



# Washington Area Economy: Performance and Outlook

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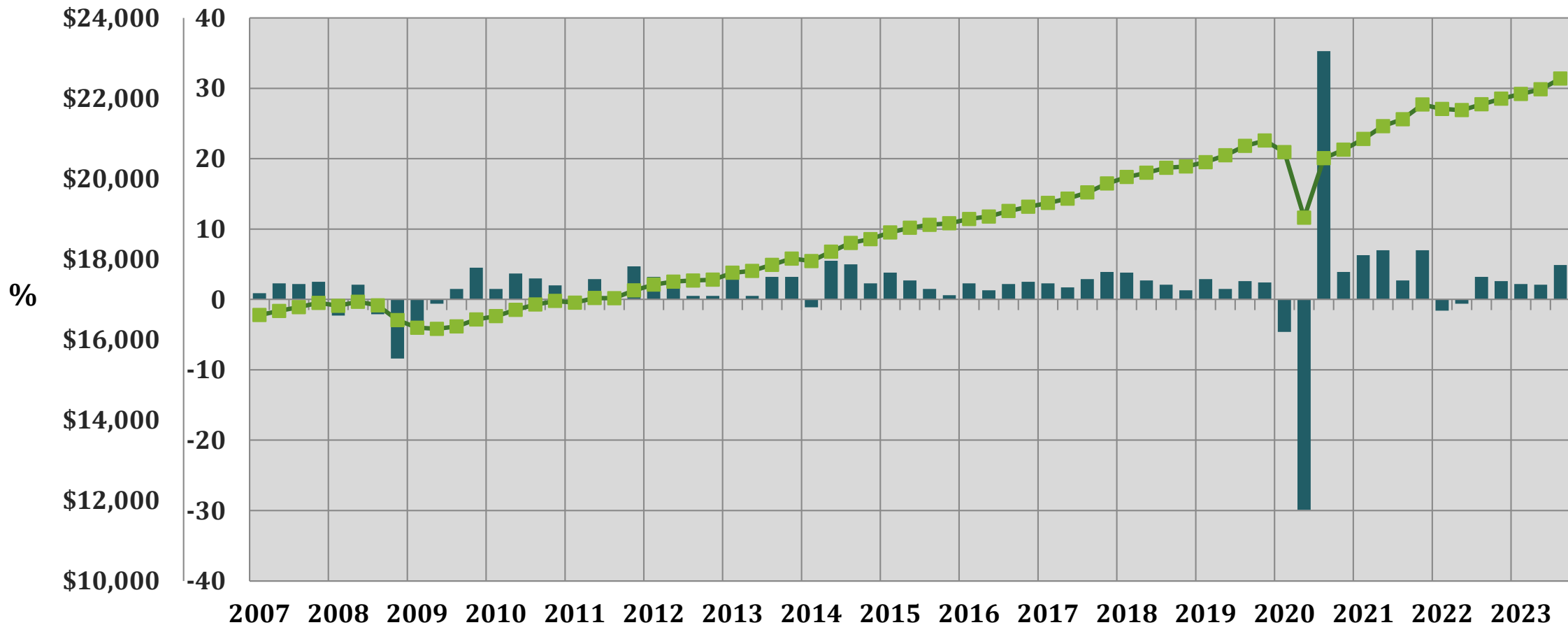
**October 2023**





# U. S. Gross Domestic Product

■ Quarterly Change    ■ Real GDP (Billions)



Source: Bureau of Economic Analysis (Seasonally Adjusted, Chained 2017 Dollars )



Q3 2023 Annualized Rate  
4.9%

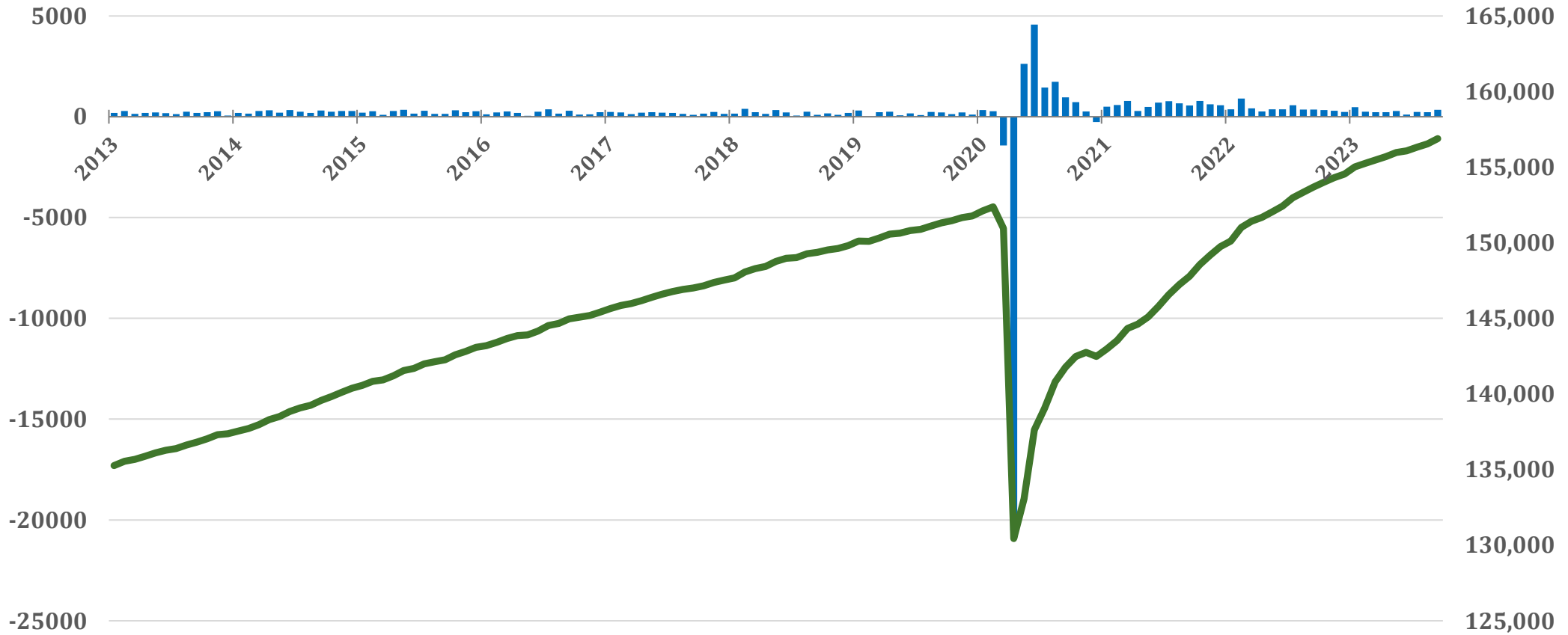
Q3 2023-Q3 2023  
2.9%



# U.S. Payroll Jobs

1-mo. change  
(in thousands)

total payroll jobs  
(in millions)



**Since 2010  
(Jan 2010)  
+27.1M**

**Since 2022  
(12-mo. Δ)  
3.2M**

**Aug 23 –  
Sep 23  
(1 mo. Δ)  
+336K**

Source: Bureau of Labor Statistics (Seasonally Adjusted),  
GMU Center for Regional Analysis





# U.S. Payroll Job Change by Sector

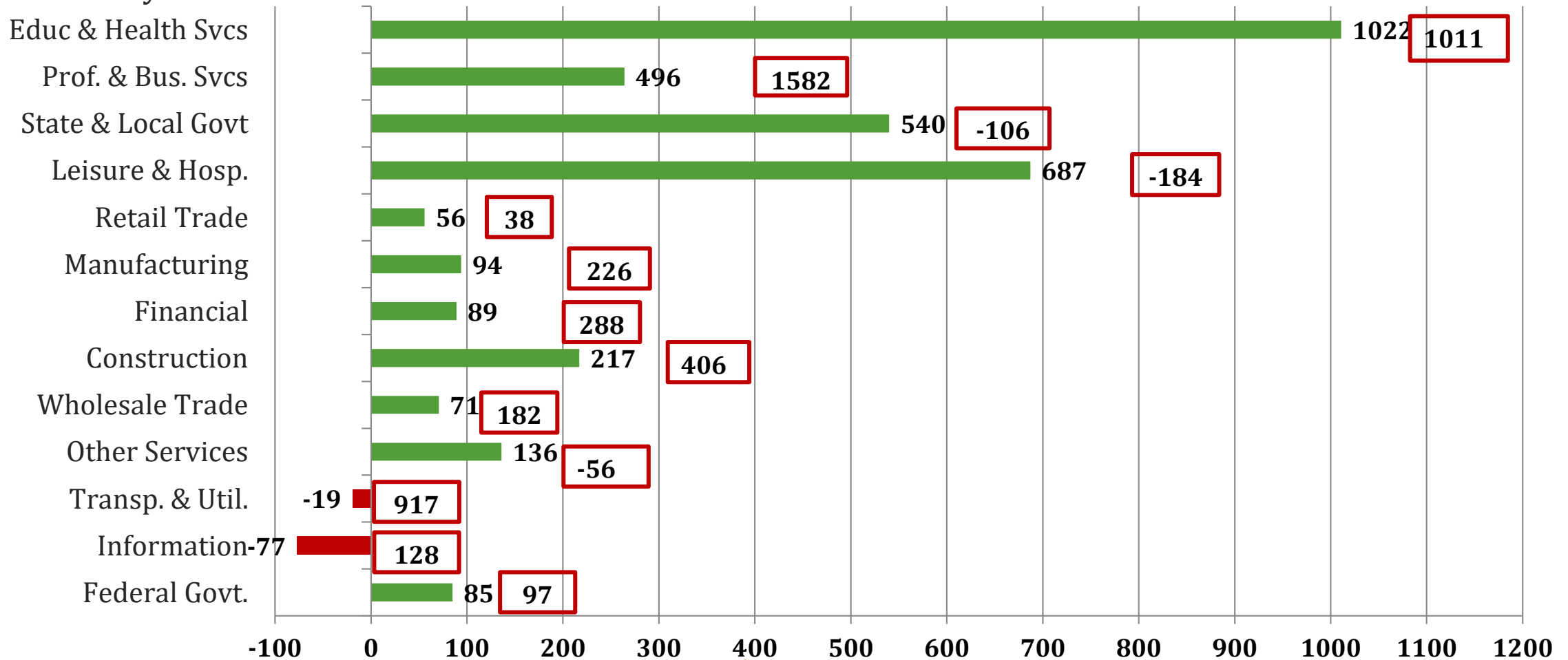
## 12-Month Net Change (Sept 2023)



Ranked by Size in 2019

(000s)

total = 3.2M



Source: Bureau of Labor Statistics (Seasonally Adjusted),  
GMU Center for Regional Analysis



