MVB Banking

The U.S. and Washington Region's Economy: What to Expect in 2017 and How the The Trump Administration May Impact Near-Term Performance

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

February 21, 2017

Questions to be Addressed

How did the U.S. economy performed in 2016 and what is the outlook for 2017?

How is the Northern Virginia economy performing?

How did the local housing market perform in 2016?

What is the Washington region's and NVA's economic outlook?

How did the U.S. economy perform in 2016 and what is the outlook for 2017?

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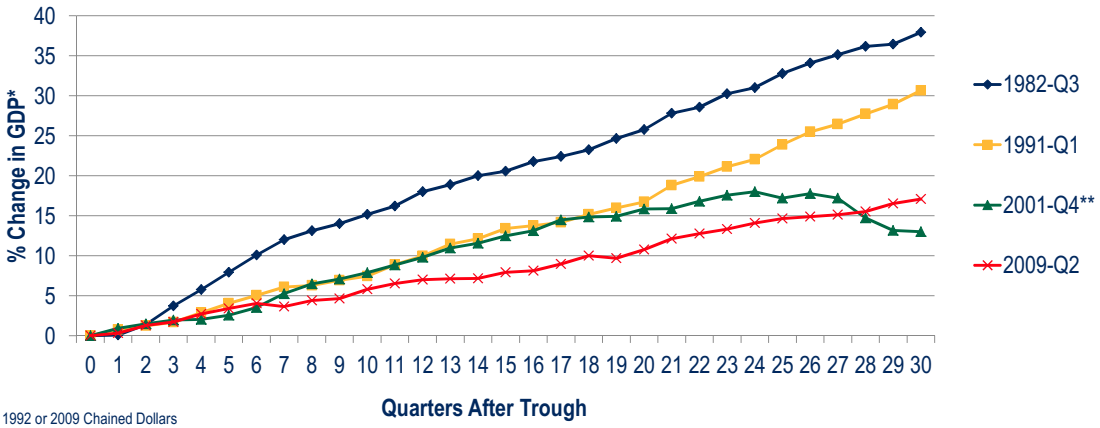
Recession Recovery Patterns of GDP
Past Four Recessions



*in 1992 or 2009 Chained Dollars
** Quarters 26+ include the 2009 Recession
Sources: Bureau of Economic Analysis, The Stephen S. Fuller Institute at the Schar School, GMU

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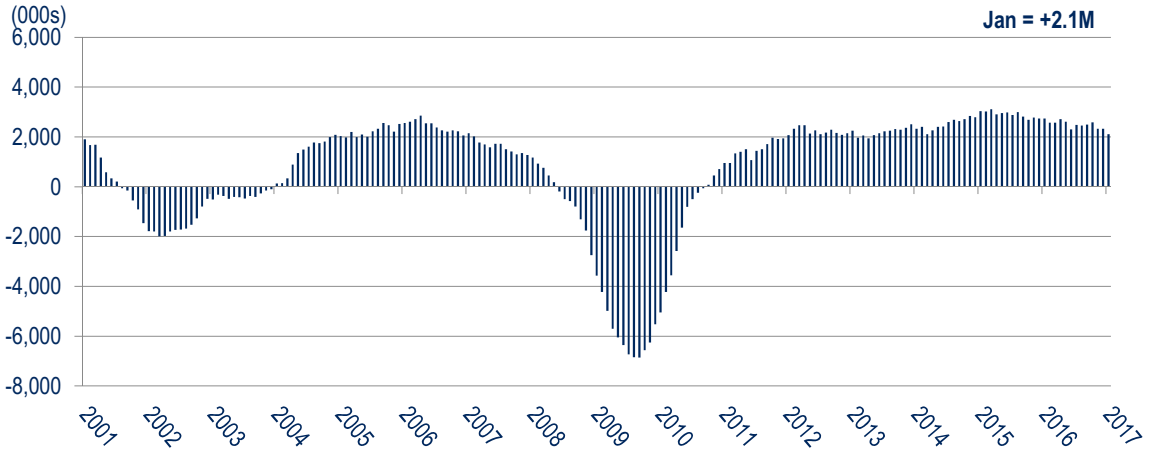
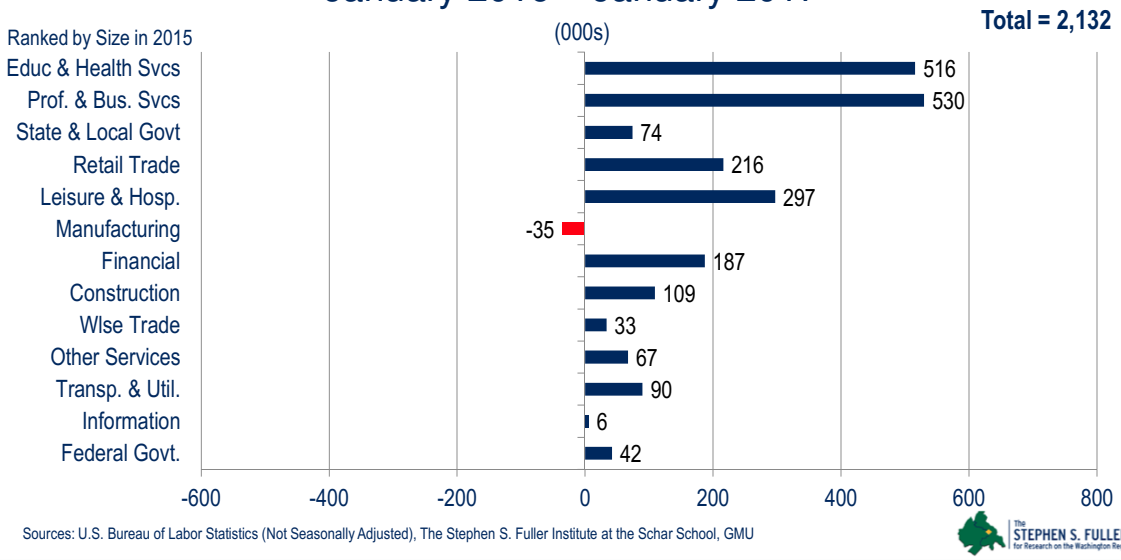
U.S. Annual Change in Payroll Jobs
Month-Over-The-Year



