



Small Business and the Transformation of the Washington Region's Economy

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April 5, 2019

Small Business in the Washington Region's Economy

<u>Firm Size (Jobs)</u>	<u>% of Total</u>	<u>Growth Rate*</u>	<u>% of Change</u>
Less than 20	15.5	3.2%	7.8
20 to 99	17.5	8.0%	20.9
100 to 499	16.5	7.2%	18.0
Total Under 500	49.5	6.2%	46.7
All Firms**	100.0	6.6%	100.0

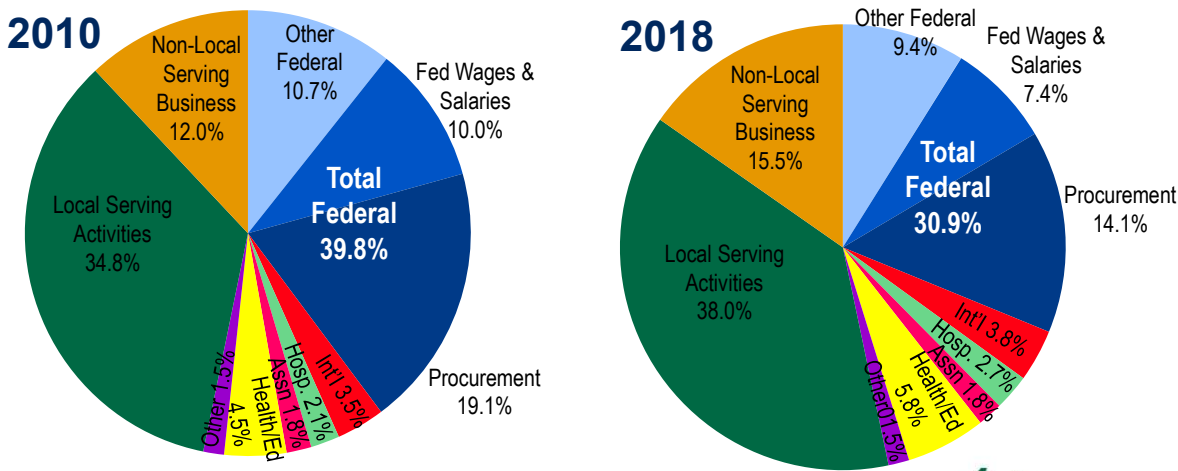
Sources: U.S. Census & The Stephen S. Fuller Institute at the Schar School, GMU *growth rate between 2009 and 2014; **excluding government jobs