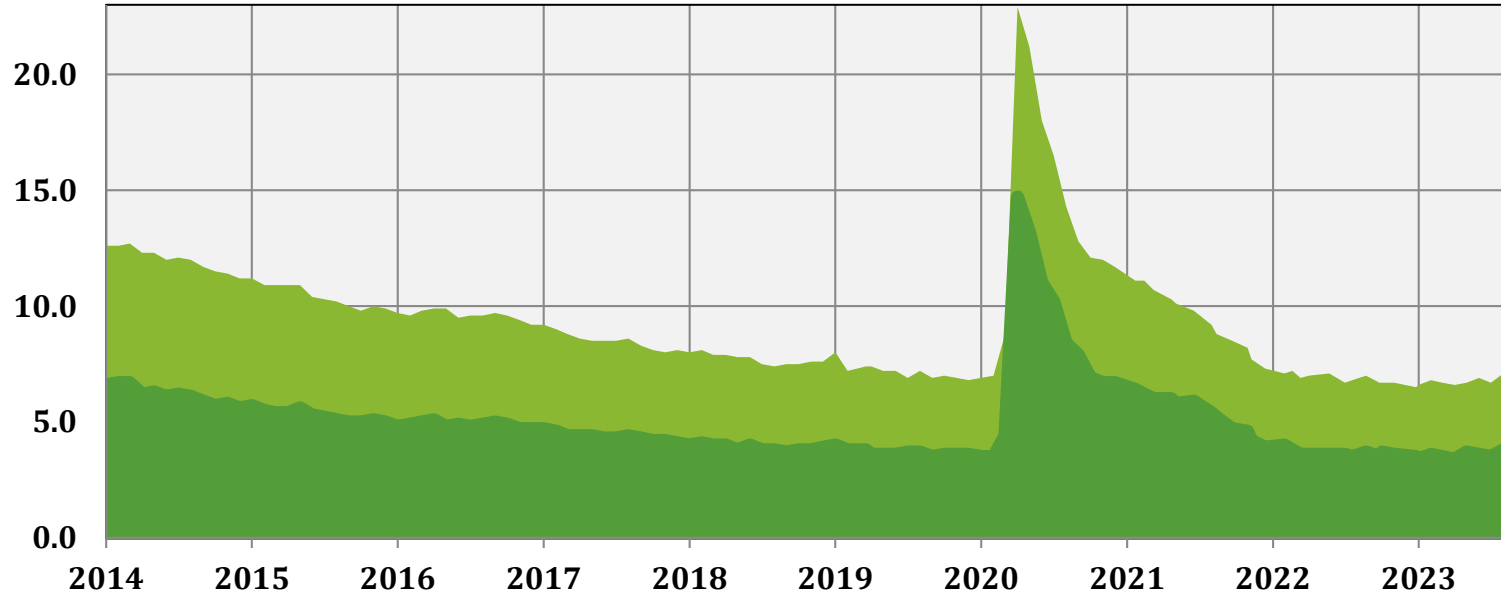


# U. S. Unemployment



U-6

UR



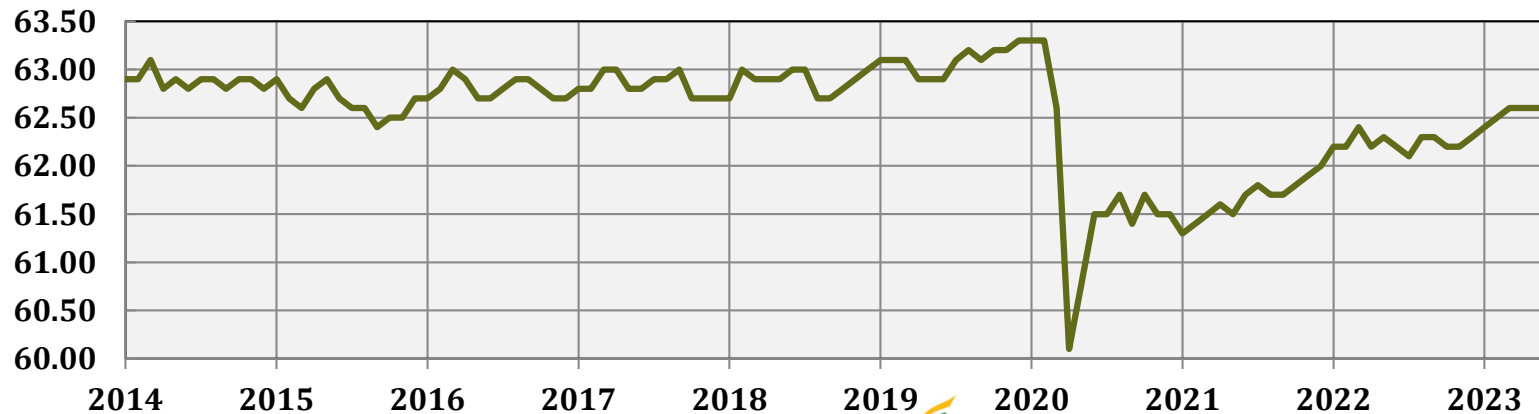
Sept  
7%

Sept  
3.8%

Sept 2022 -  
Sept 2023  
(12-mo.)  
change:

U-6 0.3%  
UR 0.3%  
LFPR 0.5%

LFPR



Sept  
62.8%

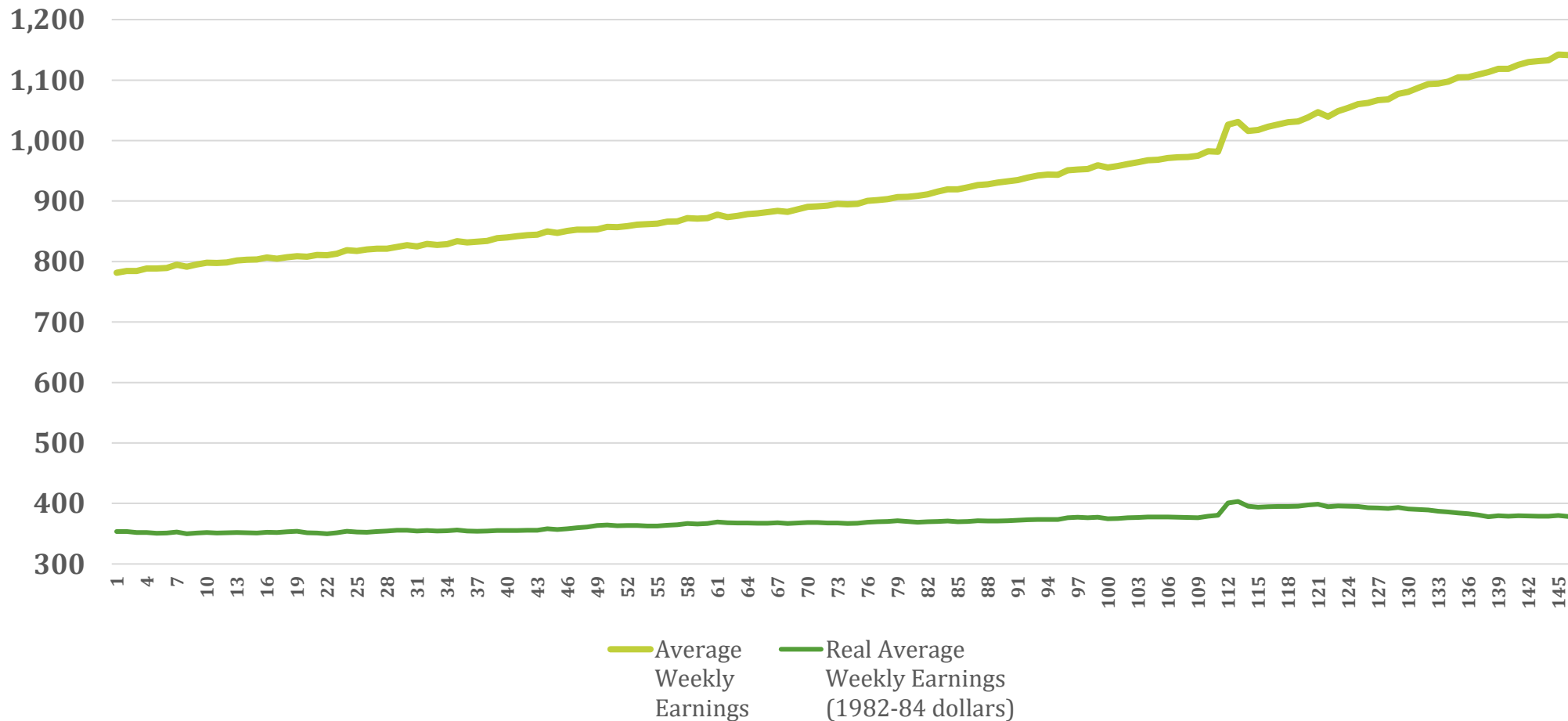
Source: Bureau of Labor Statistics (Seasonally Adjusted),  
GMU Center for Regional Analysis





# Average Weekly Earnings

## U. S., Total Private, Across all Industries



12-month  
% change  
(MOTYC)

