



## *The Transformation of Washington Region's Economy: 2010-2020 and 2020-2030*

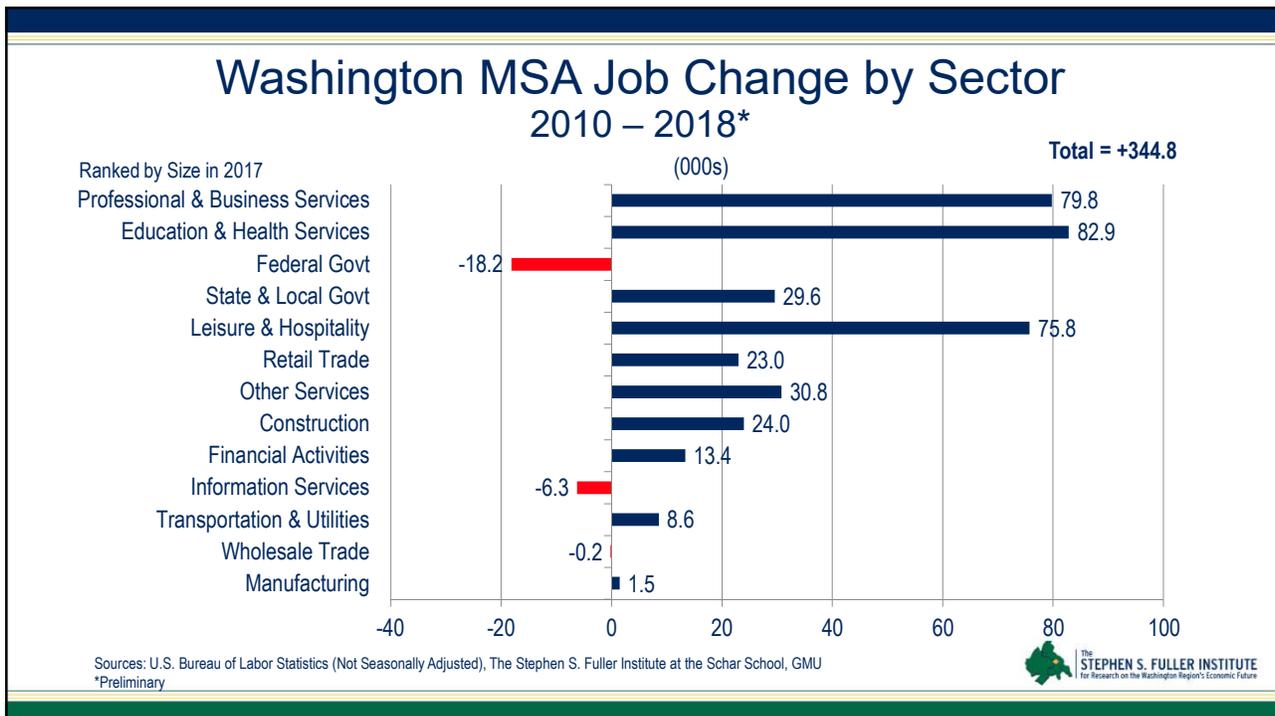
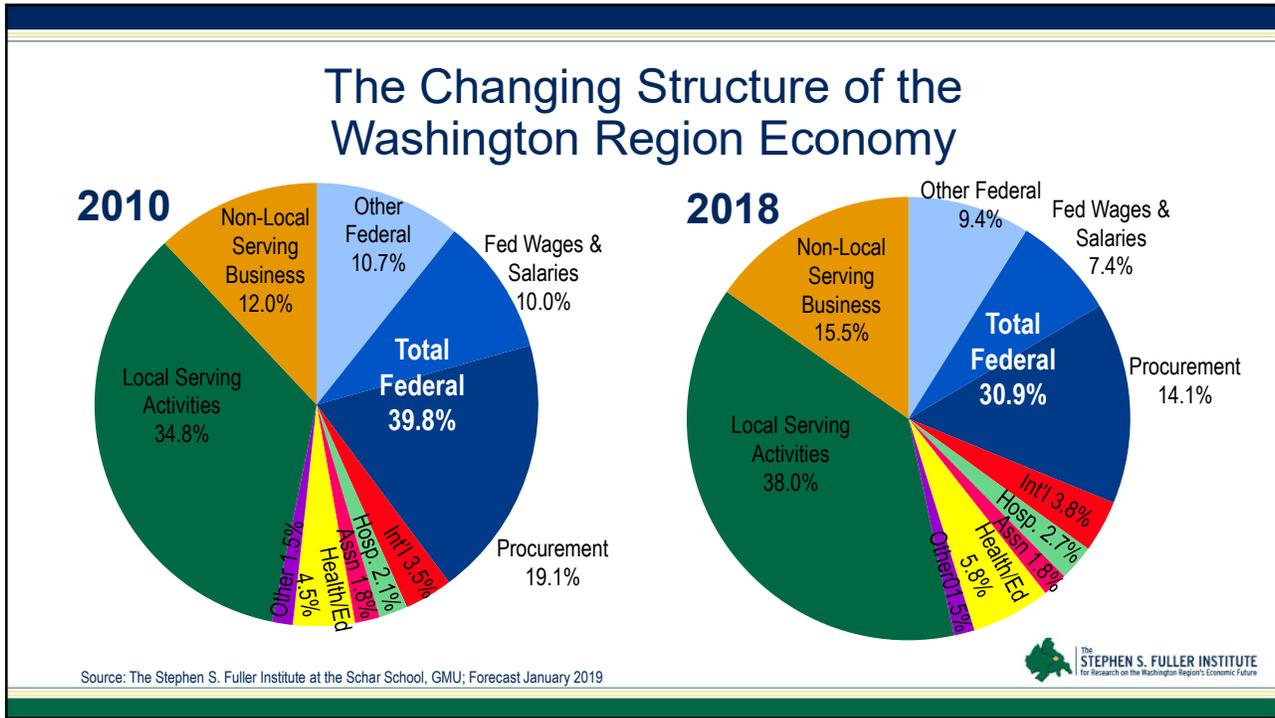
Stephen S. Fuller, Ph.D.  
Dwight Schar Faculty Chair and University Professor  
Director, The Stephen S. Fuller Institute  
Schar School of Policy and Government  
George Mason University



January 31, 2019

## **How has the structure of the Washington economy changed since 2010?**





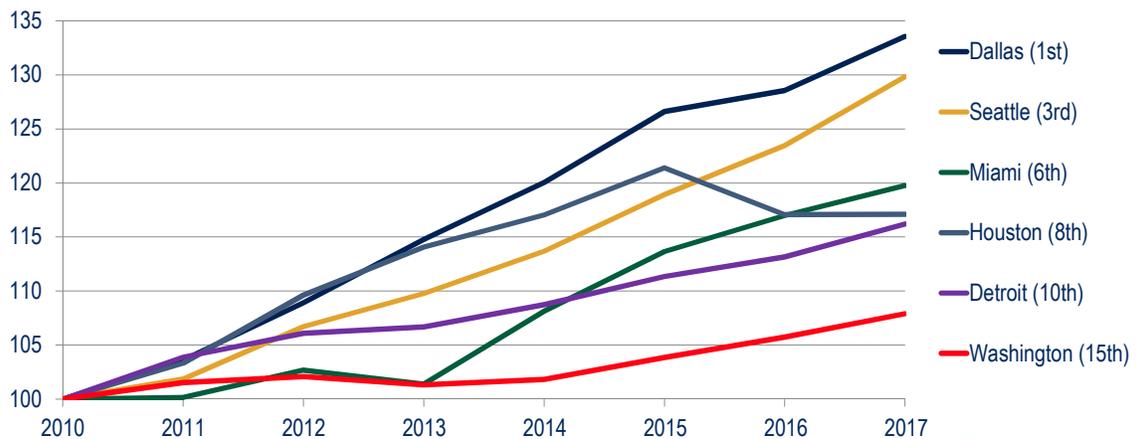
## The GRP\* Effects of Private Sector Job Change in the Washington Region (Jobs in 000s, in 2012 dollars)