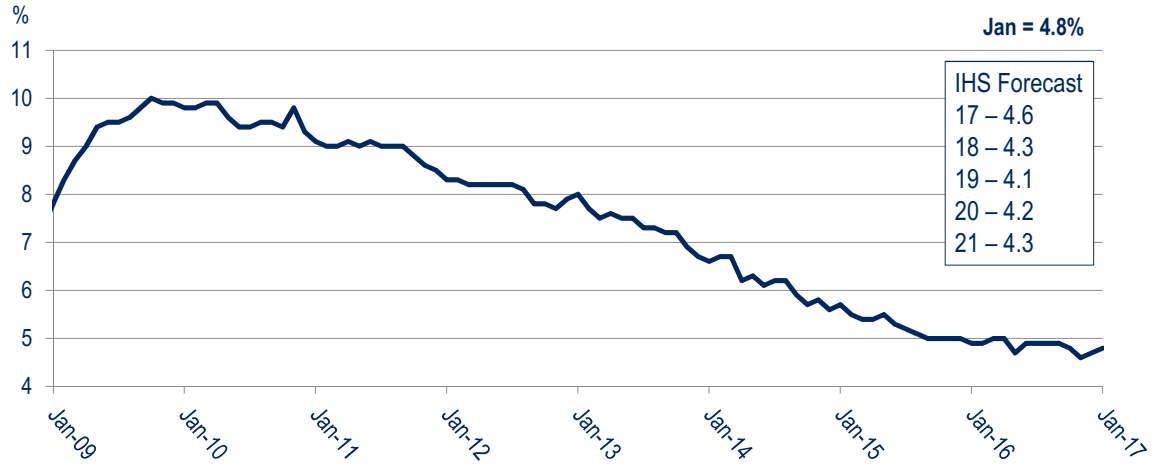
Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU

U.S. Payroll Job Change by Sector
January 2016 – January 2017



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

U.S. Unemployment Rate
January 2009 – January 2017



Sources: U.S. Bureau of Labor Statistics (Seasonally Adjusted), IHS Economics (January 2017), The Stephen S. Fuller Institute at the Schar School, GMU

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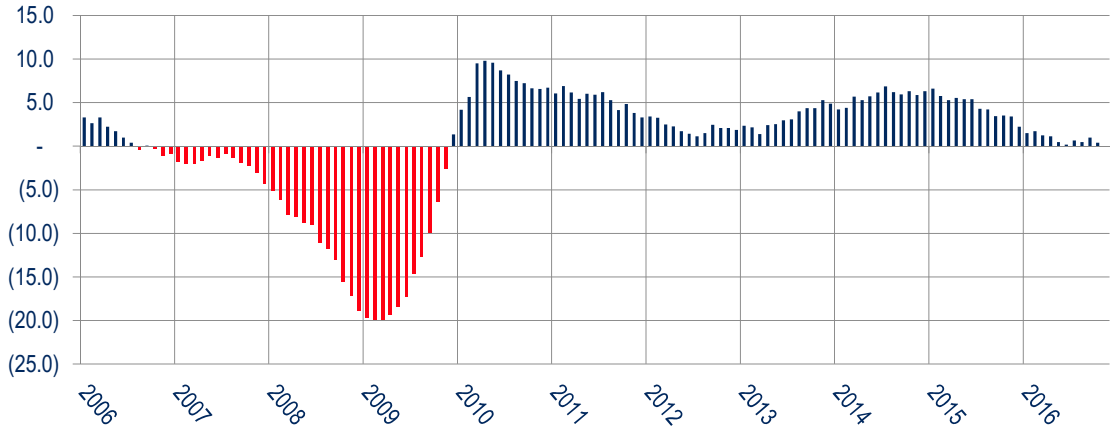
U.S. Leading Index
Month-Over-Year Percent Change



Sources: The Conference Board, The Stephen S. Fuller Institute at the Schar School, GMU

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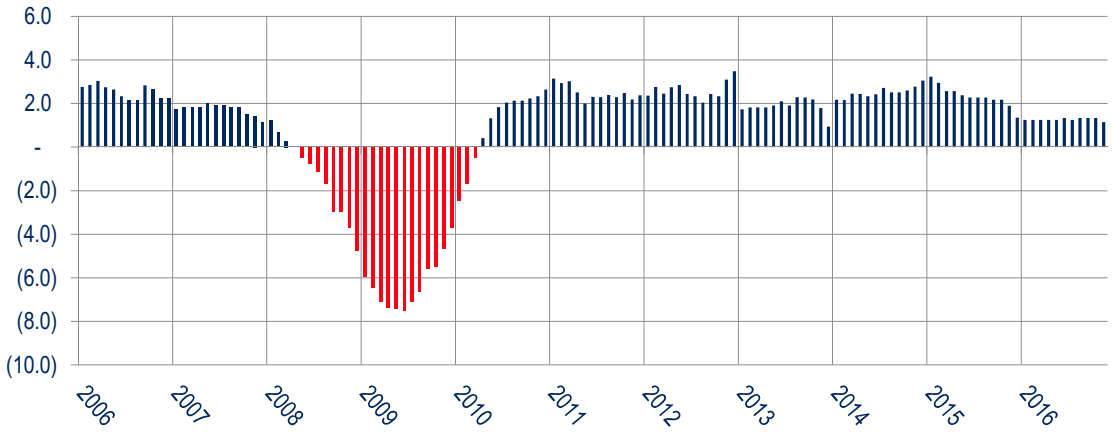
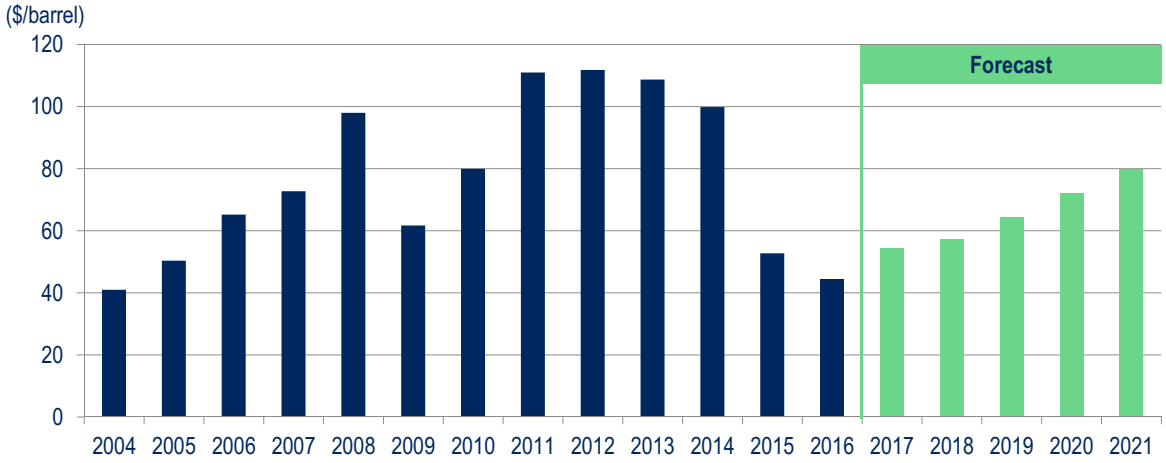
U.S. Coincident Index
Month-Over-Year Percent Change