Sept 2023

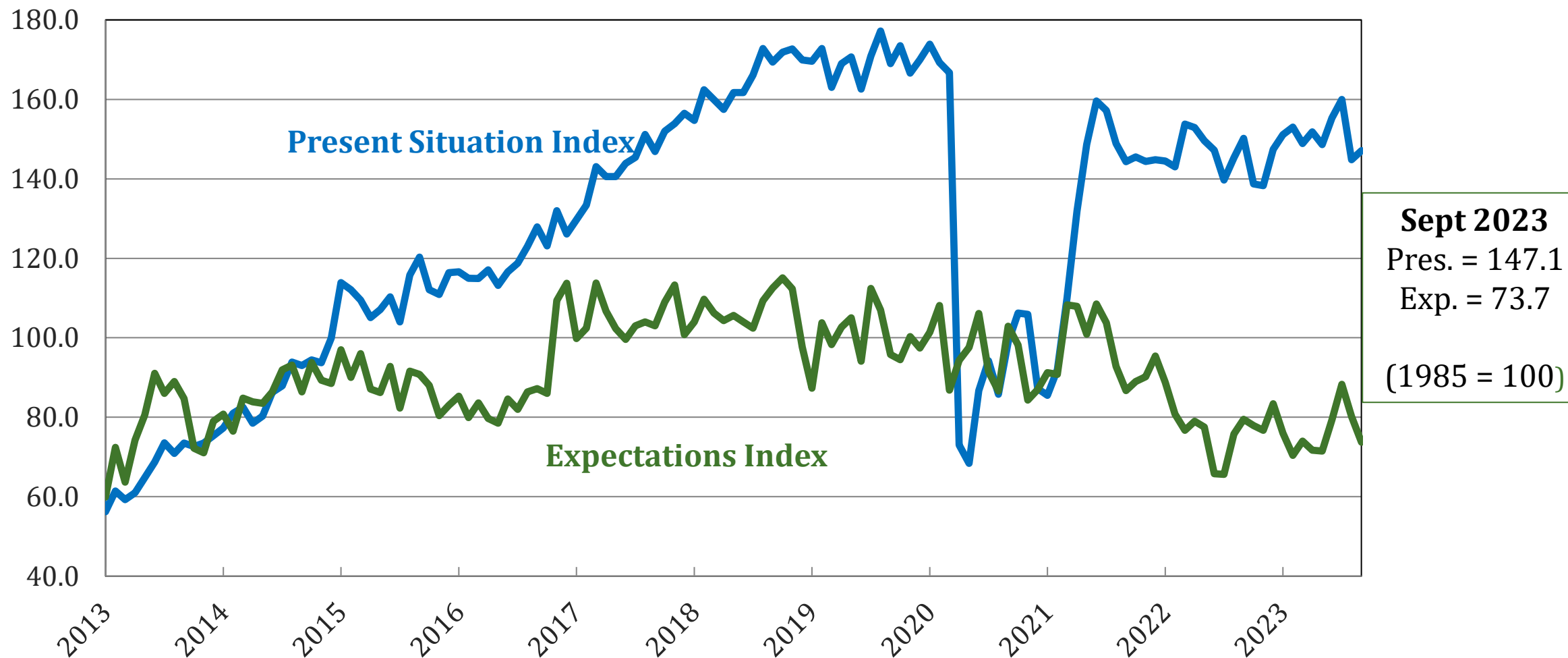
Avg Hourly  
Wages  
+4.2% 

Avg Weekly  
Earnings  
+3.5% 

Real Avg Weekly  
Earnings  
-.01% 



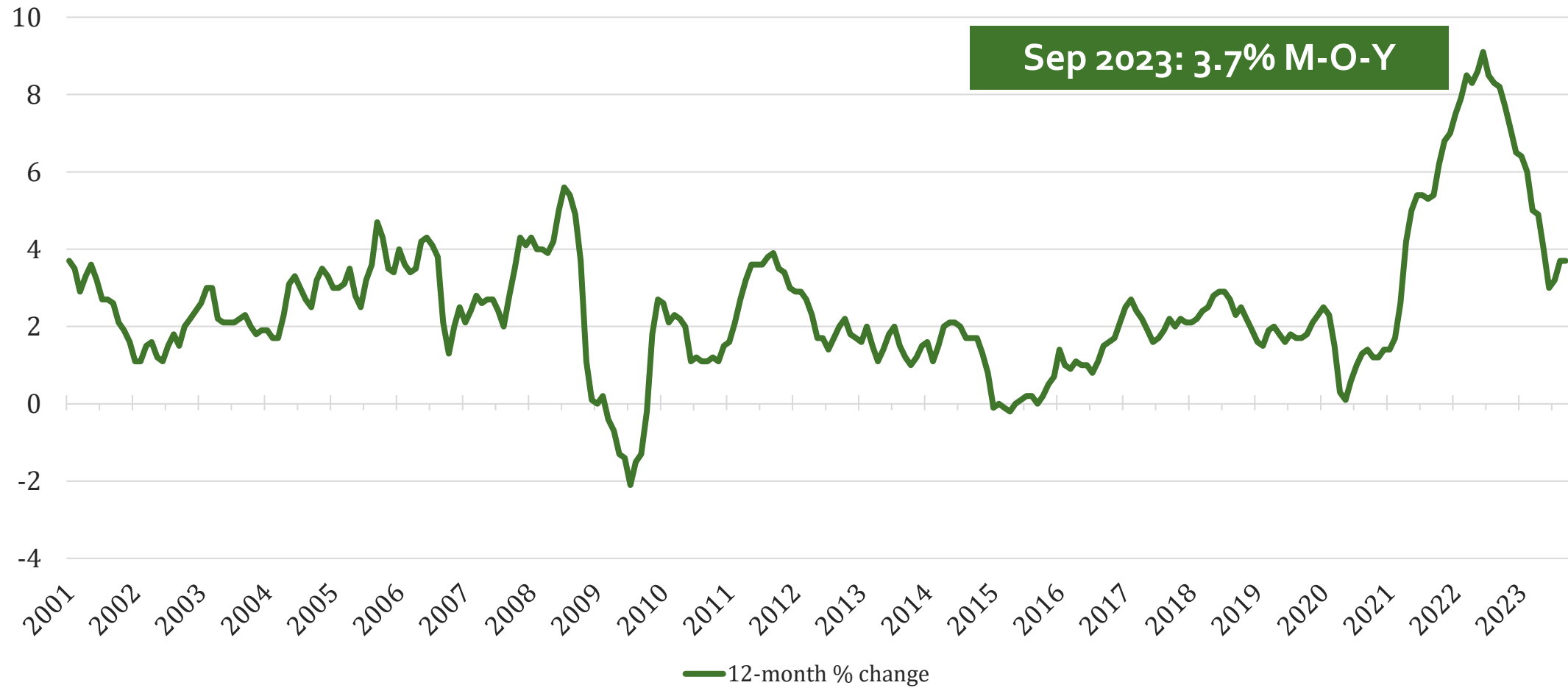
# Consumer Confidence



Source: The Conference Board, GMU Center for Regional Analysis



# Monthly Consumer Prices 2001 - 2023



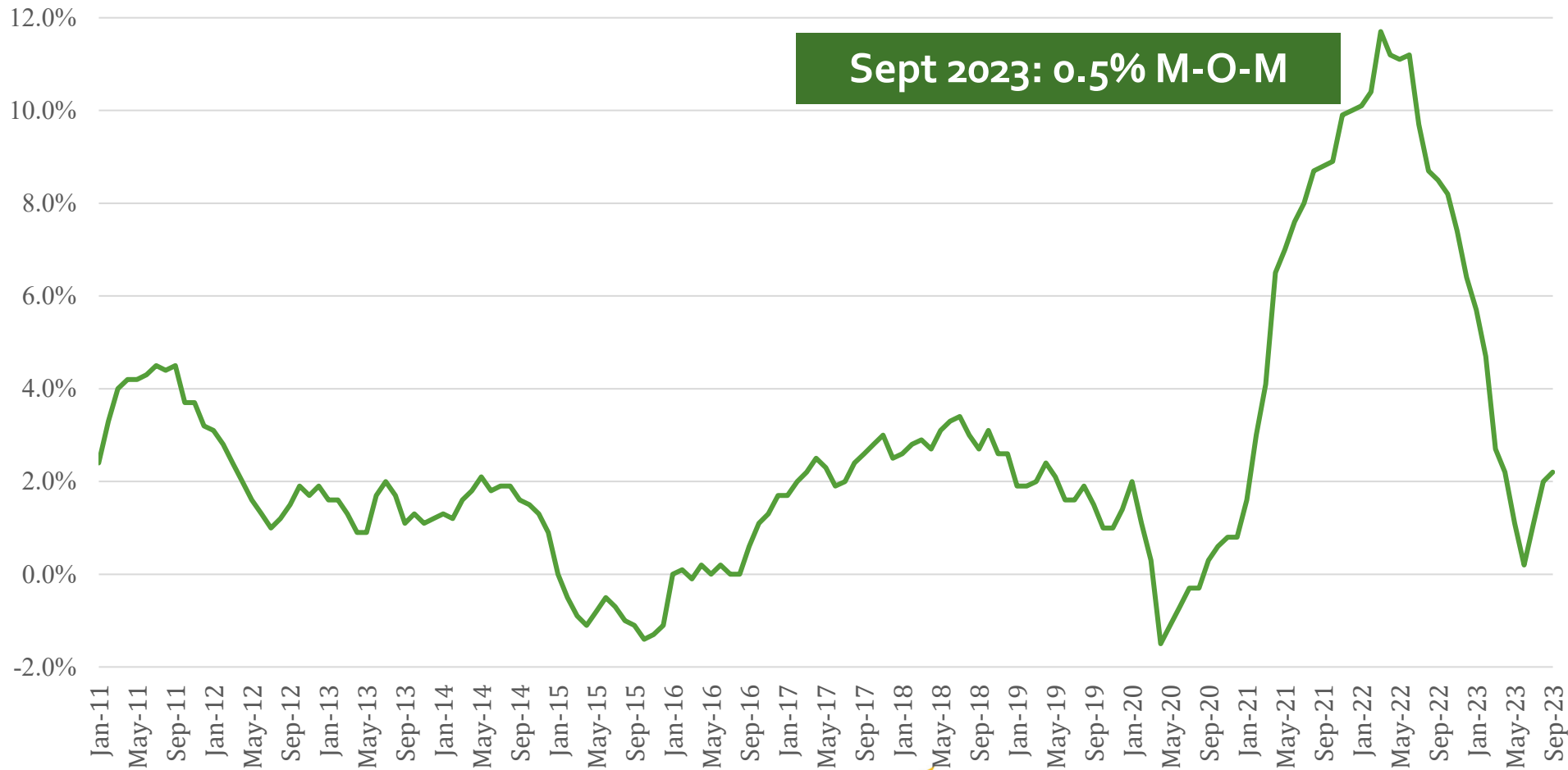
Source: Bureau of Labor Statistics, GMU Center for Regional Analysis





# Producer Price Index

## Change in Final Demand from 12 Months Prior Not Seasonally Adjusted



**Sept 2022-  
Sept 2023  
(12-mo. change)**  
2.2%

**Gasoline**  
1.5%

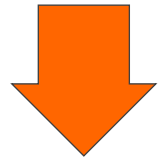
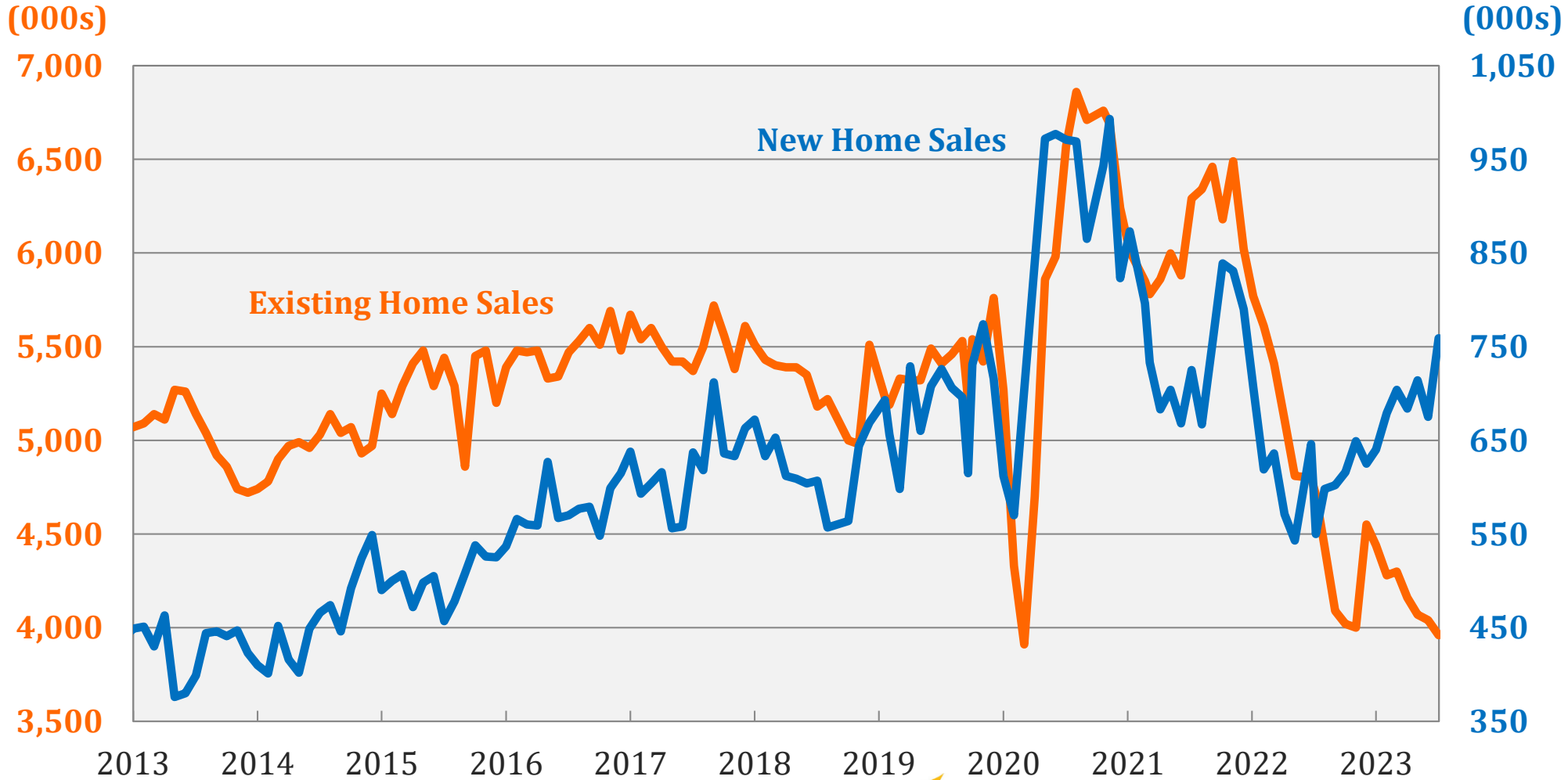
**Services**  
+2.9%

**Peak**  
**March 2022**  
**+11.7%**

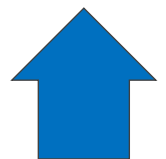


# U. S. Home Sales

## New and Existing (2013-Present)



**Existing Home Sales**  
**12-month change**  
**Sep 22 - Sep 23**  
**-15.4%**



**New Home Sales**  
**12-month change**  
**Sep 22 - Sep 23**  
**34%**

Source: U.S. Census (New Home Sales) [Seasonally Adjusted Annual Rate], National Association of Realtors (Existing Home Sales)

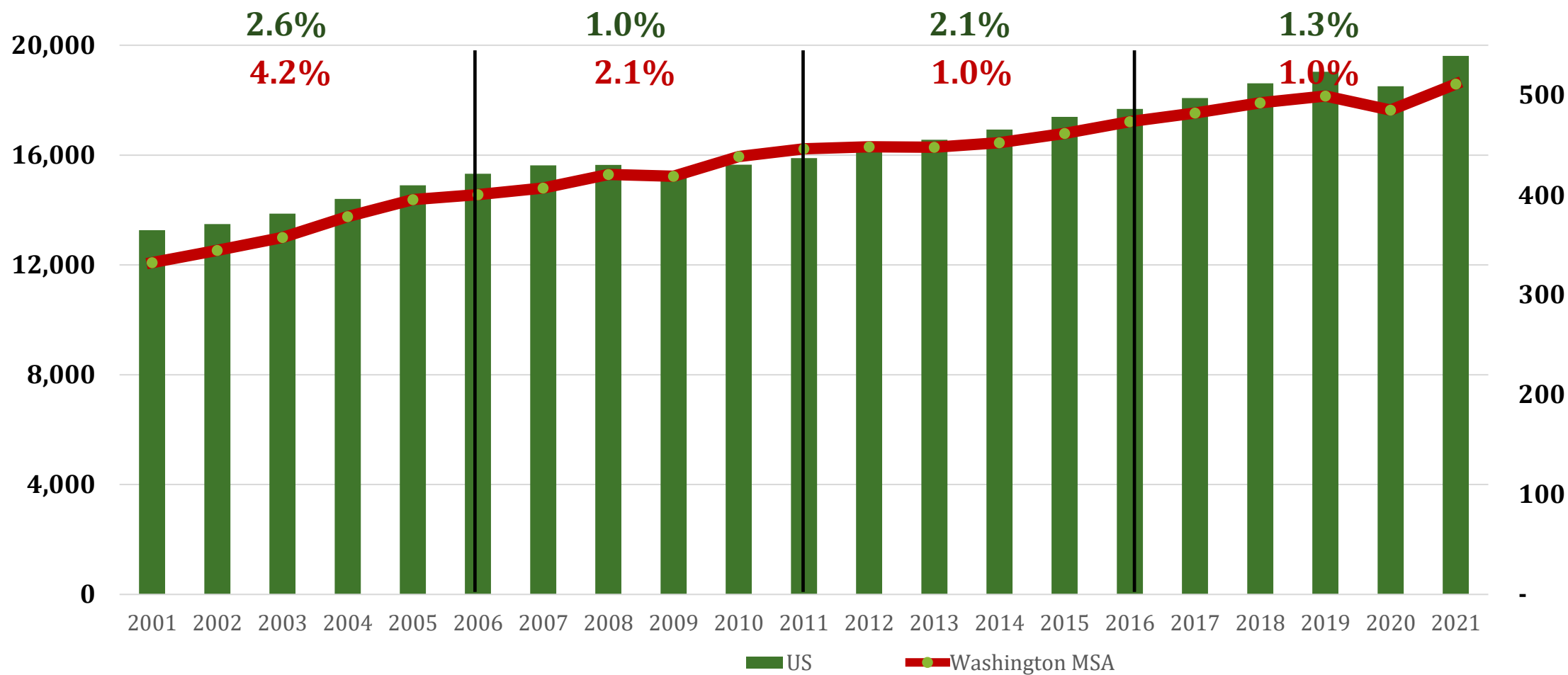




# The Washington Economy



# Gross Domestic Product: U.S. & Washington MSA 2001 - 2021 (Billions of 2012 \$s)



Source: Bureau of Economic Analysis (Seasonally Adjusted, Chained 2012 Dollars),  
GMU Center for Regional Analysis

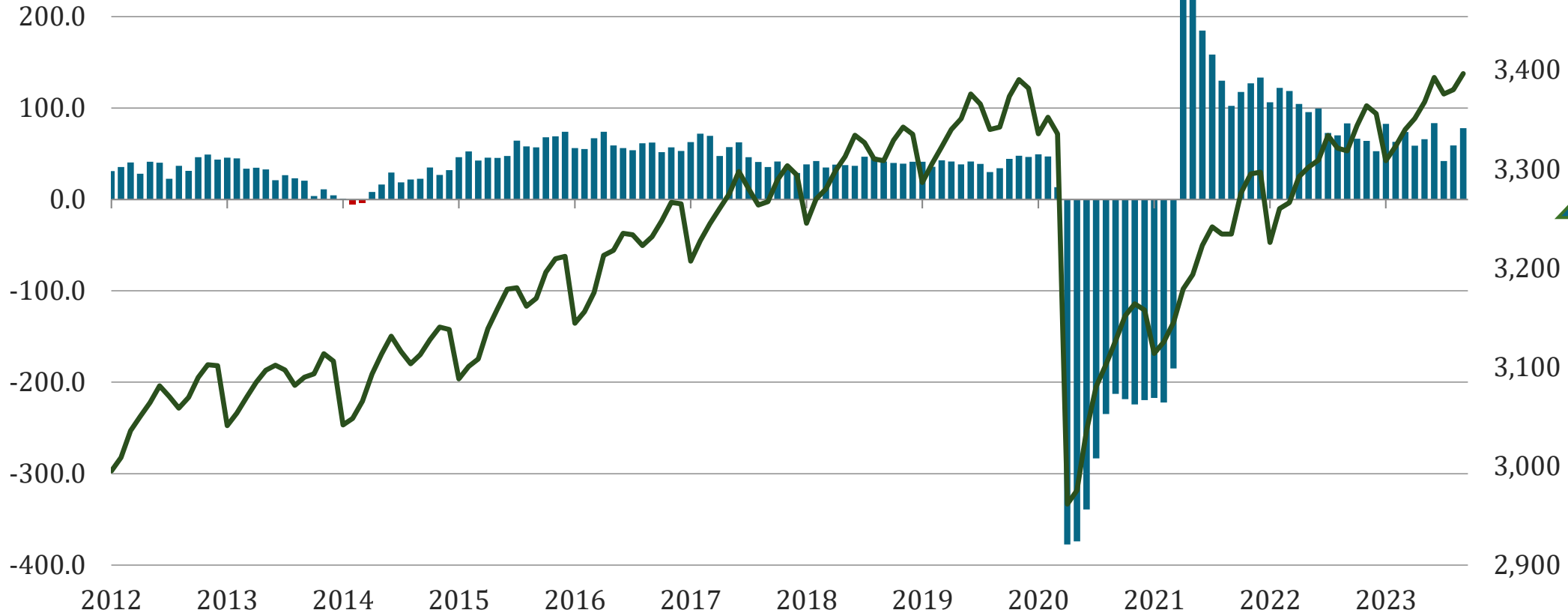




# Annual Job Change Washington MSA (2012-2023)

thousands

thousands  
3,500



Sep 22  
-  
Sep 23  
**78k**

**Sep 2023  
Total: 3.4M**

■ 12-month net change    — total employees

Source: Bureau of Labor Statistics (Not Seasonally Adjusted),  
GMU Center for Regional Analysis