	Recession	2010 - 2018
Job Change	-180.5	+344.8
GRP Value	\$145,711	\$110,397

Source: IHS Economics; The Stephen S. Fuller Institute at the Schar School, GMU  
\*Gross Regional Product



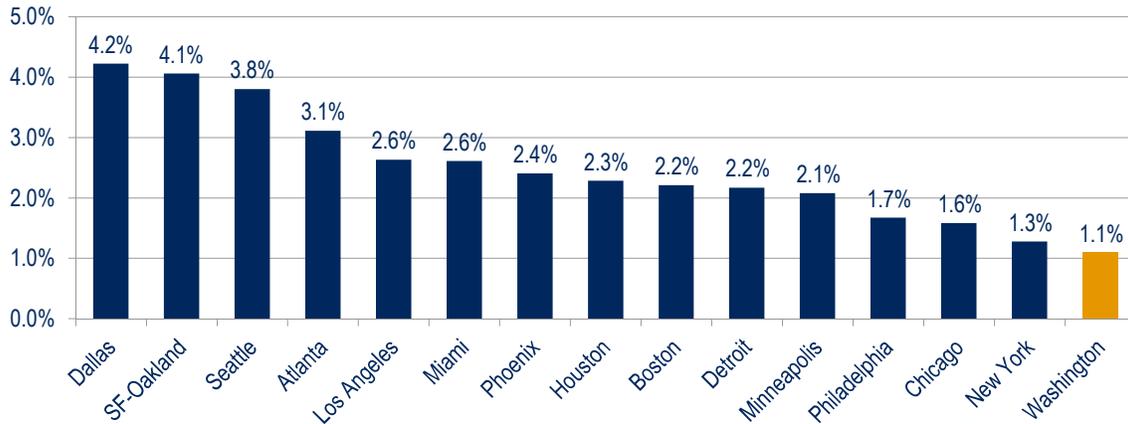
## GRP Growth in Washington and Peer Metros 2010 – 2017 (100 = 2010)



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



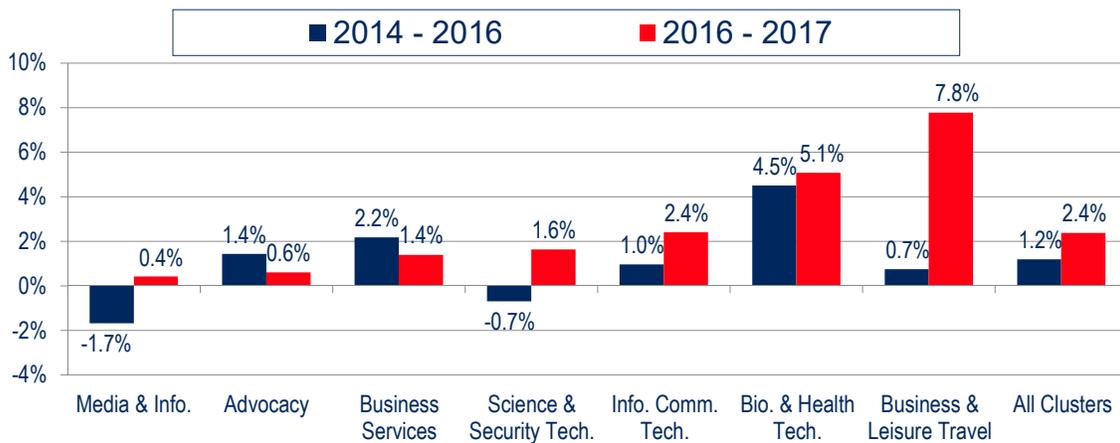
## Average Annual GRP Change in the Largest Metros 2010-2017 (inflation-adjusted)



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



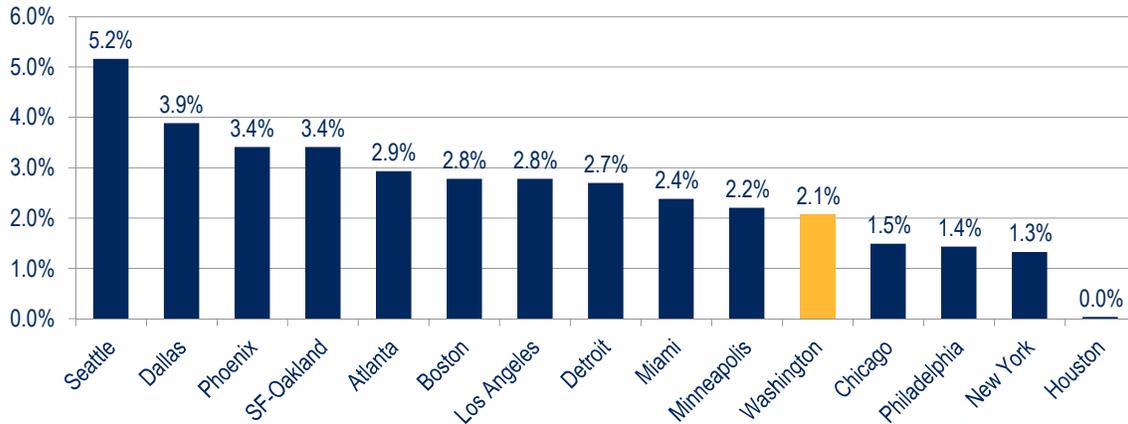
## Growth Rates of the Washington Region's Advanced Industrial Clusters, Annualized Growth



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



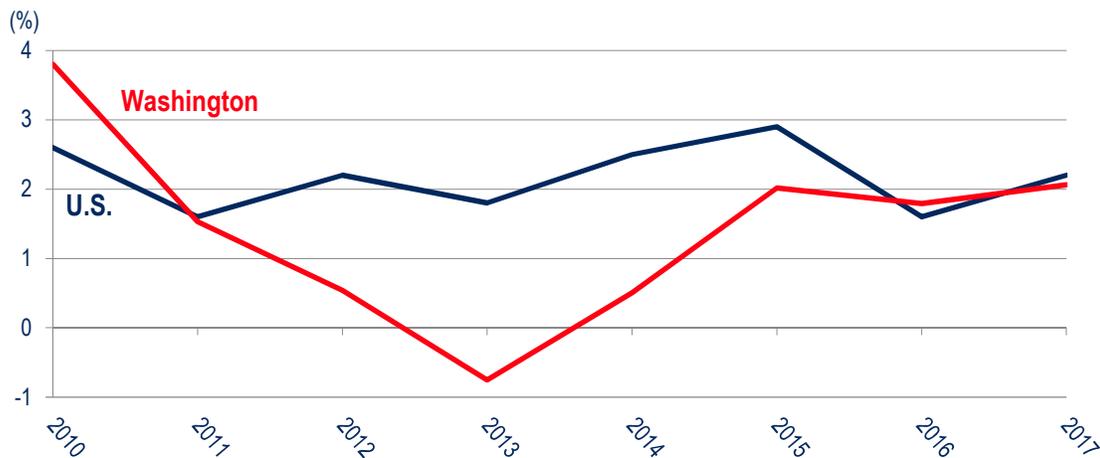
## 2017 GRP Change in the Largest Metros (inflation-adjusted)