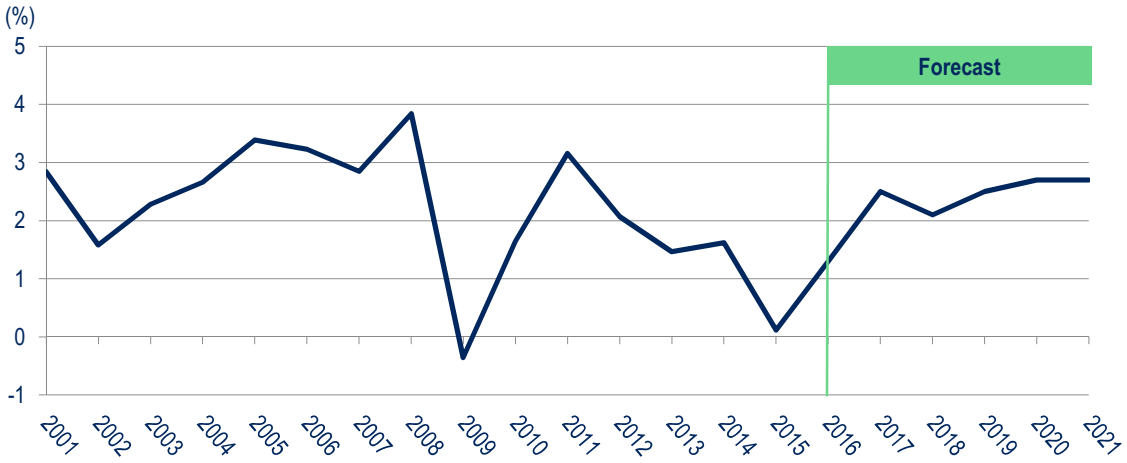
Sources: The Conference Board, The Stephen S. Fuller Institute at the Schar School, GMU

Brent Crude Spot Price
$ per barrel



Sources: IHS Economics (January 2017), The Stephen S. Fuller Institute at the Schar School, GMU

Consumer Prices
Percent Change, 2001 - 2020



Sources: U.S. Bureau of Labor Statistics, IHS Economics (January 2017), The Stephen S. Fuller Institute at the Schar School, GMU

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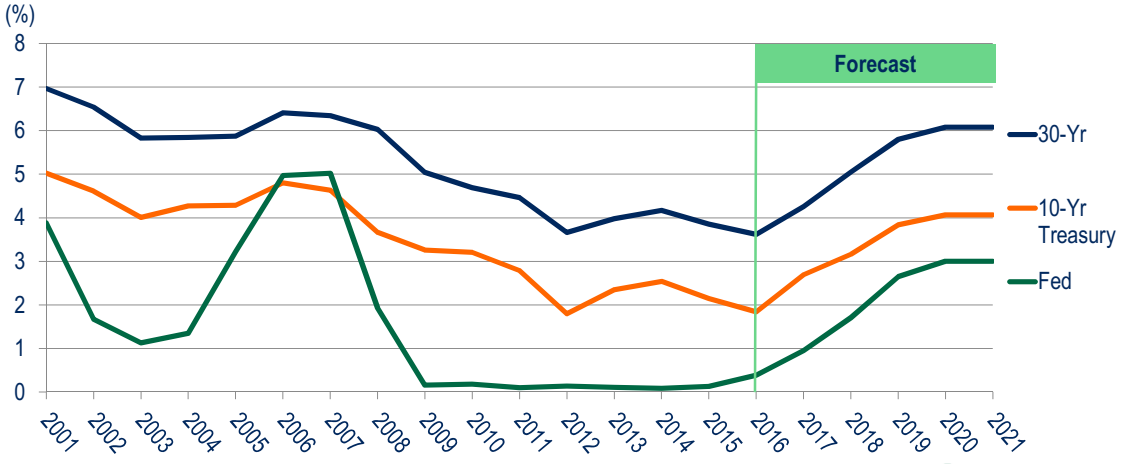
U.S. Interest Rates
Average Annual, 2001 - 2020



Sources: IHS Economics (January 2017), The Stephen S. Fuller Institute at the Schar School, GMU

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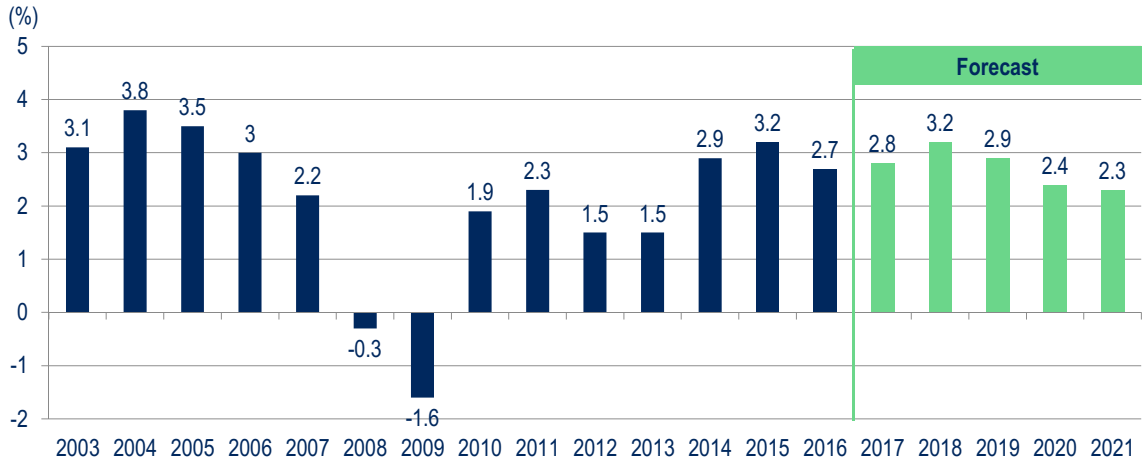
Growth in Total Consumption Outlays



