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*The Roadmap for the Washington Region's Future Economy:
Pivoting the Region's Economy Away From Its Federal
Dependency—A Progress Report and Assessment*

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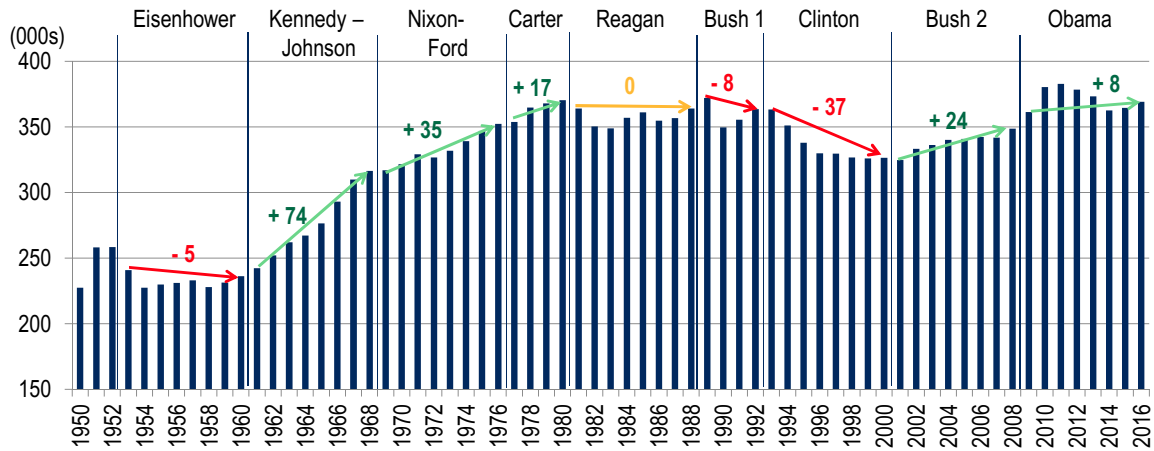


February 1, 2017

The Downside of Being a Company Town



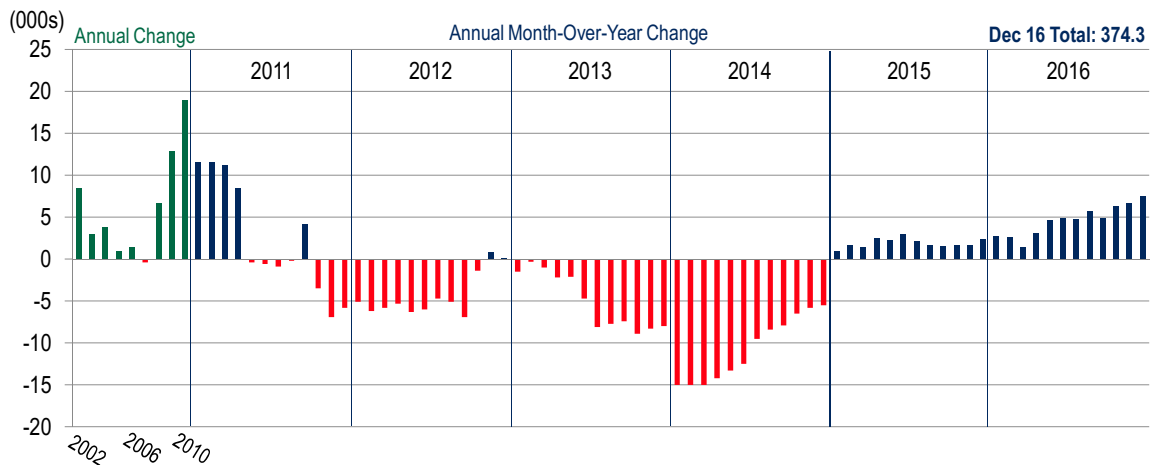
Federal Employment in the Washington Region, 1950-2016