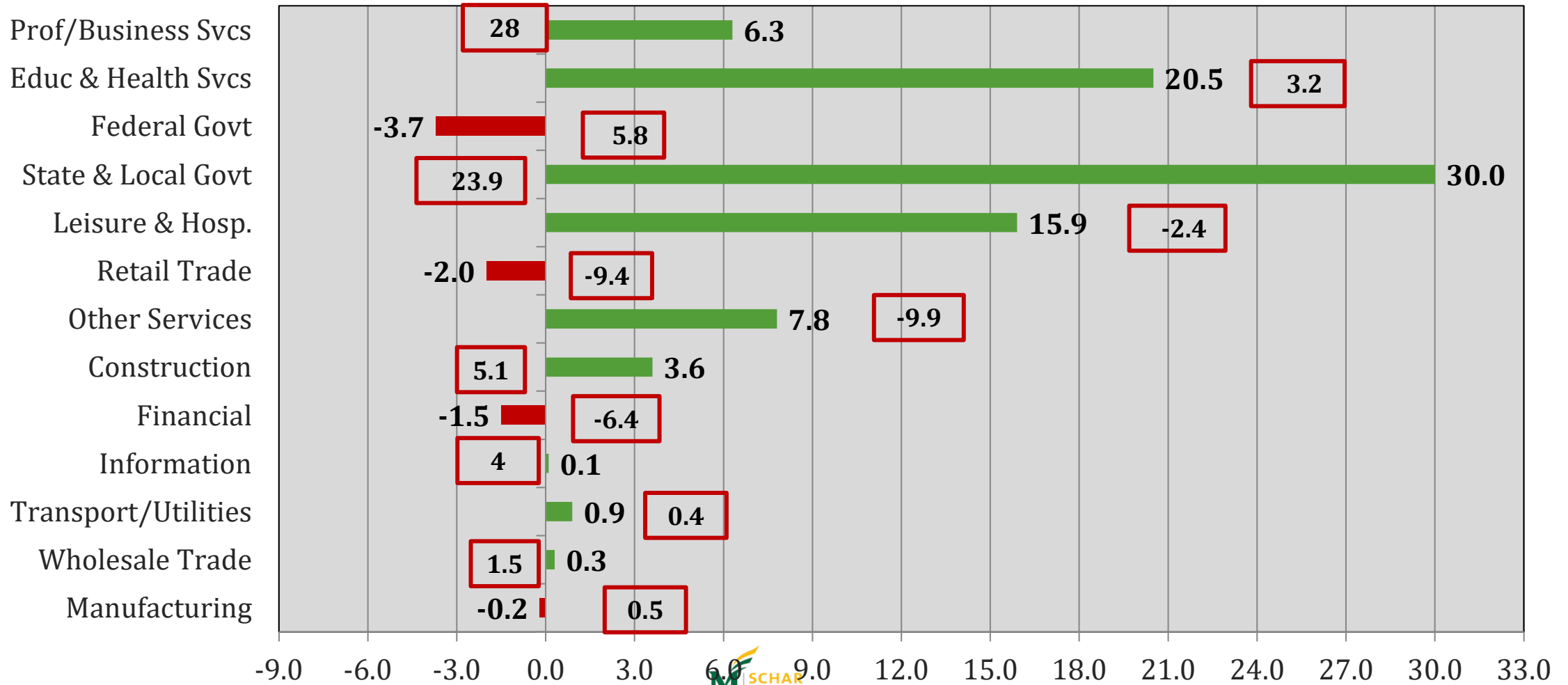
# Job Change by Sector Washington MSA

Sep 2022 – Sep 2023

(Ranked by Size in 2019)

(000s)

Total = 78k

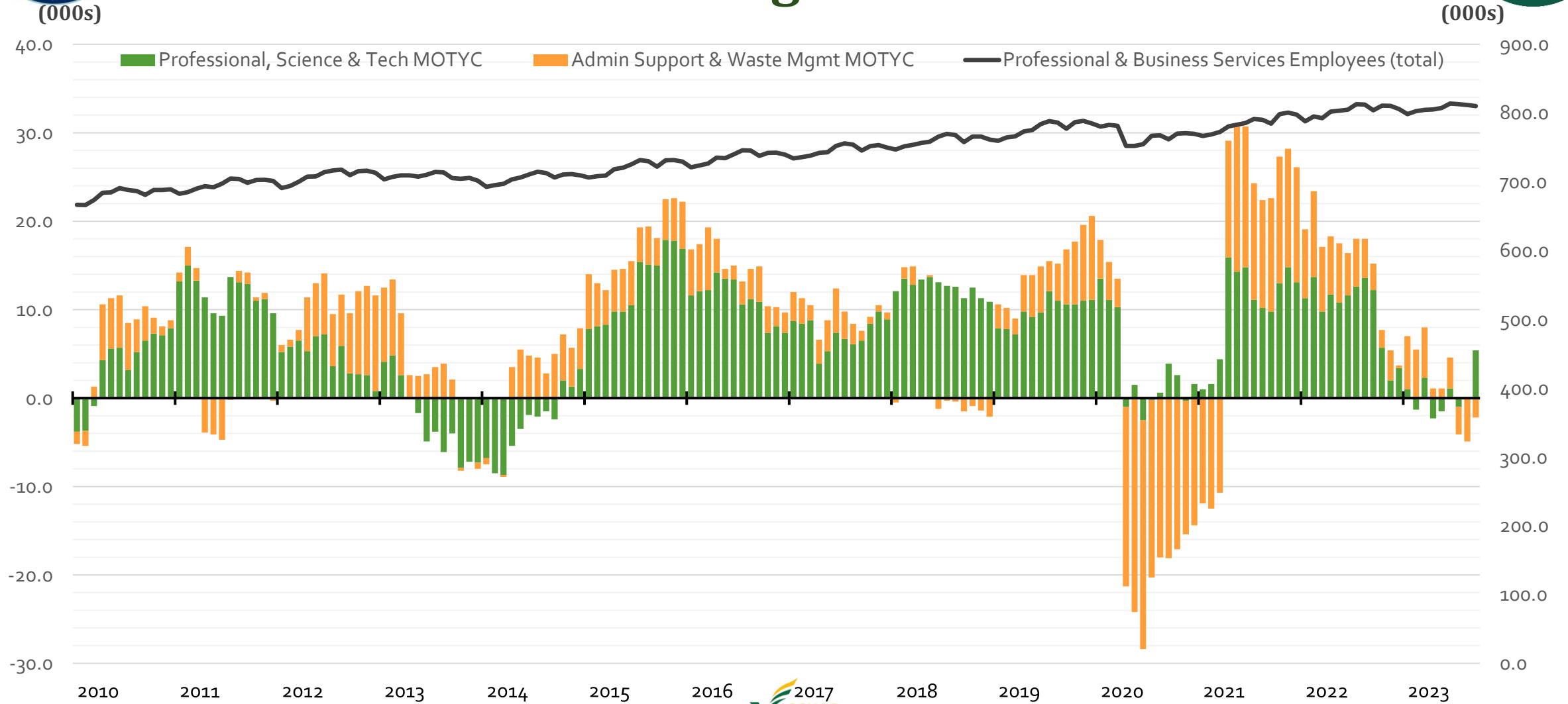


Source: Bureau of Labor Statistics (Not Seasonally Adjusted),





# Professional & Business Services Washington MSA



Source: Bureau of Labor Statistics (Not Seasonally Adjusted)

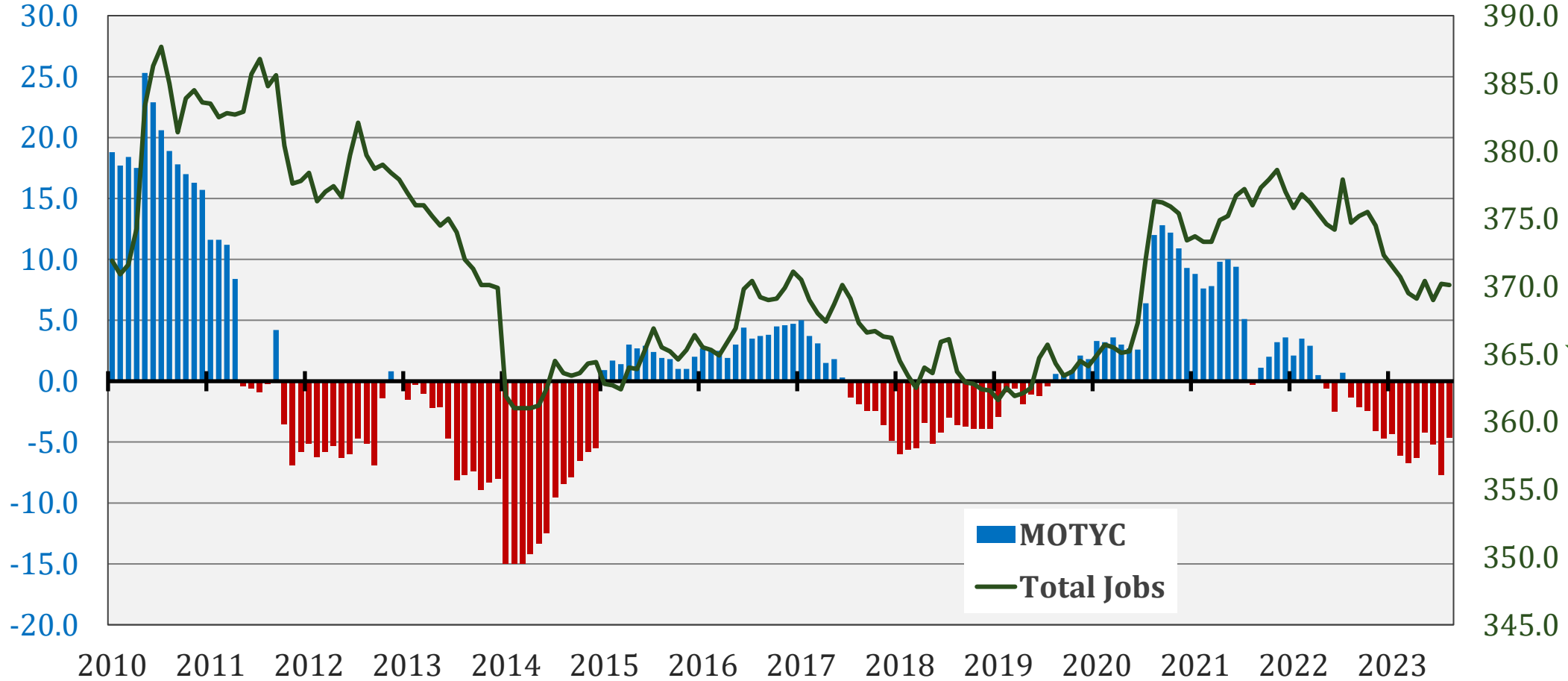




# Federal Government Washington MSA

(000s)

(000s)