Sources: U.S. Bureau of Economic Analysis, IHS Economics (January 2017), The Stephen S. Fuller Institute at the Schar School, GMU

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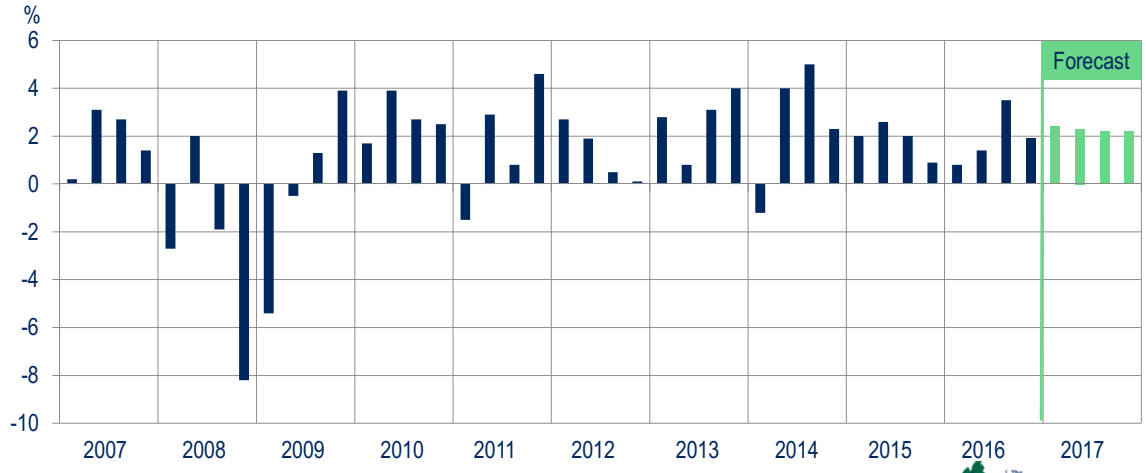
U.S. Gross Domestic Product
Quarterly Change: 2007 – 2017



Sources: U.S. Bureau of Economic Analysis, IHS Economics (January 2017), The Stephen S. Fuller Institute at the Schar School, GMU

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How is the Northern Virginia economy performing?

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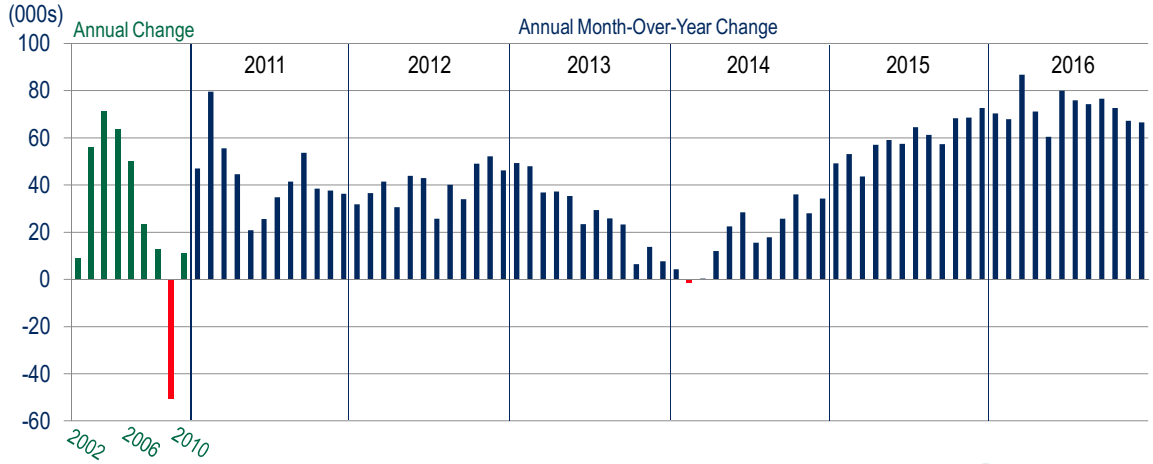
Washington Metropolitan Area
Annual Job Change, 2002-2016



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

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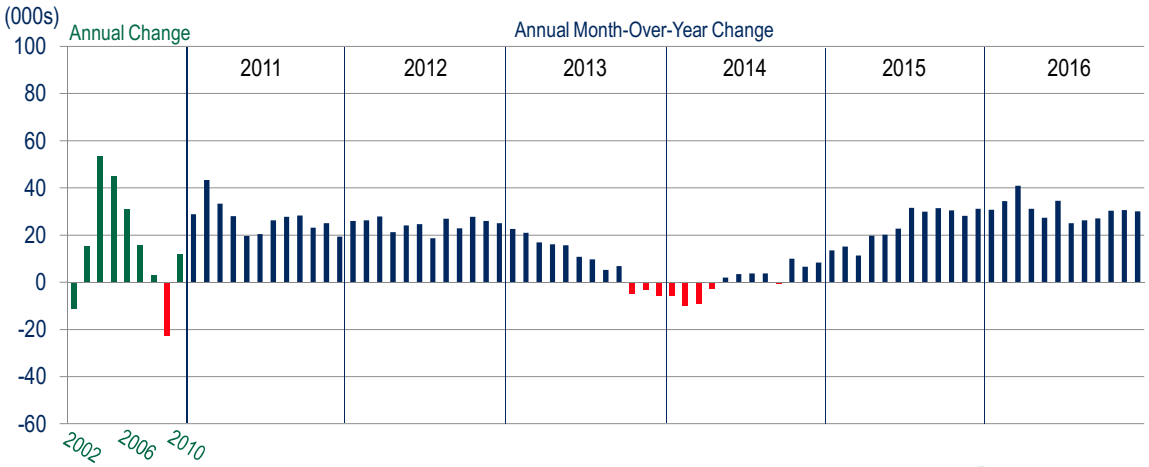
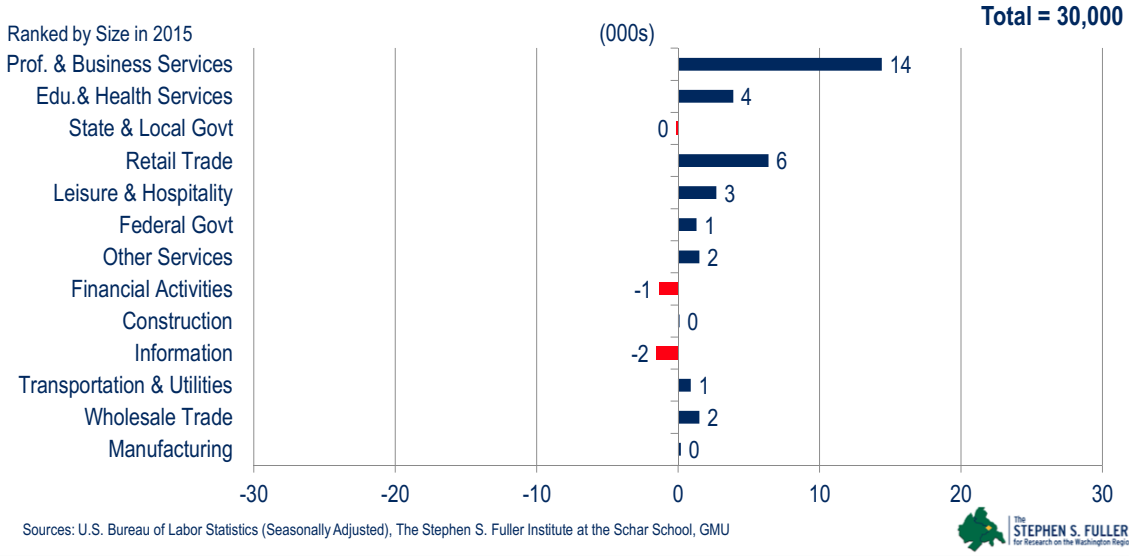
Northern Virginia
Annual Job Change, 2002-2016



