



## *2<sup>nd</sup> Annual Stephen S. Fuller Institute Economic Forum*

# *The Washington Region's Economy in 2018 And Its Near-Term Outlook*

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

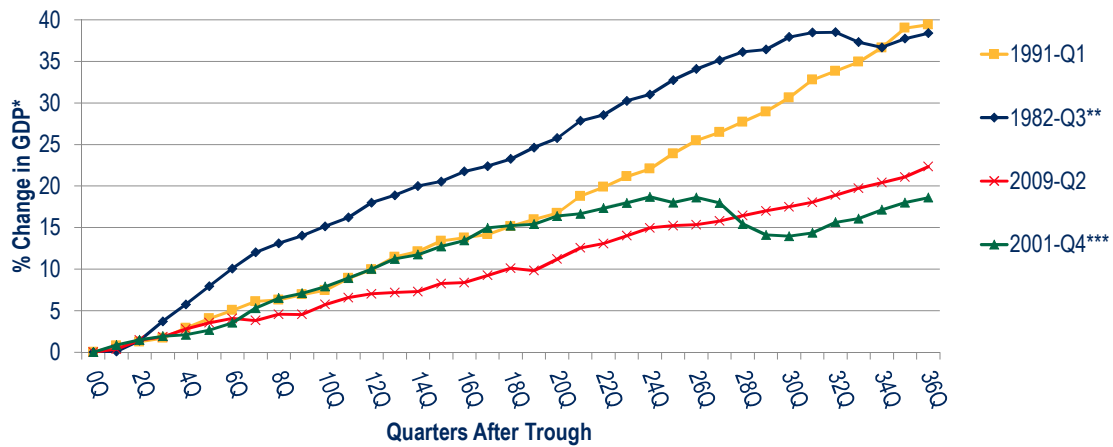


October 3, 2018

## **The Current and Near-Term Performance of the U.S. Economy**



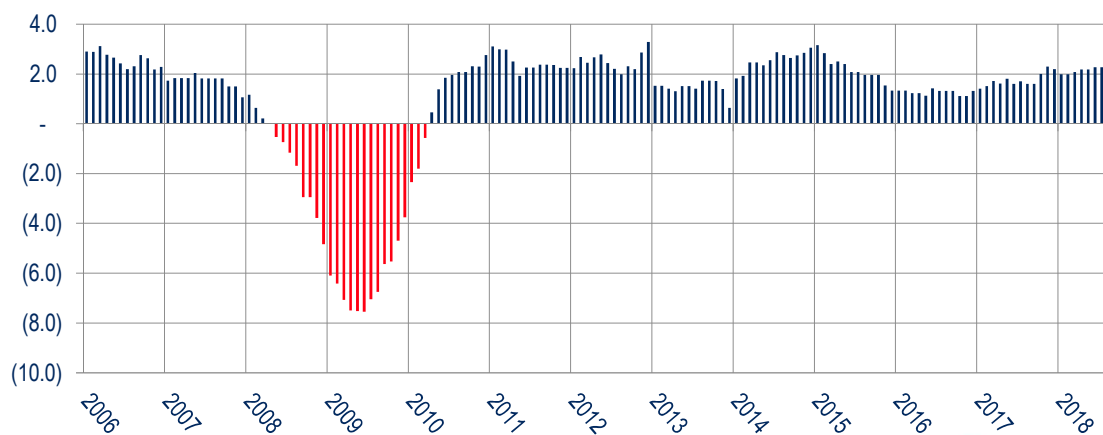
## Recession Recovery Patterns of GDP Past Four Recessions



\*in 1992 or 2009 Chained Dollars; \*\* Quarters 32+ include the 1991 Recession; \*\*\* Quarters 25+ include the 2009 Recession  
Sources: Bureau of Economic Analysis, The Stephen S. Fuller Institute at the Schar School, GMU



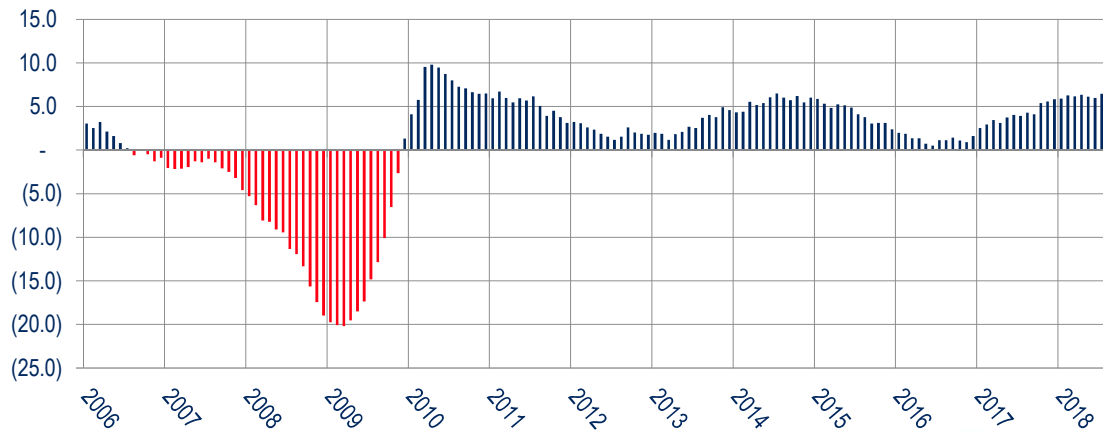
## U.S. Coincident Index Month-Over-Year Percent Change