Sep 22  
-  
Sep 23  
-3.7 k

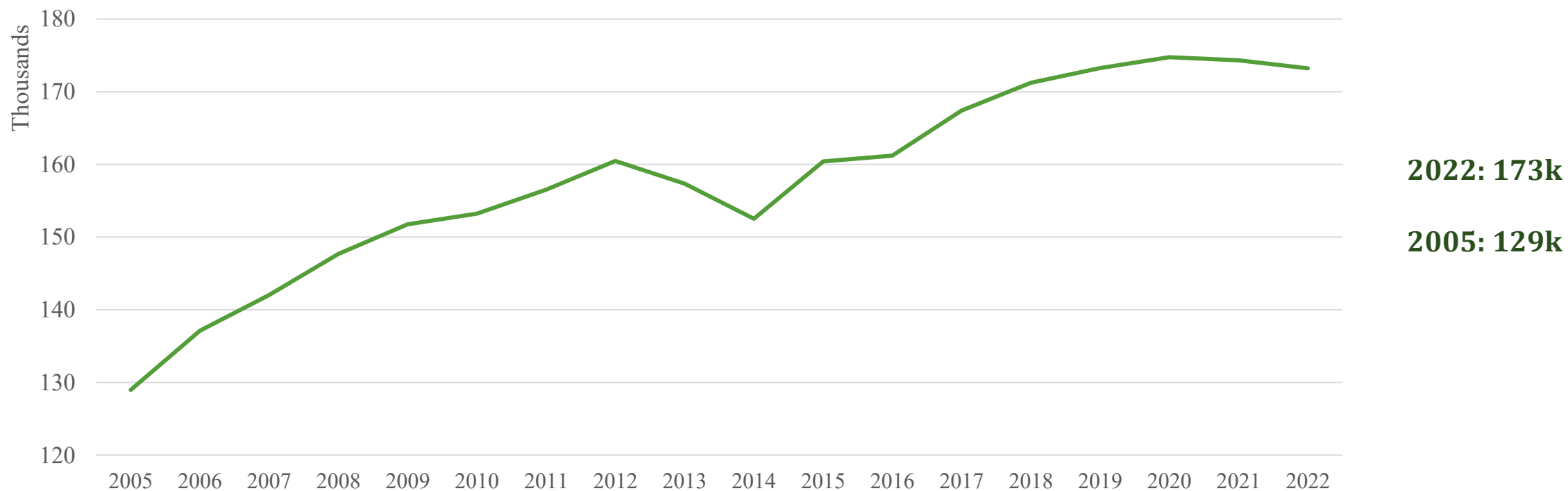
Sep 2023  
Total: 372k

Source: Bureau of Labor Statistics (Not Seasonally Adjusted),  
GMU Center for Regional Analysis





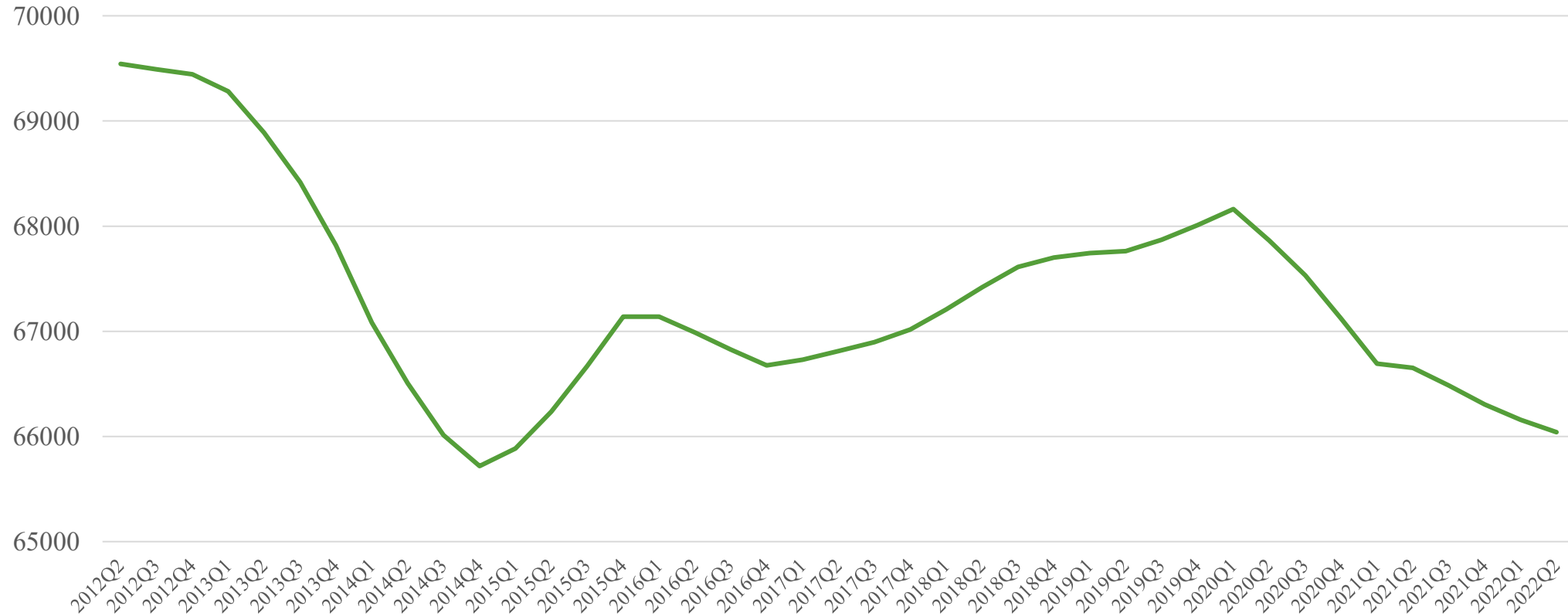
## Computer systems design and related services Washington MSA



Source: Bureau of Labor Statistics, GMU Center for Regional Analysis



# Cyber Security Employment Washington MSA



**Q2 2022**  
**66.0k**

**Q2 2012**  
**69.5k**

Source: JobsEQ, GMU Center for Regional Analysis





# Federal Spending in the Washington Core Area

## Fiscal Years 1980-2023

(\$ Billions)

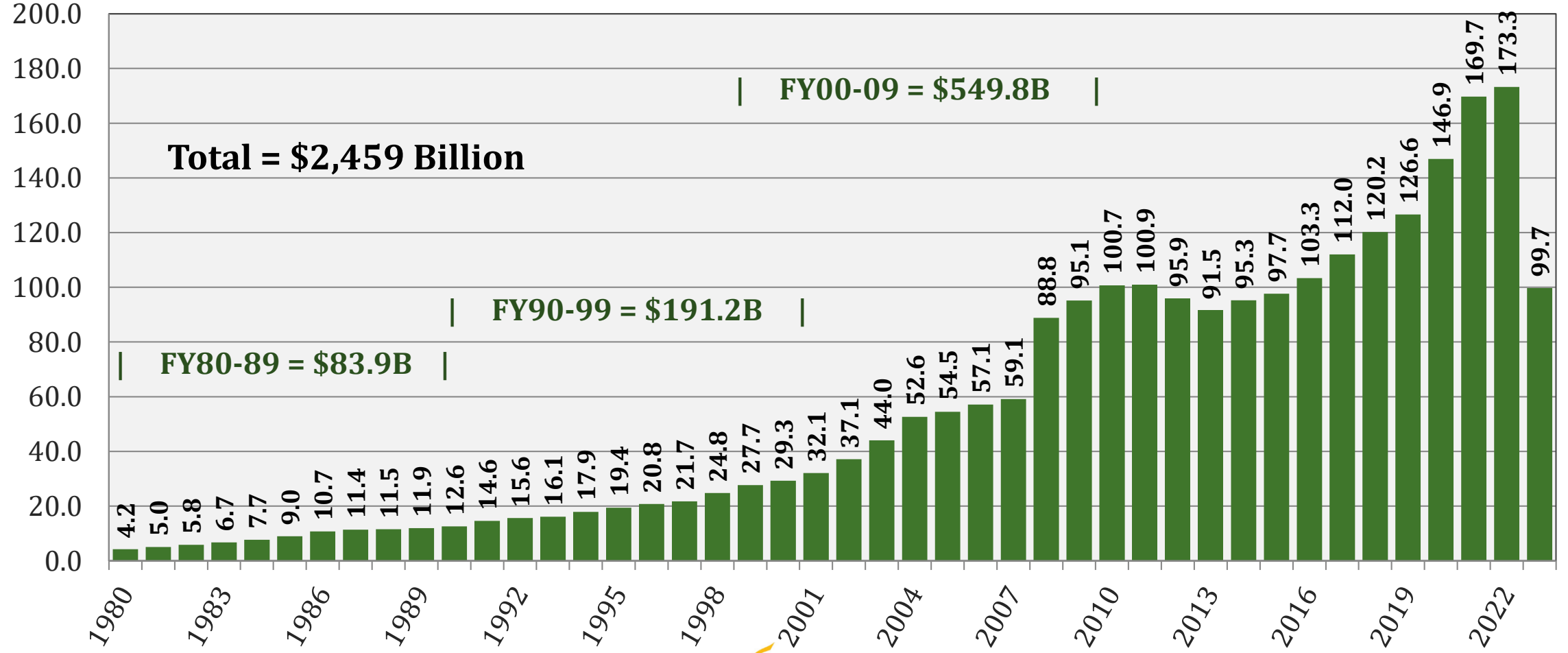
| FY10-20 = \$1191B |

| FY00-09 = \$549.8B |

**Total = \$2,459 Billion**

| FY90-99 = \$191.2B |

| FY80-89 = \$83.9B |

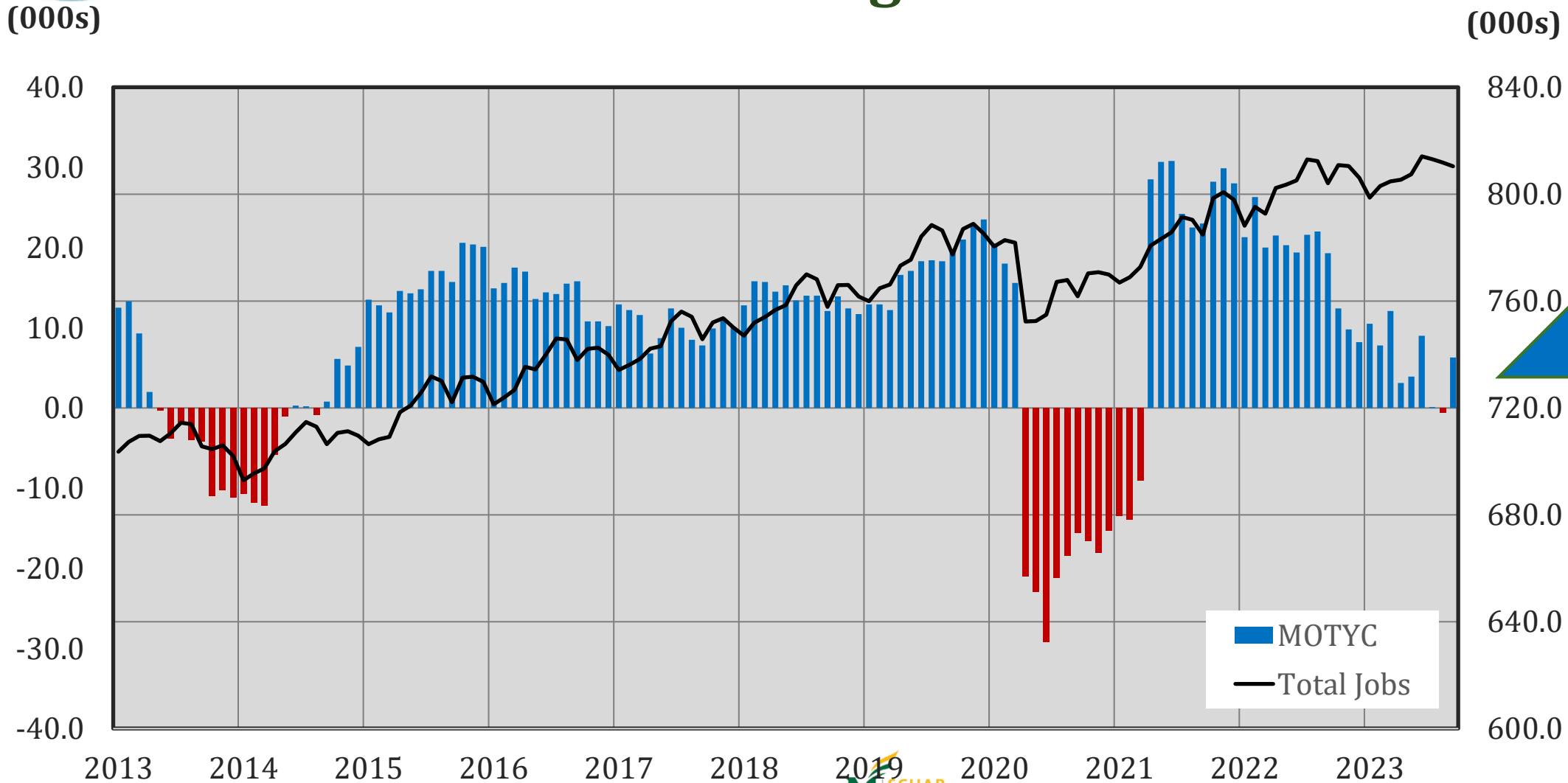


Source: USAspending.gov





# Professional & Business Services Washington MSA

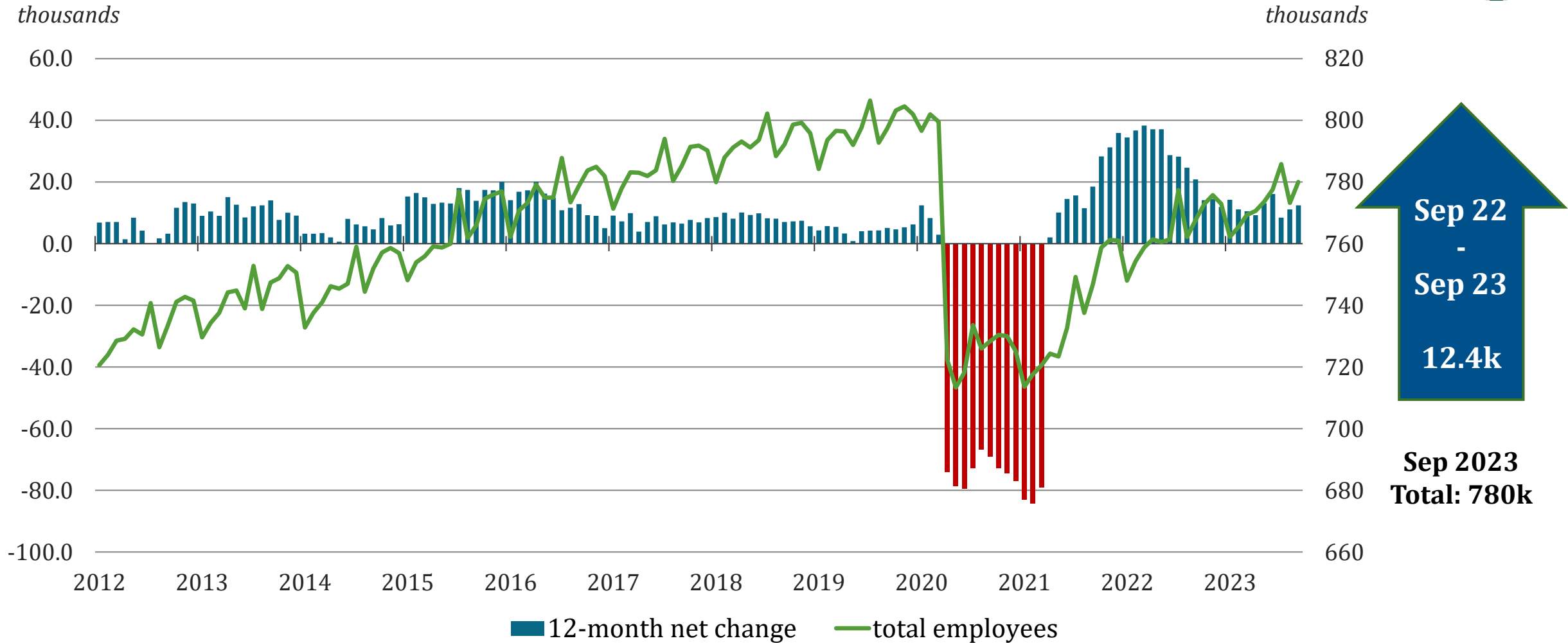


Source: Bureau of Labor Statistics (Not Seasonally Adjusted)