The Washington Region's Second Economic Transformation

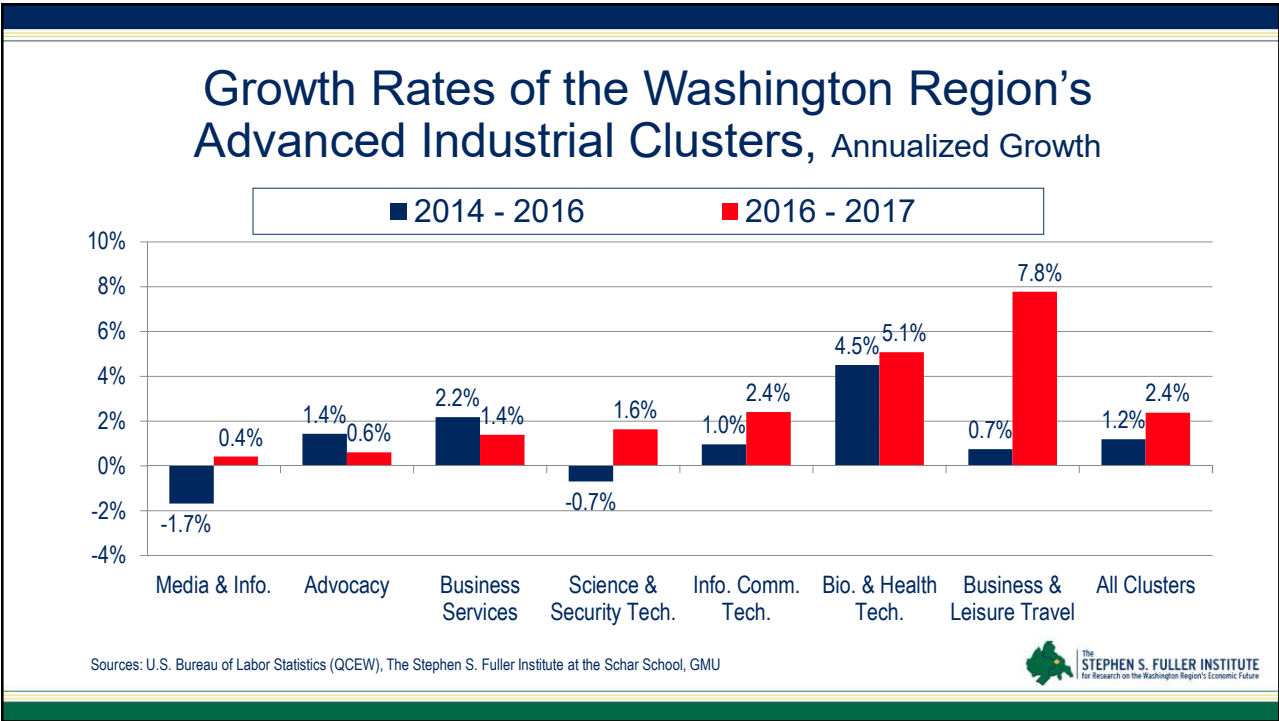
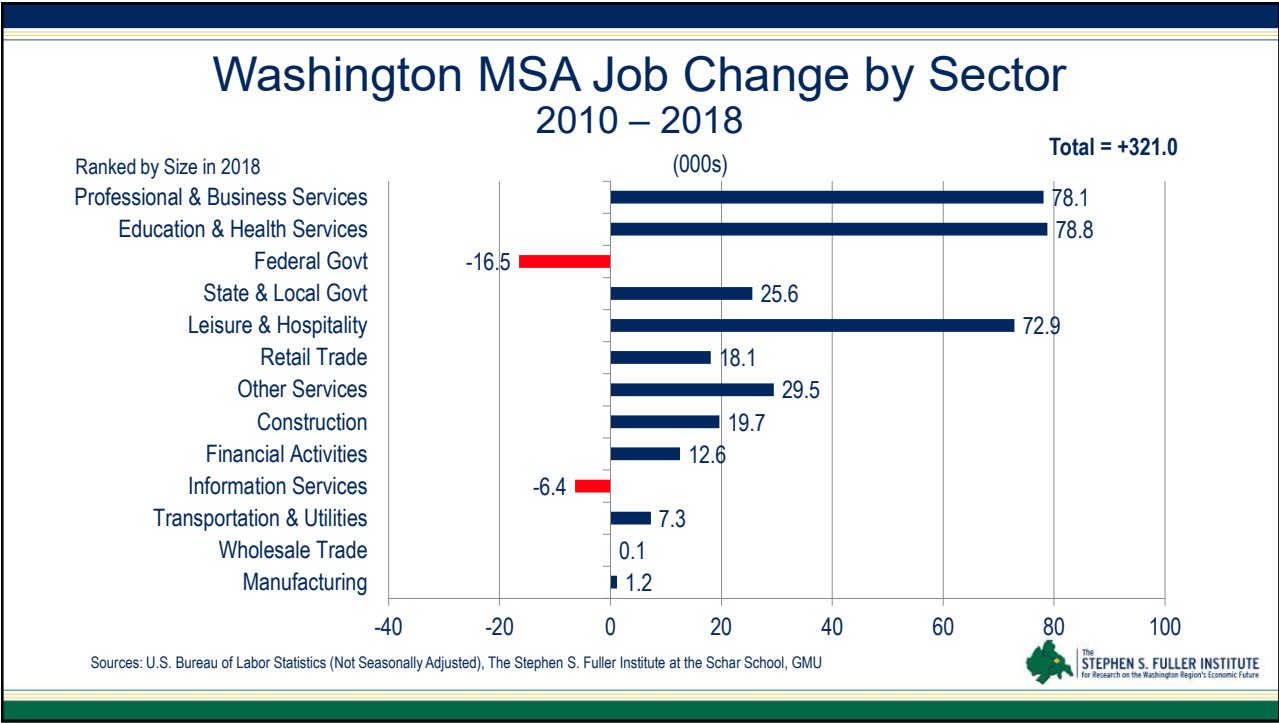


The Changing Structure of the Washington Region Economy

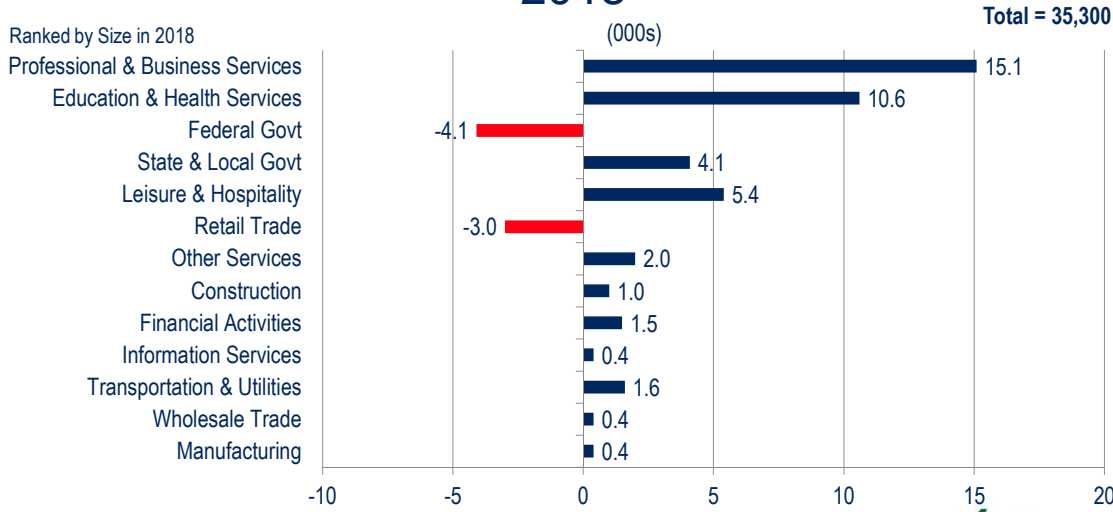


Source: The Stephen S. Fuller Institute at the Schar School, GMU; Forecast January 2019