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



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



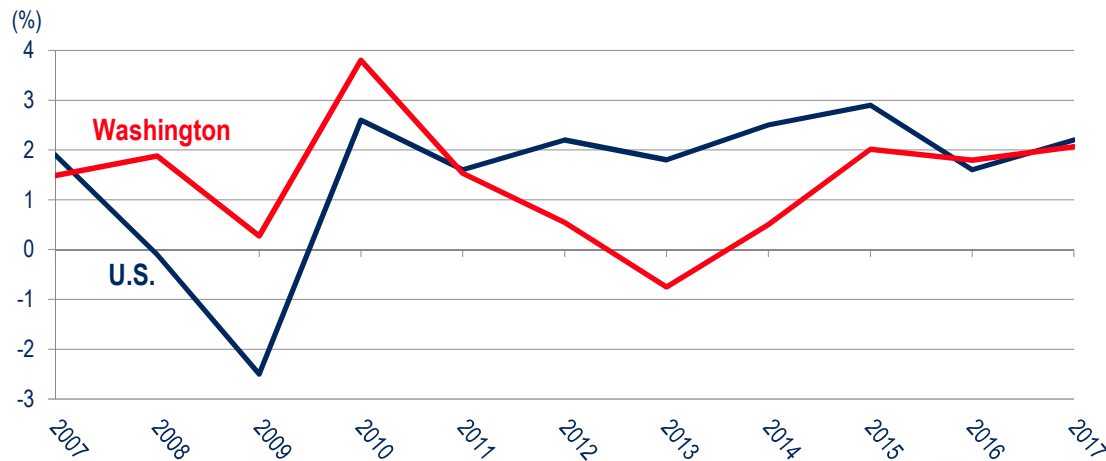
Sources: The Conference Board, The Stephen S. Fuller Institute at the Schar School, GMU



## The Changing Structure of the Washington Region's Economy and its Consequences



## U.S. GDP and Washington MSA GRP 2007 – 2017 (Annual % Change)

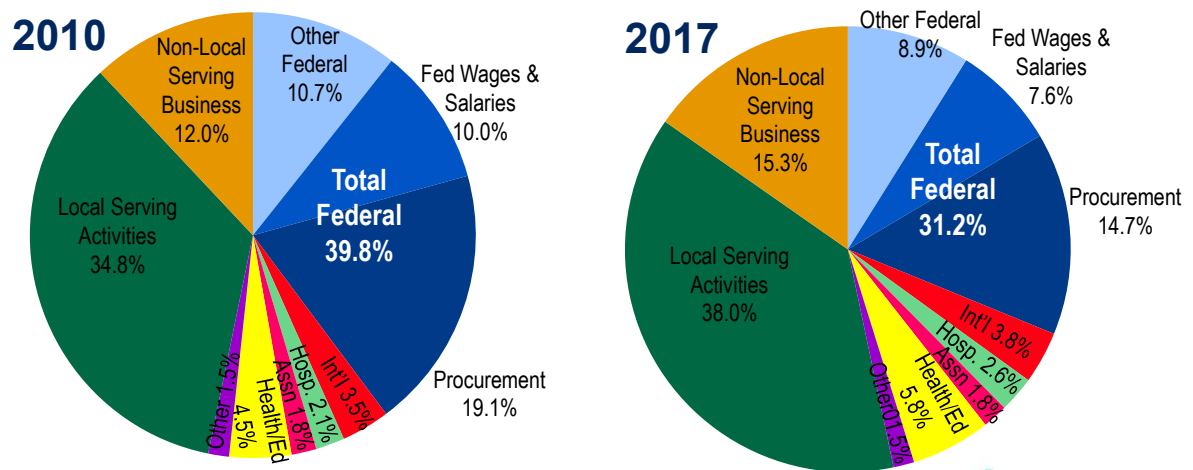


Sources: U.S. Bureau of Economic Analysis; The Stephen S. Fuller Institute at the Schar School, GMU



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## The Changing Structure of the Washington Region Economy

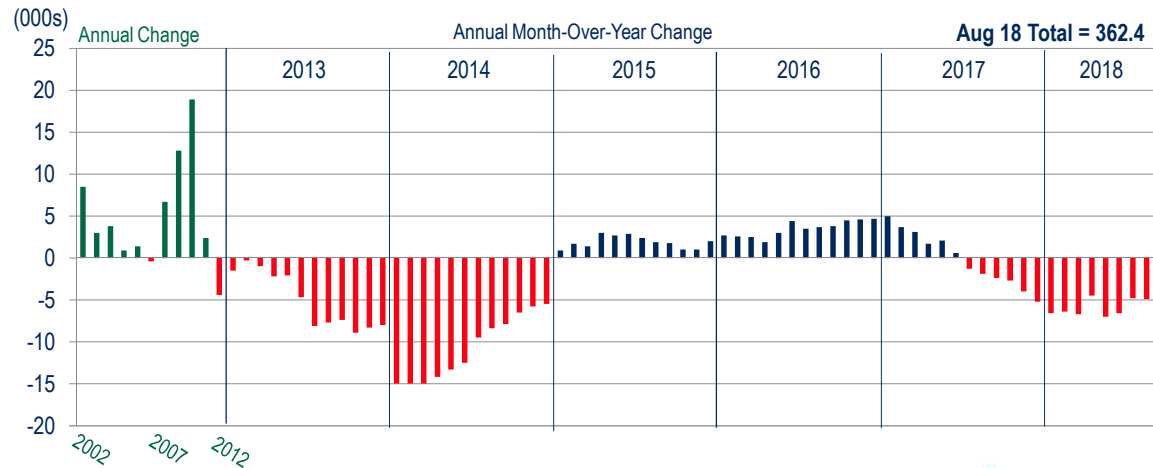


Source: The Stephen S. Fuller Institute at the Schar School, GMU; Forecast January 2017