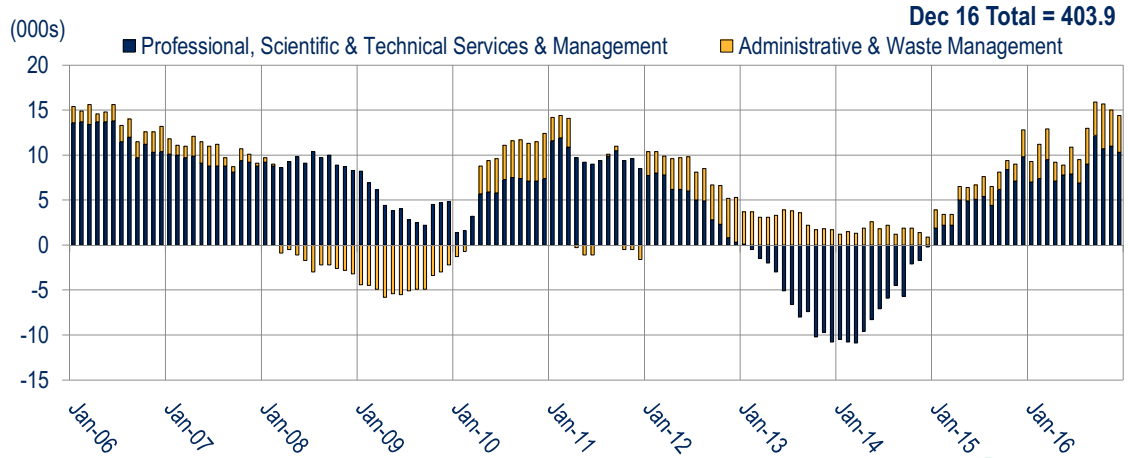
Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU

Northern Virginia Job Change by Sector
December 2015 – December 2016



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

Professional and Business Services Jobs
Northern Virginia
Annual Month Over-the-Year



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

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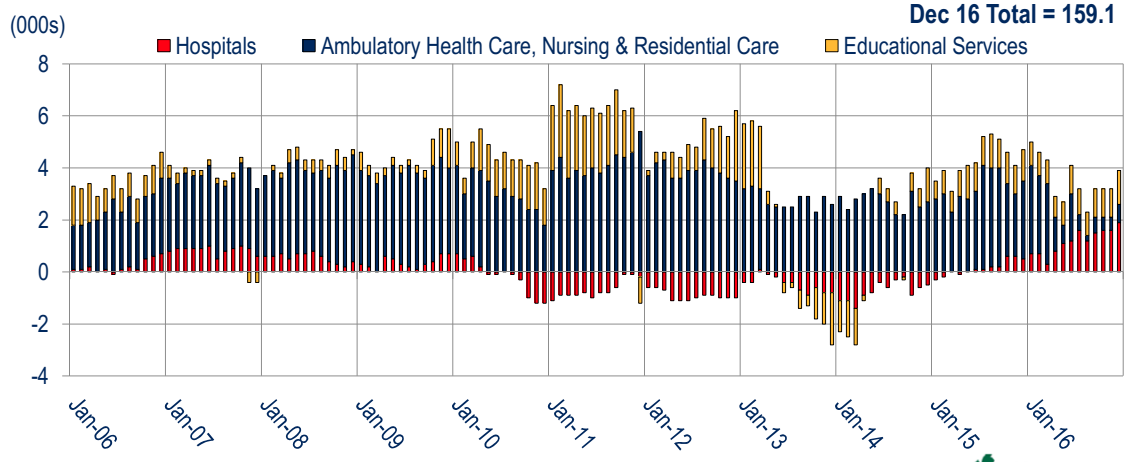
Education and Health Services Jobs
Northern Virginia
Annual Month Over-the-Year