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



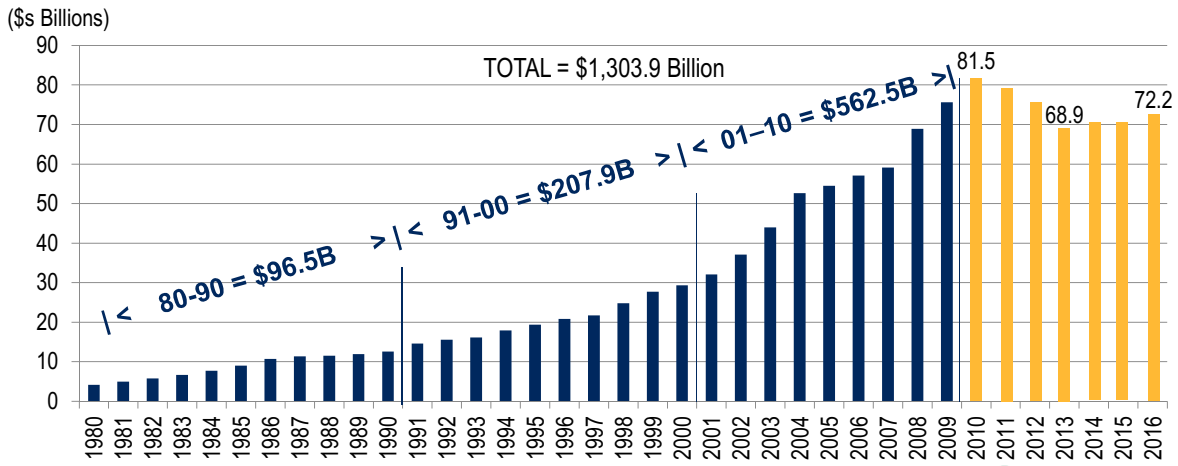
Federal Government Jobs Washington Region



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



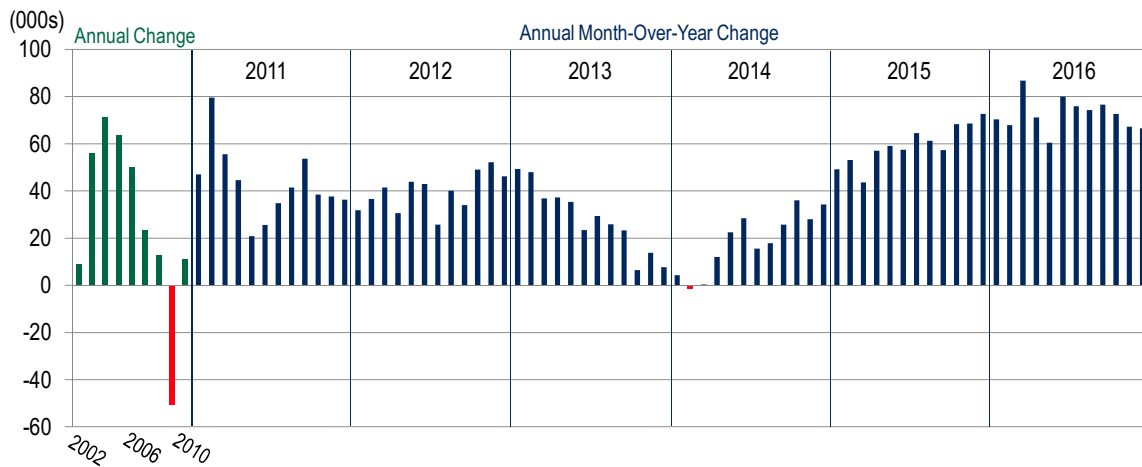
Federal Procurement in the Washington Region, 1980-2016



Source: US Census, Consolidated Federal Funds Report and USAspending.gov, The Stephen S. Fuller Institute at the Schar School, GMU

