



The
STEPHEN S. FULLER INSTITUTE
for Research on the Washington Region's Economic Future



Washington Economy Watch

Standing at the Crossroads of Our Economic Future

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The Stephen S. Fuller Institute
for Research on the Washington Region's Economic Future
Schar School of Policy and Government
George Mason University

The Washington Economy Watch is a monthly report issued by The Stephen S. Fuller Institute that is intended to inform its readers regarding the current and near-term performance of the Washington area's economy. The Leading and Coincident Indices were first reported in February 1991. Given changes brought from the switch to hybrid and remote work in the wake of the pandemic, both are undergoing alterations. The Coincident Index has been temporarily modified and the Leading Index has been temporarily discontinued while being revised.

Washington Economy Watch

Standing at the Crossroads

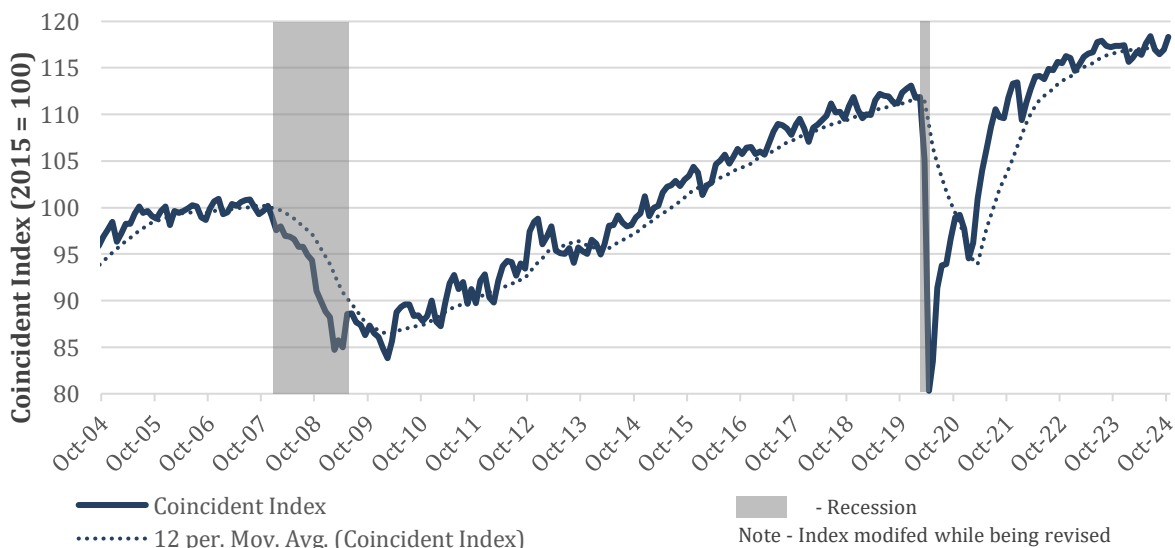
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Washington Area Economy: Standing at the Crossroads of Our Economic Future

The Coincident Index increased 0.8% from October 2023 to October 2024, an unanticipated positive reading that may still be the only positive reading through the end of 2024.