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

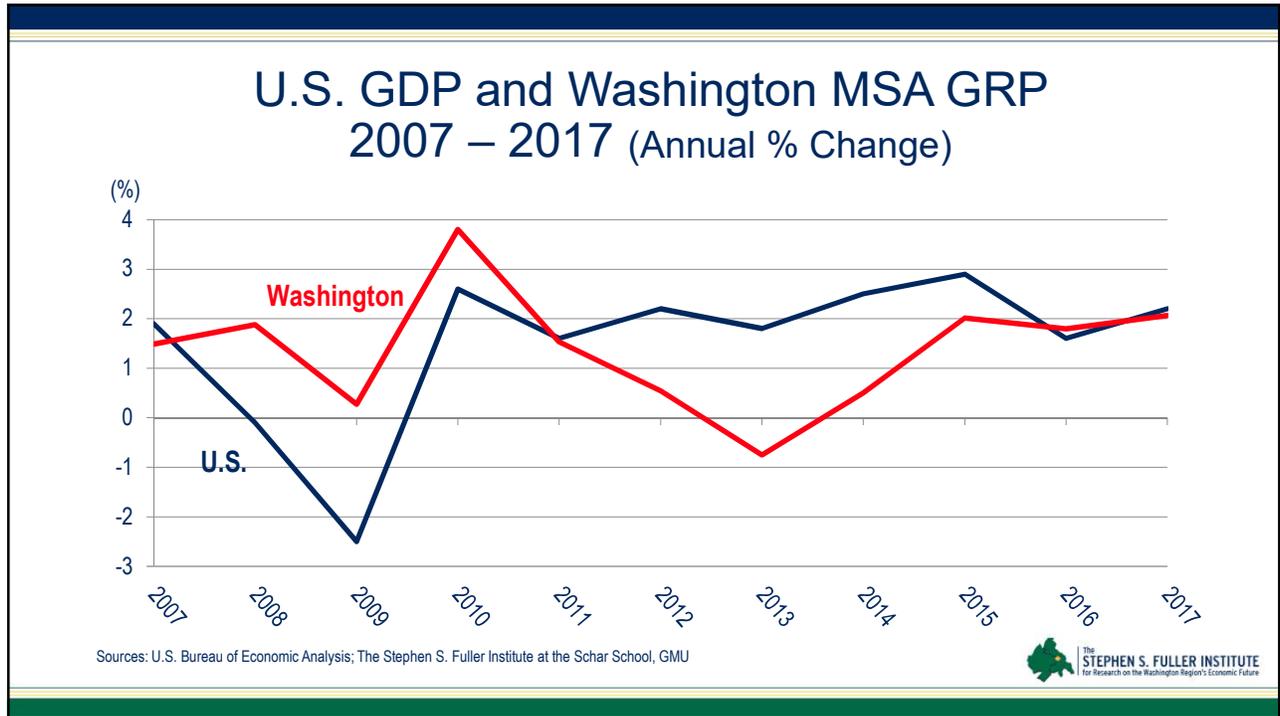


## U.S. GDP and Washington MSA GRP 2010 – 2017 (Annual % Change)



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

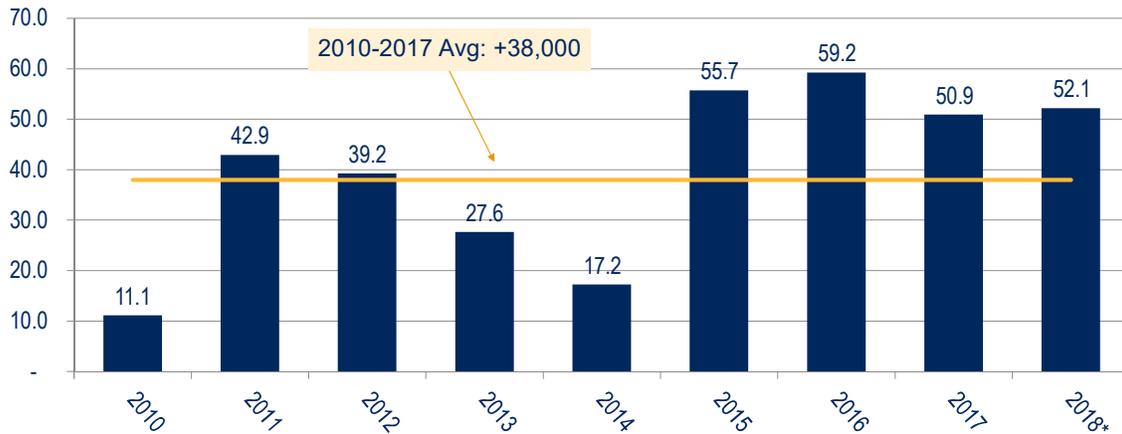




## How did the Washington region's economy perform in 2018?



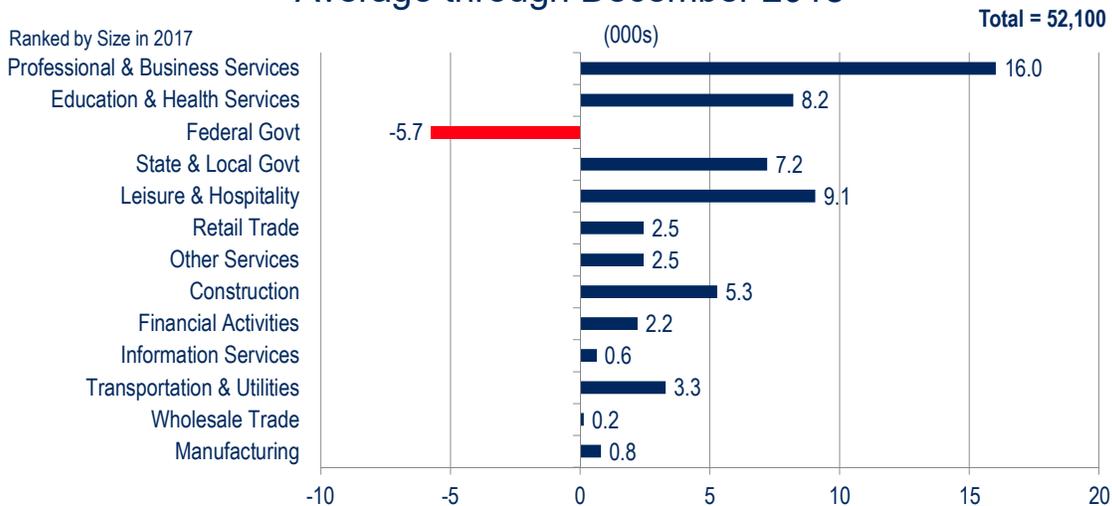
## Job Change in the Washington Region 2010 – 2018 (in thousands)