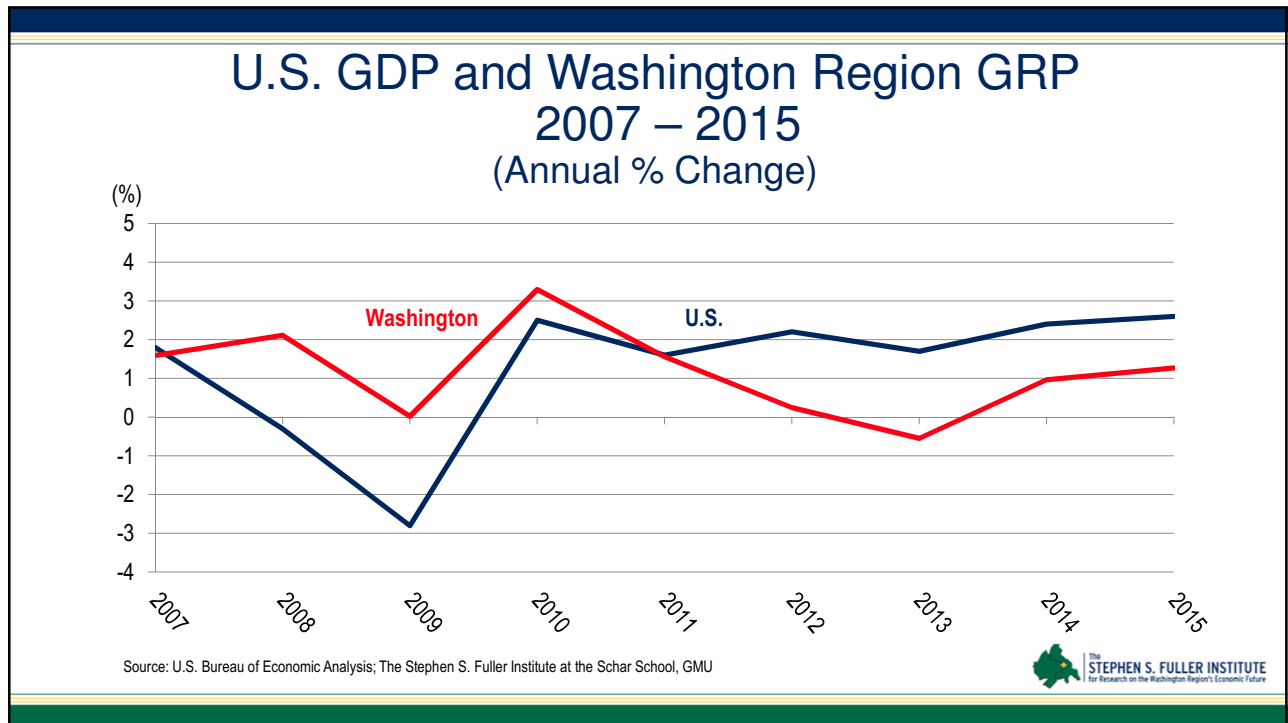


Washington Region Annual Job Change, 2002-2016



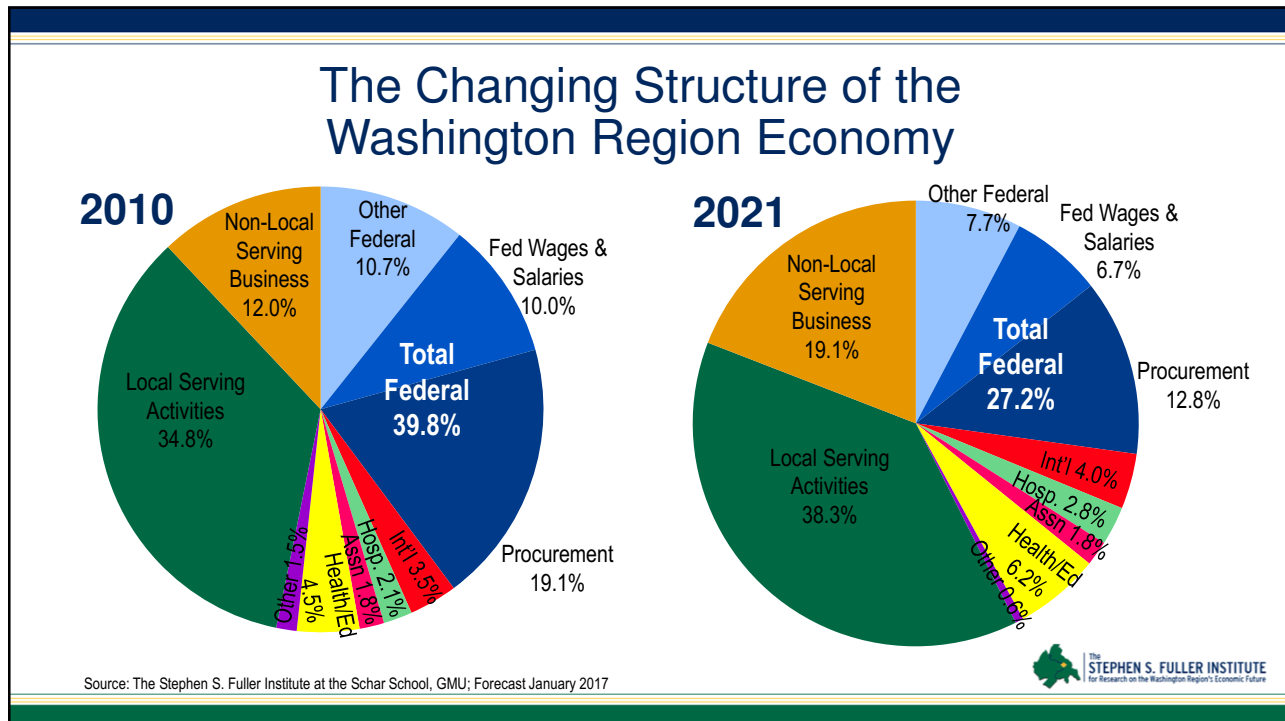
Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU





What Will Drive Growth In the Washington Region Going Forward?

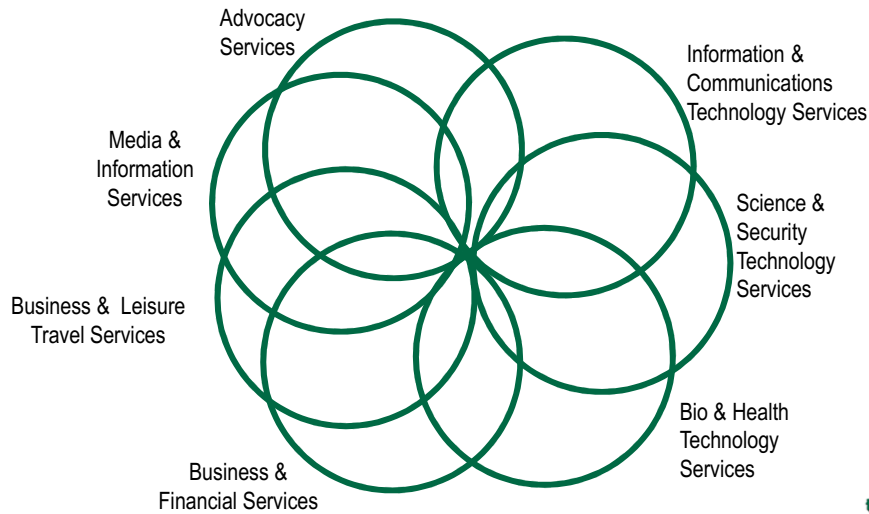




The Roadmap for the Washington Region's Future Economy: Roadmap Objectives

- Re-position the economy away from Federal markets to national and global markets;
- Build on the region's competitive advantages;
- Focus on export-based, high-value added, high-growth potential businesses;
- Identify what these types of businesses need—their requirements—to grow in the Washington area; and,
- Formulate a call-to-action to address the region's "requirements" for future growth

The Washington Region's Advanced Industrial Clusters



The Washington Region's Advanced Industrial Clusters Job Growth Forecast

<u>Clusters</u>	<u>2014-2025 Job Forecast</u>			
	<u>Low</u>	<u>%</u>	<u>High</u>	<u>%</u>
Advocacy Services	122,303	5.7	138,868	20.0
Info & Comm. Tech	213,621	4.5	224,872	10.0
Sci & Security Tech	135,707	9.6	147,104	18.8
Bio & Health Tech	58,388	5.4	67,929	22.6
Business & Fin. Serv.	218,851	15.1	269,053	41.5
Media & Info Services	36,292	1.5	41,667	16.6
Business & Leisure T.	87,807	2.2	91,512	6.5
All Clusters	872,969	7.6	981,005	20.9
All Jobs in WMA	3,092,270¹	4.0	3,402,570¹	14.4

Source: Inforum, University of Maryland, December 2015

¹Reflects narrower definition used in QCEW jobs data



The Washington Region's Advanced Industrial Clusters Job Growth Forecasts

(percent change over the period indicated)

	<u>2003-2014</u>	<u>2014-2025</u>	
		<u>Low</u> ¹	<u>High</u> ²
Sum of Clusters	14.6%	7.6%	20.9%
Total Metro Job Growth	9.3%	4.0%	14.4%
US. Job Growth	5.1%	9.5%	9.5%

¹continuation of 2011-2014 trends.

²reflecting historic growth patterns plus reversals based on national forecasts for declining clusters.