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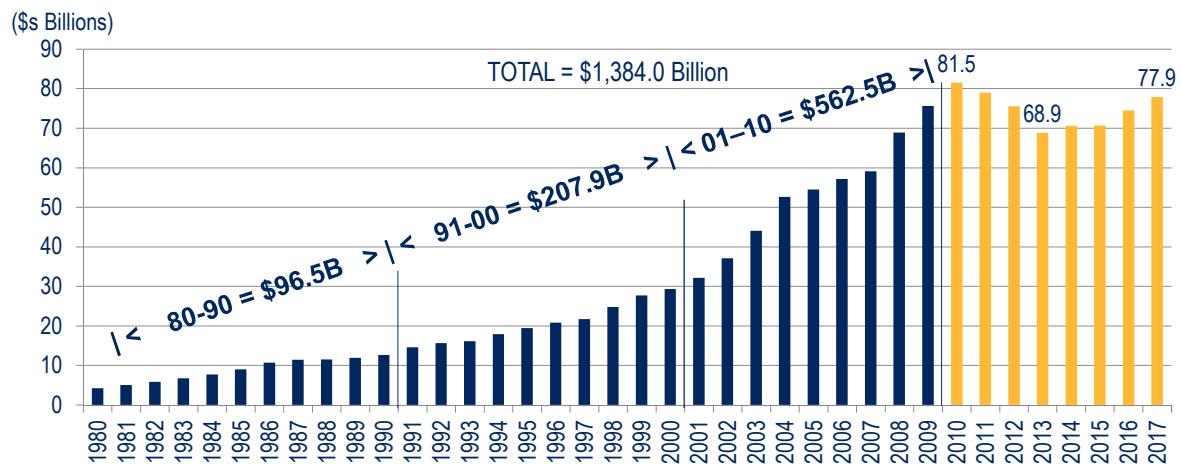
## Federal Government Jobs Washington MSA



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



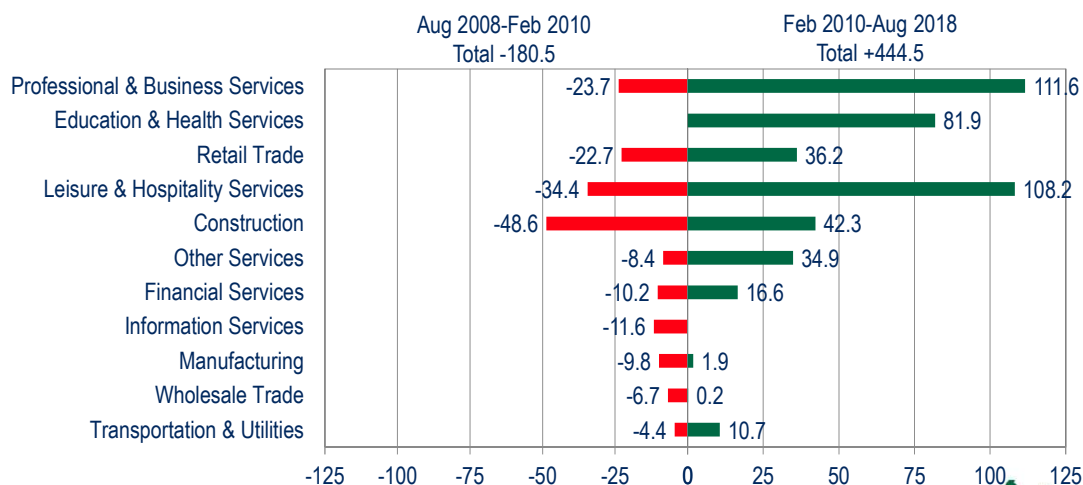
## Federal Procurement in the Washington Region, 1980-2017



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



## Washington Region Job Change: Private Sector The Great Recession and Expansion



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 August 2018 (in 2018 \$s)

<u>Job Change</u>	<u>Average GRP* Value</u>	<u>Total GRP* Value</u>
-180,500	\$173,166	-\$31,256,500,000
+444,500	\$129,066	+\$57,369,800,000
+264,800		+\$26,113,300,000