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



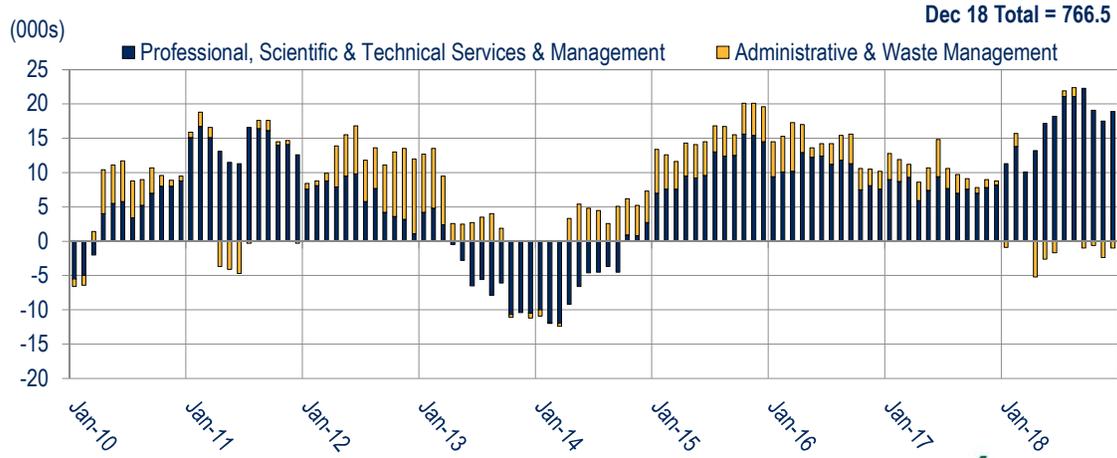
## Washington MSA Job Change by Sector Average through December 2018



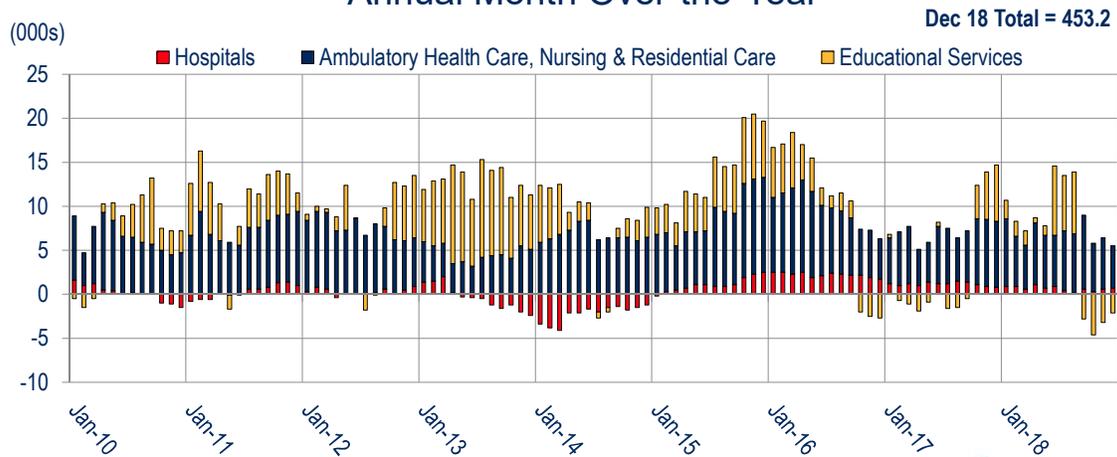
Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU

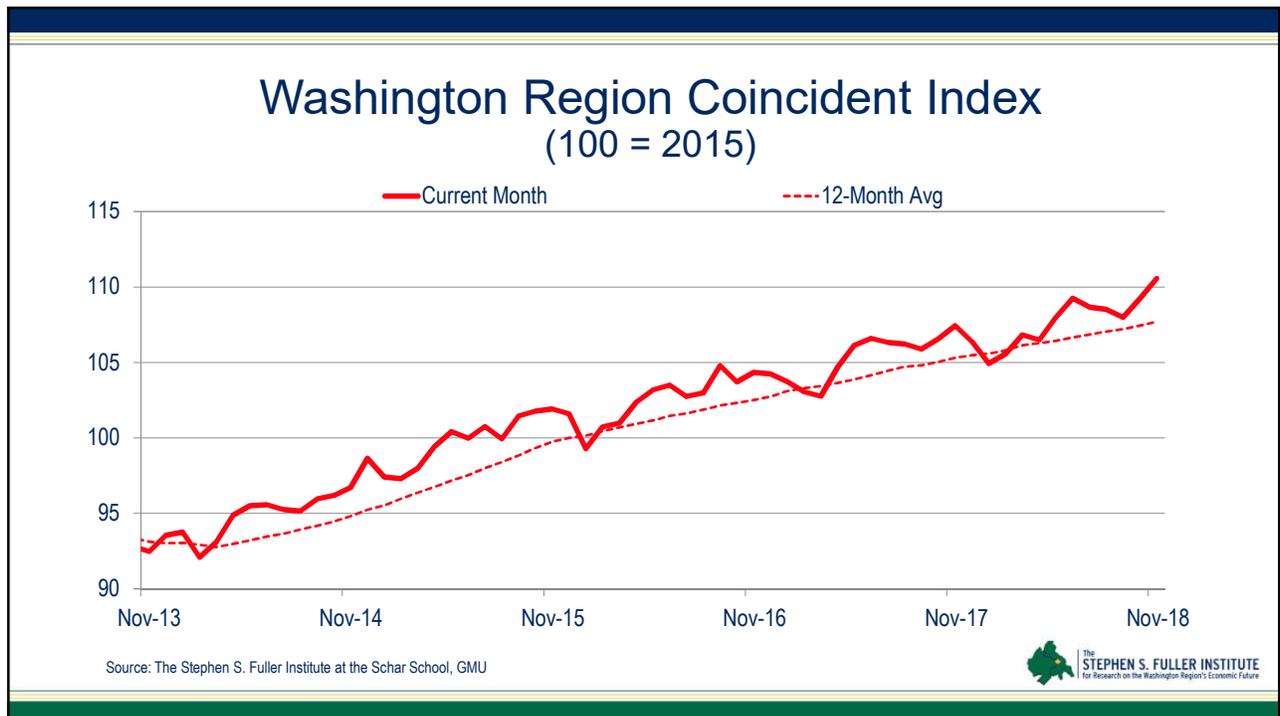
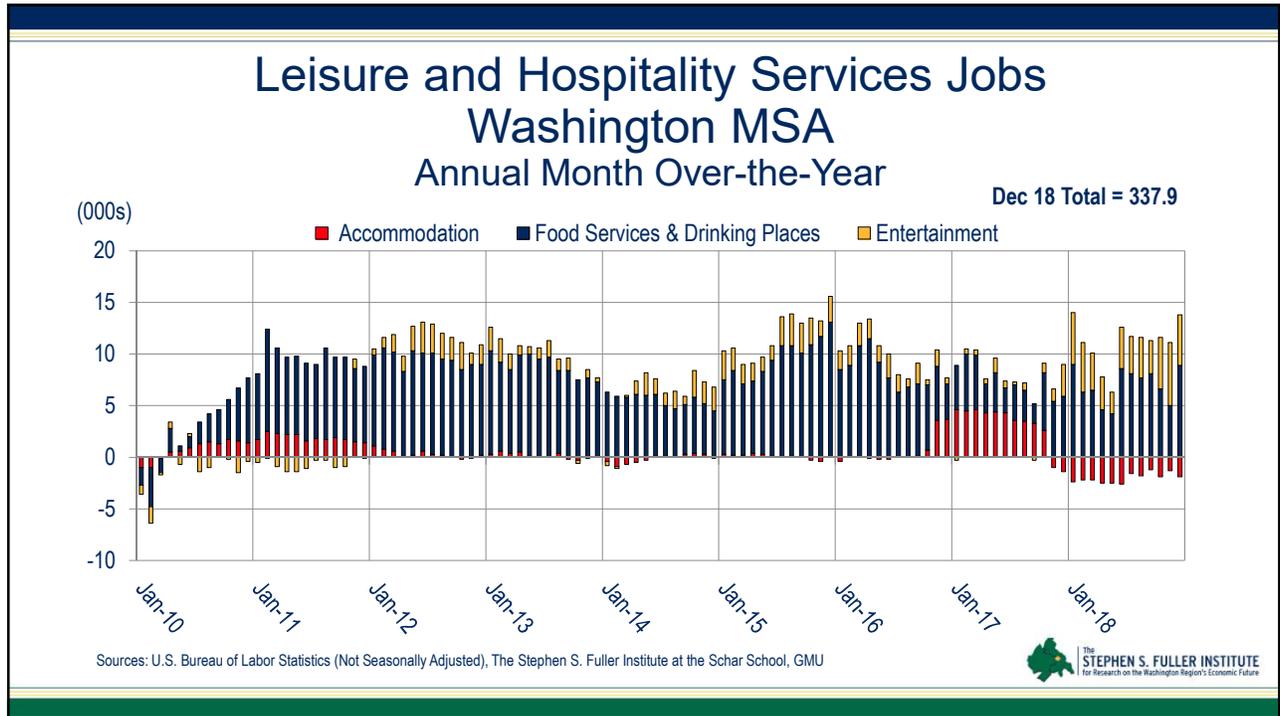


