Key Trends in the Washington Region: Shifting Fundamentals and Headline-Makers

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Washington Region: Major Trends

1. Fundamentals:
   • Improving mix of jobs
   • Aging population & workforce
   • Aging business cycle

2. Headline-makers:
   • Federal disruptions
   • Amazon
1. Improving Mix of Job Growth

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
*Preliminary
Federal 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
*Preliminary

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
*Preliminary
2. Aging Population and Workforce

The Stephen S. Fuller Institute at the Schar School, GMU
NOTE: Population 15+ (WMSA) or civilian, non-institutional population, aged 16+ (US)

Labor Force Participation Rates by Age Washington Region, 2014-2016 Average

Sources: 2014, 2015, 2016 ACS Microdata (Average); The Stephen S. Fuller Institute at the Schar School, GMU
Labor Force Participation Rate
Washington Region, 1997-2027

Population Growth by Sub-State Area
Washington Region, 2010 to 2017

Sources: U.S. Bureau of Labor Statistics; U.S. Census (2014-2016 ACS); The Stephen S. Fuller Institute at the Schar School, GMU
Percent Change in 25-34 Years Olds
Largest 15 Metros, 2016 - 2017

US: +1.3%

3. Aging Business Cycle

Sources: U.S. Census Bureau (Vintage 2017 &2000-2010 Intercensal Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU
U.S. GDP and Washington MSA GRP
2007 – 2018 – 2022
(Annual % Change)

Sources: U.S. Bureau of Economic Analysis, IHS Markit (January 2019), The Stephen S. Fuller Institute at the Schar School, GMU
Forecast as of January 2019
5. Federal Government Disruptions

Initial Claims for Unemployment by State

Sources: U.S. Department of Labor, The Stephen S. Fuller Institute at the Schar School, GMU
The Changing Structure of the Washington Region Economy

2018
- Local Serving Activities: 38.0%
- Non-Local Serving Business: 15.5%
- Fed Wages & Salaries: 7.4%
- Fed Wages & Salaries: 7.4%
- Procurement: 14.1%
- Total Federal: 30.9%

2030
- Local Serving Activities: 39.3%
- Procurement: 14.1%
- Total Federal: 26.5%

6. Amazon

Source: The Stephen S. Fuller Institute at the Schar School, GMU; Forecast January 2019
**Job Change in the Washington Region**

**2000 – 2018** (in thousands)

**HQ2 Avg:** +2,366 over 16 years

(= 7% of 2002-2017 net change)

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

*First ten months*
Amazon-Related Renters in Select Jurisdictions
Assumes 37,850 HQ2 jobs, includes indirect & induced effects

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Renters at Full Build-Out</th>
<th>Renters in 2016</th>
<th>Total % Increase from 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arlington County</td>
<td>4,792</td>
<td>57,133</td>
<td>8.4%</td>
</tr>
<tr>
<td>Alexandria City</td>
<td>1,528</td>
<td>41,808</td>
<td>3.7%</td>
</tr>
<tr>
<td>Fairfax County*</td>
<td>4,893</td>
<td>134,425</td>
<td>3.6%</td>
</tr>
<tr>
<td>Prince William County**</td>
<td>1,087</td>
<td>49,891</td>
<td>2.2%</td>
</tr>
<tr>
<td>Loudoun County</td>
<td>716</td>
<td>25,552</td>
<td>2.8%</td>
</tr>
<tr>
<td>D.C.</td>
<td>2,968</td>
<td>169,875</td>
<td>1.7%</td>
</tr>
<tr>
<td>Maryland</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Montgomery County</td>
<td>625</td>
<td>132,098</td>
<td>0.5%</td>
</tr>
<tr>
<td>Prince George's County</td>
<td>396</td>
<td>121,333</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

Sources: U.S. Census Bureau (2016 ACS Microdata); The Stephen S. Fuller Institute at the Schar School, GMU
*Includes the cities of Fairfax and Falls Church  ** Includes the cities of Manassas and Manassas Park

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>D.C.</td>
<td>15.7</td>
<td>14.5</td>
<td>8.9</td>
<td>6.9</td>
<td>4.6</td>
<td>5.0</td>
<td>4.2</td>
<td>5.2</td>
</tr>
<tr>
<td>Sub. MD</td>
<td>10.5</td>
<td>14.2</td>
<td>15.2</td>
<td>13.9</td>
<td>11.0</td>
<td>9.1</td>
<td>7.1</td>
<td>9.3</td>
</tr>
<tr>
<td>No. VA</td>
<td>29.5</td>
<td>30.6</td>
<td>26.8</td>
<td>31.3</td>
<td>22.3</td>
<td>17.6</td>
<td>16.0</td>
<td>17.5</td>
</tr>
<tr>
<td>REGION</td>
<td>55.7</td>
<td>59.2</td>
<td>50.9</td>
<td>52.1</td>
<td>38.2</td>
<td>31.8</td>
<td>27.4</td>
<td>32.1</td>
</tr>
</tbody>
</table>

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 2019)

NOTE: The regional totals include Jefferson, WV. Sub-state areas re-weighted to sum to region-wide total. *Preliminary

### Job Change in the Washington Region Select Sectors: 2018 - 2030

<table>
<thead>
<tr>
<th>Sector</th>
<th>2018 Start</th>
<th>2018 %</th>
<th>2028 Start</th>
<th>2028 %</th>
<th>All Jobs: +11.4%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof. &amp; Business Services</td>
<td>5.2%</td>
<td>27.8%</td>
<td>5.2%</td>
<td>27.8%</td>
<td></td>
</tr>
<tr>
<td>Edu. &amp; Health Services</td>
<td>0.1%</td>
<td>5.2%</td>
<td>0.1%</td>
<td>5.2%</td>
<td></td>
</tr>
<tr>
<td>Federal Govt</td>
<td>12.0%</td>
<td>0.1%</td>
<td>12.0%</td>
<td>0.1%</td>
<td></td>
</tr>
<tr>
<td>State &amp; Local Govt</td>
<td>7.4%</td>
<td>12.0%</td>
<td>7.4%</td>
<td>12.0%</td>
<td></td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>3.6%</td>
<td>7.4%</td>
<td>3.6%</td>
<td>7.4%</td>
<td></td>
</tr>
<tr>
<td>Retail Trade</td>
<td>-1.7%</td>
<td>3.6%</td>
<td>-1.7%</td>
<td>3.6%</td>
<td></td>
</tr>
<tr>
<td>Other Services</td>
<td>5.4%</td>
<td>3.6%</td>
<td>5.4%</td>
<td>3.6%</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>12.0%</td>
<td>5.4%</td>
<td>12.0%</td>
<td>5.4%</td>
<td></td>
</tr>
<tr>
<td>Financial Activities</td>
<td>4.8%</td>
<td>12.0%</td>
<td>4.8%</td>
<td>12.0%</td>
<td></td>
</tr>
<tr>
<td>Information Services</td>
<td>5.2%</td>
<td>4.8%</td>
<td>5.2%</td>
<td>4.8%</td>
<td></td>
</tr>
</tbody>
</table>

Source: IHS Economics; The Stephen S. Fuller Institute at the Schar School, GMU
Thank You

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sfullerinstitute.gmu.edu

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