\*Gross Regional Product

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



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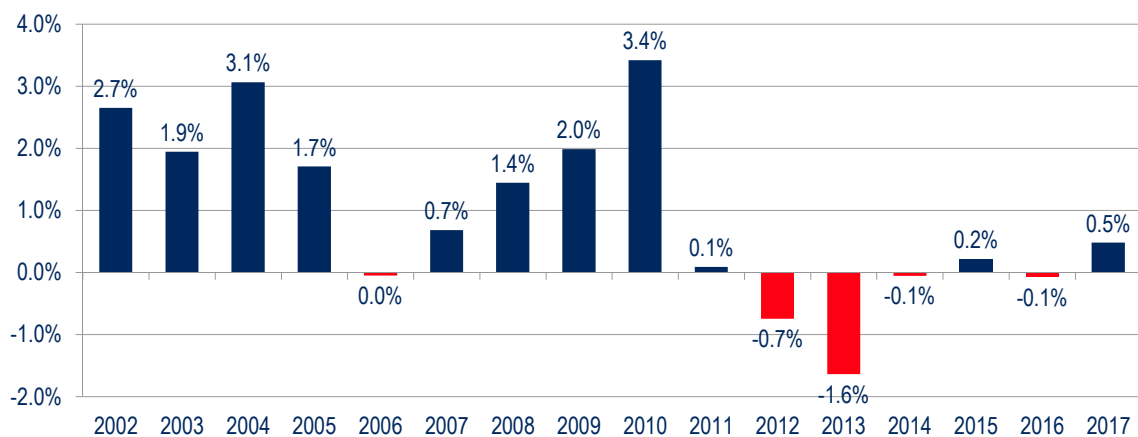
2000-2006	2010-2016
Los Angeles	SF-Oakland
Miami	Seattle
Phoenix	Detroit
Washington	Los Angeles
Philadelphia	Chicago
SF-Oakland	Dallas
Boston	Minneapolis
Houston	New York
New York	Atlanta
Seattle	Philadelphia
Minneapolis	Miami
Chicago	Phoenix
Atlanta	Boston
Dallas	Houston
Detroit	Washington

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



## Per Capita Personal Income Growth Rank

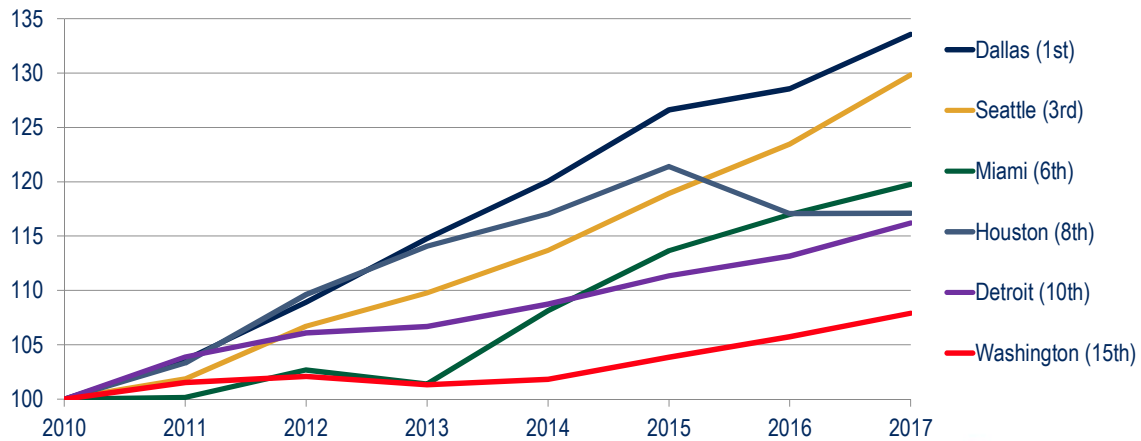
## GRP Per Worker in the Washington Region Annual Percent Change (Real GRP)



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



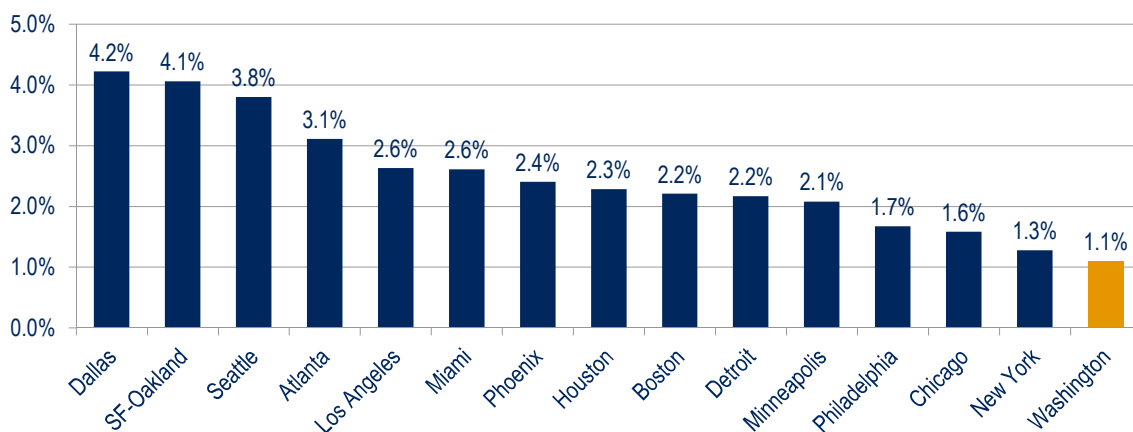
## GRP Growth in Washington and Peer Metros 2010 – 2017 (100 = 2010)



