



Real Estate Lenders Association DC

The Washington Region's Economy in 2019 and Beyond

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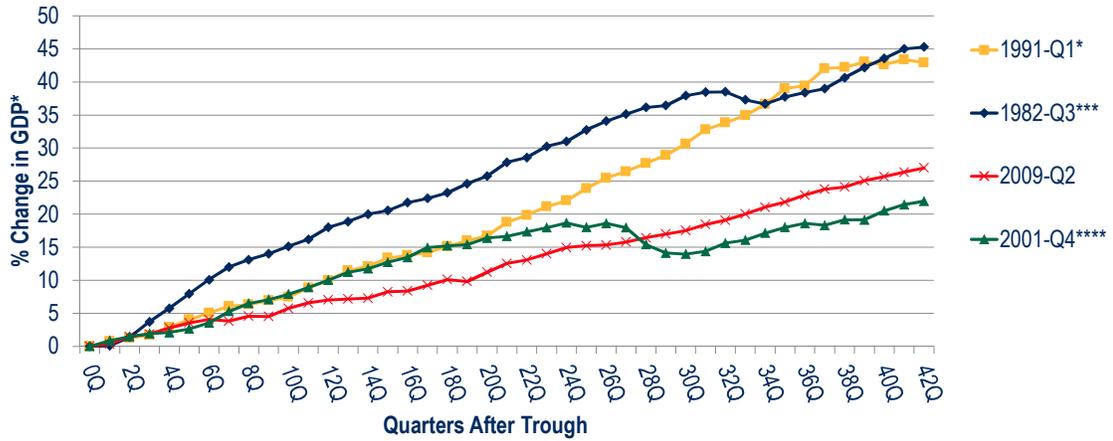


February 12, 2020

The Current Performance of the U.S. Economy



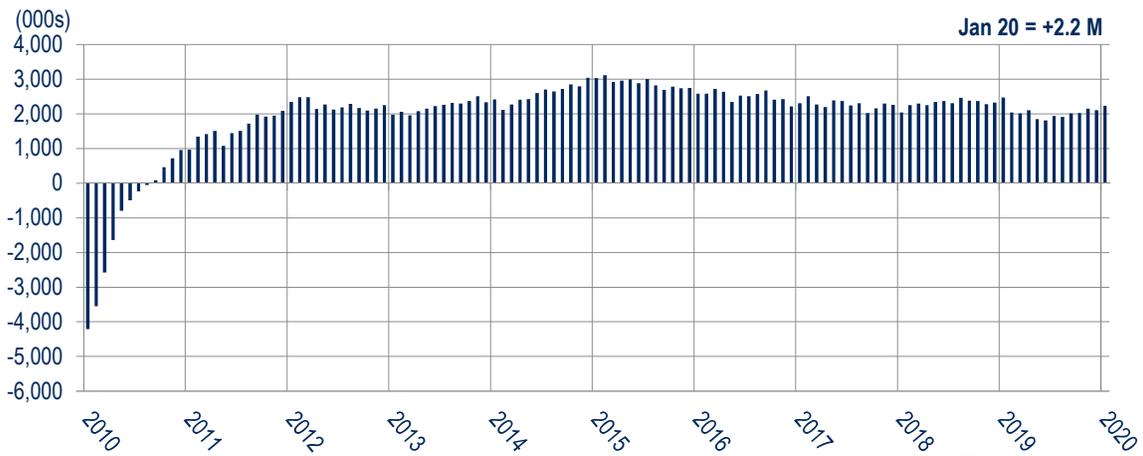
Recession Recovery Patterns of GDP Past Four Recessions*



*in 1992 or 2009 Chained Dollars; *Quarters 40+ include the 2001 Recession ***Quarters 32+ include the 1991 Recession; ****Quarters 25+ include the 2009 Recession Sources: Bureau of Economic Analysis, The Stephen S. Fuller Institute at the Schar School, GMU



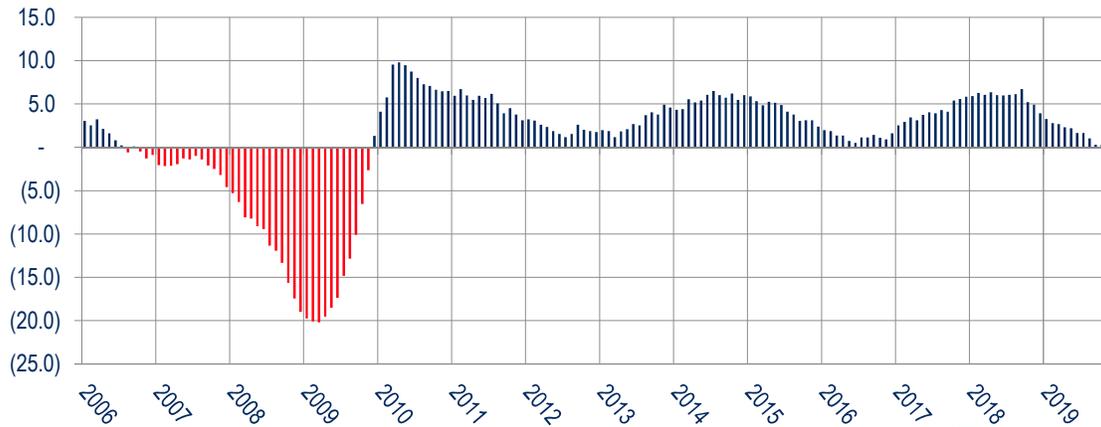
U.S. Annual Change in Payroll Jobs Month-Over-The-Year



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



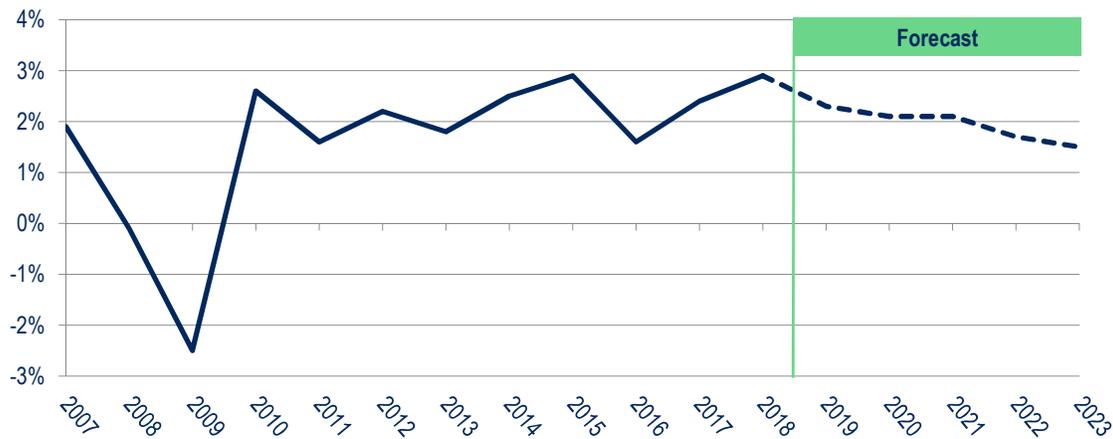
U.S. Leading Index Month-Over-Year Percent Change