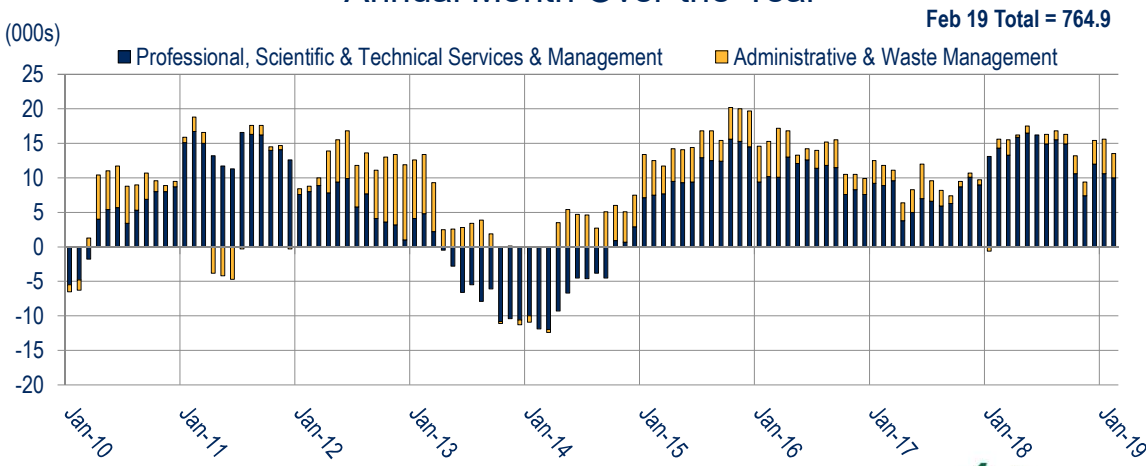


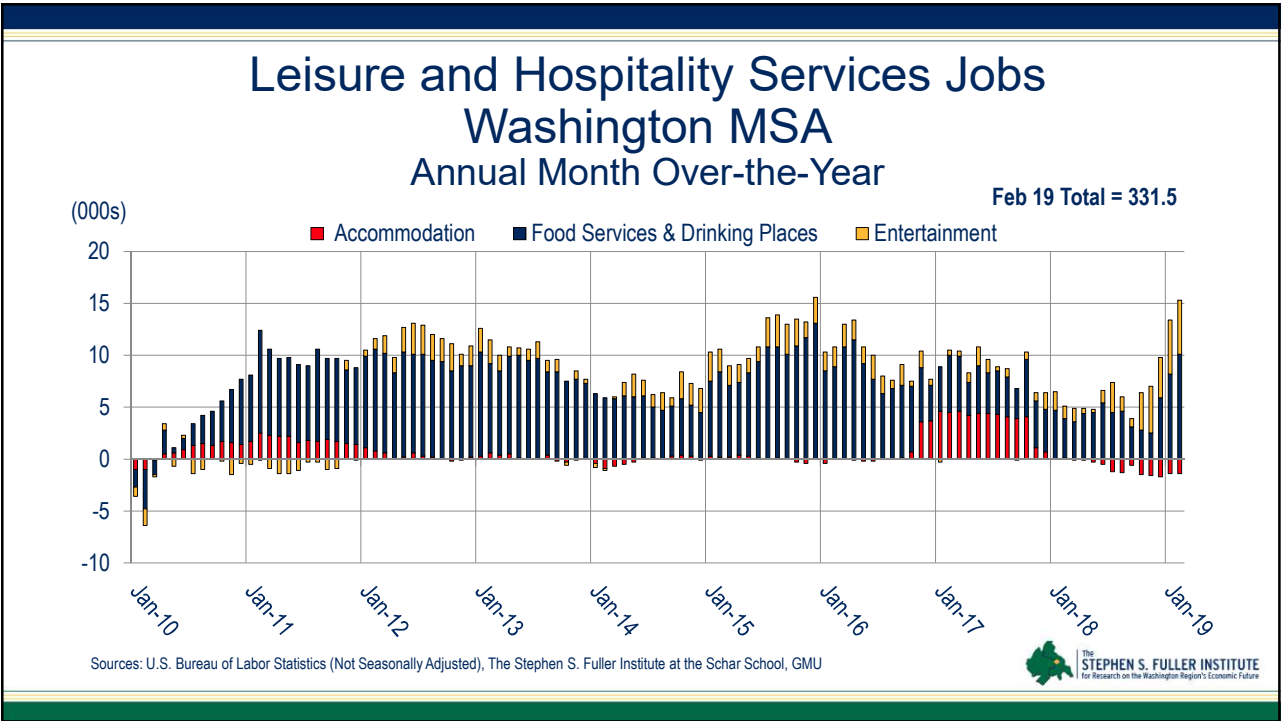
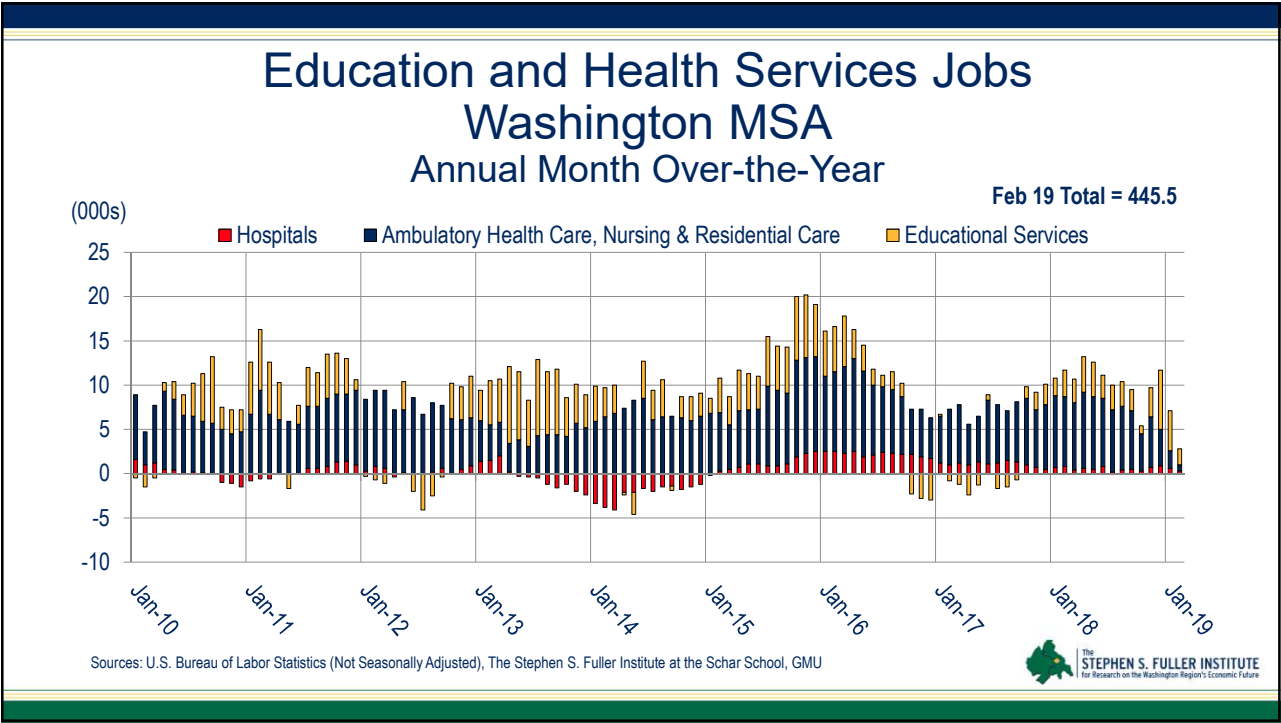