## Professional and Business Services Jobs Washington MSA Annual Month Over-the-Year



## Education and Health Services Jobs Washington MSA Annual Month Over-the-Year

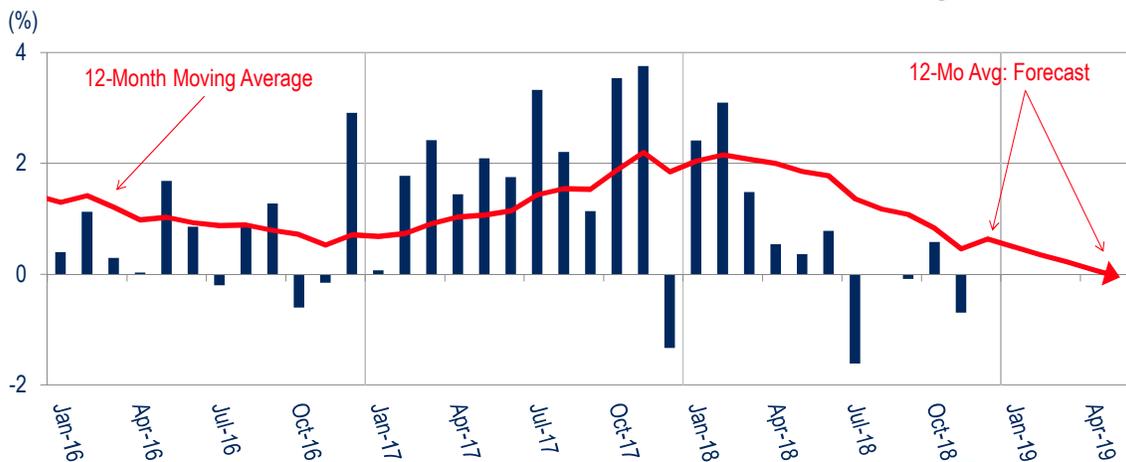




# How will the Washington region's economy perform in the near-term?



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



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



## Employment Change by Sub-State Area (000s)

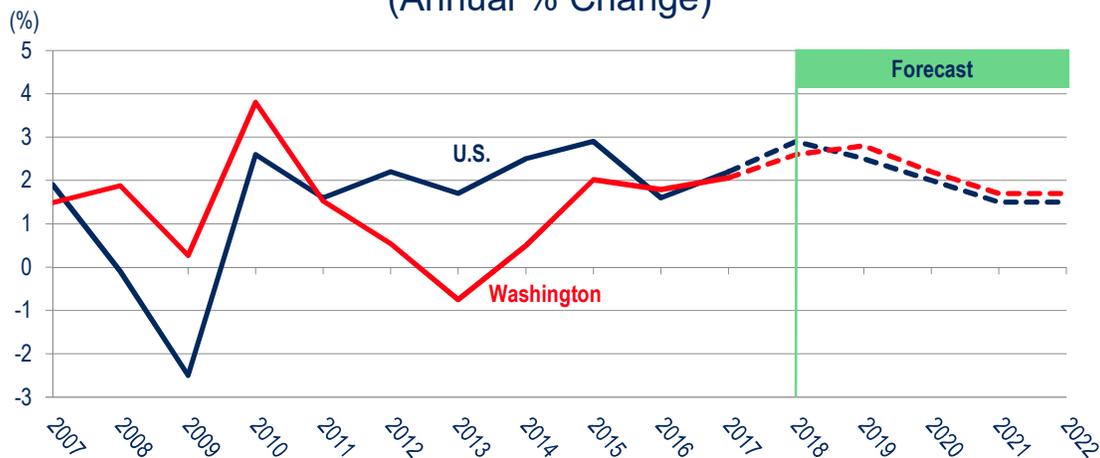
	2015	2016	2017	2018*	2019	2020	2021	2022
D.C.	15.7	14.5	8.9	6.9	4.6	5.0	4.2	5.2
Sub. MD	10.5	14.2	15.2	13.9	11.0	9.1	7.1	9.3
No. VA	29.5	30.6	26.8	31.3	22.3	17.6	16.0	17.5
REGION	55.7	59.2	50.9	52.1	38.2	31.8	27.4	32.1

