The Washington Region’s Economy in 2019 and Beyond

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The Current Performance of the U.S. Economy
Recession Recovery Patterns of GDP
Past Four Recessions*

In 1992 or 2009 Chained Dollars; *Quarters 40+ include the 2001 Recession; ***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. Annual Change in Payroll Jobs
Month-Over-The-Year*

Reflects the preliminary revisions for March 2018 through March 2019; Includes temporary Census hires

Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU
U.S. Average Hourly Wage
(in 2018 $s)

Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), 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 Current and Near-Term Performance of the Washington Region’s Economy

Job Change in the Washington Region
1991 – 2019* (000s)

Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU
*2018 and 2019 include projected revisions to the preliminary data and do not align with the estimates published by BLS.
**Job Change in the Washington Region**

1991 – 2019* (000s)

- Prior Expansions: 61,300
- 2015-2019: 48,300

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

*2018 and 2019 include projected revisions to the preliminary data and do not align with the estimates published by BLS.

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**Unemployment Rate, Washington Region**

Jan 1990 – Oct 2019

- October 2019: 3.0%

**Sources:** U.S. Bureau of Labor Statistics (Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU
15 Largest U.S. Job Markets
2019* Job Change

Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU
*Through October **Includes projected revisions to the preliminary data and do not align with the estimates published by BLS.

Change in Jobs
Washington Region & Largest 15 Metros
Monthly Over-the-Year Change

Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU
*2018 and 2019 include projected revisions to the preliminary data and do not align with the estimates published by BLS.
**Washington Region Job Change by Sector, 2019***

<table>
<thead>
<tr>
<th>Sector</th>
<th>Change (000s)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional &amp; Business</td>
<td>13.6</td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education &amp; Health</td>
<td>-0.8</td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Govt</td>
<td>9.0</td>
<td></td>
</tr>
<tr>
<td>State &amp; Local Govt</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>4.6</td>
<td></td>
</tr>
<tr>
<td>Retail Trade</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Other Services</td>
<td>-2.1</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Financial Activities</td>
<td>-0.7</td>
<td></td>
</tr>
<tr>
<td>Information Services</td>
<td>2.1</td>
<td></td>
</tr>
<tr>
<td>Transportation &amp; Utilities</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>0.7</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total = 40,300

*Through October; includes projected revisions to the preliminary data and do not align with the estimates published by BLS.

**Change in Jobs By Sub-State Area, 2014-2019***

Monthly Over-the-Year Change (in 000s)

- Northern VA
- D.C.
- Suburban MD

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

*Through October; includes projected revisions to the preliminary data and do not align with the estimates published by BLS.
Northern Virginia Job Change by Sector, 2019*

Ranked by Size in 2018

10.6

5.3

4.2

1.9

2.6

1.0

0.8

0.3

0.9

0.2

0.0

0.0

0.0

Manufacturing

Transportation & Utilities

Information Services

Wholesale Trade

Federal Govt

Retail Trade

Financial Activities

Construction

Other Services

State & Local Govt

Leisure & Hospitality

Other Services

Retail Trade

Federal Govt

Education & Health Services

Professional & Business Services

Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU
*Through October; includes projected revisions to the preliminary data and do not align with the estimates published by BLS.

D.C. Job Change by Sector, 2019*

Ranked by Size in 2018

Total = 5,900

Total = 27,900
Suburban Maryland Job Change by Sector, 2019*

Ranked by Size in 2018

Total = 5,400

<table>
<thead>
<tr>
<th>Sector</th>
<th>Change (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional &amp; Business Services</td>
<td>0.3</td>
</tr>
<tr>
<td>Education &amp; Health Services</td>
<td>0.9</td>
</tr>
<tr>
<td>State &amp; Local Govt</td>
<td>2.6</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>-1.2</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>-0.5</td>
</tr>
<tr>
<td>Federal Govt</td>
<td>0.6</td>
</tr>
<tr>
<td>Construction</td>
<td>0.4</td>
</tr>
<tr>
<td>Other Services</td>
<td>-0.9</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>0.3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0.3</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>0.3</td>
</tr>
<tr>
<td>Transportation &amp; Utilities</td>
<td>0.4</td>
</tr>
<tr>
<td>Information Services</td>
<td>-0.8</td>
</tr>
</tbody>
</table>

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

*Through October; includes projected revisions to the preliminary data and do not align with the estimates published by BLS.