Source: Inforum, University of Maryland, December 2015

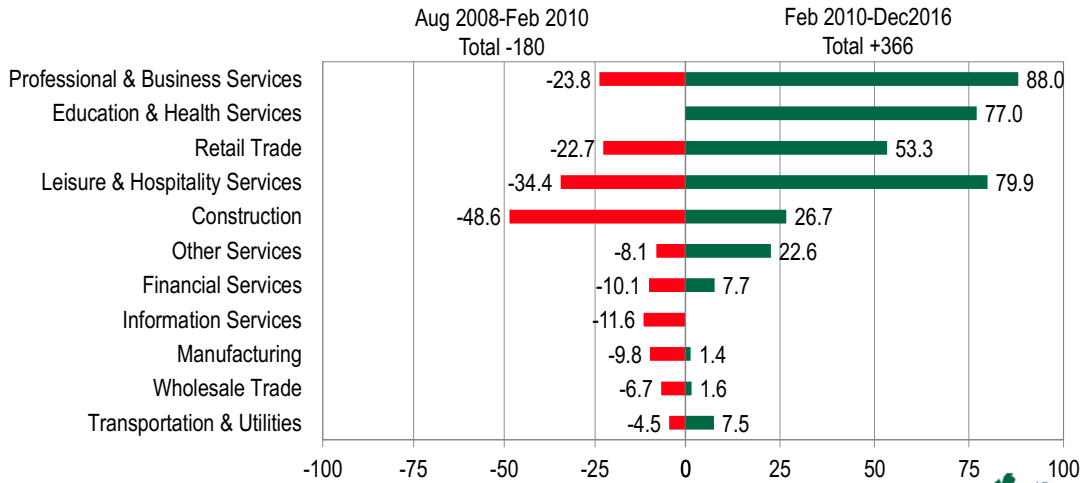


The Washington Region Economy's Growth Trajectory: Has The Private Sector Pivoted Away From Its Historic Federal Dependency?