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 \*Preliminary

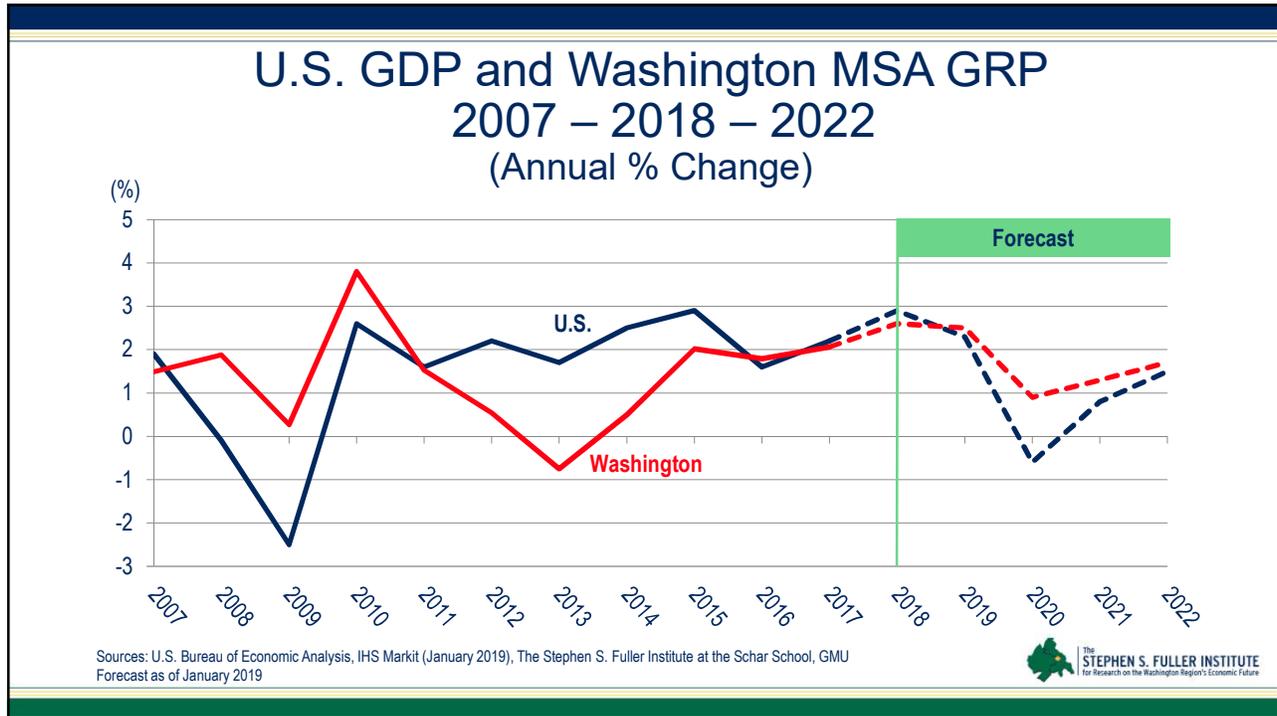


## U.S. GDP and Washington MSA GRP 2007 – 2018 – 2022 (Annual % Change)



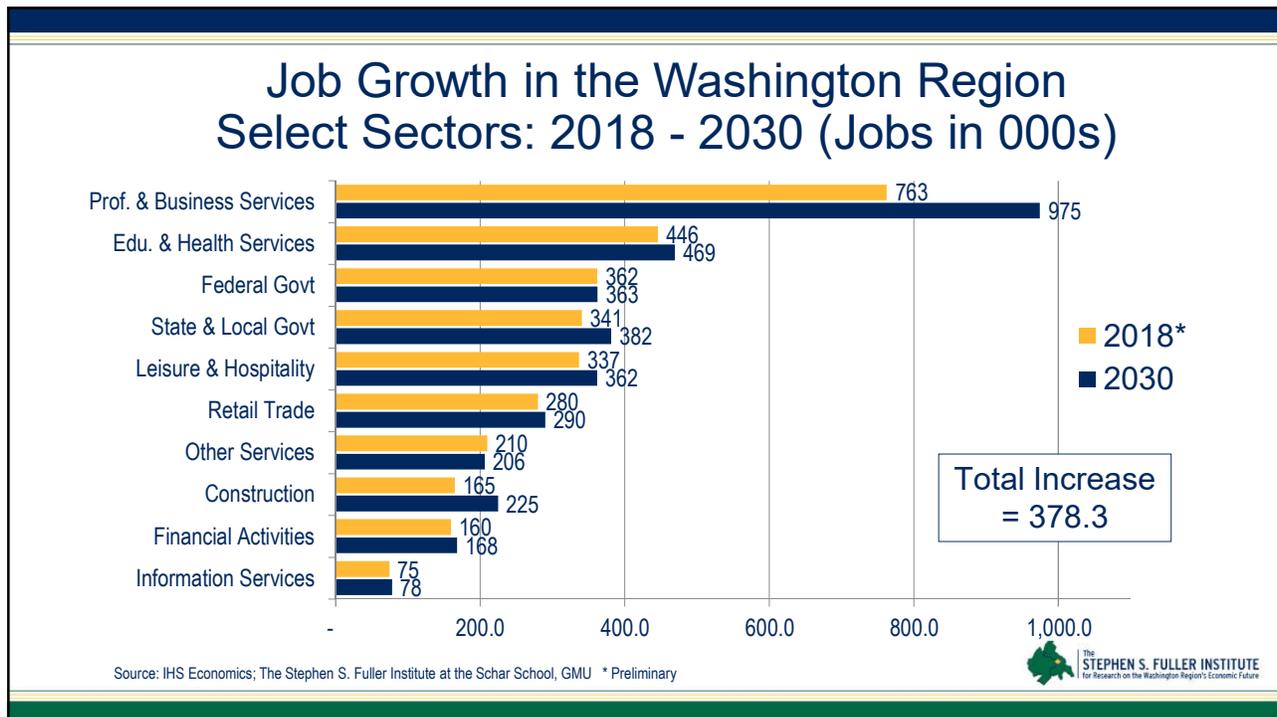
Sources: U.S. Bureau of Economic Analysis, IHS Markit (January 2019), The Stephen S. Fuller Institute at the Schar School, GMU  
 Forecast as of January 2019





## How will the Washington region's economy change between 2020 and 2030?

**THE STEPHEN S. FULLER INSTITUTE**  
For Research on the Washington Region's Economic Future

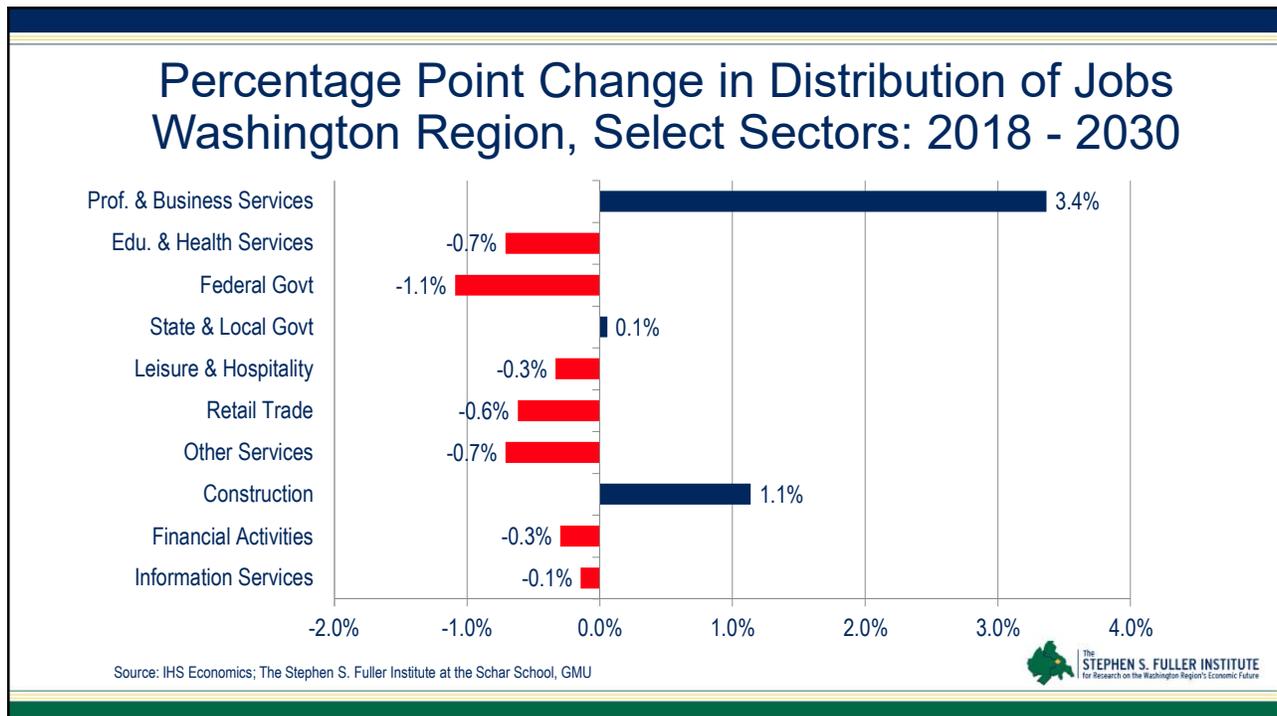
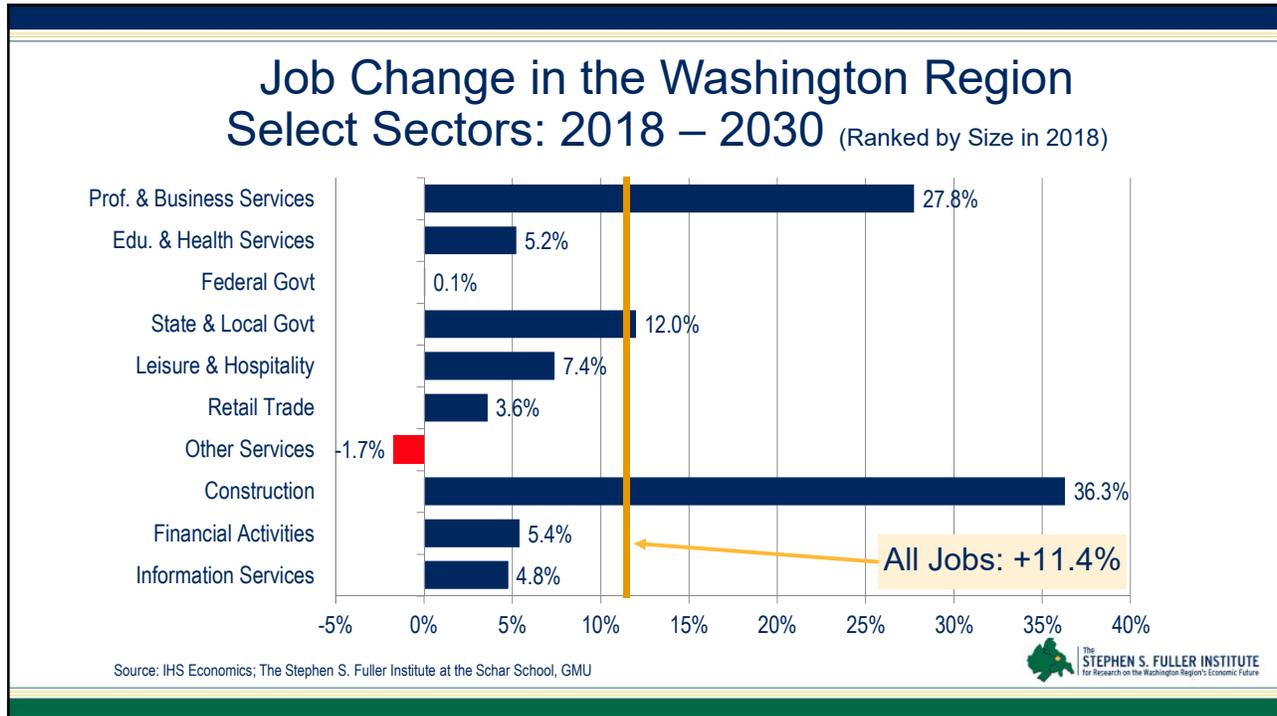