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

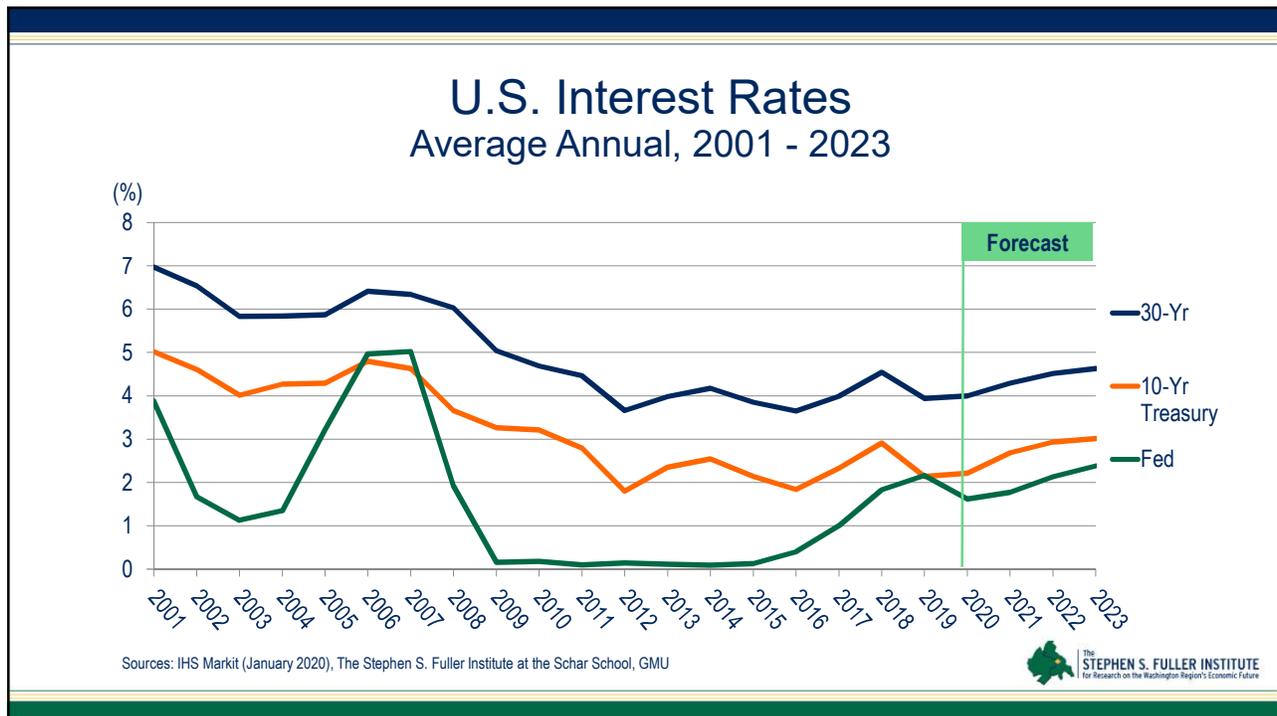
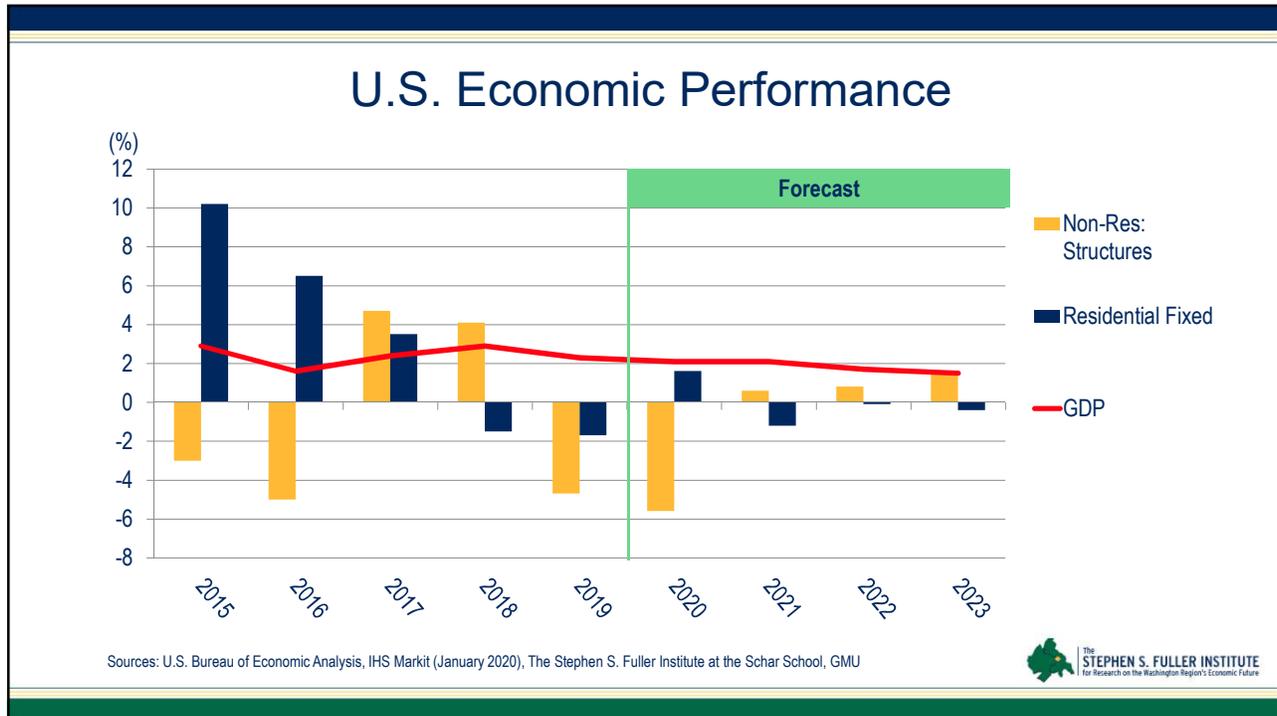


U.S. GDP 2007 – 2018 – 2023 (Annual % Change)



Sources: IHS Markit (December 2019); The Stephen S. Fuller Institute at the Schar School, GMU (forecast as of January 2020)





U.S. Consumer Confidence Monthly Over-the-Year Change January 2015 – January 2020



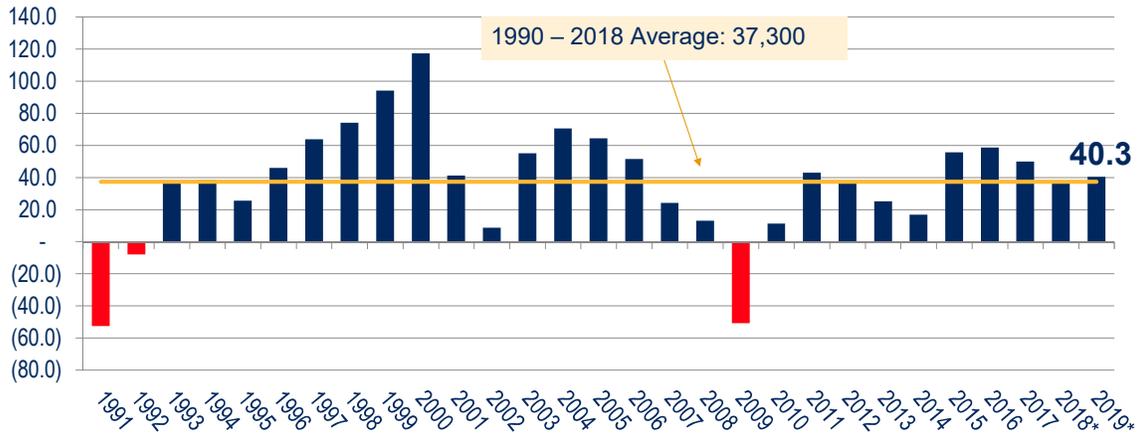
Sources: The Conference Board, The Stephen S. Fuller Institute at the Schar School, GMU



The Current and Near-Term Performance of the Washington Region's Economy



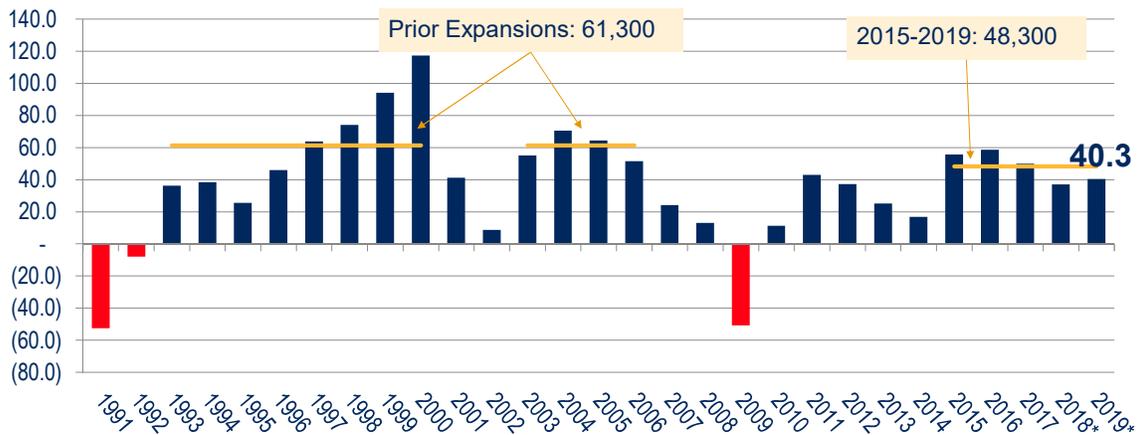
Job Change in the Washington Region 1991 – 2019* (000s)



Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU
 *2018 and 2019 include projected revisions to the preliminary data and do not align with the estimates published by BLS.

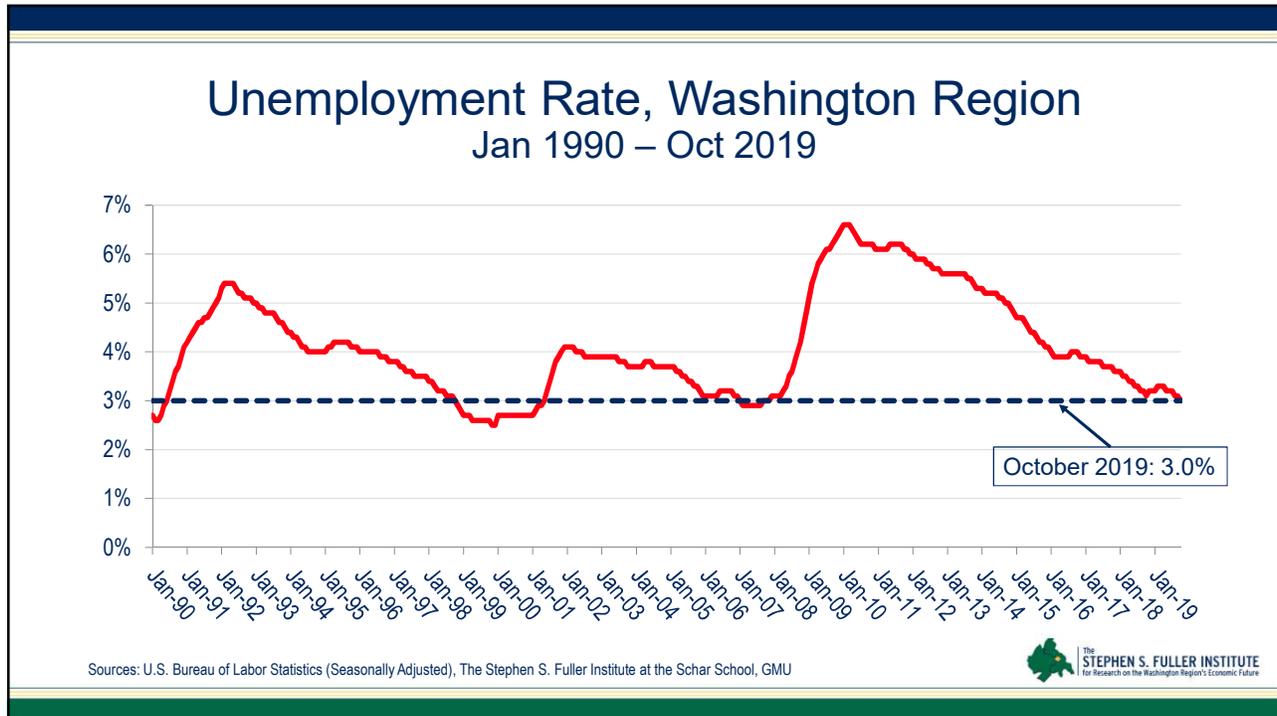


Job Change in the Washington Region 1991 – 2019* (000s)