# Annual Job Change

## District of Columbia (2012-2023)

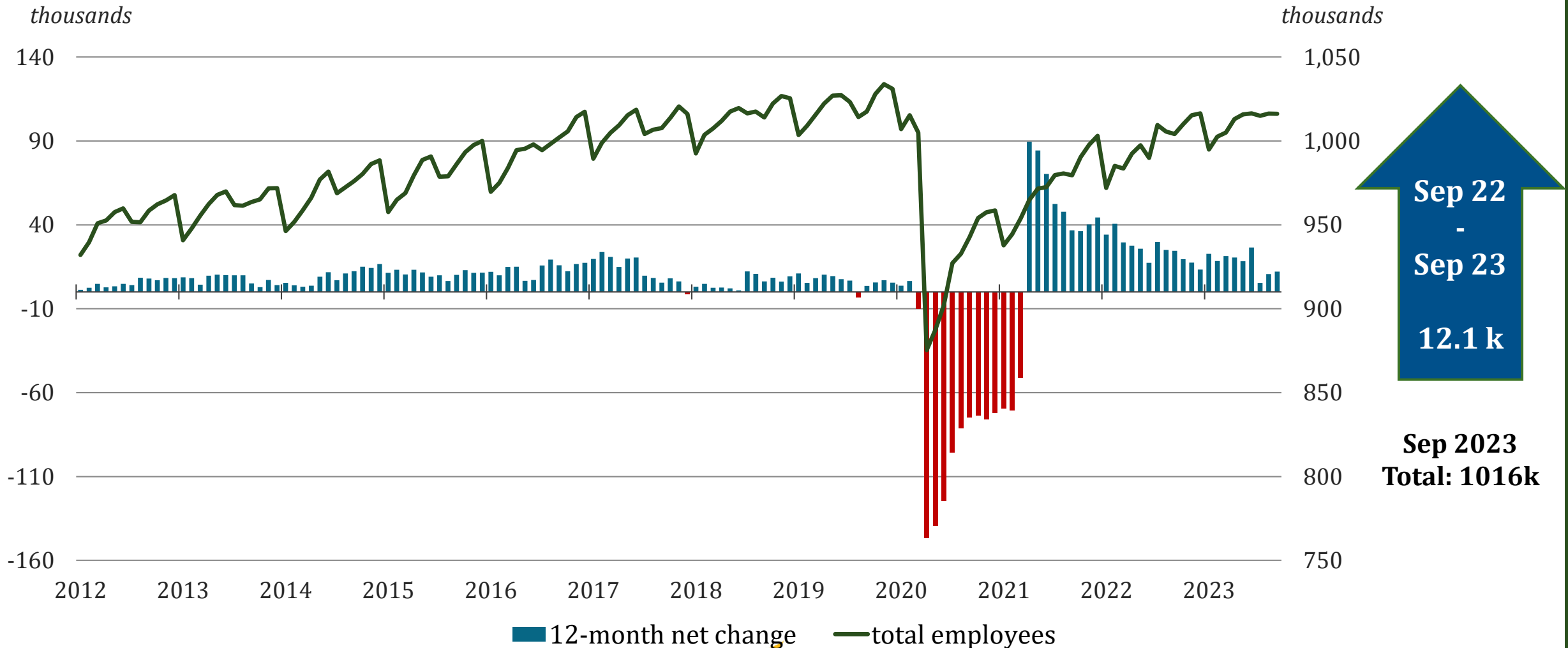


Source: Bureau of Labor Statistics (Not Seasonally Adjusted),  
GMU Center for Regional Analysis





# Annual Job Change Suburban Maryland (2012-2023)



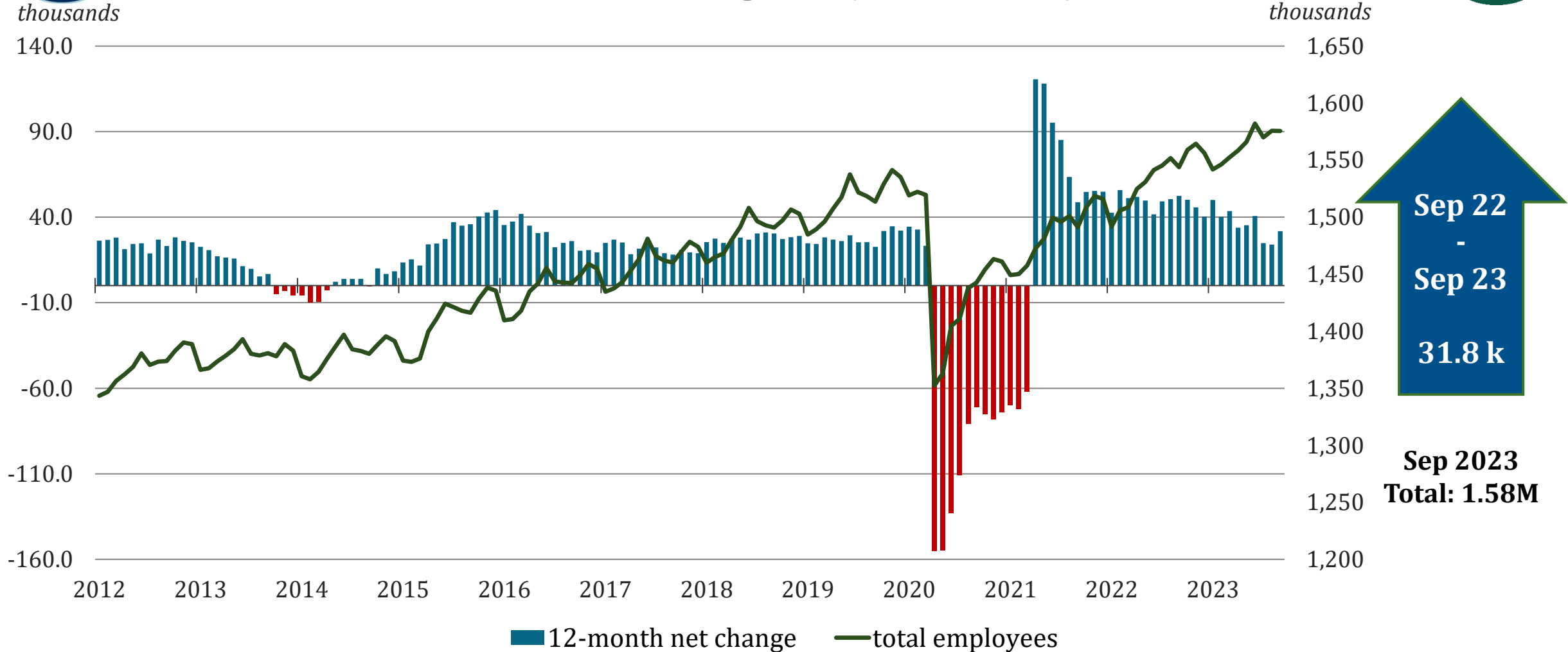
Source: Bureau of Labor Statistics (Not Seasonally Adjusted),  
GMU Center for Regional Analysis





# Annual Job Change

## Northern Virginia (2012-2023)

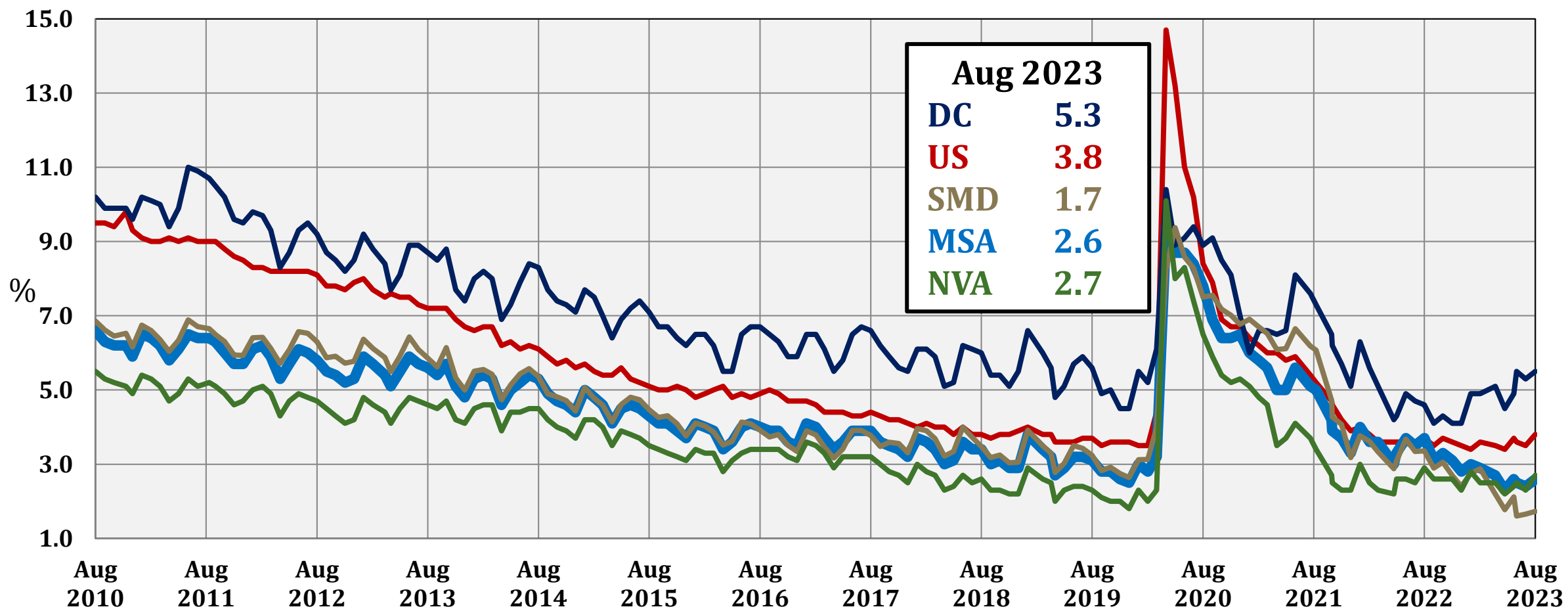


Source: Bureau of Labor Statistics (Not Seasonally Adjusted),  
GMU Center for Regional Analysis