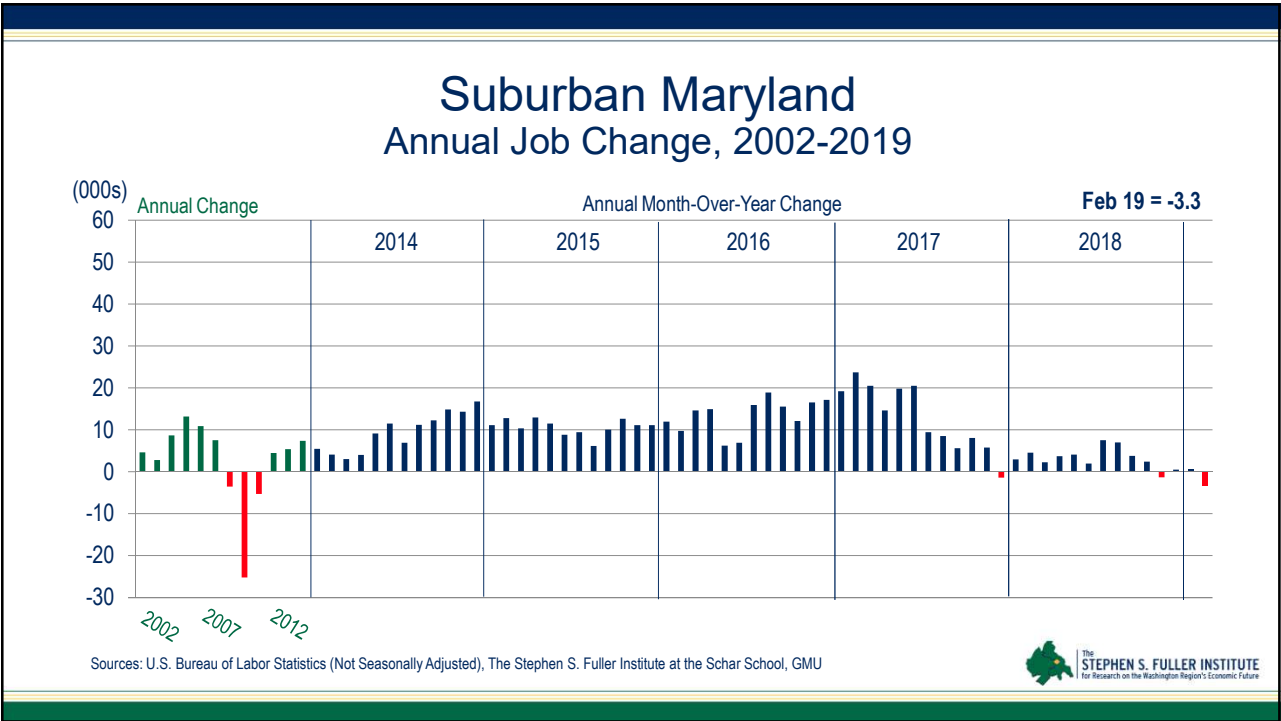
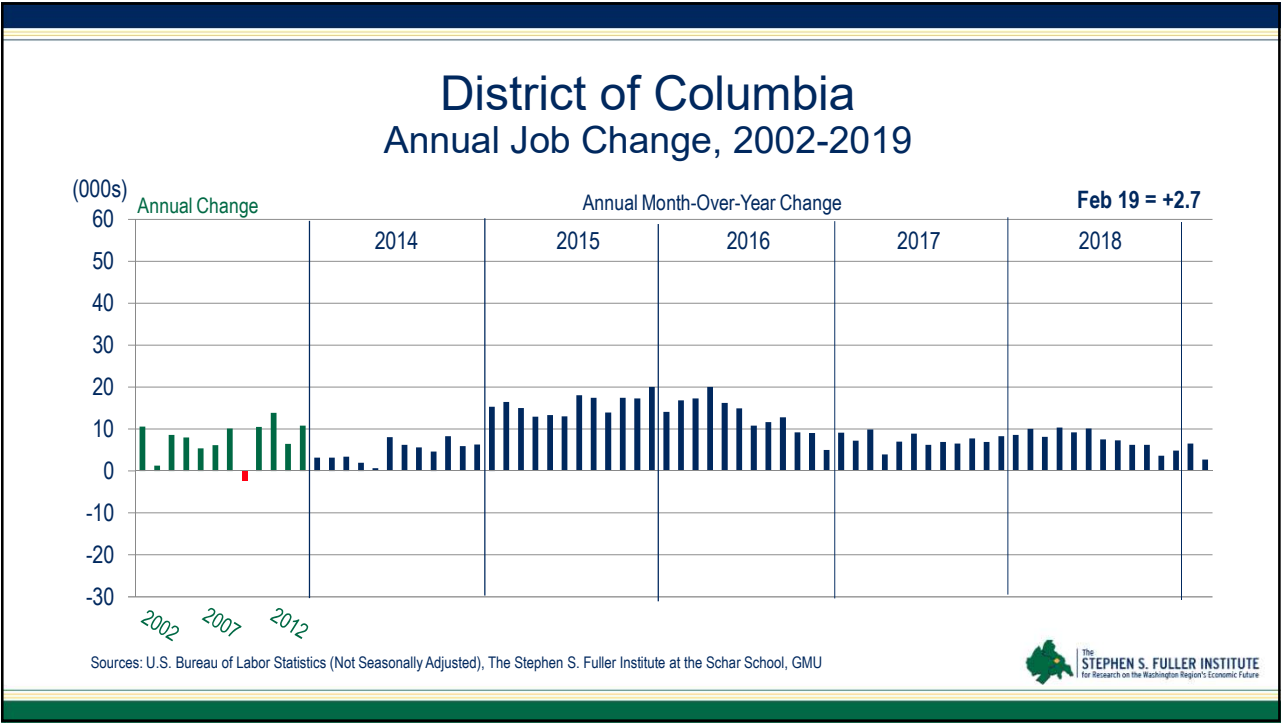
Washington MSA Job Change by Sector 2018