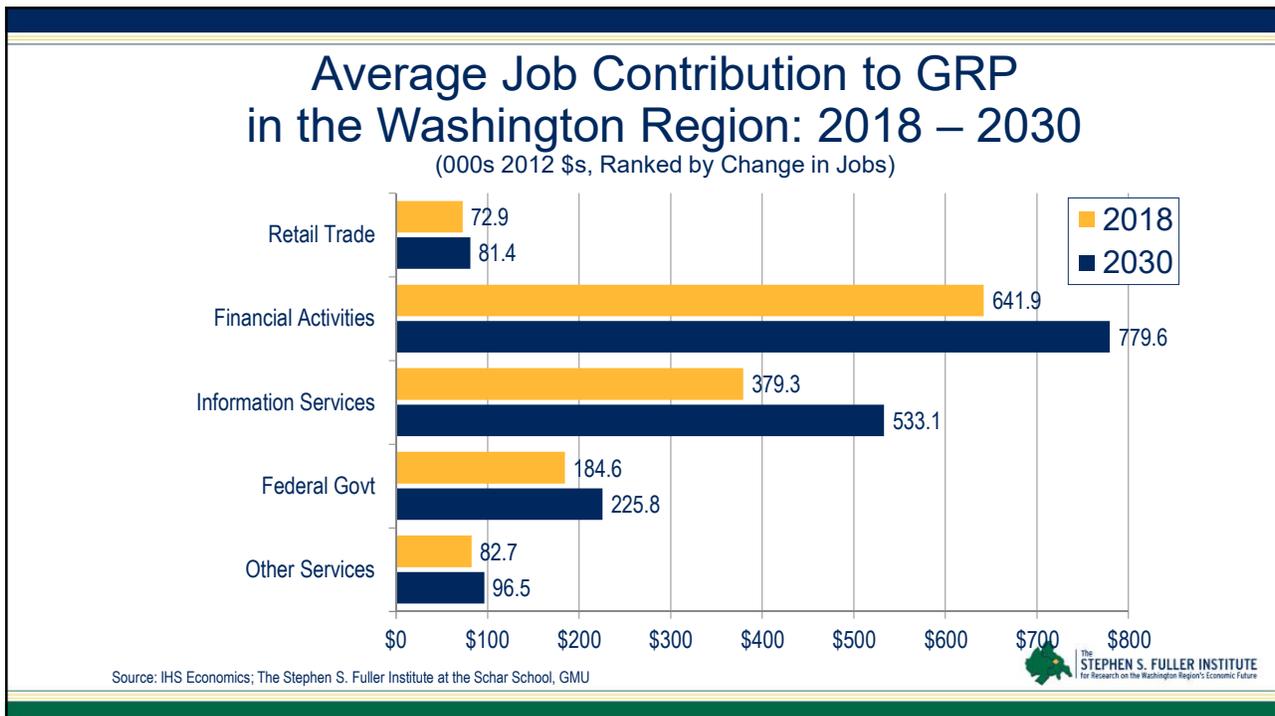
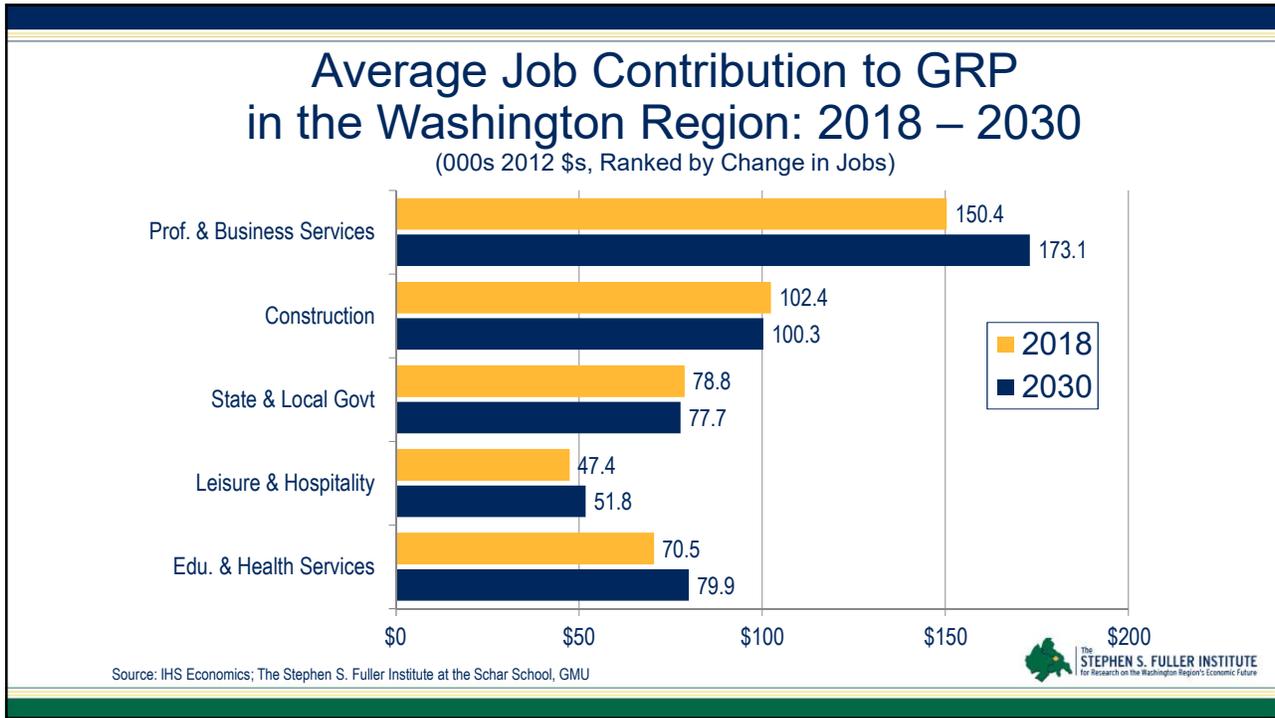
### Job Growth in the Washington Region: 2018 - 2030