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



## Average Annual GRP Change in the Largest Metros 2010-2017 (inflation-adjusted)



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

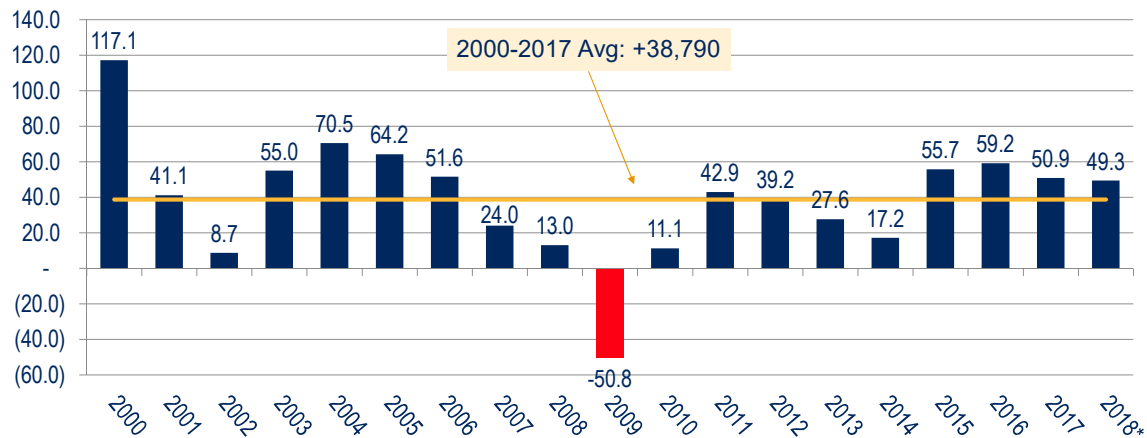




## Current Job Growth Trends in the Washington Region

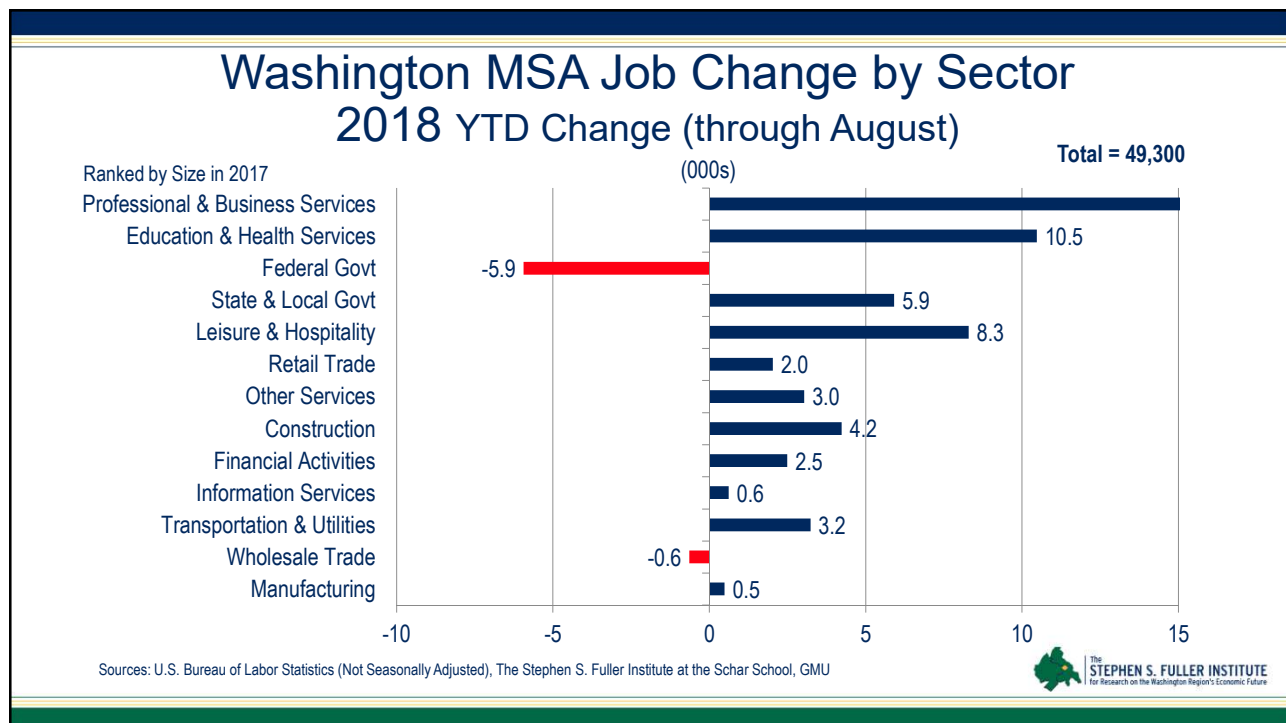


### Job Change in the Washington Region 2000 – 2018\* (in thousands)



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





## The Washington Region's Major Sources of Growth

(jobs in 000s, Through August 2018; GRP in 2018 \$s)