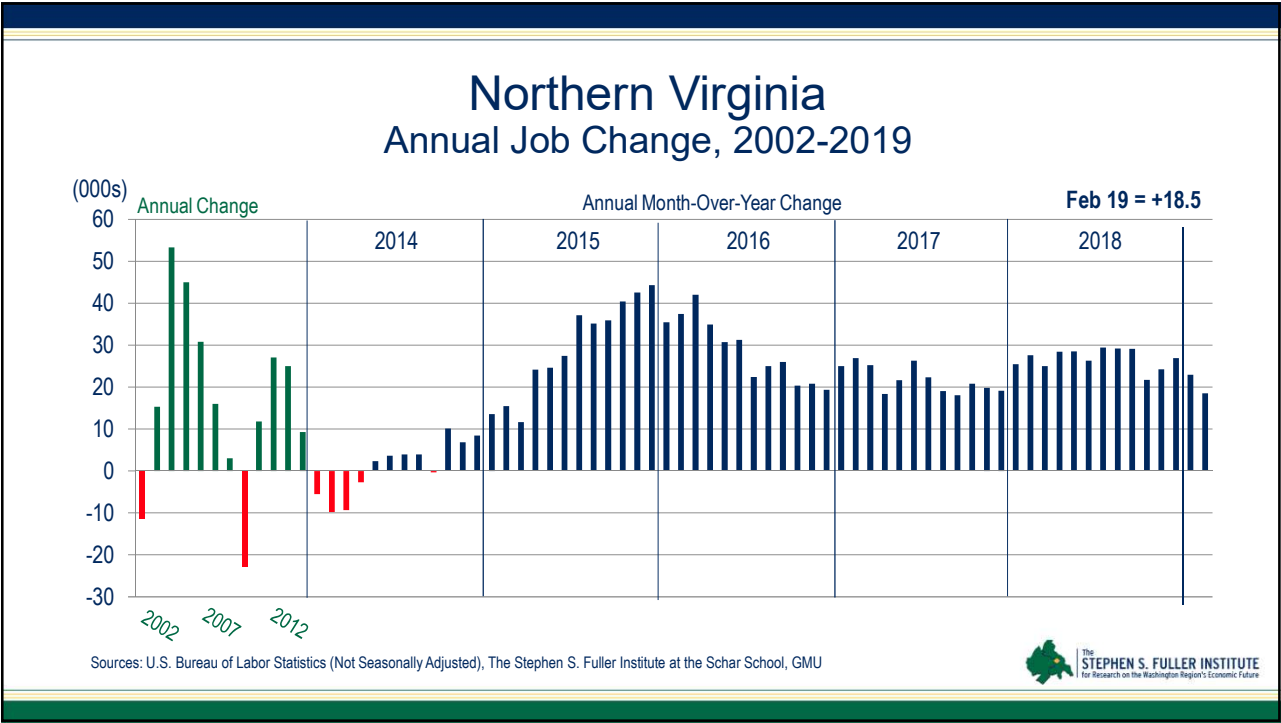


Professional and Business Services Jobs Washington MSA Annual Month Over-the-Year