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

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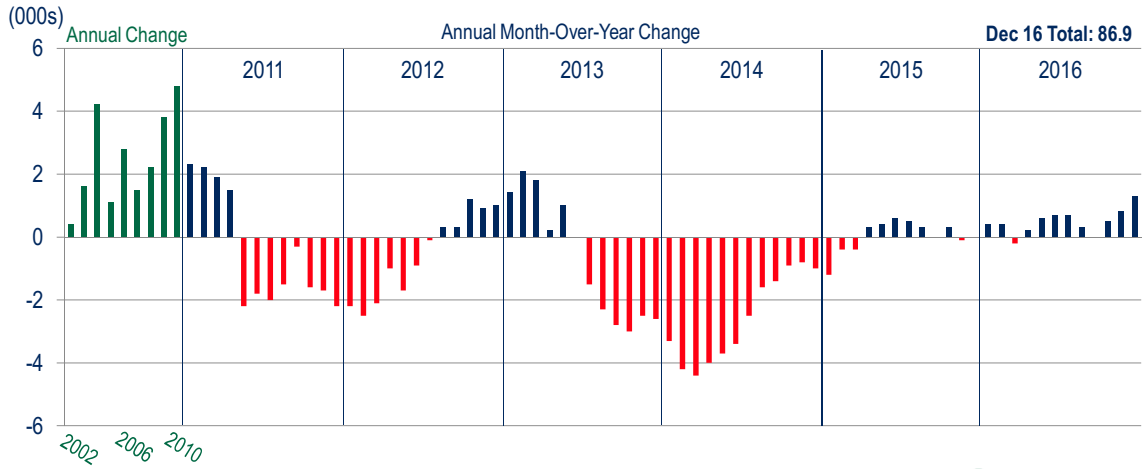
Federal Government Jobs
Northern Virginia



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

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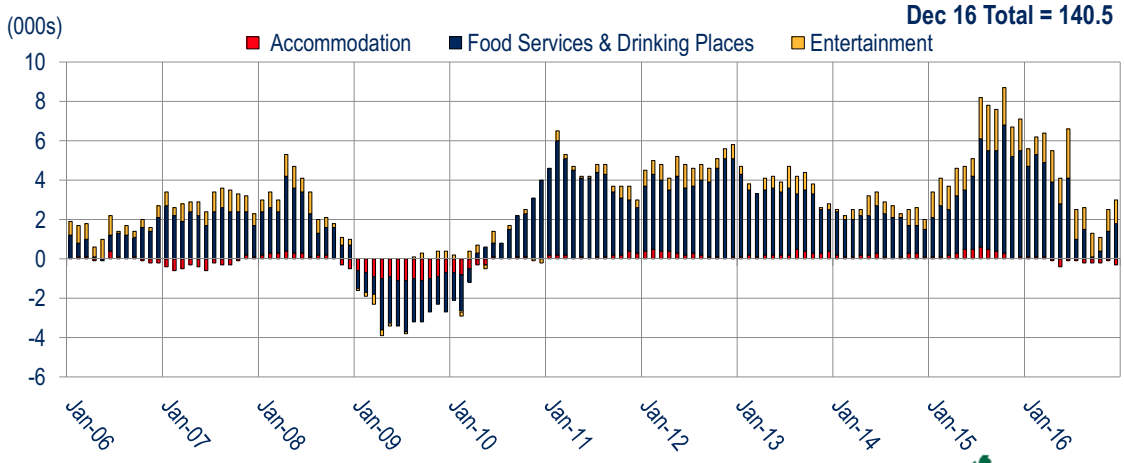
Leisure and Hospitality Services Jobs
Northern Virginia
Annual Month Over-the-Year



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

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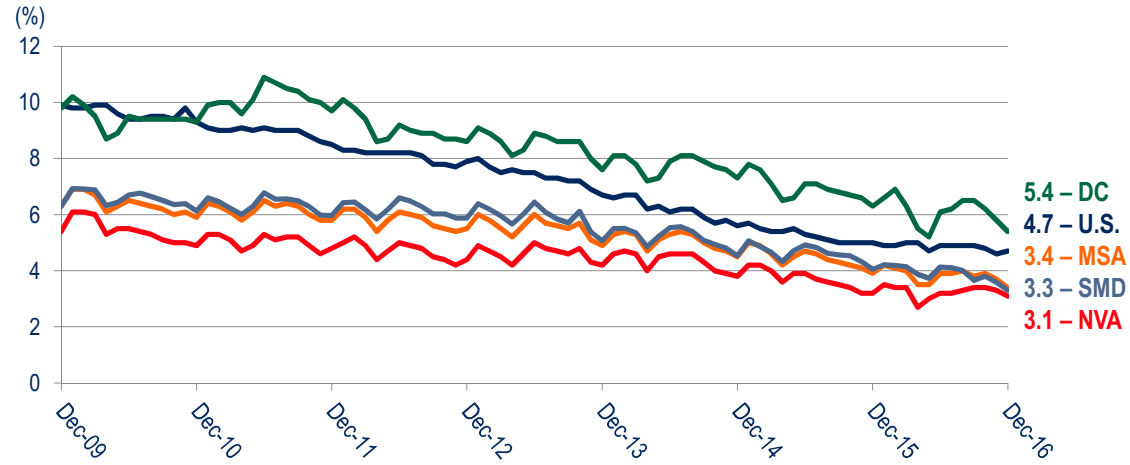
Washington Metropolitan Area
Unemployment Rates By Sub-State Area, 2009-2016



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

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How did the Northern Virginia housing market perform in 2016?

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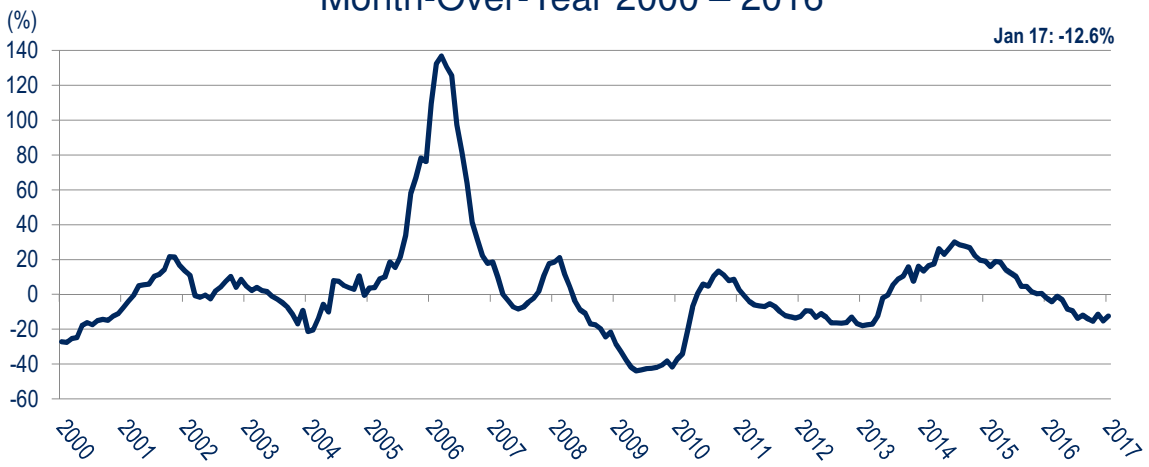
Percent Change in Inventories of Existing Homes Northern Virginia