# Unemployment Rates in the WMSA By Sub-State Area

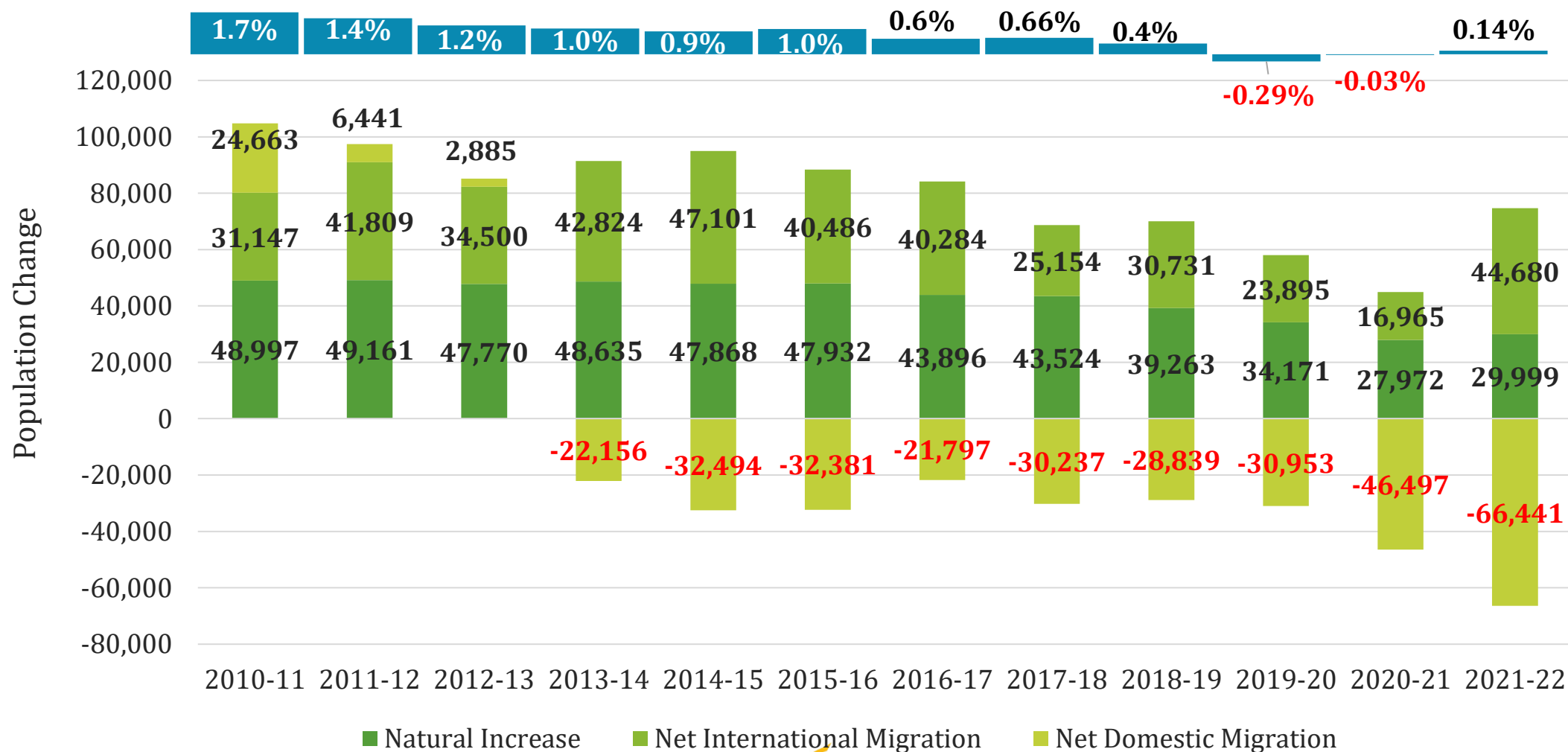


Source: Bureau of Labor Statistics (Region - Not Seasonally Adjusted, US - Seasonally Adjusted)





# Elements of Population Change Washington MSA

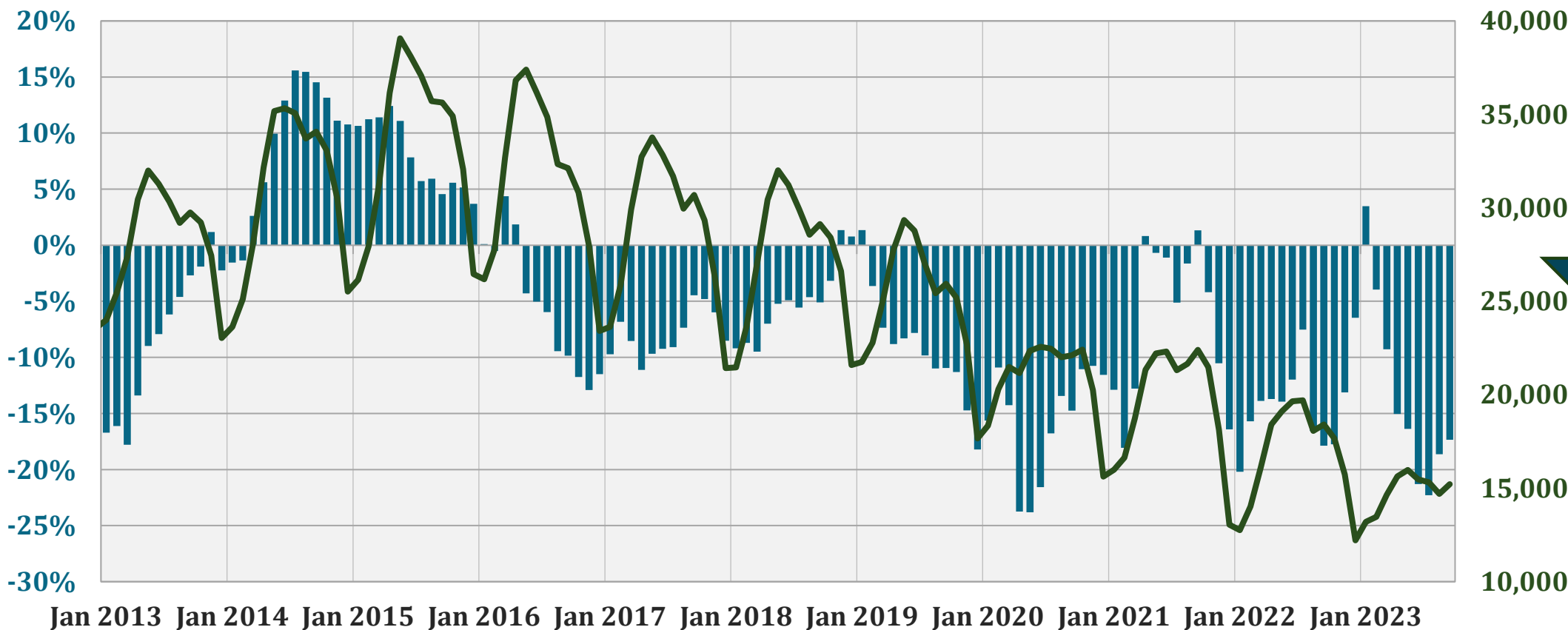


Source: U. S. Census Bureau, Population Estimates Program





# Inventories of Existing Homes Washington MSA MOTYC (2013-2023)



Sep 22  
-  
Sep 23  
-17.4%

**EOM inventory**

Sep 2022  
18,403 units

Sept 2023  
15,209 units

■ 12-Month % Change    — End of Month Inventory

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)

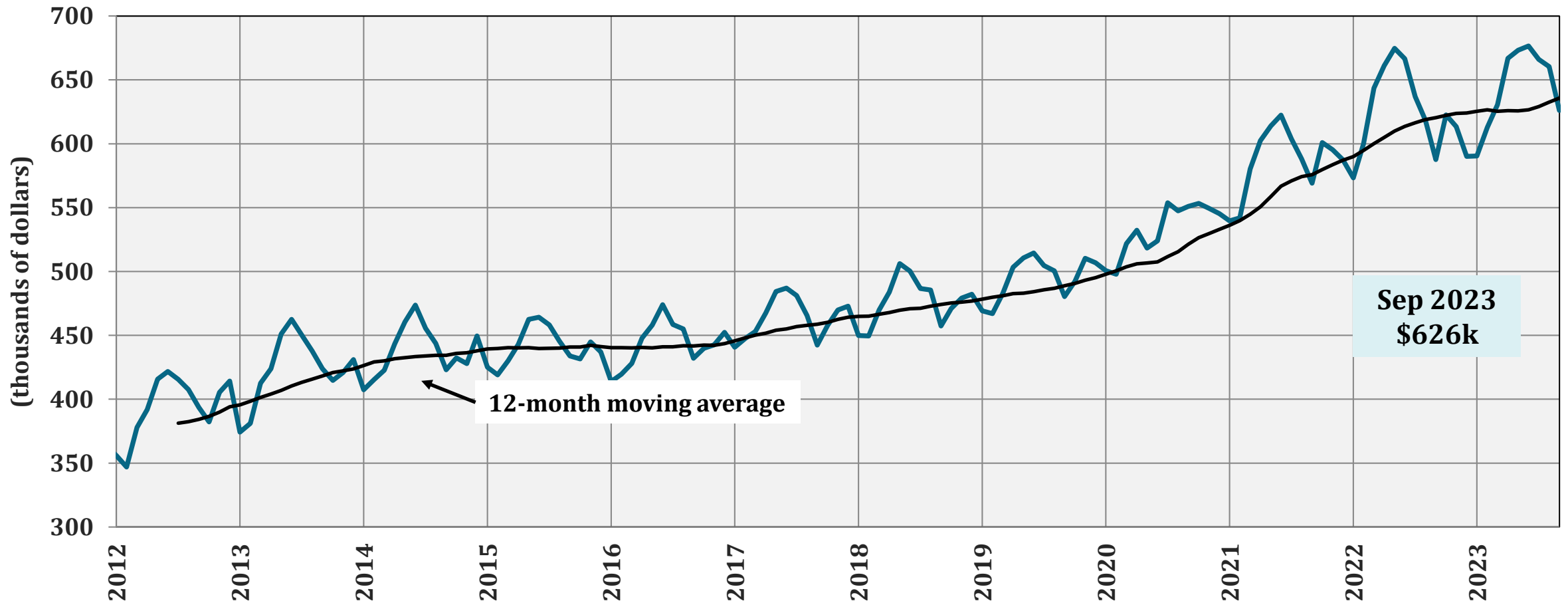


**Note:** End of month inventory includes: (1) All Pending Listings and (2) Active Listings.



# Average Home Sales Price

## Washington MSA



Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)

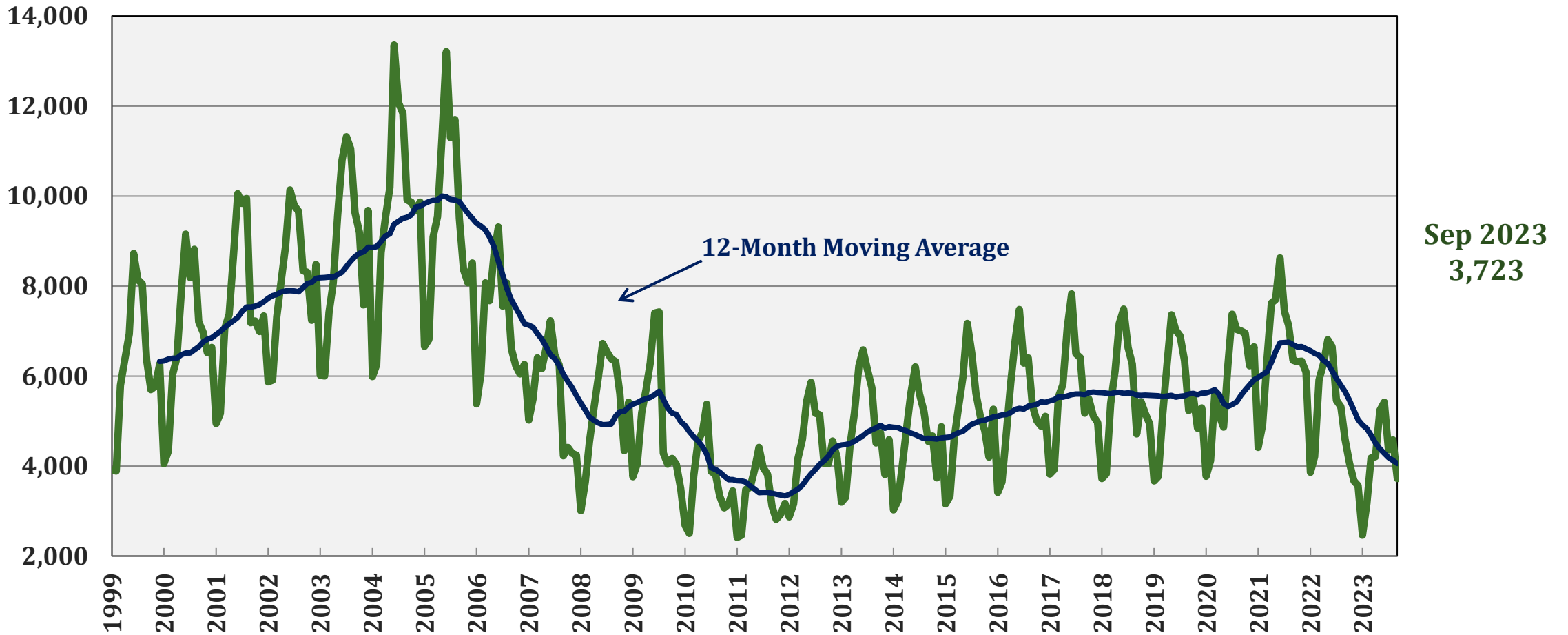




# Existing Home Sales

## Washington MSA (DC Metro Region)

### Jan 1999 – Sep 2023



Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)





# Outlook for 2024



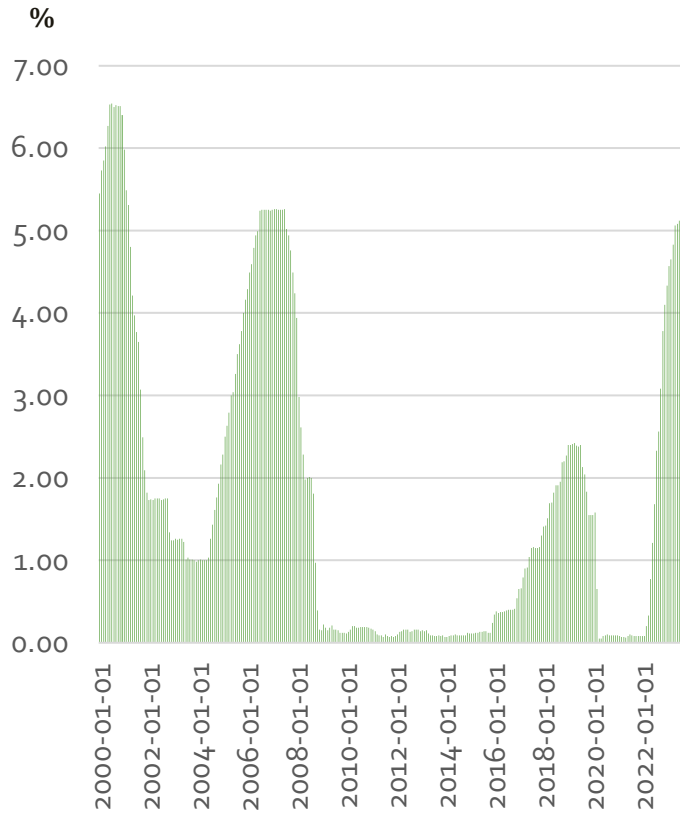
# What Makes This Hard

- Federal Spending is Increasing
  - Sparking growth in favored sectors
- Productivity is rising again
- Consumer spending remains elevated
- Congress is functional (?)
- We are proving, again, to be the best in the world with productivity enhancing technologies
- Inflation is coming down
- Inflation above target
- Managing hybrid long term
- Federal debt and servicing that debt
- Consumer debt/cost of borrowing
- CRE / Business Lending
- Banking regulations
- Corporate profits stressed
- Multi-theater wars
- Local government finances