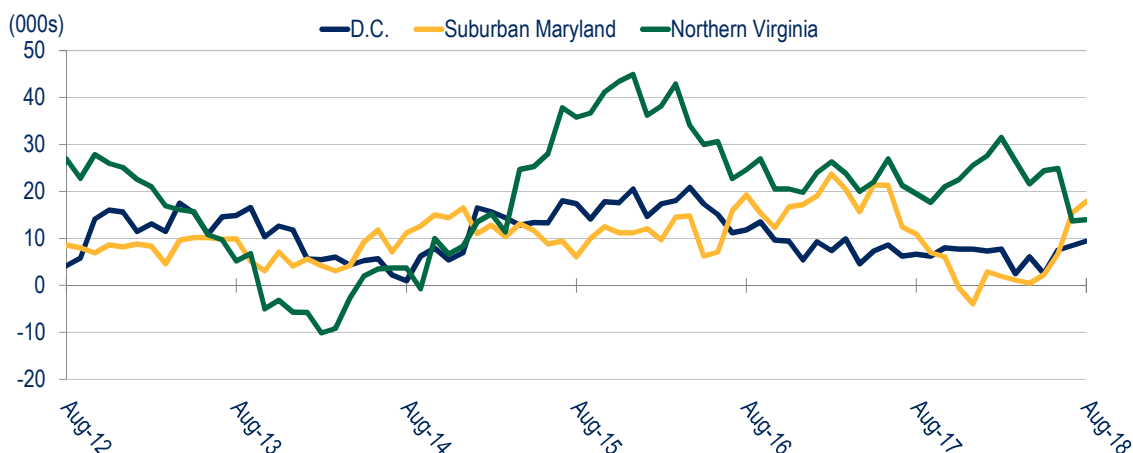
Sectors	Total Jobs	New Jobs*	GRP/Job
Prof. & Bus. Services	778.5	15.1	\$163,053
Education & Health Serv.	438.2	10.5	77,763
Federal Government	362.4	(5.9)	209,349
State & Local Government	319.1	5.9	98,315
Leisure & Hospitality Serv.	348.6	8.3	54,031
Retail Trade	280.3	2.0	72,293
<b>Major Sector Jobs</b>	<b>2,527.1</b>	<b>35.9</b>	<b>\$89,593</b>
<b>Total Jobs, 2018</b>	<b>3,333.1</b>	<b>49.3</b>	<b>\$152,730</b>
<i>Major Sectors / Total %</i>	75.9%	72.8%	58.7%
GRP/Job, all jobs			\$162,918
2018 New Jobs Average GRP: % of Total			93.7%
2018 Major Sectors Average GRP: % of Total			55.0%

Sources: U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, The Stephen S. Fuller Institute at the Schar School, GMU. \*first 6 months of 2018



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## Job Growth By Sub-State Area Monthly Over-the-Year Change, 2012-2018



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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## Recent Geographic Shift in Job Growth in the Washington Region, 2017 & 2018\* (jobs in thousands)

Sub-State Area	2017		2018*	
	Jobs	% of MSA	Jobs	% of MSA
D.C.	8.9	17.5	8.7	17.7
Suburban Maryland	15.2	29.9	8.2	16.7
Northern Virginia	26.8	52.6	31.2	63.3
<b>Total</b>	<b>50.9</b>	<b>100.0</b>	<b>49.3</b>	<b>100.0</b>

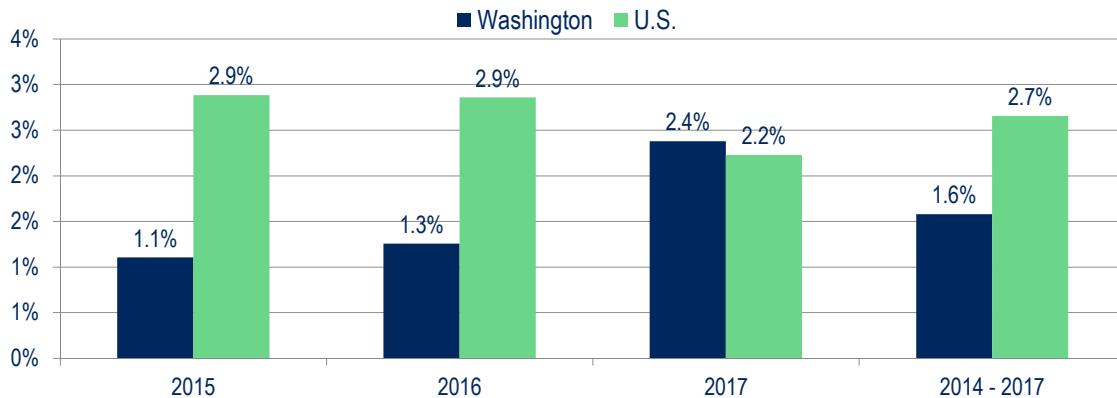
Sources: U.S. Bureau of Labor Statistics, The Stephen S. Fuller Institute at the Schar School, GMU.  
\*first eight months



## The Washington Region's Non-Federally Dependent, Export-Based Economy



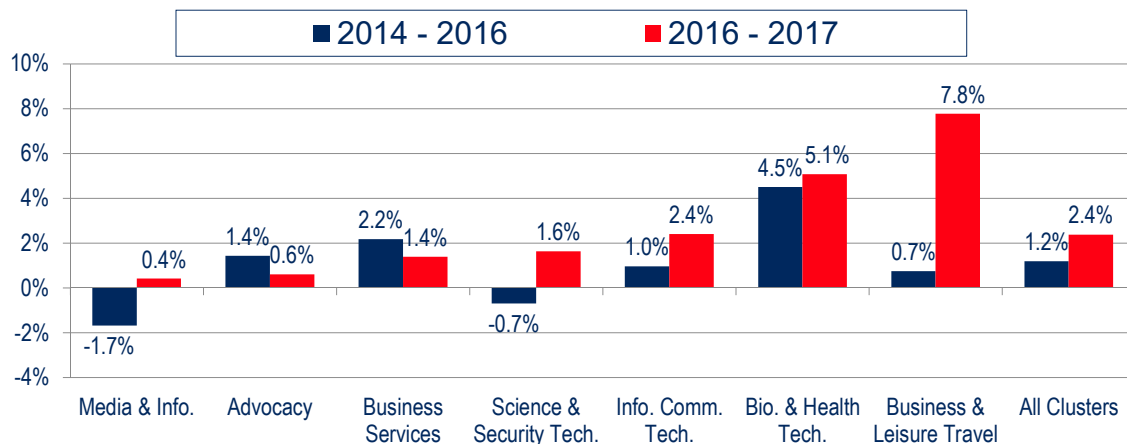
## Growth Rates of the U.S. and Washington Region's Advanced Industrial Clusters, 2015-2017



