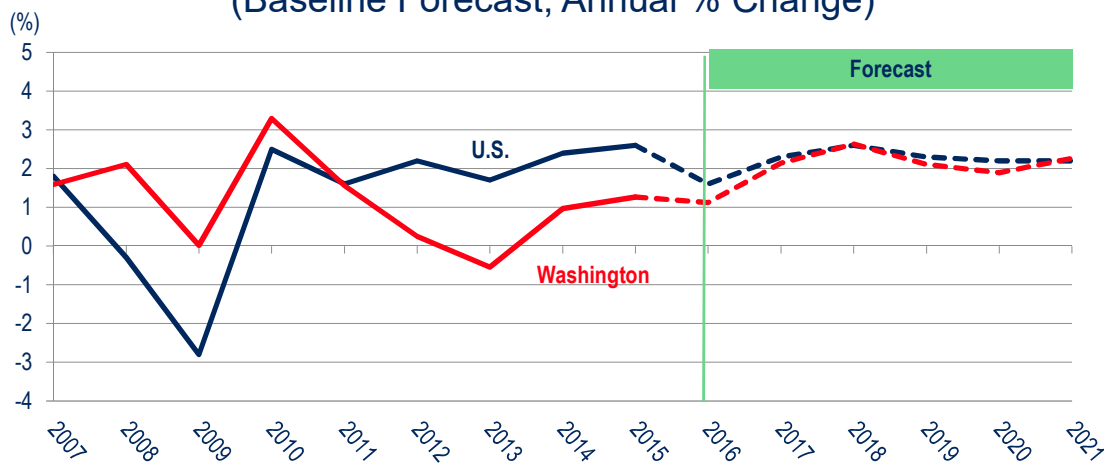


Sources: The Stephen S. Fuller Institute at the Schar School, GMU



U.S. GDP and Washington MSA GRP 2007 – 2015 – 2021

(Baseline Forecast, Annual % Change)



Sources: U.S. Bureau of Economic Analysis, IHS Economics (March 2017), The Stephen S. Fuller Institute at the Schar School, GMU



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Thank You & Questions

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economic performance go to:

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