Month-Over-Year 2000 – 2016



Sources: RealEstate Business Intelligence (RBI) , Metropolitan Regional Information Systems (MRIS) Stephen S. Fuller Institute
Total monthly inventory includes listings active at the end of the month plus sales during the month

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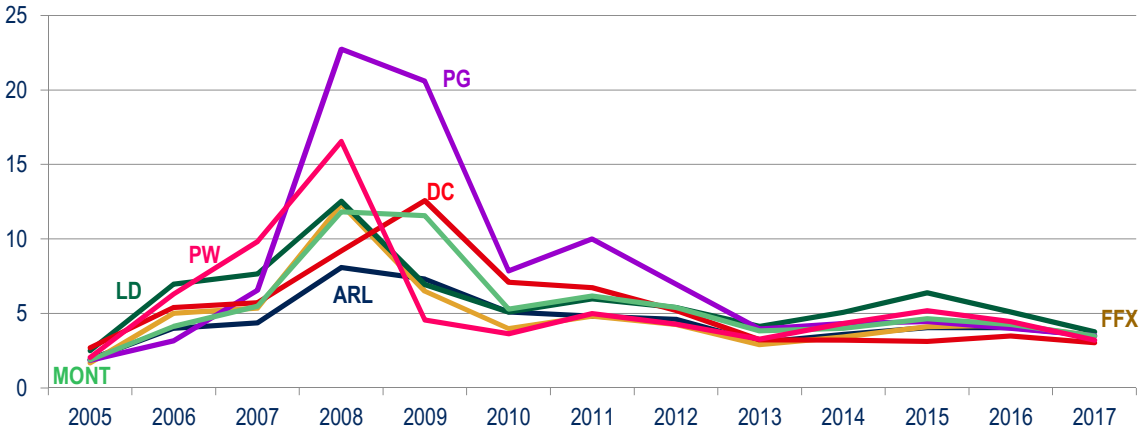
Total Listings Per Sale, Washington MSA

Jan Each Year



Sources: RealEstate Business Intelligence (RBI) , Metropolitan Regional Information Systems (MRIS) Stephen S. Fuller Institute

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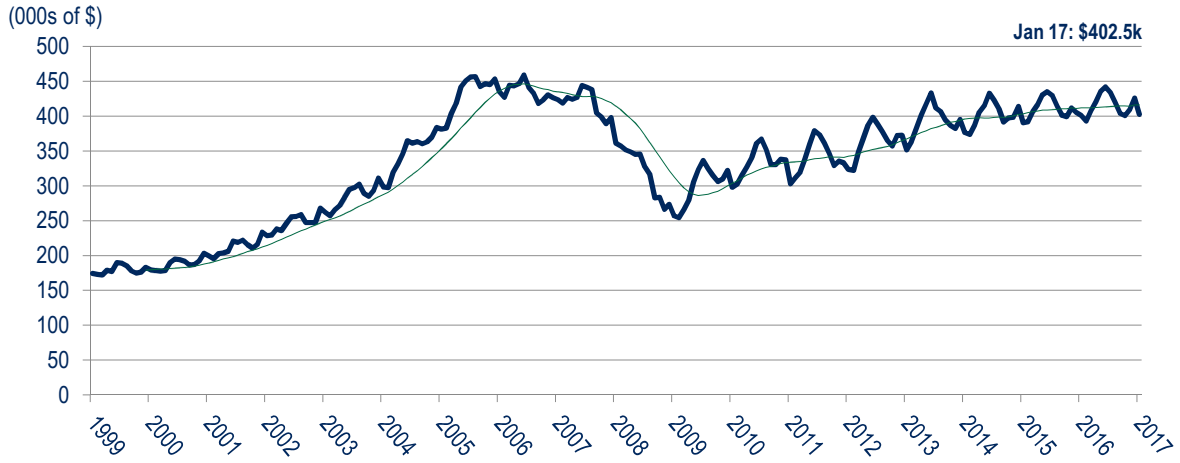
Median House Sales Price
Northern Virginia



Sources: RealEstate Business Intelligence (RBI) , Metropolitan Regional Information Systems (MRIS) Stephen S. Fuller Institute

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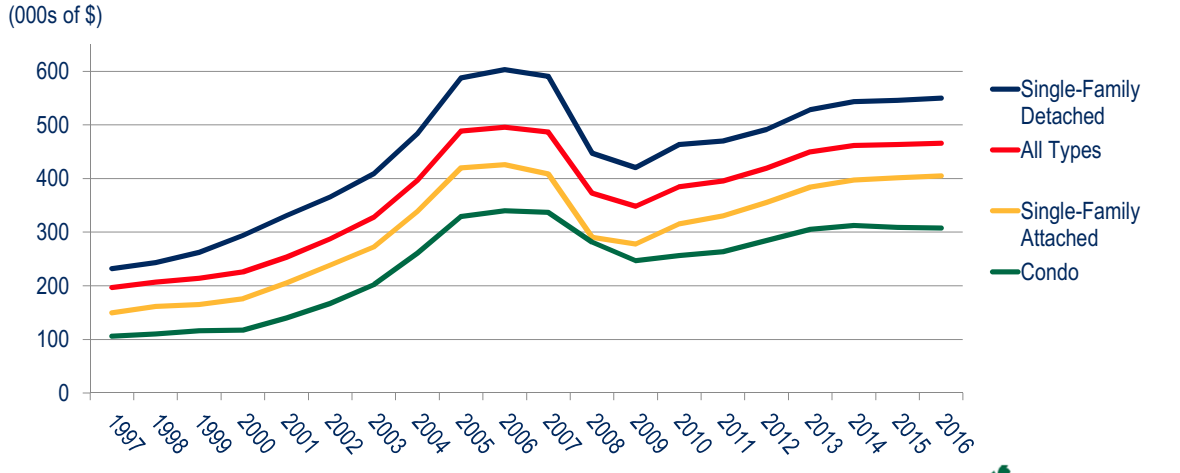
Average House Sales Price
Northern Virginia



Sources: Metropolitan Regional Information Systems (MRIS) Stephen S. Fuller Institute