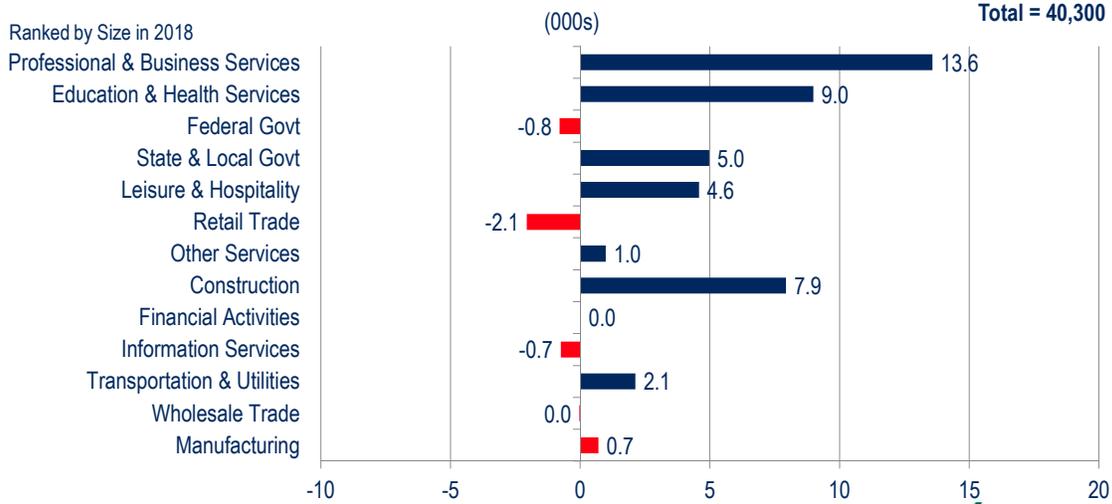


Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU
 *2018 and 2019 include projected revisions to the preliminary data and do not align with the estimates published by BLS.





Washington Region Job Change by Sector, 2019*

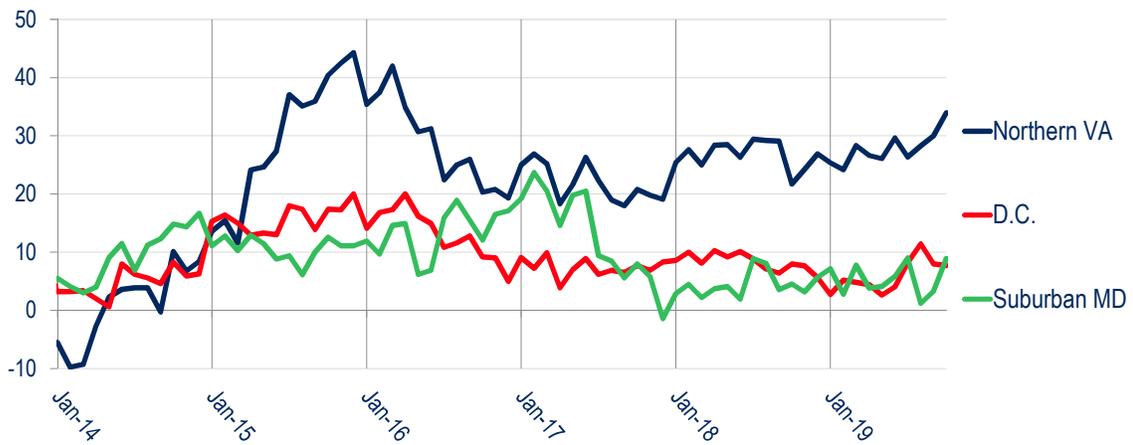


Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU
 *Through October; includes projected revisions to the preliminary data and do not align with the estimates published by BLS.



Change in Jobs By Sub-State Area, 2014-2019*

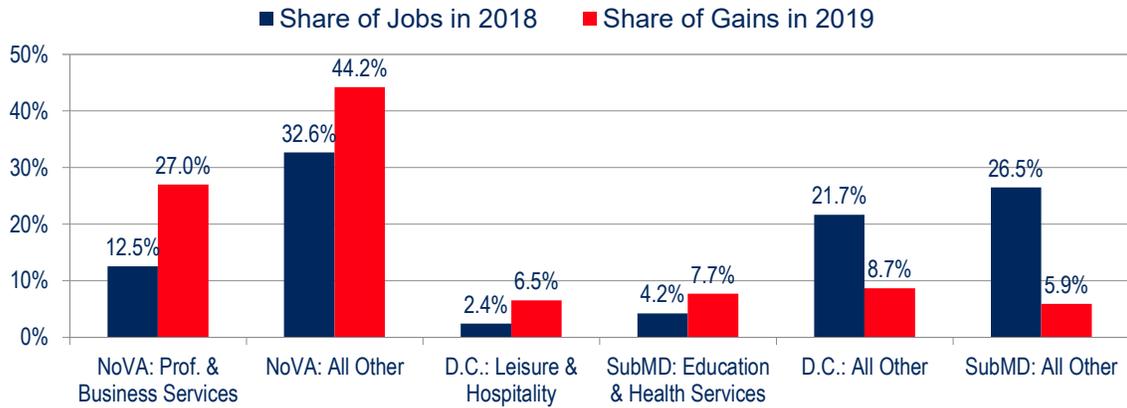
Monthly Over-the-Year Change (in 000s)



Sources: U.S. Bureau of Labor Statistics, The Stephen S. Fuller Institute at the Schar School, GMU
 *2018 and 2019 include projected revisions to the preliminary data and do not align with the estimates published by BLS.



Distribution of Job Growth in the Washington Region, 2019*

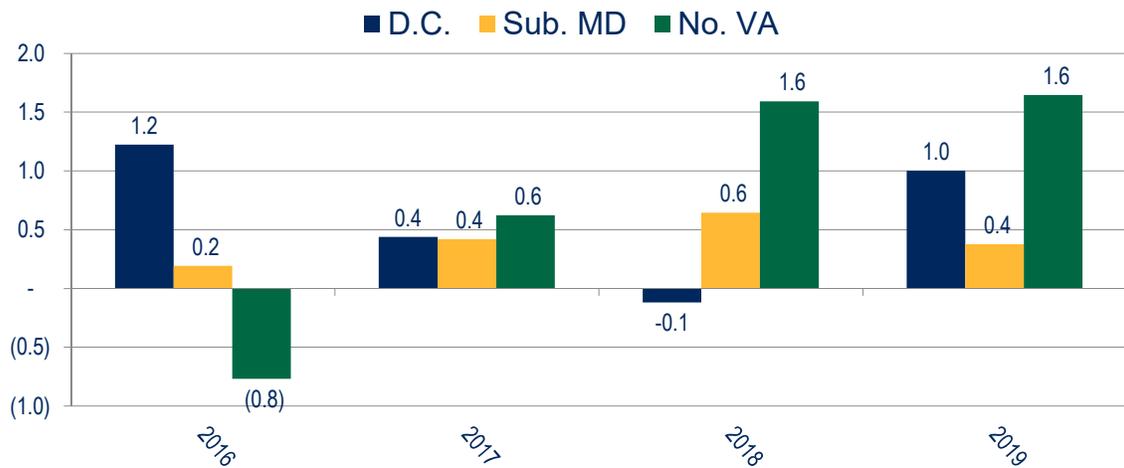


Out-Performing

Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU
 *Through October; includes projected revisions to the preliminary data and do not align with the estimates published by BLS.



Office Absorption (MMs of SF)



Sources: Newmark Knight Frank



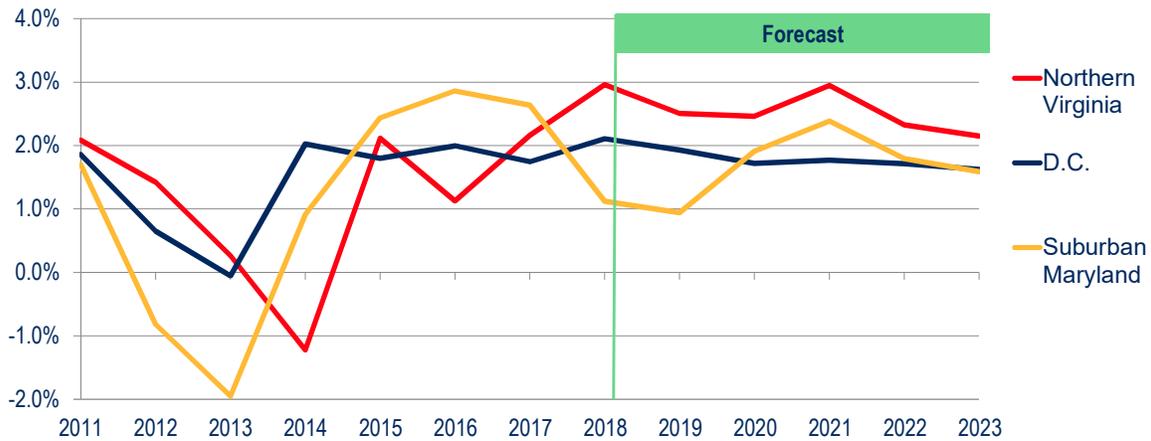
Employment Change by Sub-State Area (000s)

	2016	2017	2018*	2019*	2020	2021	2022	2023
D.C.	13.1	7.4	8.3	5.9	8.9	4.9	4.2	3.6
Sub. MD	13.4	12.9	4.4	5.4	9.2	7.2	5.2	1.3
No. VA	28.8	21.9	26.8	27.9	22.6	23.6	17.8	12.9
Residual**	3.3	7.6	(2.6)	1.1	0.2	0.1	0.2	0.1
REGION	58.6	49.8	36.9	40.3	40.9	35.8	27.4	17.9

Source: BLS, IHS Economics, The Stephen S. Fuller Institute at the Schar School, GMU (forecast as of December 2019)
 *2018 and 2019 include projected revisions to the preliminary data and do not align with the estimates published by BLS.
 **Residual includes Jefferson, WV and jobs that cannot be attributed to a sub-state area.