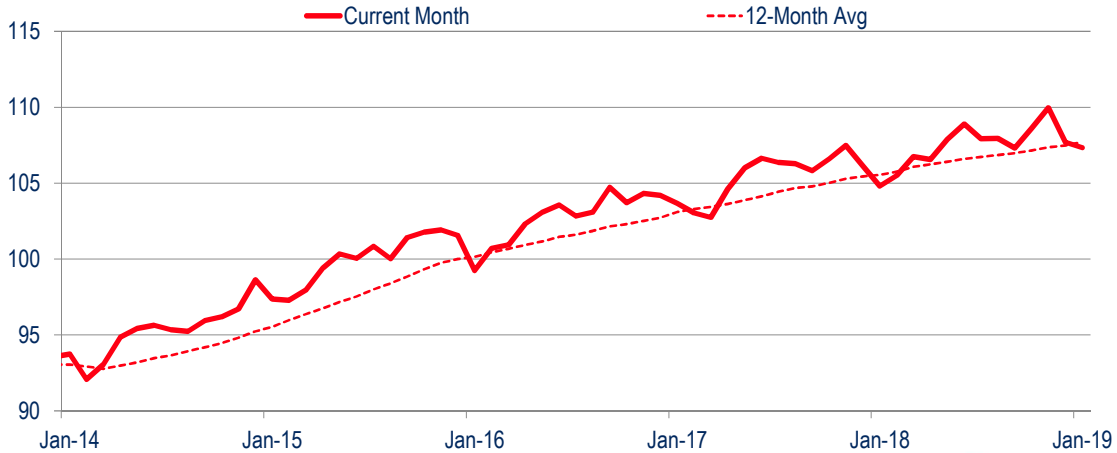






**What is the outlook for the
Washington region's economy?**

Washington Region Coincident Index (100 = 2015)

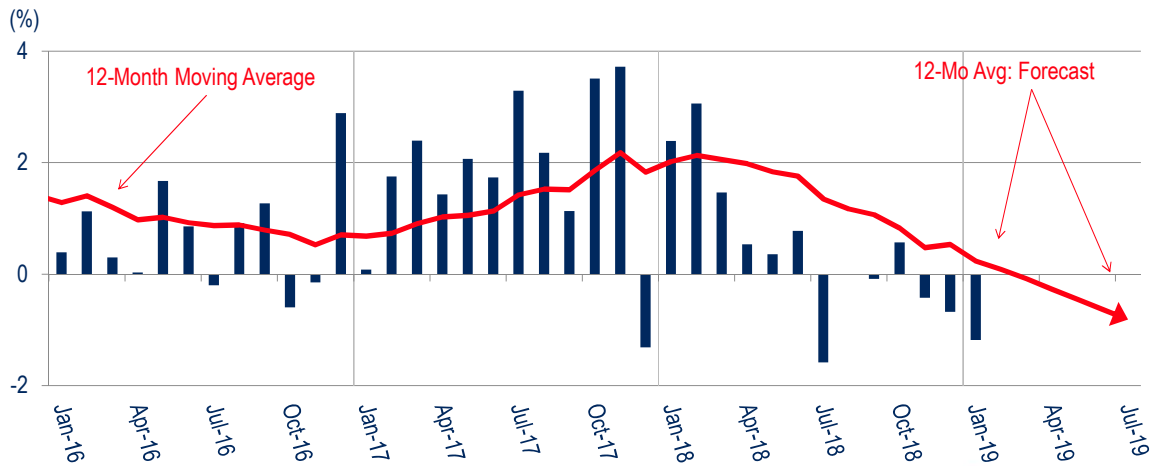


Source: The Stephen S. Fuller Institute at the Schar School, GMU



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

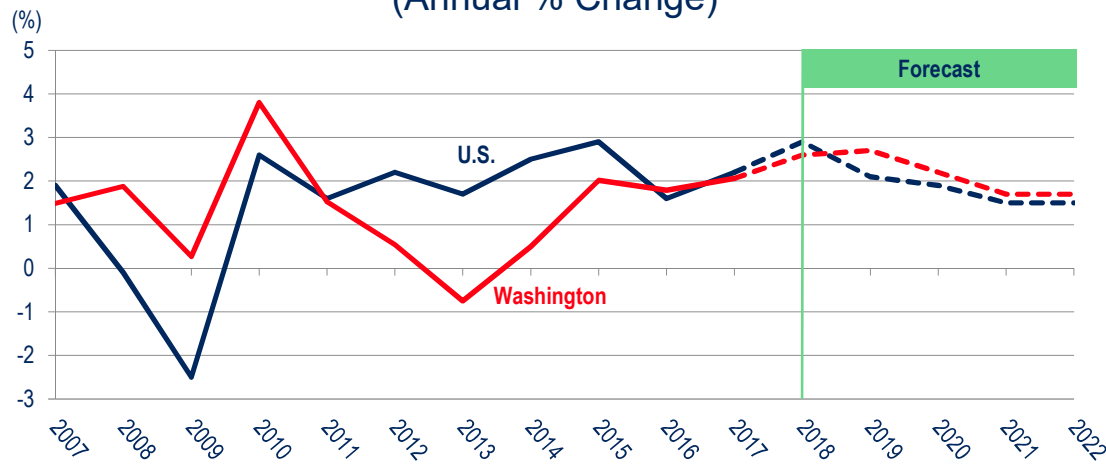


Source: The Stephen S. Fuller Institute at the Schar School, GMU



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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