	Job Change (000s)	% of Total
Prof. & Business Services	211.7	56.0%
Construction	59.9	15.8%
State & Local Govt	40.9	10.8%
Leisure & Hospitality	25.0	6.6%
Edu. & Health Services	23.3	6.2%
Retail Trade	10.1	2.7%
Subtotal	370.9	98.1%
<b>Total, All Sectors</b>	<b>378.3</b>	<b>100.0%</b>

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

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





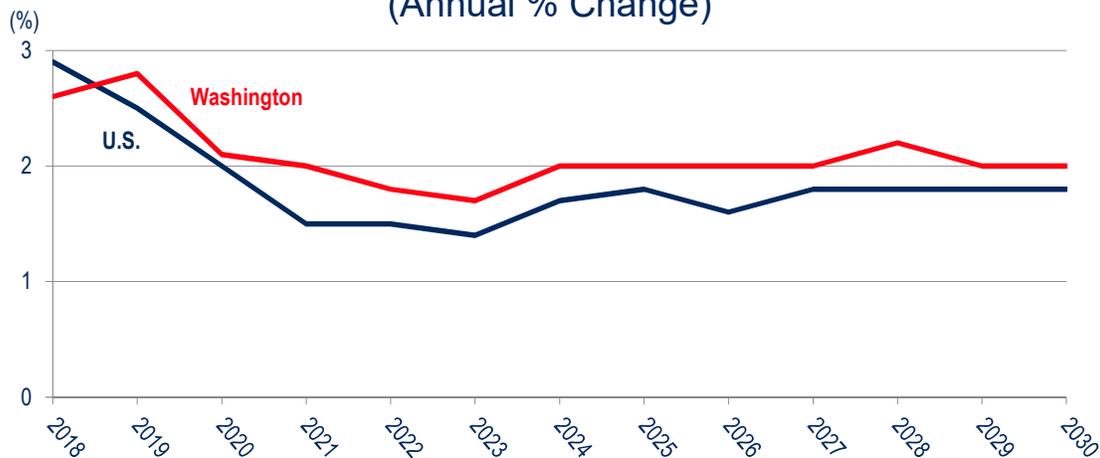
## The GRP\* Effects of Private Sector Job Change in the Washington Region (in 2012 dollars)

	Job Change (000s)	GRP* Value
Recession	-180.5	\$145,711
Expansion	+344.8	\$110,397
Forecast	+337.3	\$159,918

Source: IHS Economics; The Stephen S. Fuller Institute at the Schar School, GMU  
 \*Gross Regional Product

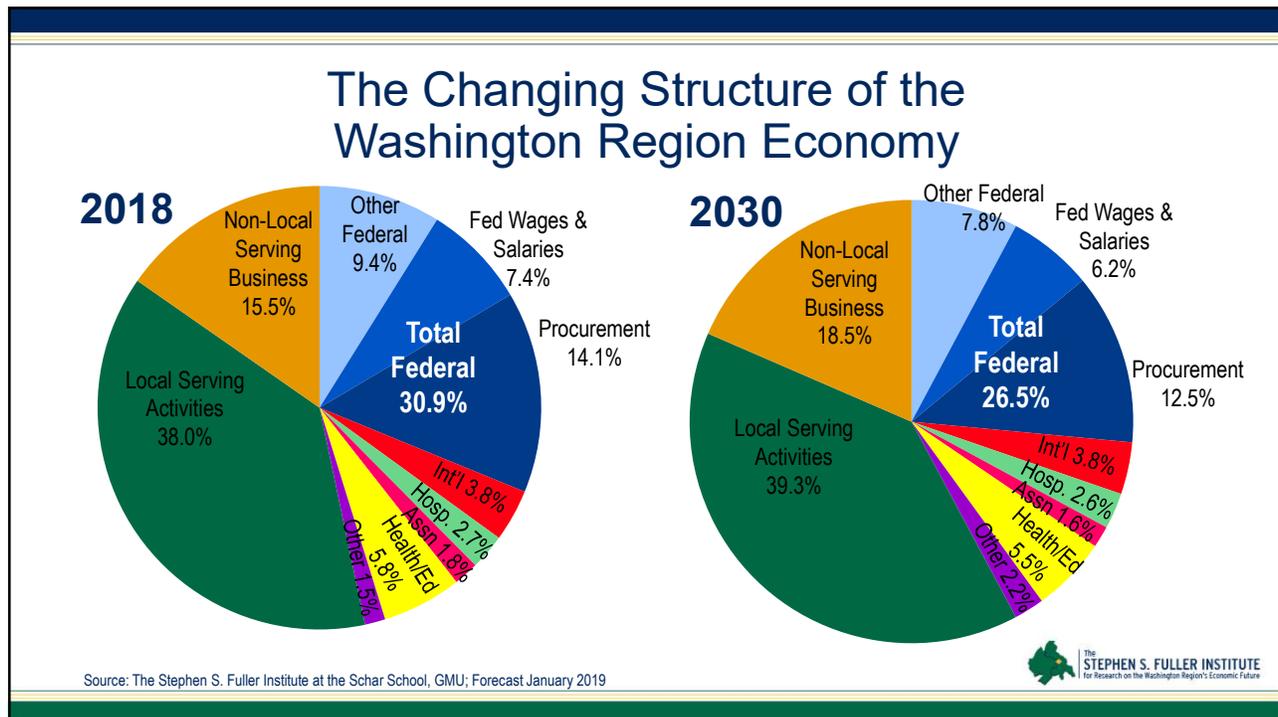


## U.S. GDP and Washington MSA GRP 2018 – 2030 (Annual % Change)



Sources: US: IHS Markit, January 2019, 2018-2023; CBO, August 2018, 2024-2028; The Stephen S. Fuller Institute at the Schar School, GMU





### Forecast Summary: 2018-2030

- The Washington region's economic dependency on federal spending will continue to decline.
- Job growth in the Washington region will become more concentrated in fewer sectors.
- P&BS jobs will increase by 211,700, accounting for 56.0% of all net new jobs.
- The region's average GRP value per job for all jobs will increase 15.0% from \$147,150 to \$169,275 in real dollar value.
- Smaller private sectors—financial activities, information services, manufacturing, and wholesale trade—offer above-average GRP growth opportunities.

## Thank You

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

**[sfullerinstitute.gmu.edu](http://sfullerinstitute.gmu.edu)**



Schar School of Policy  
and Government



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