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



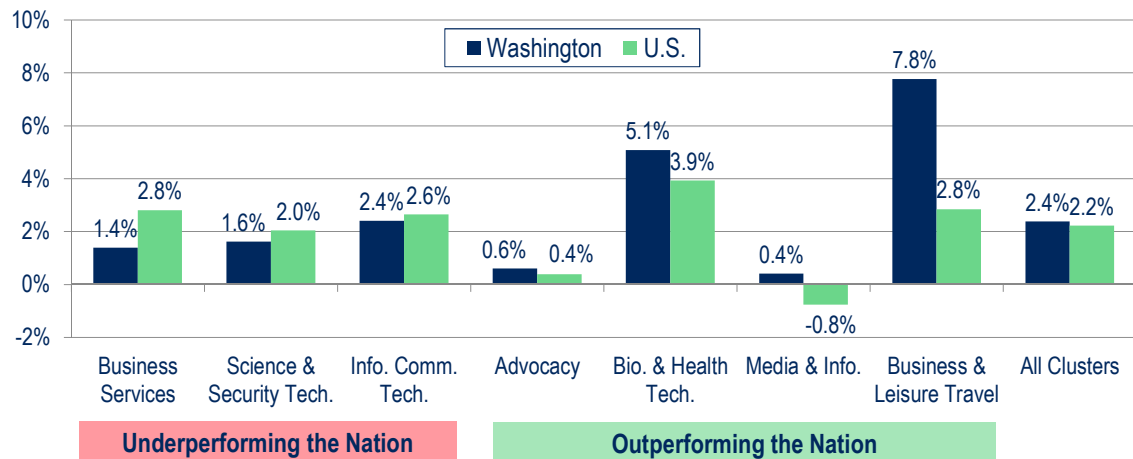
## Growth Rates of the Washington Region's Advanced Industrial Clusters, Annualized Growth



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



## Growth Rates of the U.S. and Washington Region's Advanced Industrial Clusters, 2017



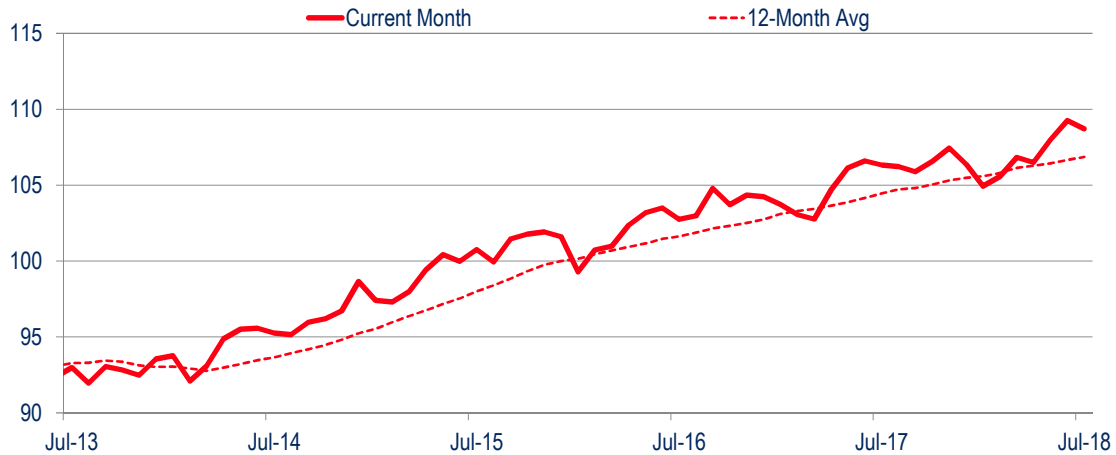
Sources: U.S. Bureau of Labor Statistics (QCEW), The Stephen S. Fuller Institute at the Schar School, GMU



## The Near-Term Performance of the Washington Region's Economy



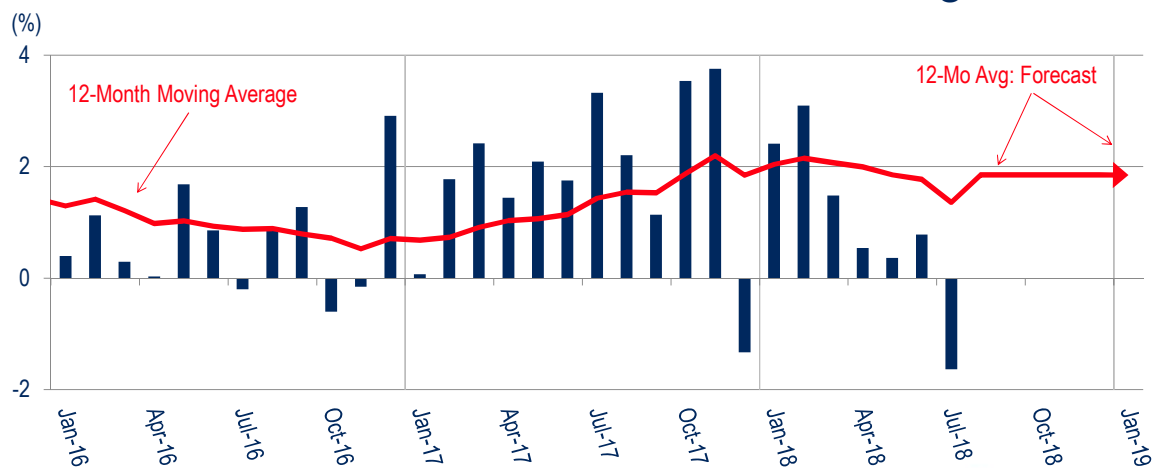
## Washington Region Coincident Index (100 = 2015)