Recession-Sequester-Recovery



Washington Region Job Change: Private Sector The Great Recession and Recovery



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

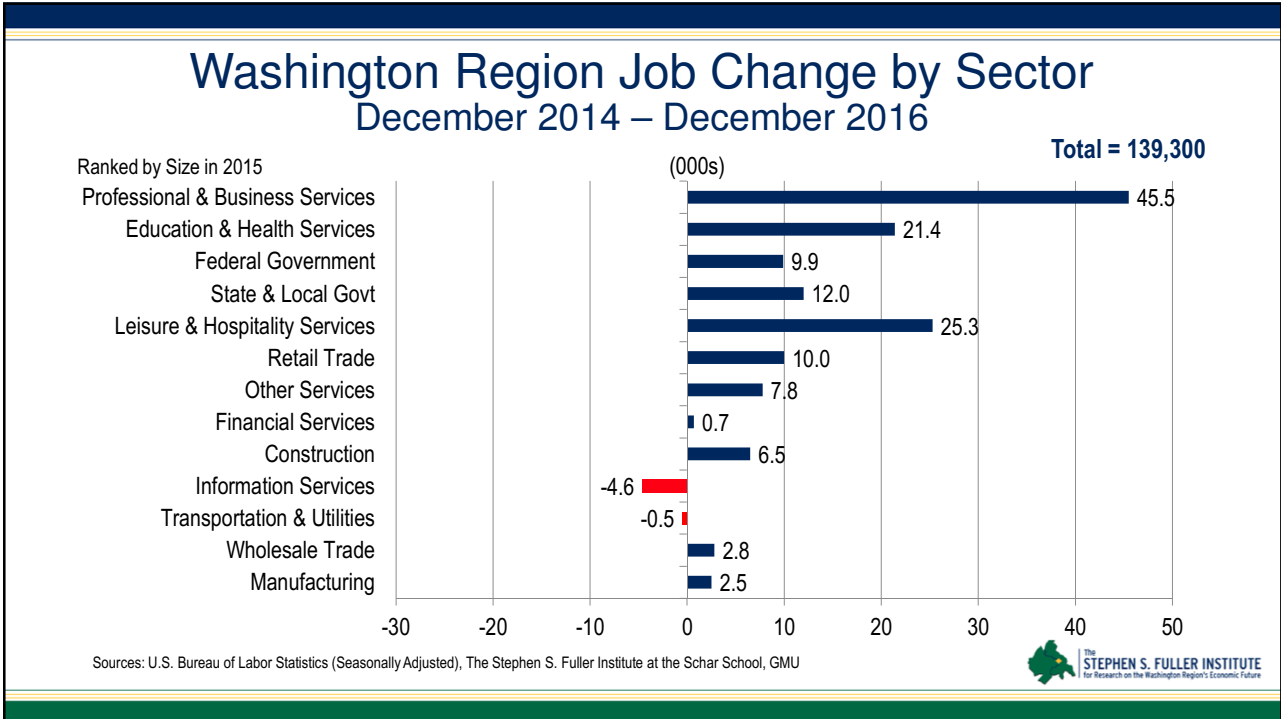


Washington Region Job Change: Private Sector Recession and Recovery: Aug 2008-Dec 2016 (percent distribution)

<u>Sector</u>	<u>Jobs Lost</u>	<u>Jobs Gained</u>
Education and Health Services	N/A	21.1%
Retail Trade	12.6%	14.6%
Leisure & Hospitality Services	19.1%	21.8%
Subtotal	31.7%	57.5%
Professional & Business Services	13.2%	24.1%
All Other Jobs	55.1%	18.5%
Totals	100.0%	100.0%

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



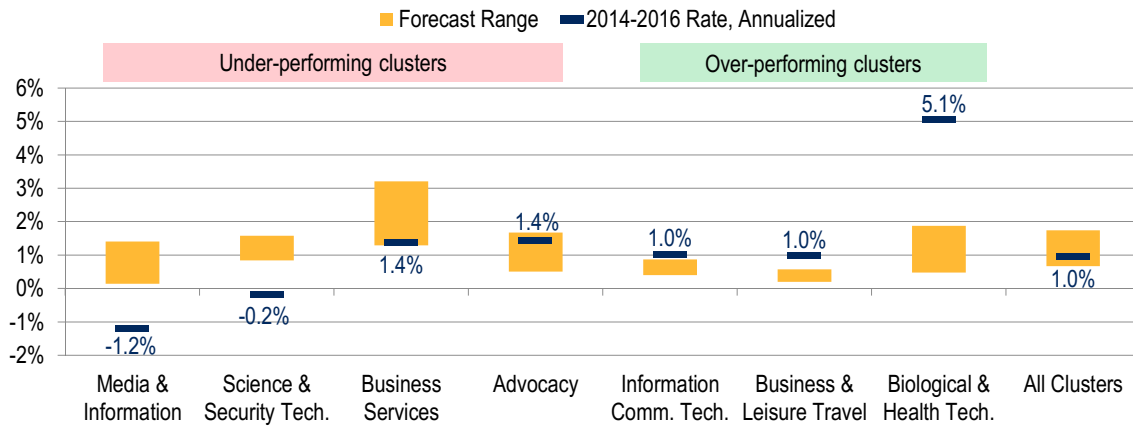


The Washington Region's Advanced Industrial Clusters March 2014 – March 2016

<u>Clusters</u>	<u>Job Change</u>	<u>% Change</u>	<u>% of Total</u>
Advocacy Services	3,300	2.9%	3.2%
Info & Comm. Tech	4,120	2.0	4.0
Sci & Security Tech	- 420	- 0.4	- 0.4
Bio & Health Tech	1,280	10.4	1.3
Business & Fin. Serv.	5,030	2.8	4.9
Media & Info Services	- 690	- 2.4	- 0.7
Business & Leisure T.	1,410	2.0	1.4
All Clusters	14,030	1.9%	13.7%
Non-Cluster, Private	76,010	4.9	74.4
Total Government	12,160	1.8	11.9
All Jobs in WMA	102,200	3.5%	100.0%

Source: U.S. Bureau of Labor Statistics (Quarterly Census of Employment and Wages); The Stephen S. Fuller Institute at the Schar School, GMU