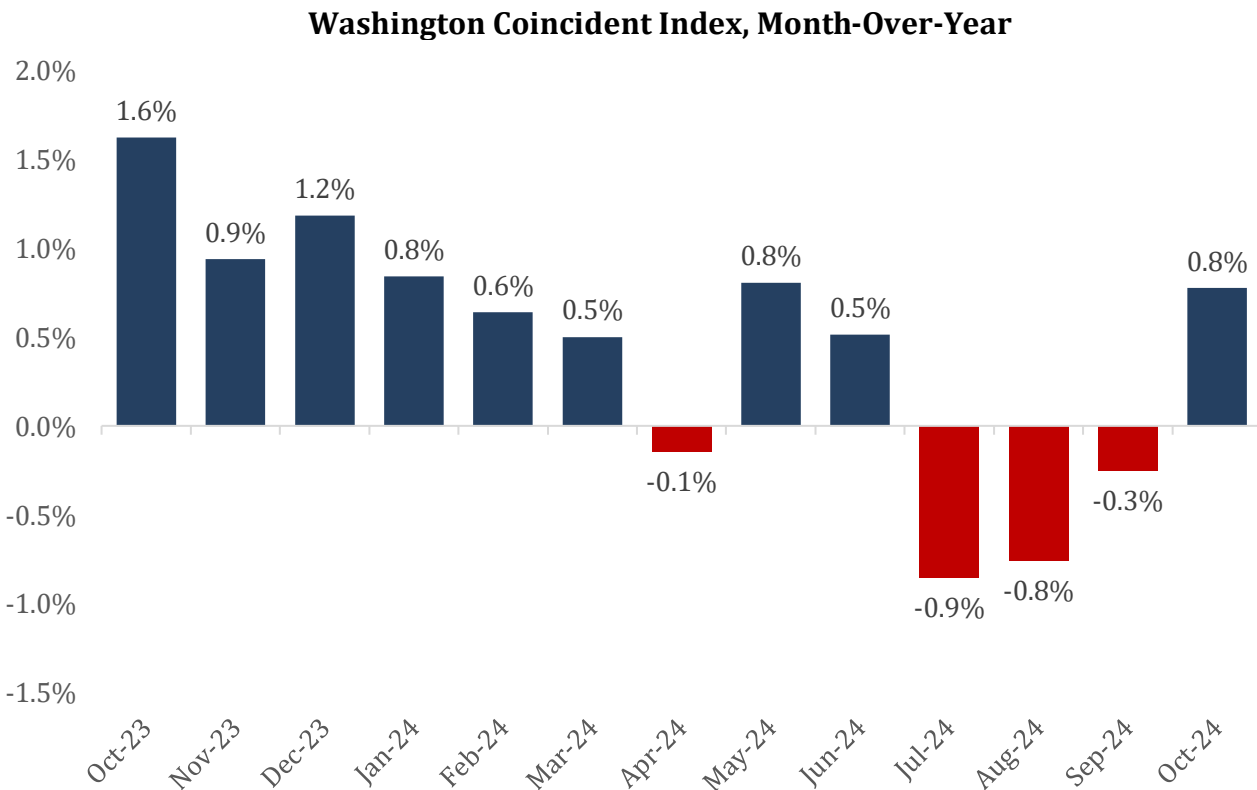
While two of the three components of the Coincident Index have recorded positive month-over-year changes, the region is standing at a crossroads of our economic future. Employment growth has slowed and even declined in key sectors like cyber security and federal employment. Local jurisdictions have not made meaningful progress in adding to the supply of workforce housing, which means that an increasing share of working families are priced out of the market, and the local political winds have turned against our best performing sector, data centers. In less than two months a new administration will take charge with the stated goal of decimating federal employment in the region. Uncertainty is the most positive way to think about where the region may be headed. The Washington DC region has the ingredients needed to compete successfully for private sector, technology based investments, but we have to change our way of thinking about economic development.

Interested in what key regional leaders are thinking about how we respond to existing and emerging economic challenges? Attend tomorrow's Northern Virginia Transportation Alliance/Center for Regional Analysis Capital Area Economic Forum ([link below](#)).



The **Washington Coincident Index**, which represents the current state of the Washington region's economy, unexpectedly increased 0.8% from October 2023 to October 2024. The increase in the Coincident Index is an unanticipated reading of the region's economy. Despite the positive monthly reading, it remains our base case that the final two readings of the year will be negative. In particular, wage and salary employment is likely to be negative month-over-year for the two remaining months, returning to the trend that began in early 2021. While a reacceleration is possible, it remains unlikely, particularly considering policy changes expected to occur in federal employment.

- *Consumer confidence (current circumstances)* increased 2.0% from October 2023 to October 2024, a sharp reversal from eight consecutive month-over-year declines; and,
- *Wage and salary employment* in the Washington region increased 1.0% month-over-year in September, a continuation of modest reacceleration recorded the past two months; while,
- *Domestic passenger volume at Reagan National and Dulles Airports* decreased 2.7% month-over-year in October, the third consecutive decline.



Near Term Outlook

Facing unprecedented economic threats, the region stands at an economic crossroads. Please join us in-person tomorrow, December 4th, to learn more about the economic challenges facing the Greater Washington region, how the most recent election will impact our economy, and what we can do as a region to strengthen our community.

Registration:

<https://nvta.org/event/24-capital-area-economic-forum/>

Featured Speakers include:

- **Terry Clower**, Director of the George Mason University's Center for Regional Analysis, and Stephen S. Fuller Institute
- **Bob Buchanan**, Founder of Buchanan Partners
- **Taylor Chess**, Senior Managing Director of Development, Peterson Companies
- **Bill Tompkins**, President and CEO, Montgomery County Economic Development Corporation
- **David Iannucci**, President and CEO, Prince George's County Economic Development Corporation
- **Julie Coons**, President and CEO, Northern Virginia Chamber of Commerce.

December 4th, 2024 | 7:30 a.m. – 10:00 a.m.
Westwood Country Club
800 Maple Avenue East. Vienna, VA 22180

