



## *Small Business and the Transformation of the Washington Region's Economy*

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### Small Business in the Washington Region's Economy

<u>Firm Size (Jobs)</u>	<u>% of Total</u>	<u>Growth Rate*</u>	<u>% of Change</u>
Less than 20	15.5	3.2%	7.8
20 to 99	17.5	8.0%	20.9
100 to 499	16.5	7.2%	18.0
Total Under 500	49.5	6.2%	46.7
All Firms**	100.0	6.6%	100.0

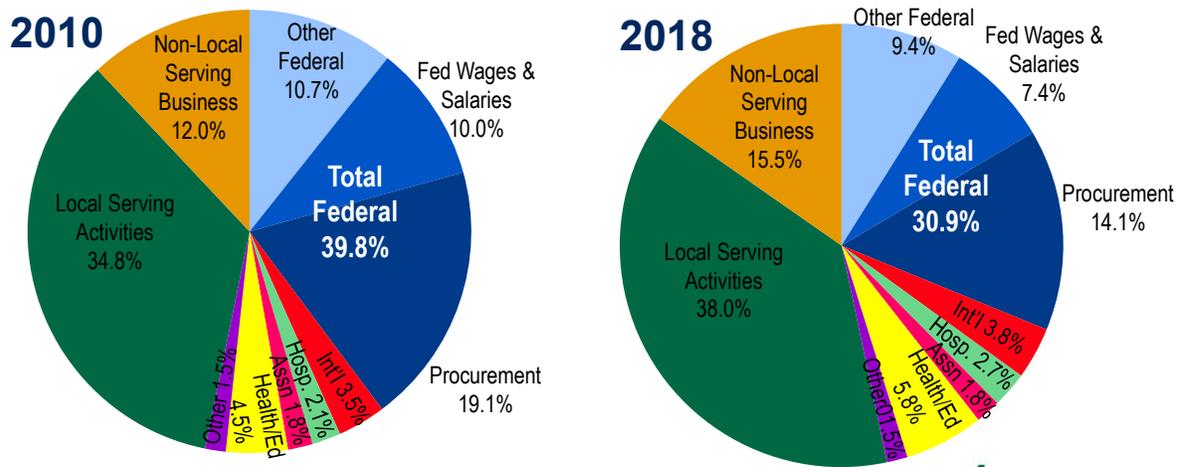
Sources: U.S. Census & The Stephen S. Fuller Institute at the Schar School, GMU \*growth rate between 2009 and 2014; \*\*excluding government jobs