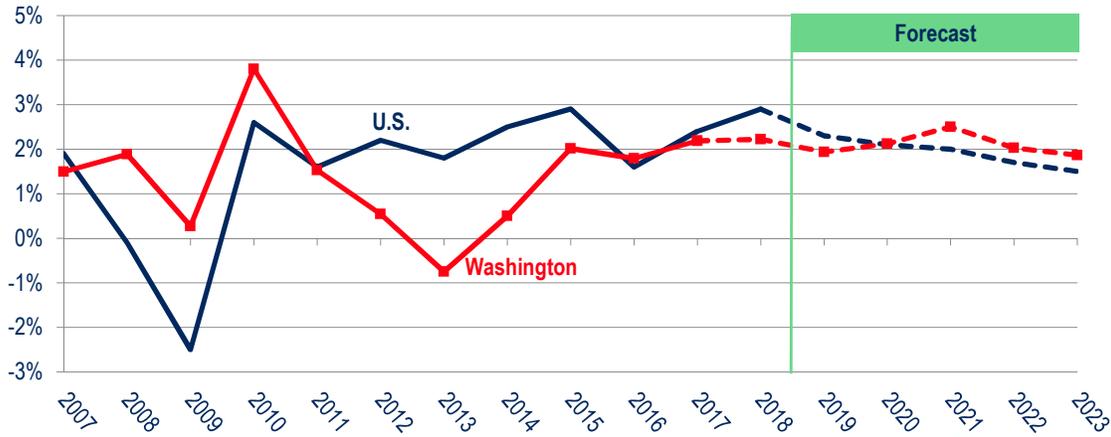
Washington Region GRP by Sub-State Area 2011 – 2018 - 2023 (Annual % Change)



Sources: IHS Markit (November 2019); The Stephen S. Fuller Institute at the Schar School, GMU (forecast as of December 2019)



U.S. GDP and Washington Region GRP 2007 – 2018 – 2023 (Annual % Change)



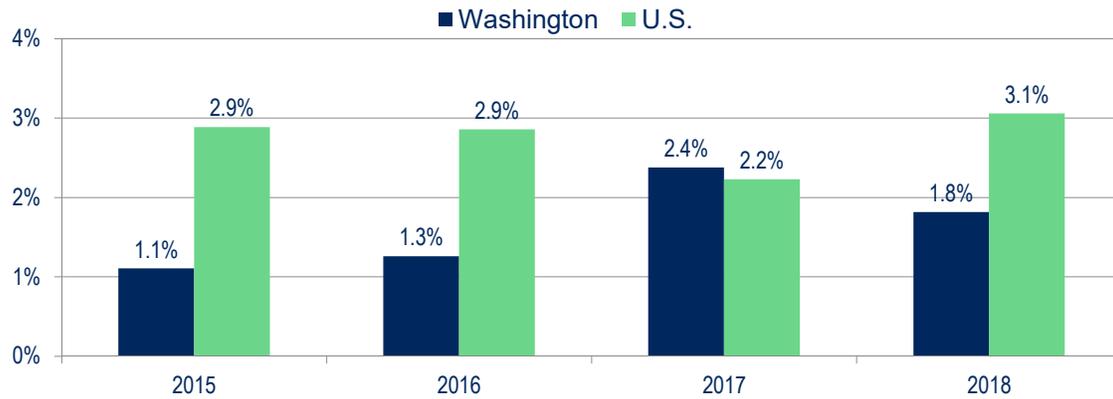
Sources: IHS Markit (December 2019); The Stephen S. Fuller Institute at the Schar School, GMU (forecast as of December 2019)



The Changing Structure of the Washington Region's Economy



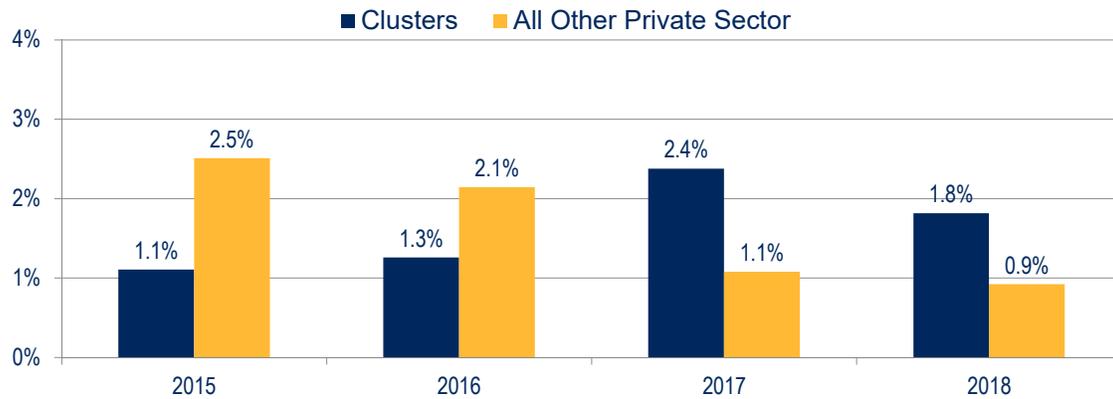
Growth Rates of the Washington Region's Advanced Industrial Clusters



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



Growth Rates of the Washington Region's Advanced Industrial Clusters & Private Sector



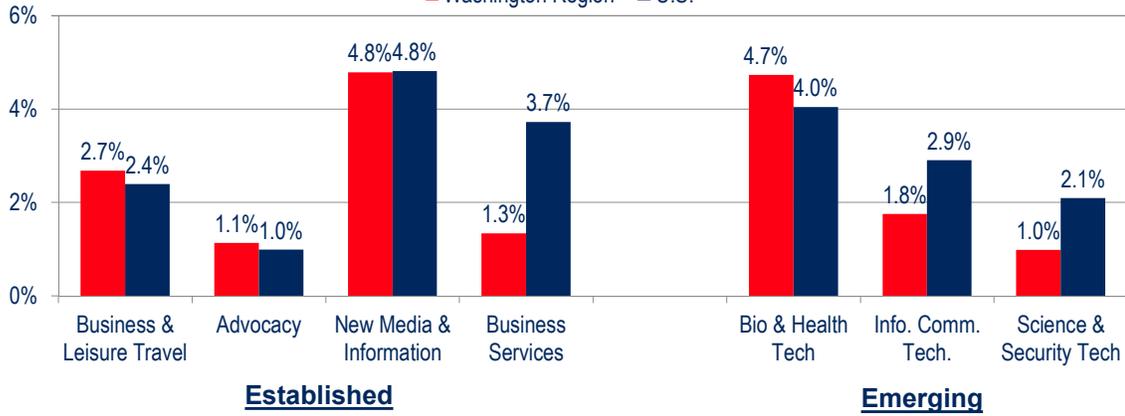
Sources: U.S. Bureau of Labor Statistics (QCEW), The Stephen S. Fuller Institute at the Schar School, GMU



Growth in the Washington Region's Advanced Industrial Clusters, 2014-2018

Annualized Growth

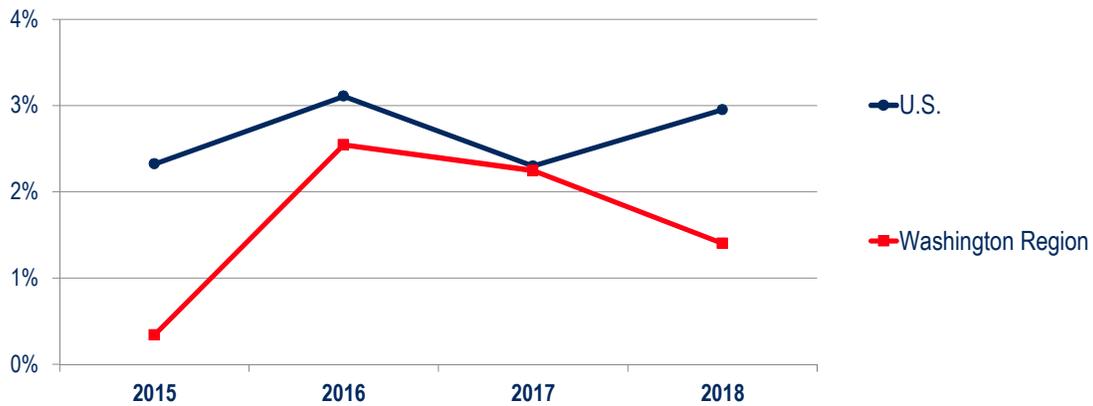
■ Washington Region ■ U.S.