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Employment Change by Sub-State Area (000s)

	2015	2016	2017	2018	2019	2020	2021	2022
D.C.	15.8	13.9	8.7	7.2	4.6	5.0	4.2	5.2
Sub. MD	10.6	14.2	15.2	3.0	11.0	9.1	7.1	9.3
No. VA	29.2	30.5	25.9	25.1	22.3	17.6	16.0	17.5
REGION	55.6	58.6	49.8	35.3	38.2	31.8	27.4	32.1

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

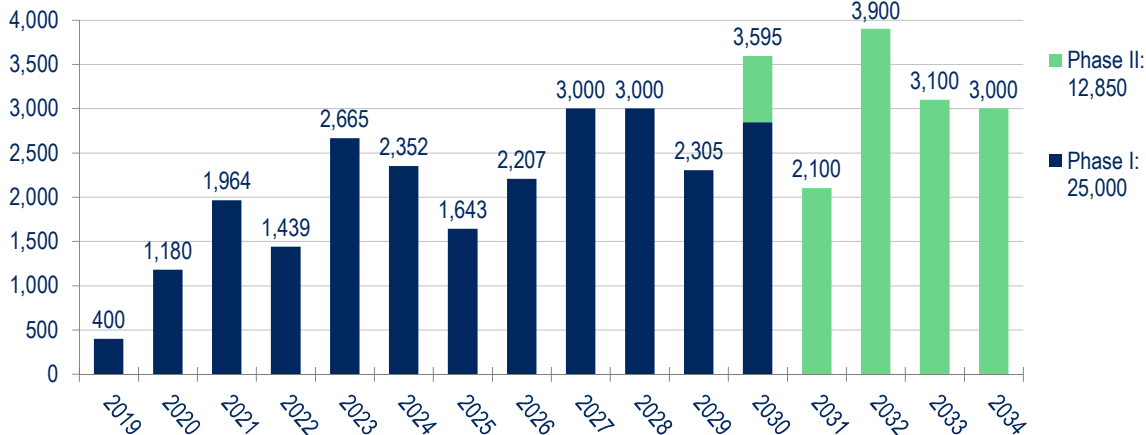


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How will Amazon's HQ2 impact the Washington region's and Arlington County's economies?

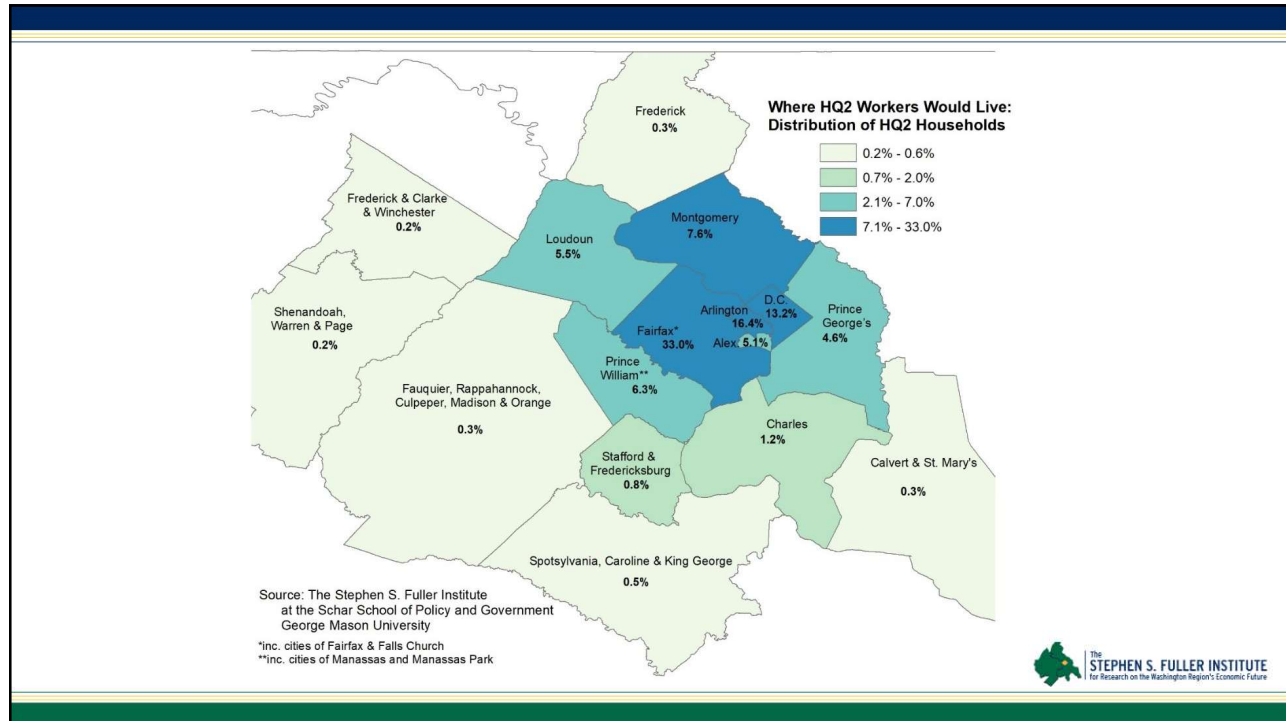


HQ2 Employment Schedule



Sources: Commonwealth of Virginia MOU; The Stephen S. Fuller Institute at the Schar School, GMU