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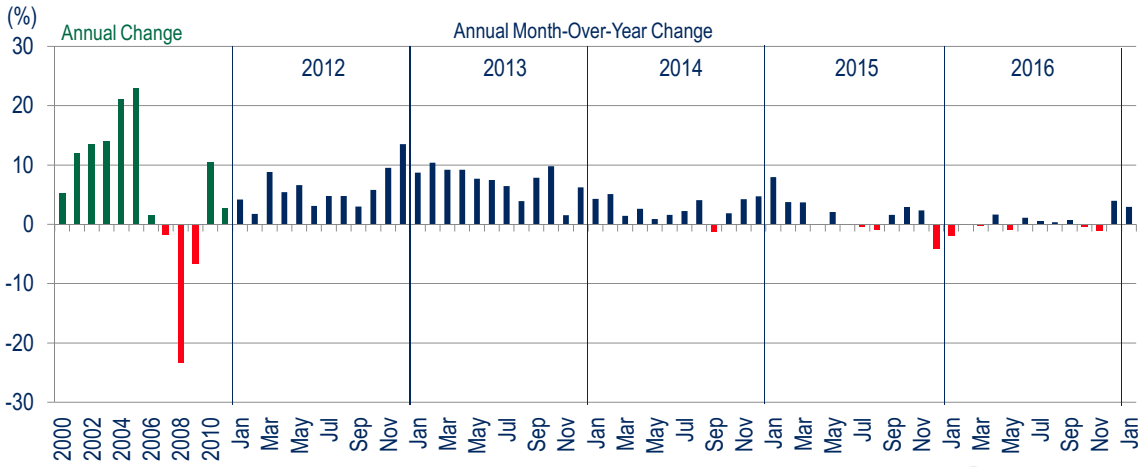
Average Sales Price Percent Change
Northern Virginia: All Housing Types



Sources: RealEstate Business Intelligence (RBI) , Metropolitan Regional Information Systems (MRIS) Stephen S. Fuller Institute

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What is the Washington region's and Northern Virginia's economic outlook?

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Washington Metropolitan Area
Employment Change by Sub-State Area (000s)

	2014	2015	2016	2017	2018	2019	2020	2021
D.C.	5.9	14.7	11.6	10.8	7.7	6.8	8.9	5.9
Sub. MD	11.8	17.4	26.1	22.0	19.6	17.0	17.0	10.8
No. VA	0.9	27.3	33.9	27.1	18.7	18.9	18.8	17.4
REGION	18.6	59.4	71.6	59.9	46.0	42.7	44.7	34.1

Average Annual Change 1990-2010 = 36,000

Source: BLS, IHS Economics, The Stephen S. Fuller Institute at the Schar School, GMU
NOTE: The regional totals do not include Jefferson, WV.

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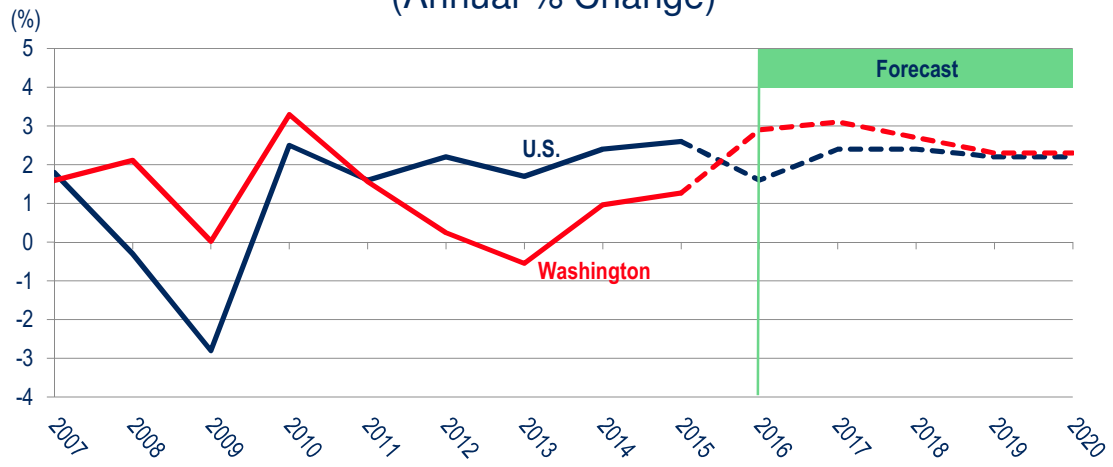
U.S. GDP and Washington Area GRP
2007 – 2015 – 2020
(Annual % Change)



Sources: U.S. Bureau of Economic Analysis, IHS Economics (January 2017), The Stephen S. Fuller Institute at the Schar School, GMU

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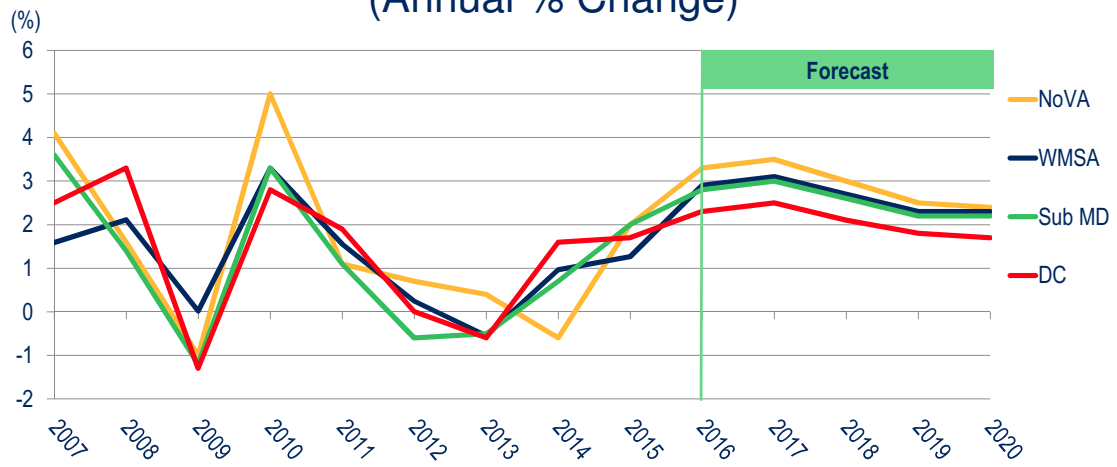
Washington Area and Sub-State Areas Economic Outlook (GRP), 2007-2020
(Annual % Change)



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

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Thank you

Questions

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