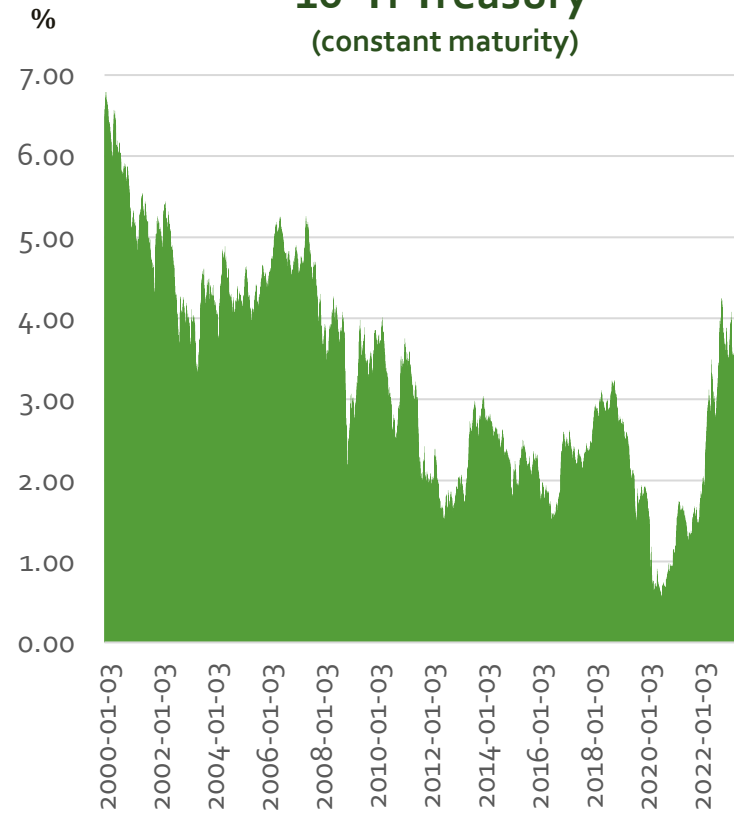
# Interest Rates 2000 - 2023

## Fed Funds



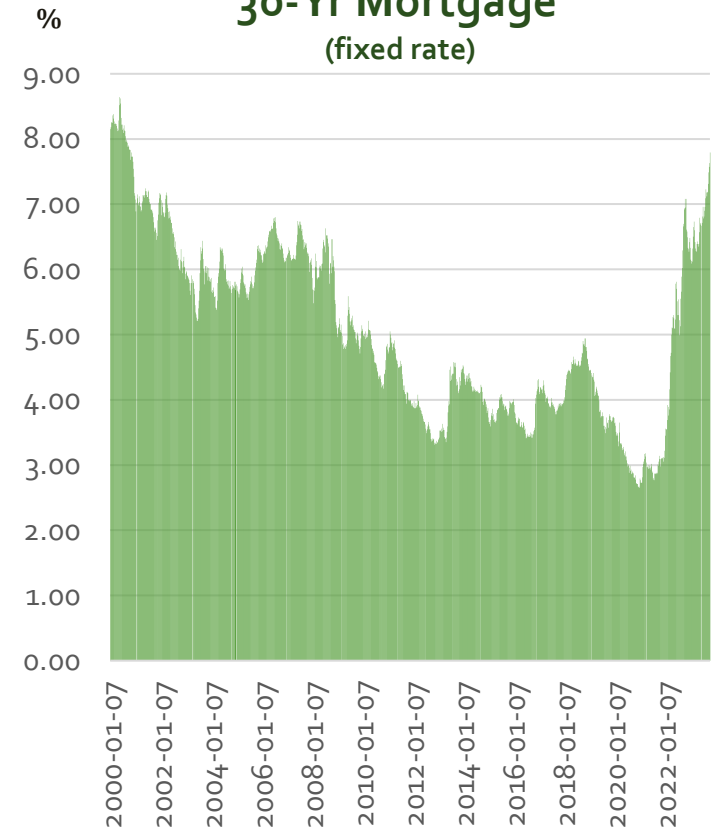
10/23: 5.33 08/22: 2.33

## 10-Yr Treasury (constant maturity)



09/23: 4.38 08/22: 2.9

## 30-Yr Mortgage (fixed rate)

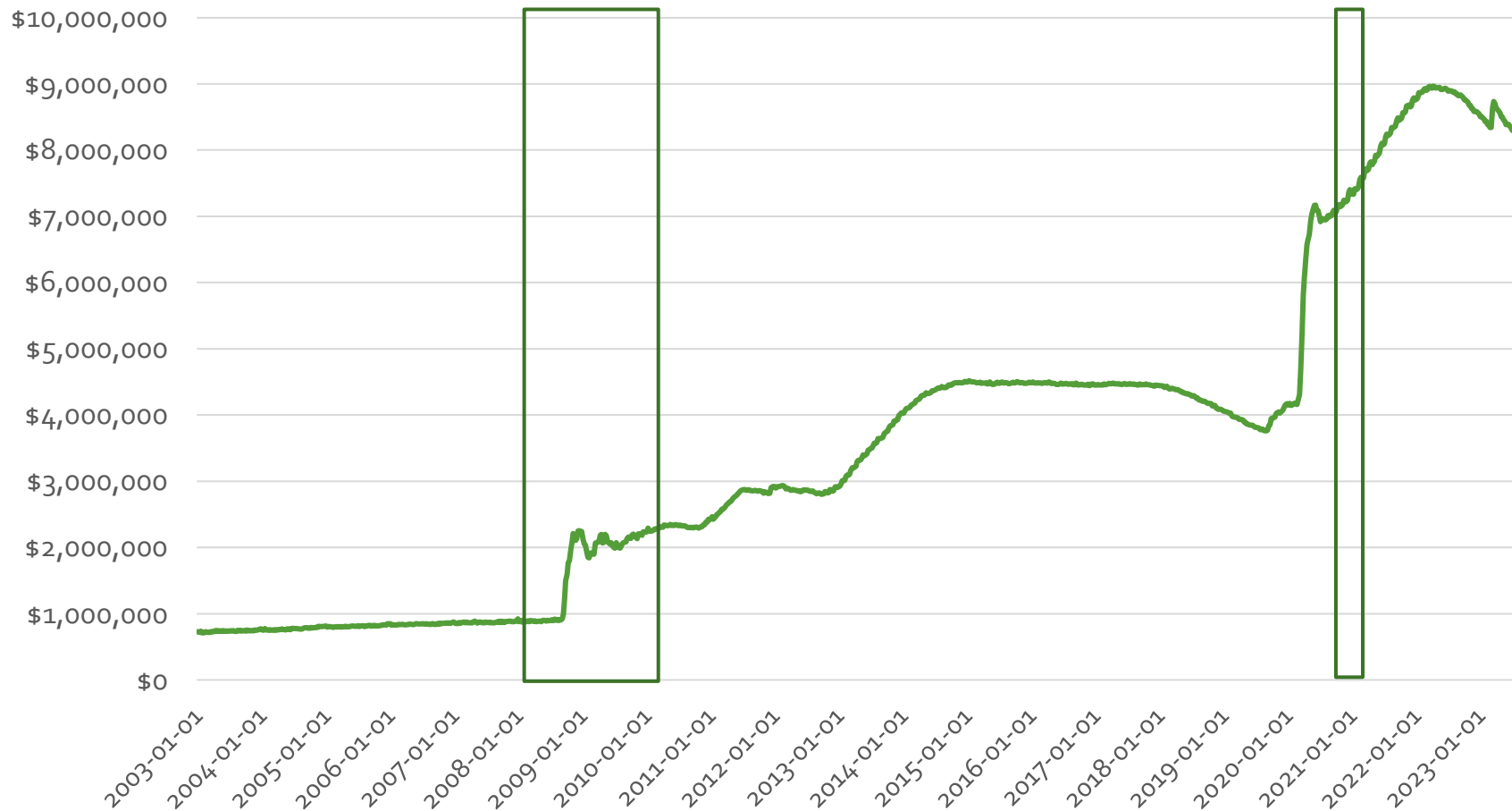


10/26/23: 7.79 8/21: 1.28



# Federal Reserve Total Assets

Weekly, NSA  
Millions \$

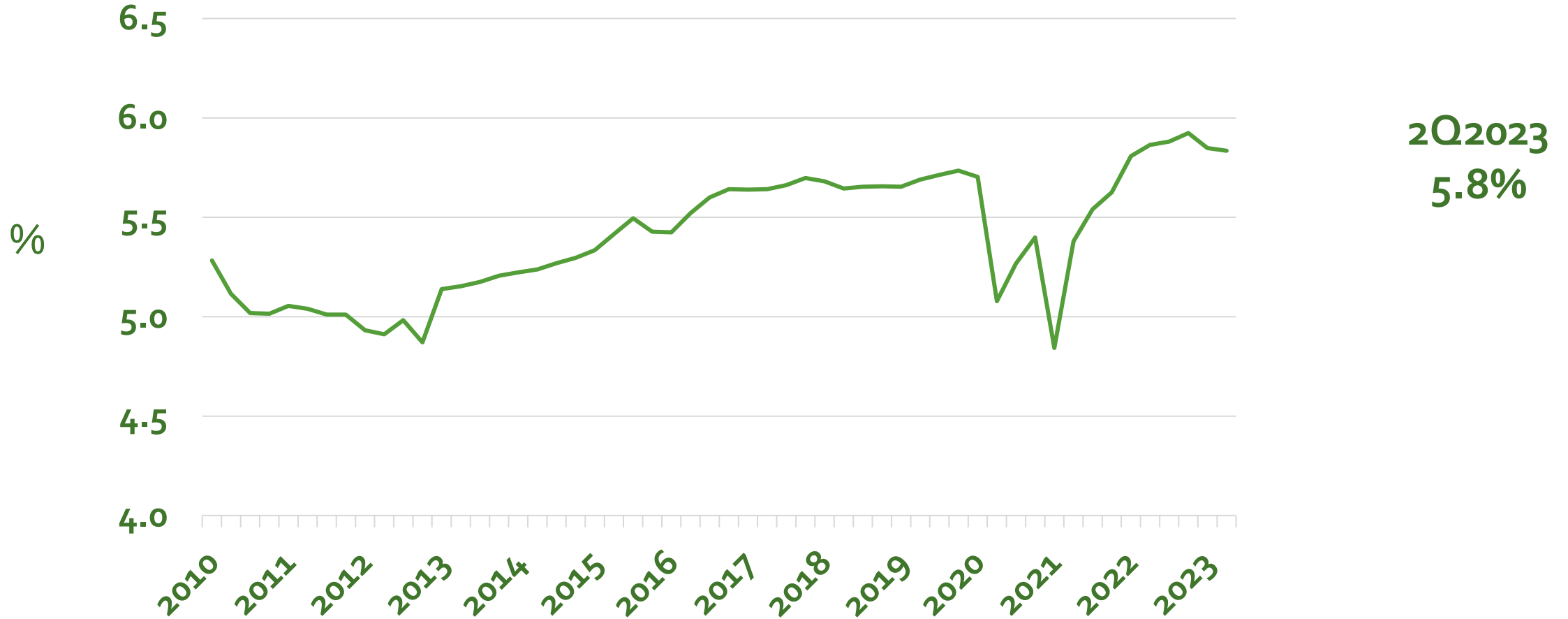


Week  
Oct 25, 2023  
\$7,907,830

Week  
Oct 26, 2022  
\$8,723,090



# Consumer Debt Service Payments % of Disposable Personal Income



Source: Federal Reserve





# U.S. 2024 Outlook

- Banking lending
  - Interest rate impacts on business expansion
  - Tighter regulation of reserves?
- Consumer spending slows
  - Pandemic saving gone for middle and lower income households
  - Inflation still biting
  - New homeowners
- Total US Jobs
  - **Net positive for the year: Up 1.5M**
  - Gap between labor demand and supply narrows
- Stock Market
  - Unimpressive gains
  - Volatility in earnings reports and prices
- Private development pushed out by public investment
- Stagnation in Ukraine and the Middle East
- **GDP up 1.9%**
  - Slow growth
  - Maybe one quarter negative
  - Not likely recession



# Washington, DC Metro Outlook

- Federal Spending past peak
  - Still robust
- Consumer spending
  - Retail on downward trend
- Congress is functional (?)
  - Federal shutdown
  - Sub regional effects of spending priorities
  - A year of CRs?
- Housing rents stabilized
  - Home ownership out of reach for most
- Talented workforce
  - Many are moving out
  - Biggest impediment to growth is labor availability
- Local government finances
  - WMATA Fiscal Cliff
  - Office space/valuations
- Business lending
- Return to office has stalled
  - Homeownership in distant lands
- **GRP +0.9%**
- **Job Growth**
  - **Net 20k-30k**
- **The Path to Mediocrity?**



# Questions

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