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



## Washington Region Leading Index Month-Over-The-Year Percent Change



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



## Employment Change by Sub-State Area (000s)

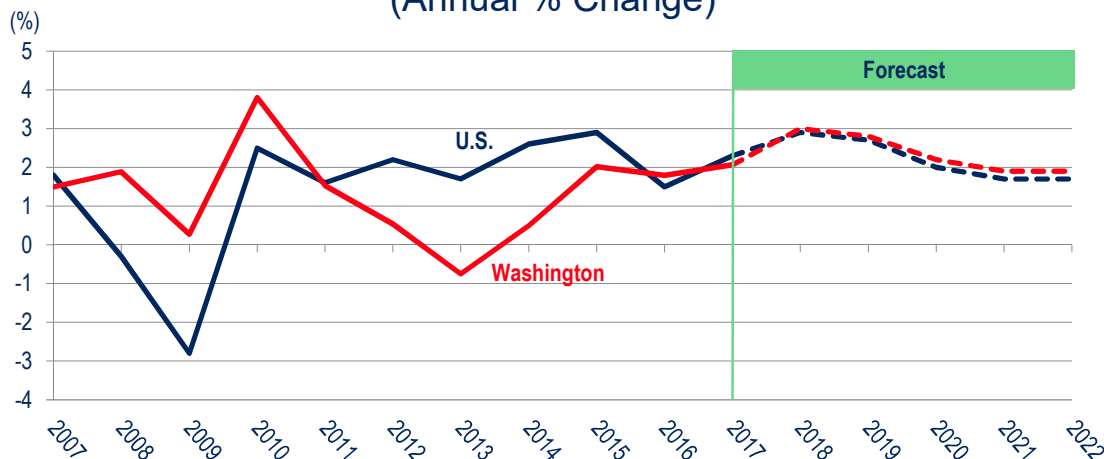
	2015	2016	2017	2018	2019	2020	2021	2022
D.C.	15.7	14.5	8.9	7.6	8.2	7.2	2.5	3.8
Sub. MD	10.5	14.2	15.2	6.2	15.4	10.6	4.7	4.0
No. VA	29.5	30.6	26.8	36.1	35.8	27.1	14.5	13.5
<b>REGION</b>	<b>55.7</b>	<b>59.2</b>	<b>50.9</b>	<b>49.9</b>	<b>59.4</b>	<b>44.9</b>	<b>21.7</b>	<b>21.5</b>

Average Annual Change 2000-2017 = 38,800

Source: BLS, IHS Economics, The Stephen S. Fuller Institute at the Schar School, GMU (forecast as of January 2018)  
NOTE: The regional totals include Jefferson, WV.



## U.S. GDP and Washington MSA GRP 2007 – 2017 – 2022 (Annual % Change)

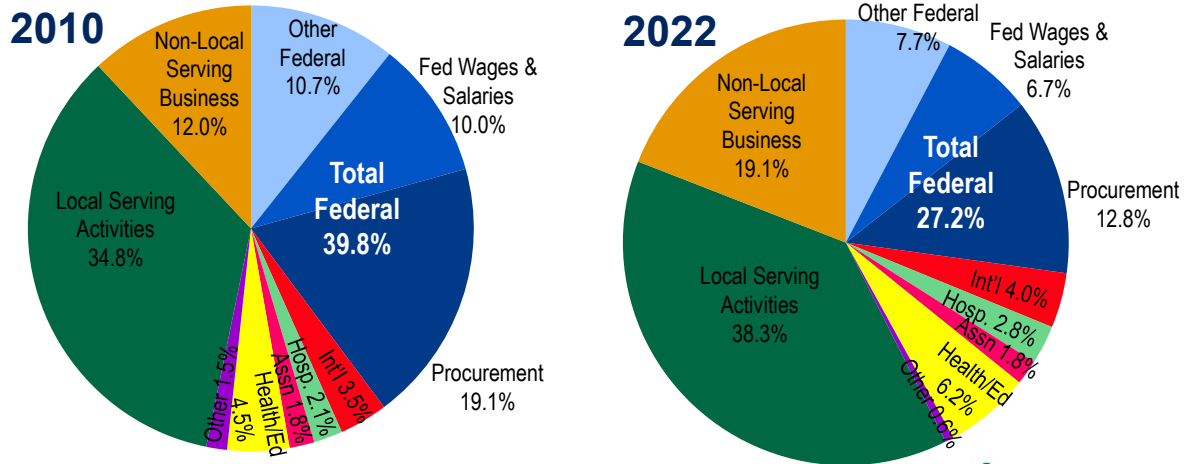


Sources: U.S. Bureau of Economic Analysis, IHS Markit, The Stephen S. Fuller Institute at the Schar School, GMU  
Forecast as of September 2018





## The Changing Structure of the Washington Region Economy



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



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## Thank You & Questions

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