Distribution of Job Growth in the Washington Region, 2019*

- Share of Jobs in 2018
- Share of Gains in 2019

Out-Performing

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

*Through October; includes projected revisions to the preliminary data and do not align with the estimates published by BLS.
Employment Change by Sub-State Area (000s)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>D.C.</td>
<td>13.1</td>
<td>7.4</td>
<td>8.3</td>
<td>5.9</td>
<td>8.9</td>
<td>4.9</td>
<td>4.2</td>
<td>3.6</td>
</tr>
<tr>
<td>Sub. MD</td>
<td>13.4</td>
<td>12.9</td>
<td>4.4</td>
<td>5.4</td>
<td>9.2</td>
<td>7.2</td>
<td>5.2</td>
<td>1.3</td>
</tr>
<tr>
<td>No. VA</td>
<td>28.8</td>
<td>21.9</td>
<td>26.8</td>
<td>27.9</td>
<td>22.6</td>
<td>23.6</td>
<td>17.8</td>
<td>12.9</td>
</tr>
<tr>
<td>Residual**</td>
<td>3.3</td>
<td>7.6</td>
<td>(2.6)</td>
<td>1.1</td>
<td>0.2</td>
<td>0.1</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>REGION</td>
<td>58.6</td>
<td>49.8</td>
<td>36.9</td>
<td>40.3</td>
<td>40.9</td>
<td>35.8</td>
<td>27.4</td>
<td>17.9</td>
</tr>
</tbody>
</table>

Source: BLS, IHS Economics, The Stephen S. Fuller Institute at the Schar School, GMU (forecast as of December 2019)

*2018 and 2019 include projected revisions to the preliminary data and do not align with the estimates published by BLS.

**Residual includes Jefferson, WV and jobs that cannot be attributed to a sub-state area.

Washington Region GRP by Sub-State Area 2011 – 2018 - 2023 (Annual % Change)

Sources: IHS Markit (November 2019); The Stephen S. Fuller Institute at the Schar School, GMU (forecast as of December 2019)
The Changing Structure of the Washington Region’s Economy
First Key Question

Can the Washington region achieve a competitive economy building on its federal government base with an expanding core of high-value added, fast growing, export based, non-federally dependent business activities or will its future growth trajectory always be defined by its federal government base?

Growth Rates of the Washington Region’s Advanced Industrial Clusters

Sources: U.S. Bureau of Labor Statistics (OCEW), The Stephen S. Fuller Institute at the Schar School, GMU
Growth Rates of the Washington Region’s Advanced Industrial Clusters & Private Sector

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

Growth in the Washington Region’s Advanced Industrial Clusters, 2014-2018
Annualized Growth

Sources: U.S. Bureau of Labor Statistics (QCEW), The Stephen S. Fuller Institute at the Schar School, GMU
The Washington Region’s Established Clusters: Influence, Management Services & Travel

Sources: U.S. Bureau of Labor Statistics (QCEW), The Stephen S. Fuller Institute at the Schar School, GMU
The Washington Region’s Emerging Clusters: Science, Security, Information & Health Technology

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

Job Change Scenarios in the Washington Region 2015-2018

*2018 and 2019 include projected revisions to the preliminary data and do not align with the estimates published by BLS.
Second Key Question

Can the Washington region overcome its multi-layered jurisdictional governance to build on its competitive assets and overcome its **capacity constraints** to achieve the region’s inherent growth potentials?
Population by Age, Washington Region, 1990

Population by Age, Washington Region

Sources: U.S. Census Bureau (1970-79 Intercensal Estimates & v2018 Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU
Percent Change in Workers by Commute Distance
Washington Region, 2002-2015

- <10 miles: 57.2%
- 10 to 24 miles: 50.2%
- 25 to 50 miles: 41.4%
- 50+ miles: 69.5%

All Workers: +53.7%

Source: LEHD; The Stephen S. Fuller Institute at the Schar School, GMU
Questions?

For monthly reports on the Washington region’s economic performance go to sfullerinstitute.gmu.edu
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