The Washington Region’s Economy And Its Near-Term Outlook

Jeannette Chapman
Deputy Director and Senior Research Associate
The Stephen S. Fuller Institute
Schar School of Policy and Government
George Mason University

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Washington Region: Economy in Review

1. Role of the Federal Government
2. Recent Jobs Growth
3. Amazon & the Region’s Economic Future
The Changing Structure of the Washington Region’s Economy

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
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

The Changing Structure of the Washington Region Economy

Source: The Stephen S. Fuller Institute at the Schar School, GMU; Forecast January 2019
Recent Economic 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
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

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
Washington MSA Job Change by Sector 2018

Ranked by Size in 2018
- Professional & Business Services
- Education & Health Services
- Federal Govt
- State & Local Govt
- Leisure & Hospitality
- Retail Trade
- Other Services
- Construction
- Financial Activities
- Information Services
- Transportation & Utilities
- Wholesale Trade
- Manufacturing

Total = 35,300

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

Amazon and the Region’s Future Economy
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

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
## Job Growth in the Washington Region
Select Sectors: 2018 - 2030 (Jobs in 000s)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2018</th>
<th>2030</th>
<th>Total Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof. &amp; Business Services</td>
<td>75</td>
<td>78</td>
<td>3</td>
</tr>
<tr>
<td>Edu. &amp; Health Services</td>
<td>362</td>
<td>363</td>
<td>1</td>
</tr>
<tr>
<td>Federal Govt</td>
<td>341</td>
<td>345</td>
<td>4</td>
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<tr>
<td>State &amp; Local Govt</td>
<td>337</td>
<td>362</td>
<td>25</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>280</td>
<td>290</td>
<td>10</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>210</td>
<td>206</td>
<td>-4</td>
</tr>
<tr>
<td>Other Services</td>
<td>165</td>
<td>168</td>
<td>3</td>
</tr>
<tr>
<td>Construction</td>
<td>180</td>
<td>125</td>
<td>-55</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>160</td>
<td>225</td>
<td>65</td>
</tr>
<tr>
<td>Information Services</td>
<td>75</td>
<td>78</td>
<td>3</td>
</tr>
</tbody>
</table>

Total Increase = 378.3

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

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## 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%
- Procurement: 14.1%
- Int'l 3.8%
- Hosp: 2.7%
- Other Health: 0.9%
- Other Services: 5.5%
- Prof. & Business Services: 9.4%
- Total Federal: 30.9%

### 2030
- Local Serving Activities: 39.3%
- Non-Local Serving Business: 18.5%
- Fed Wages & Salaries: 6.2%
- Procurement: 12.5%
- Int’l 3.8%
- Hosp: 2.6%
- Other Local Health/Ed: 1.5%
- Other Services: 5.5%
- Prof. & Business Services: 7.8%
- Total Federal: 26.5%

Source: The Stephen S. Fuller Institute at the Schar School, GMU; Forecast January 2019
Thank You & Questions

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sfullerinstitute.gmu.edu

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