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



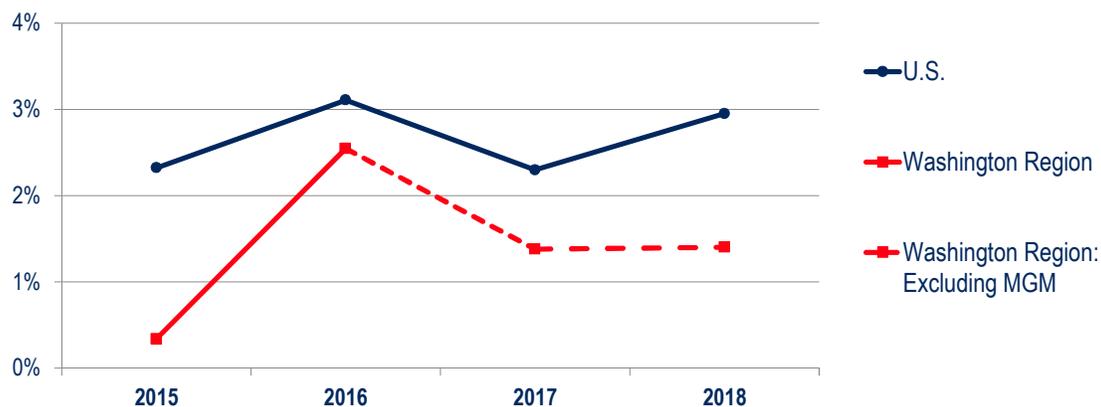
The Washington Region's Established Clusters: Influence, Management Services & Travel



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



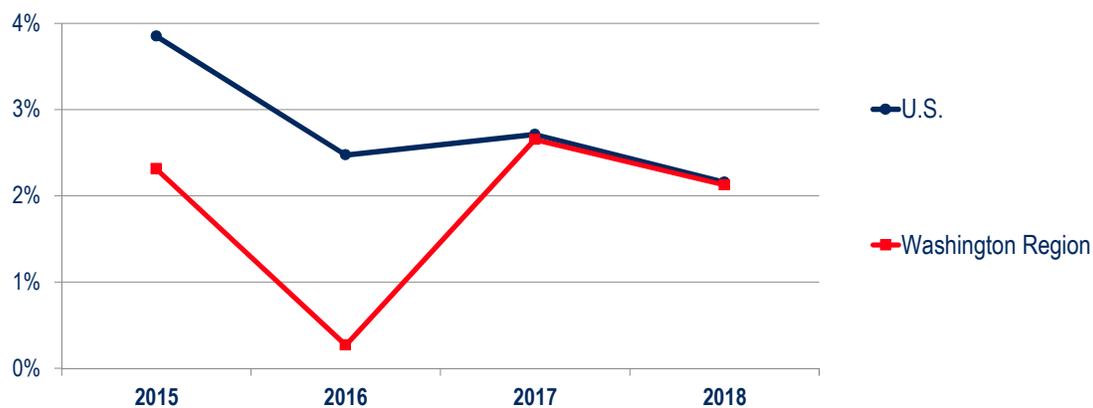
The Washington Region's Established Clusters: Influence, Management Services & Travel



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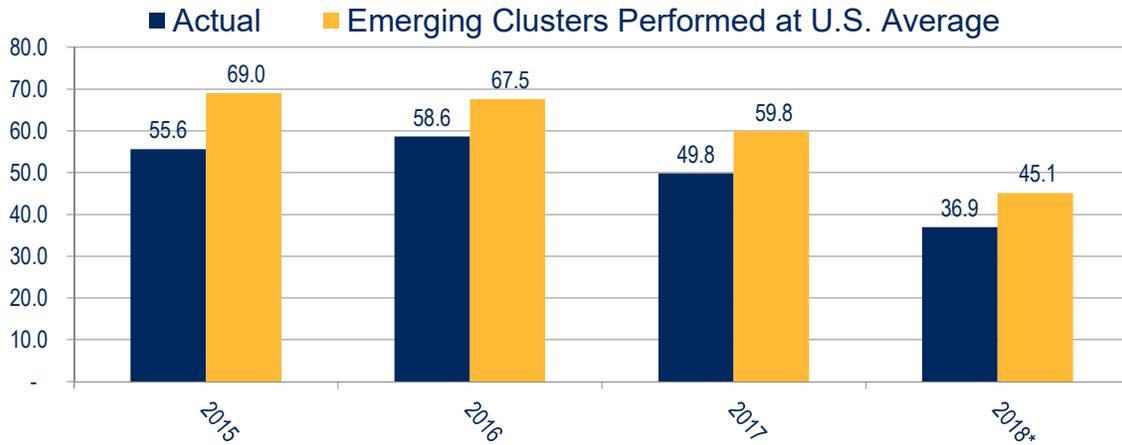
The Washington Region's Emerging Clusters: Science, Security, Information & Health Technology



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



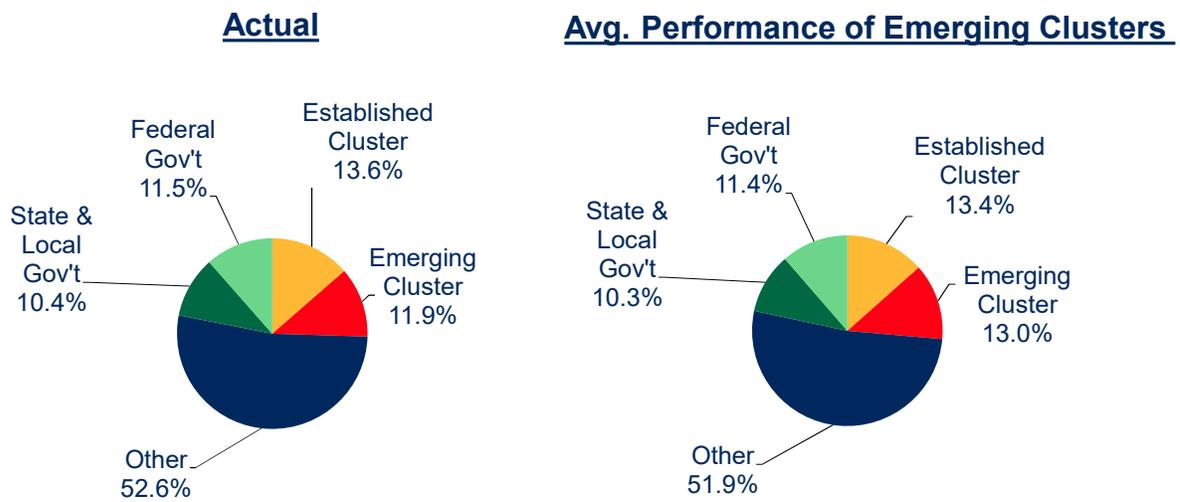
Job Change Scenarios in the Washington Region 2015-2018



Sources: U.S. Bureau of Labor Statistics, The Stephen S. Fuller Institute at the Schar School, GMU
*2018 and 2019 include projected revisions to the preliminary data and do not align with the estimates published by BLS.



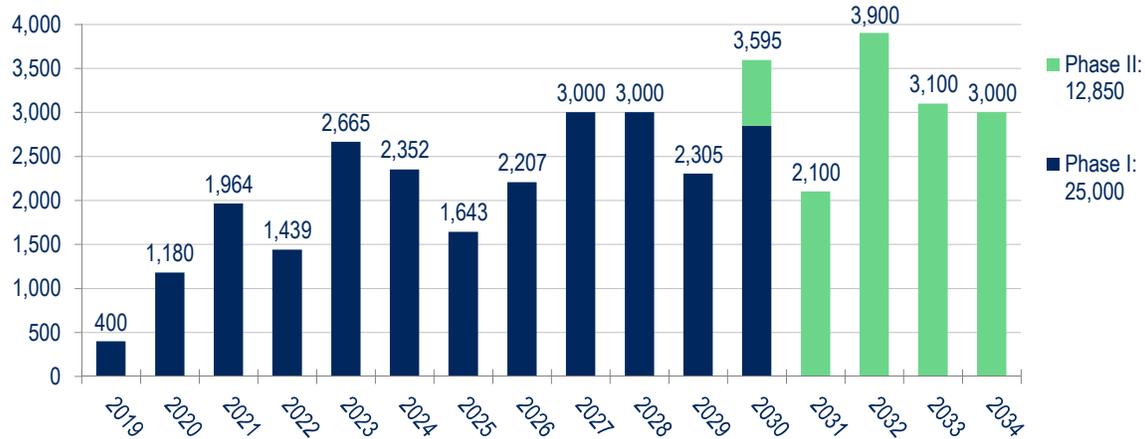
Distribution of Jobs in the Washington Region, 2018



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



HQ2 Employment Schedule



Sources: Commonwealth of Virginia MOU; The Stephen S. Fuller Institute at the Schar School, GMU