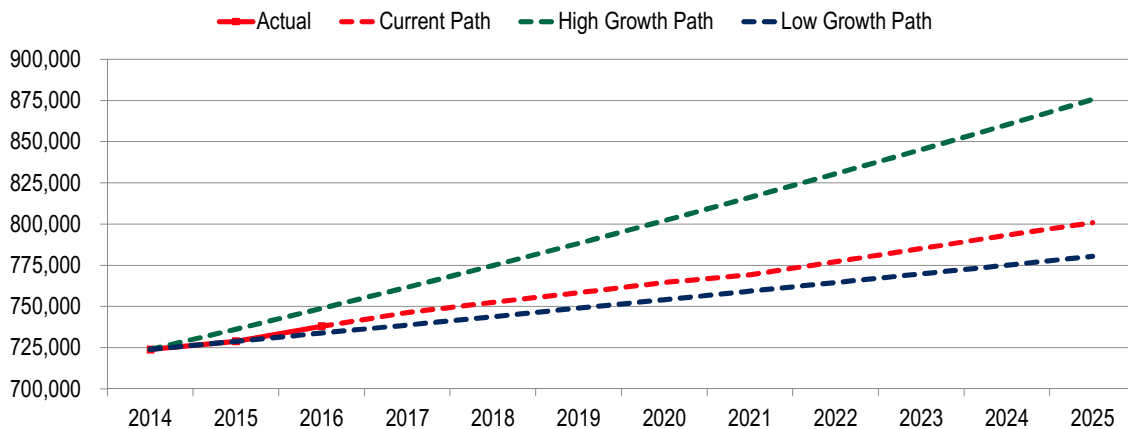
The Washington Region's Advanced Industrial Clusters Annual Growth Rates



Source: U.S. Bureau of Labor Statistics (Quarterly Census of Employment and Wages); The Stephen S. Fuller Institute at the Schar School, GMU



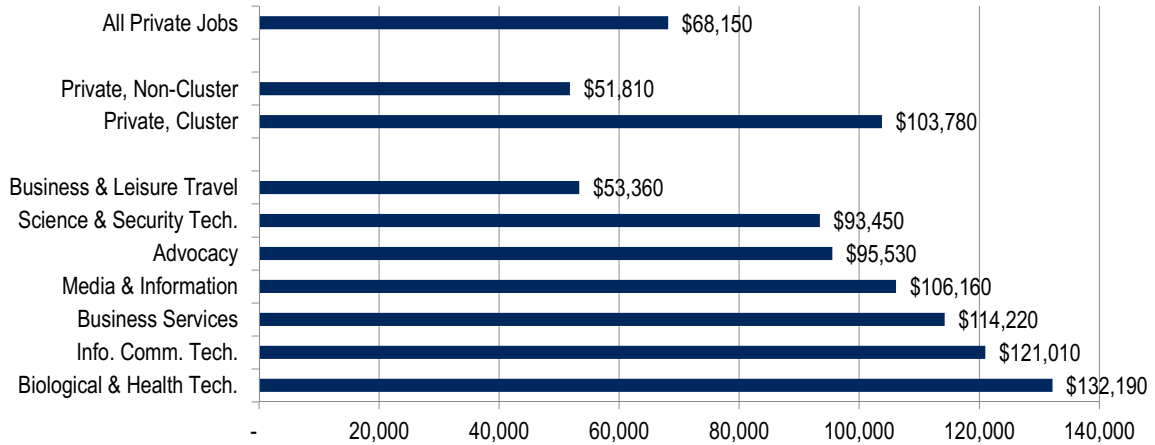
The Washington Region's Advanced Industrial Clusters Current and Projected Job Growth Trajectory, 2014-2025



Source: U.S. Bureau of Labor Statistics (Quarterly Census of Employment and Wages); The Stephen S. Fuller Institute at the Schar School, GMU



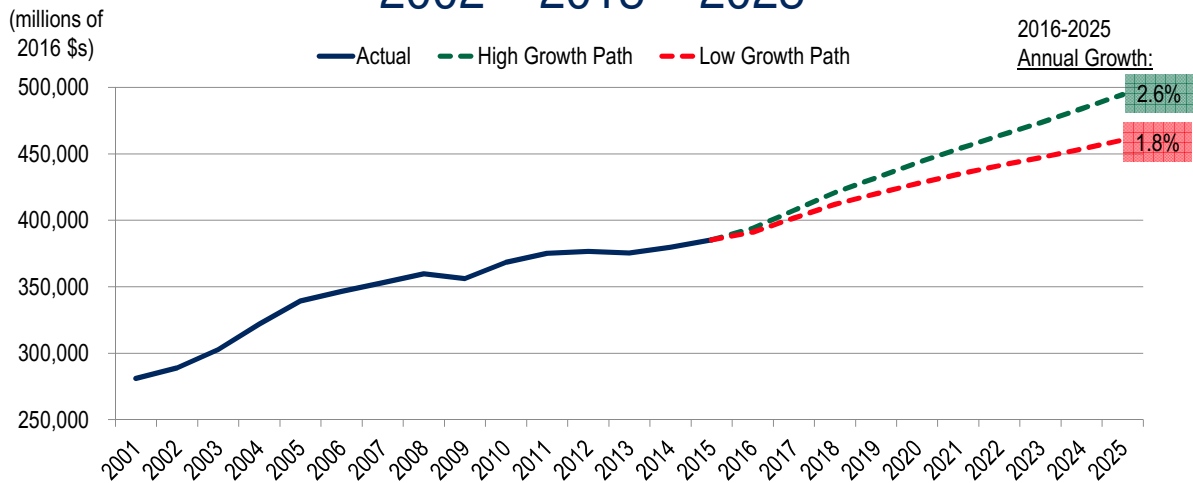
The Washington Region's Advanced Industrial Clusters Average Wage in 2015