Amazon-Related Household at Full Build-Out Assumes 37,850 HQ2 jobs

	Household w/ an HQ2 Job	Households w/ a Job Supported by HQ2 Spending (1)	Total
Arlington County, VA	6,097	766	6,862
Rest of Northern Virginia	19,219	14,104	33,323
Rest of Virginia	642	14,967	15,609
D.C.	4,909	469	5,377
Maryland	6,047	1,515	7,562
Elsewhere	363	508	871
Total (2)	37,276	32,328	69,604

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

(1) Includes payroll and operations expenditures

(2) A small share of the workers holding HQ2-related jobs are anticipated to cohabitate either with another HQ2-related worker or become part of an existing household. Therefore, the number of households is projected to be fewer than the number of jobs. Only the indirect and induced jobs located in the Commonwealth were analyzed.

The Economic Impacts of Amazon's HQ2: Construction Outlays

	<u>Arlington County</u>	<u>Washington Region</u>
<u>Construction \$s</u>		
Direct Outlays	\$2.7 - \$4.1 billion	\$2.7 - \$4.1 billion
Total Output*	\$3.2 - \$4.8 billion	\$5.3 - \$8.0 billion
Personal Income	\$260 - \$390 m	\$1.7 - \$2.5 billion
Jobs Supported	2,500-3,800	25,900-39,400

Sources: VEDP, The Stephen S. Fuller Institute at the Schar School, GMU *reflect County and VA multipliers of 1.183 and 1.952 respectively

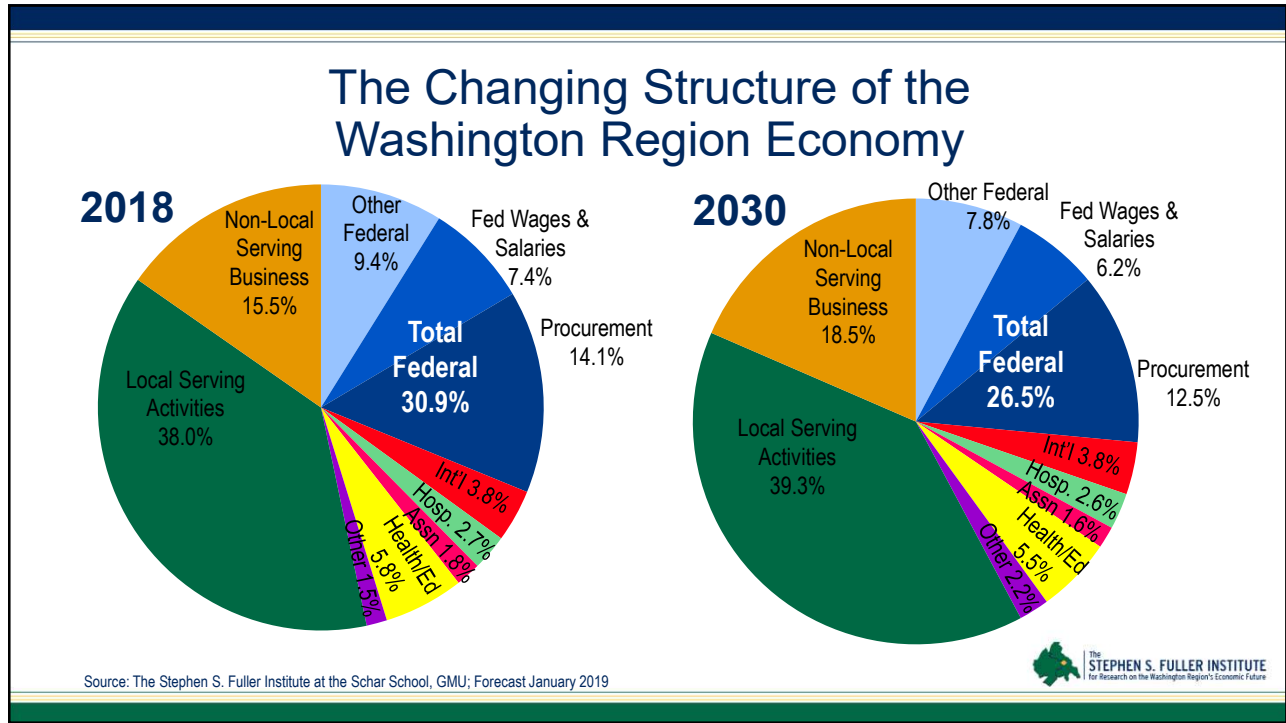


The Economic Impacts of Amazon's HQ2: Post-Construction Outlays

	<u>Arlington County</u>	<u>Washington Region</u>
<u>Post-Construction \$s</u>		
Direct Outlays	\$1.3 – \$2.0 b	\$2.5 - \$3.8 billion
Total Output*	\$1.7 – \$2.5 b	\$4.9 – 7.3 billion
Personal Income	\$124 - \$186 m	\$1.5 - \$2.3 billion
Jobs Supported	1,150 – 1,735	22,160 – 33,240

Sources: VEDP, The Stephen S. Fuller Institute at the Schar School, GMU *reflects Arlington and VA multipliers of 1.273 and 1.935 respectively





Thank You & Questions

For monthly reports on the Washington region's economic performance go to:

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