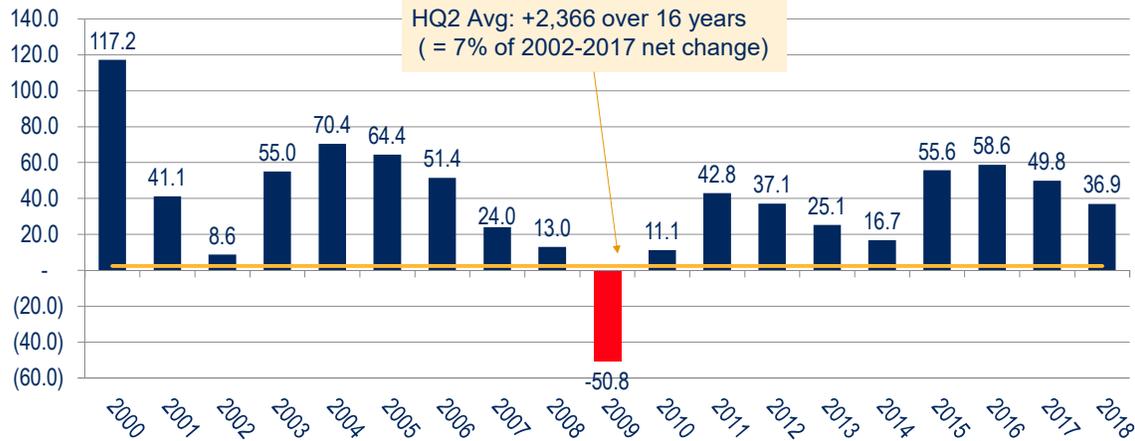
The Economic Impacts of Amazon's HQ2: Post-Construction Outlays

	<u>Arlington County</u>	<u>Washington Region</u>
<u>Post-Construction \$s</u>		
Direct Outlays	\$1.3 – \$2.0 b	\$2.5 - \$3.8 billion
Total Output*	\$1.7 – \$2.5 b	\$4.2 – 6.4 billion
Personal Income	\$124 - \$186 m	\$1.2 - \$1.9 billion
Jobs Supported	1,150 – 1,735	38,400 – 58,375
Local FT-equ Jobs	1,000 – 1,600	14,500 – 23,500

Sources: VEDP, The Stephen S. Fuller Institute at the Schar School, GMU *reflects Arlington and MSA multipliers of 1.273 and 1.6804 respectively



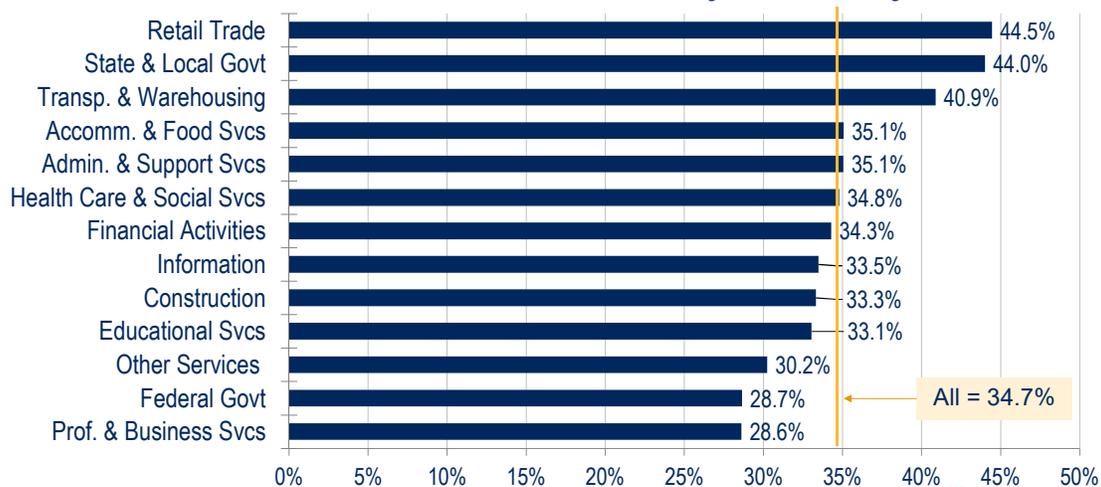
Job Change in the Washington Region 2000 – 2018 (in thousands)



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



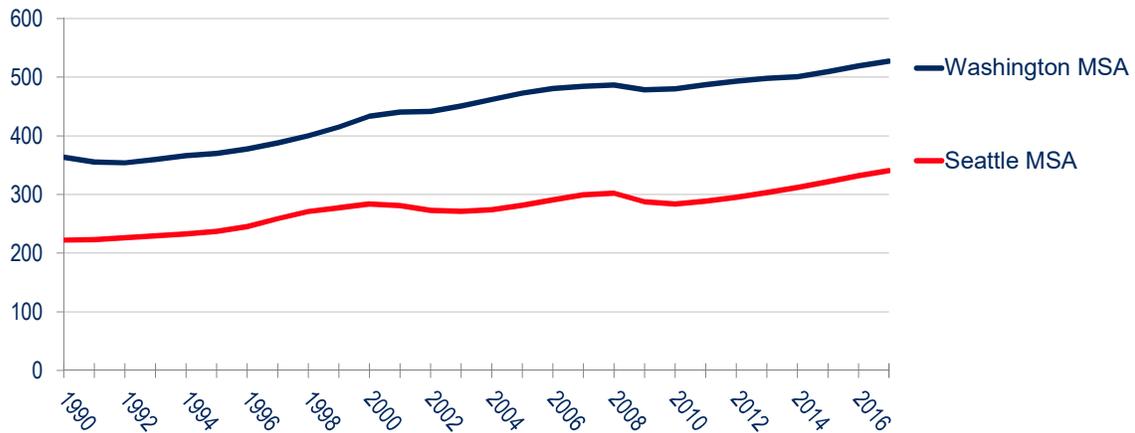
% of the Washington Region's Workers Born in DC, VA, or MD by Industry



Sources: U.S. Census Bureau (2014-2016 ACS Microdata); The Stephen S. Fuller Institute at the Schar School, GMU



Density by Metro Area: Jobs Per Land Square Mile



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



Density: Arlington County vs. City of Seattle

	Arlington County	Seattle City	Arlington as a % of Seattle
Sq. Mi.	26	83	31%
Residents	234,965	724,745	32%
--- Per Sq. Mi.	9,037	8,732	103%
Private Office Space (MMs SF)	32	55	58%
--- Per Sq. Mi.	1.2	0.7	186%

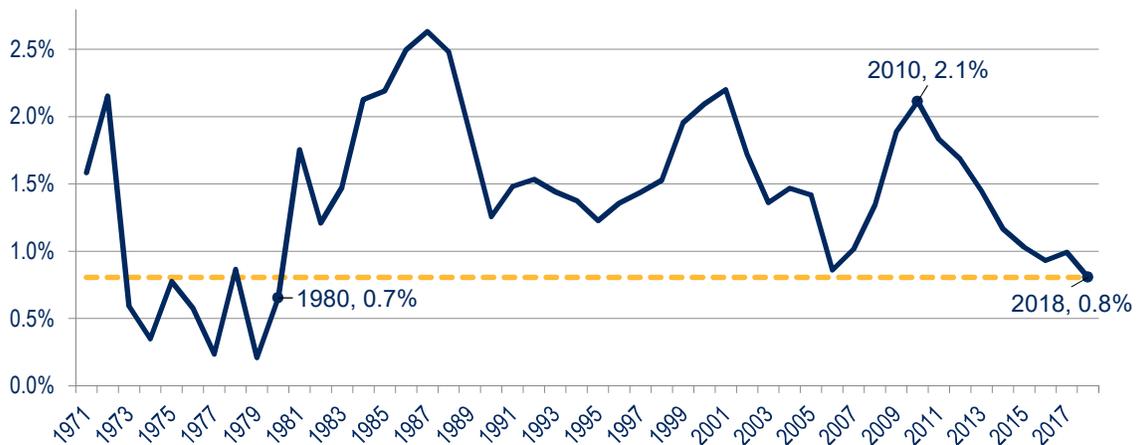
Sources: U.S. Census; Cushman & Wakefield; The Stephen S. Fuller Institute at the Schar School, GMU