Source: U.S. Bureau of Labor Statistics (Quarterly Census of Employment and Wages); The Stephen S. Fuller Institute at the Schar School, GMU

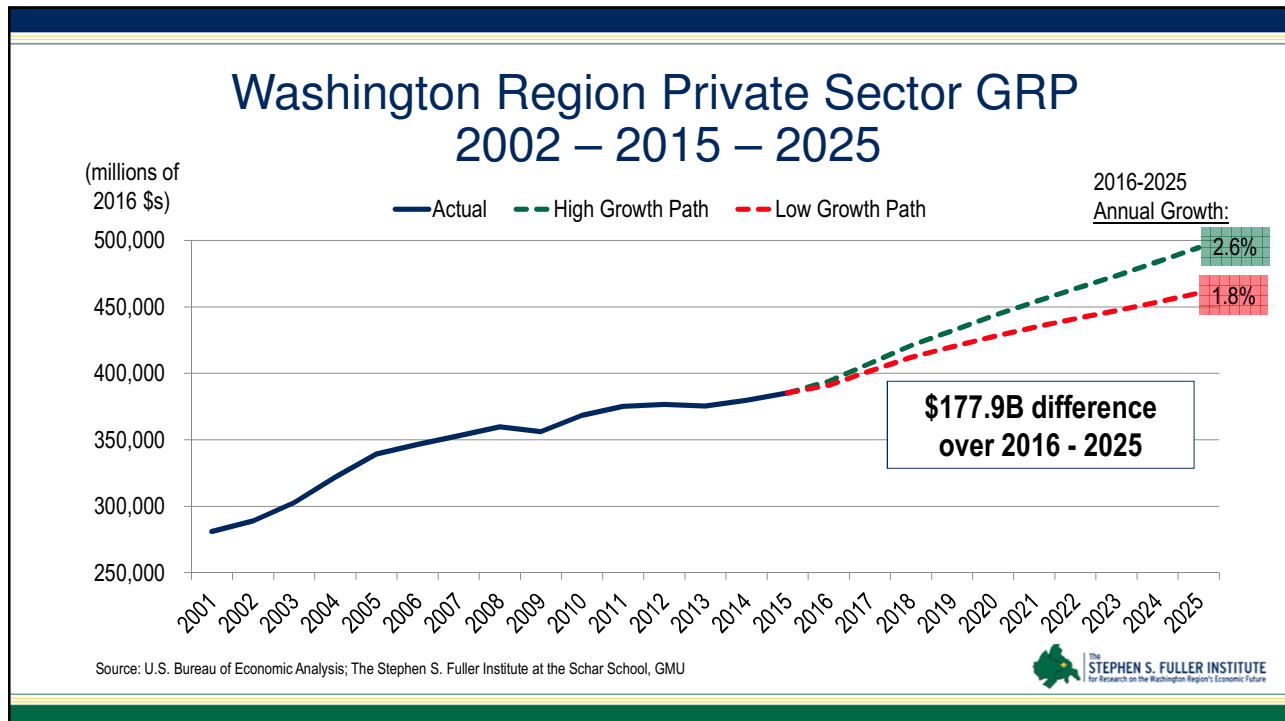


Washington Region Private Sector GRP 2002 – 2015 – 2025



Source: U.S. Bureau of Economic Analysis; The Stephen S. Fuller Institute at the Schar School, GMU





Thank You & Questions

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

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