The Washington Region's Population Trends

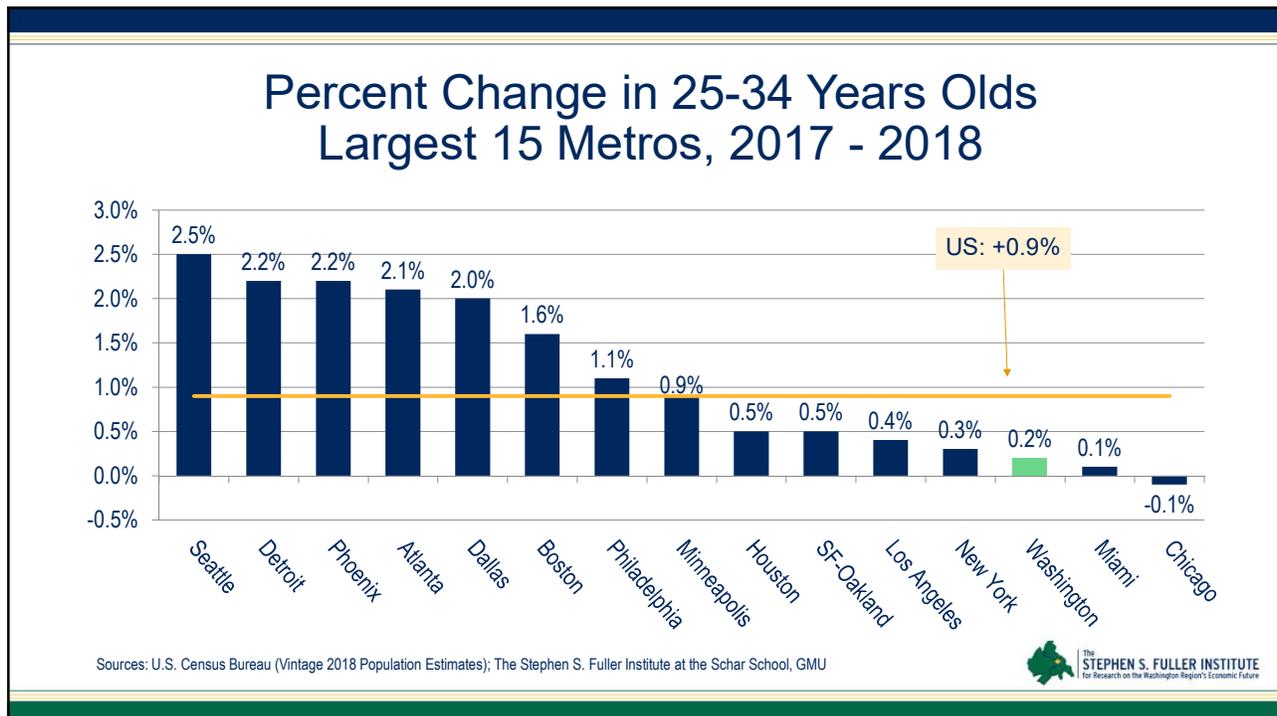
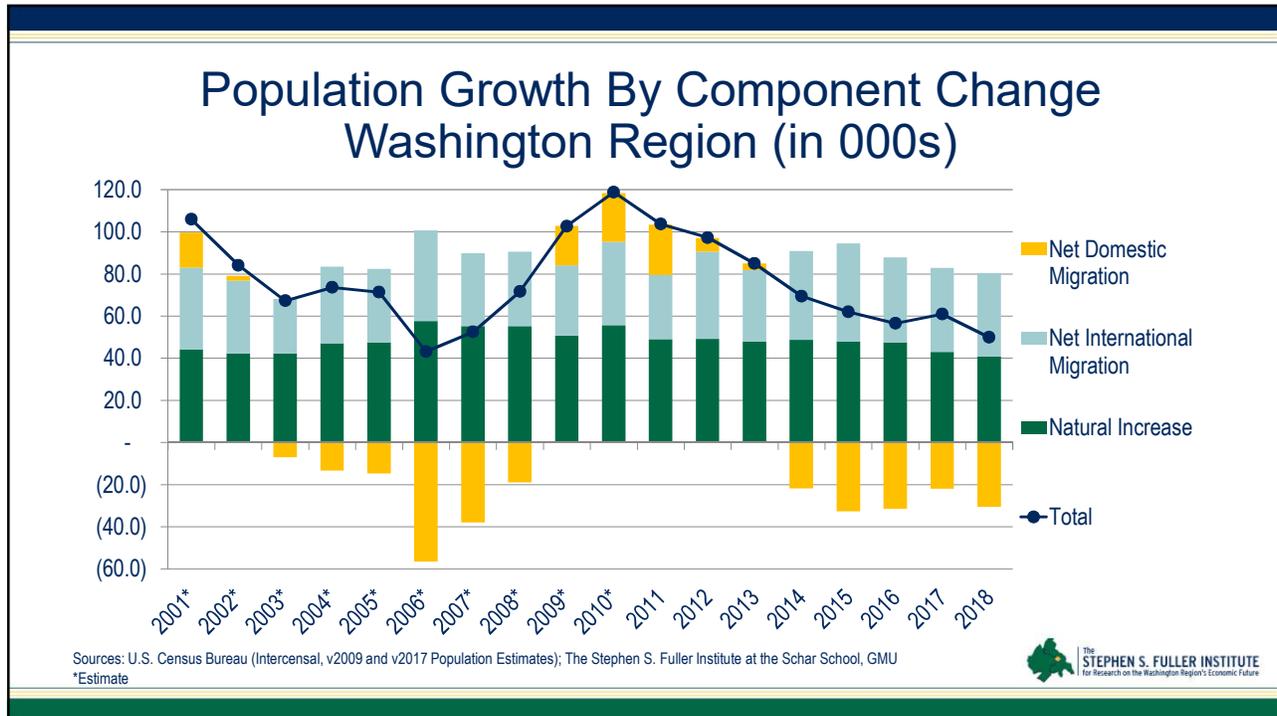


Population Growth Washington Region, 1971 to 2018

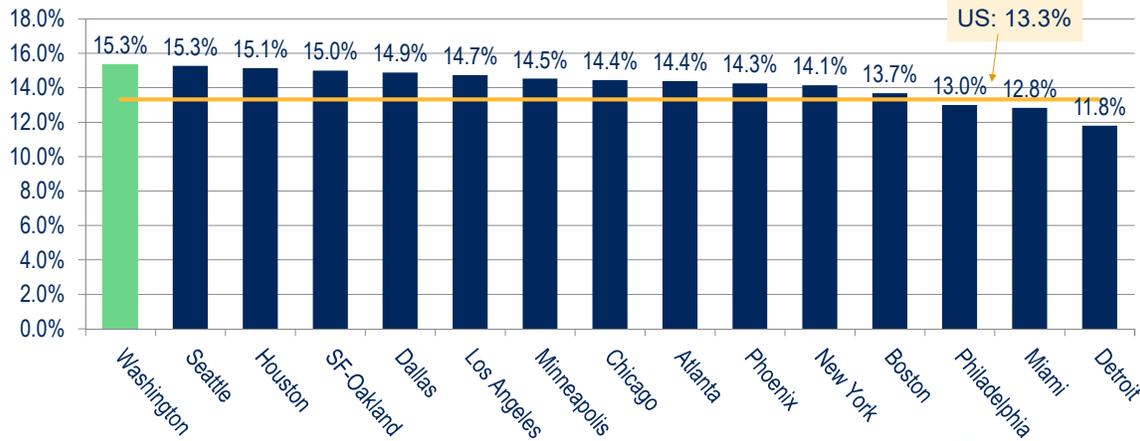


Sources: U.S. Census Bureau (Intercensal & v2018 Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU





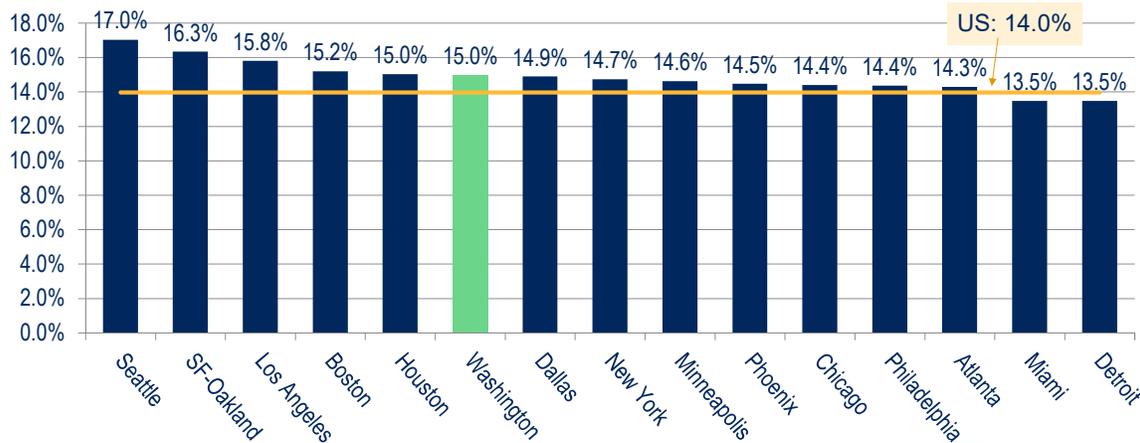
Share of 25-34 Year Olds Largest 15 Metros, 2010



Sources: U.S. Census Bureau (Vintage 2018 Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU

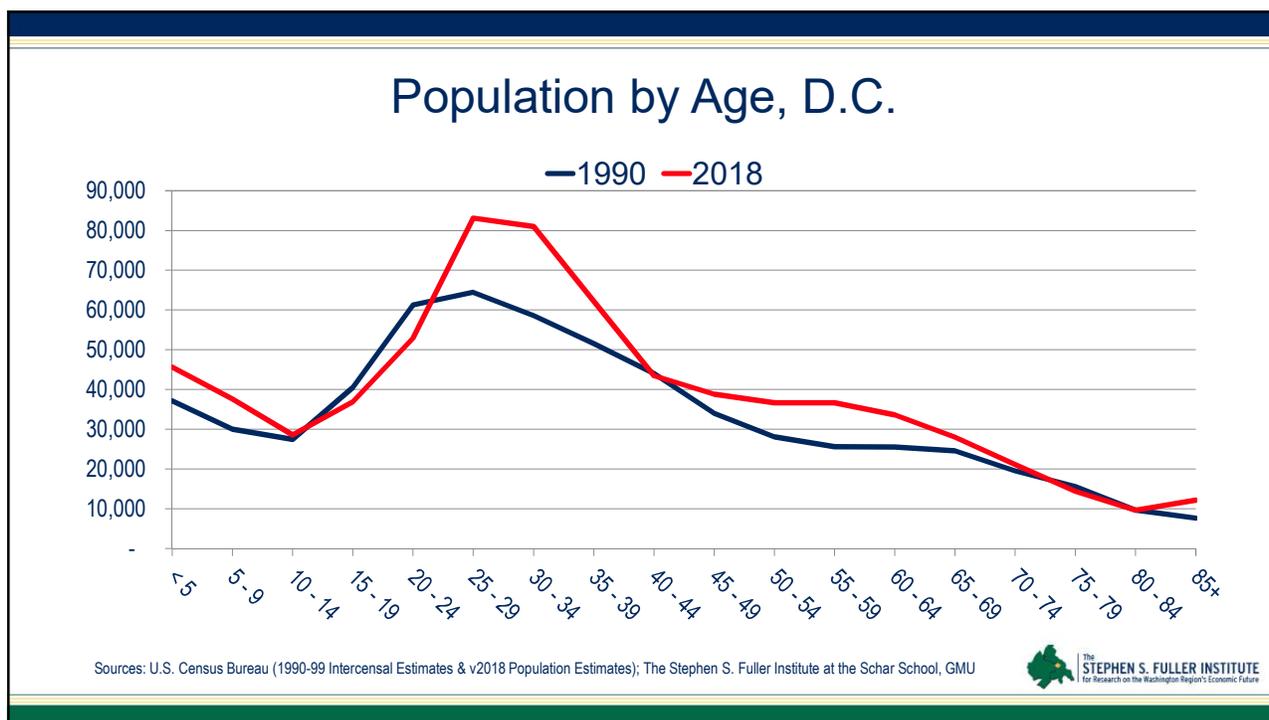
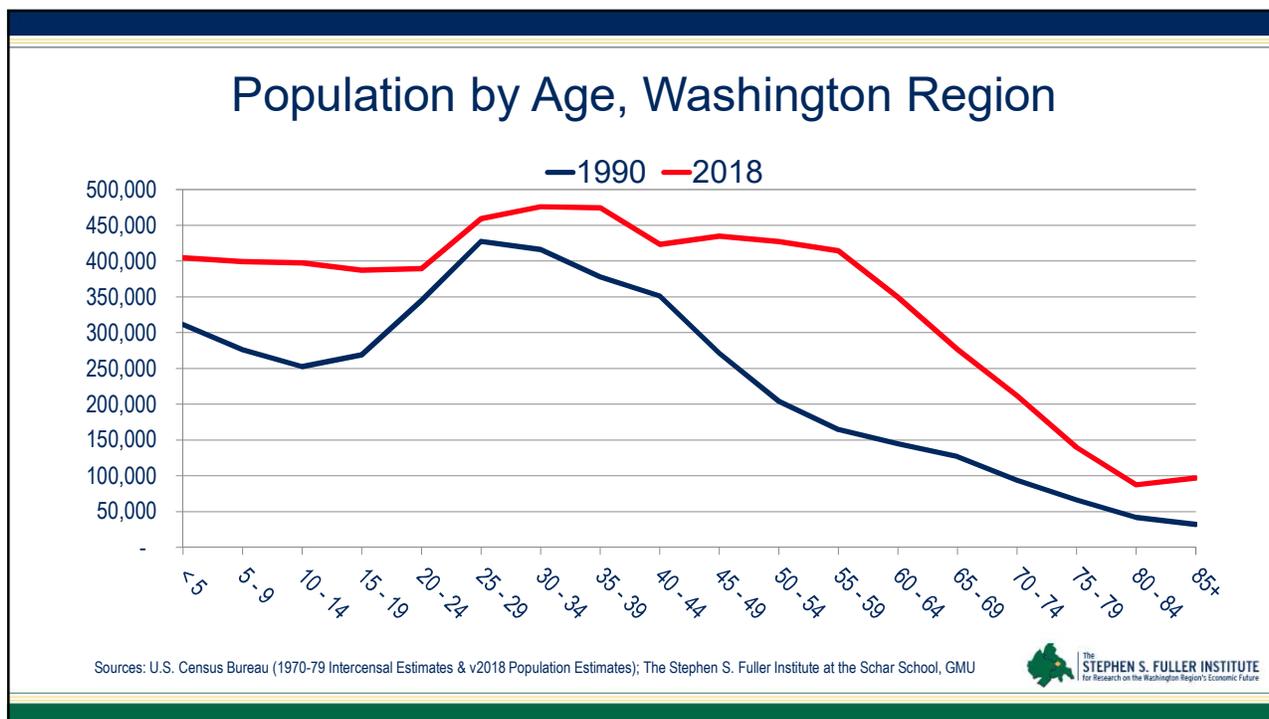


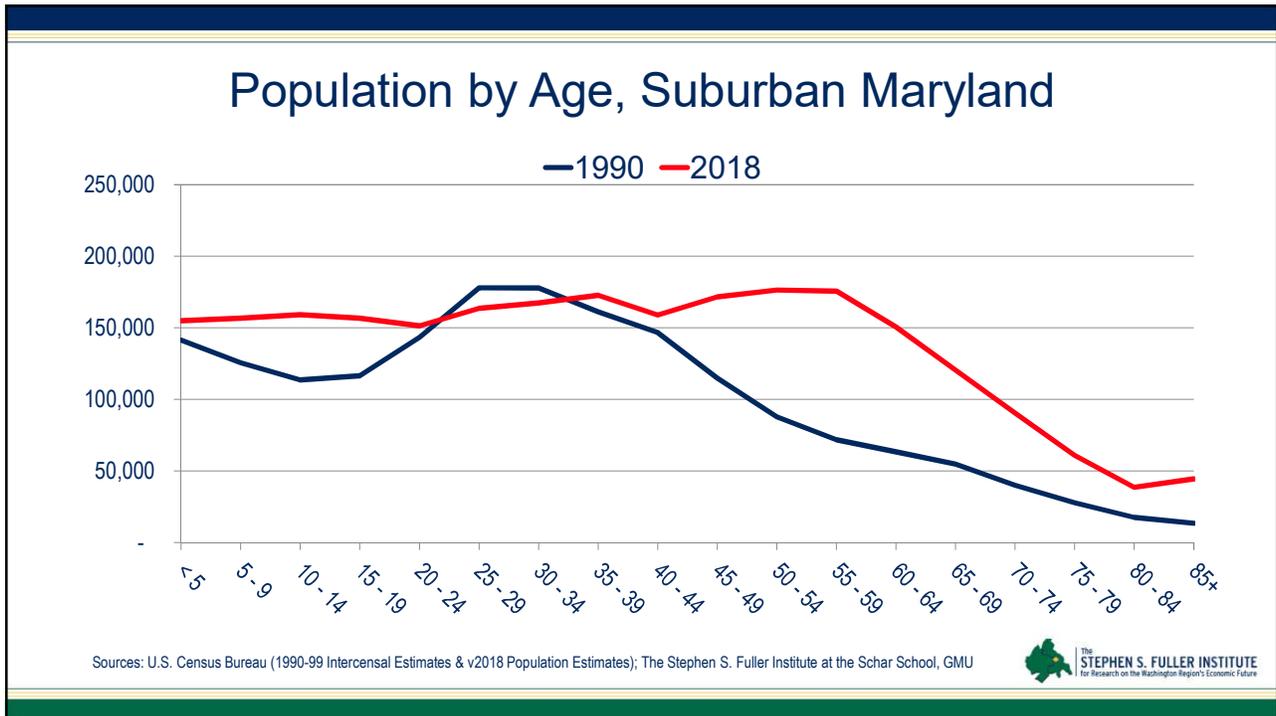
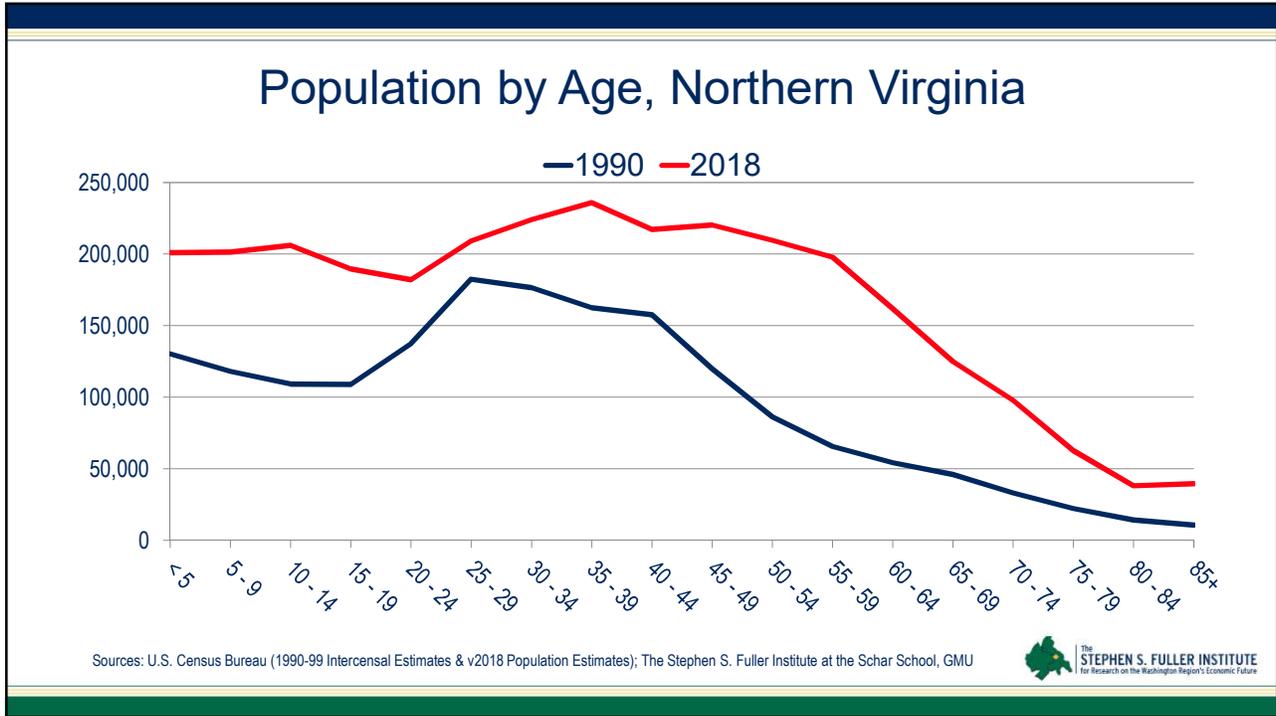
Share of 25-34 Year Olds Largest 15 Metros, 2018



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