# The Washington Region's Second Economic Transformation

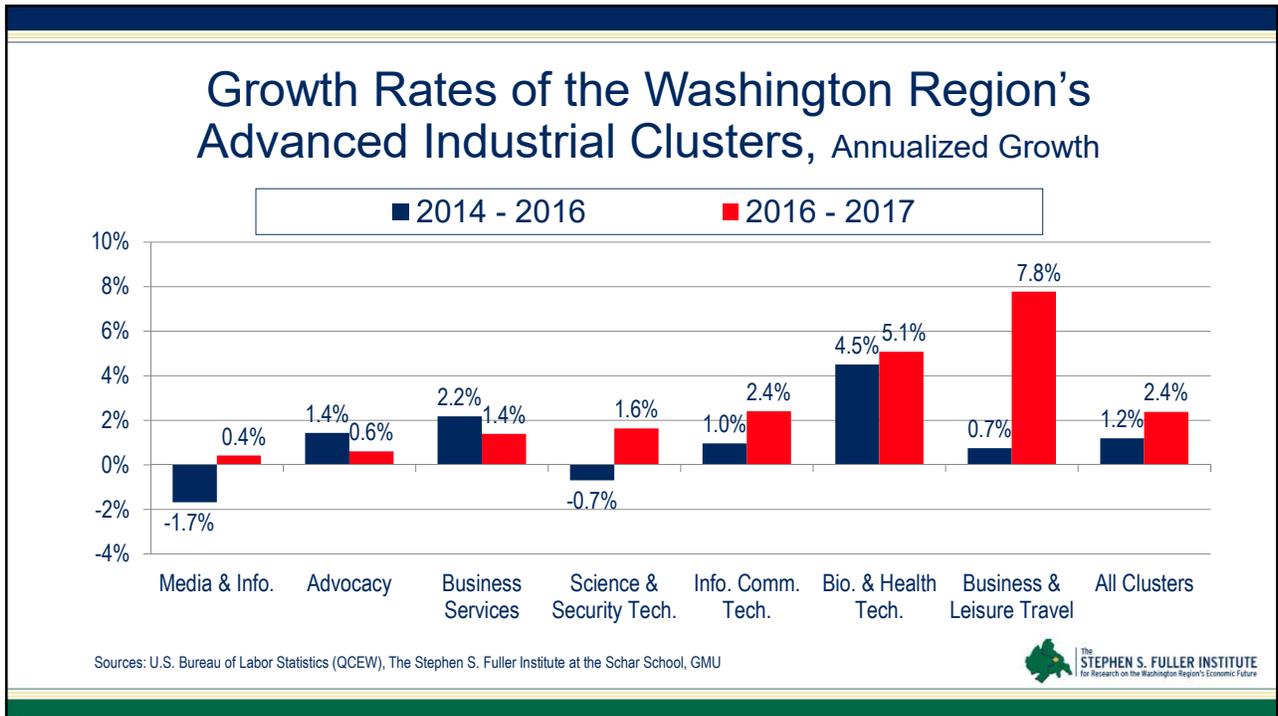
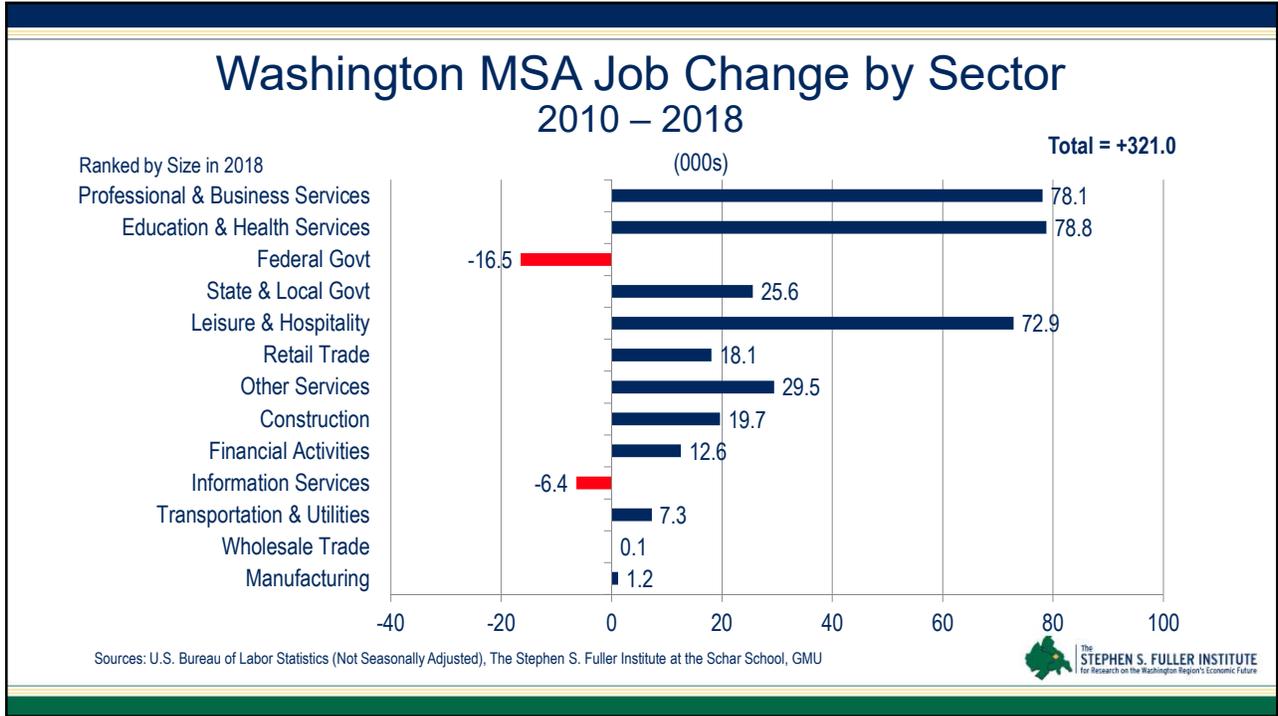


## The Changing Structure of the Washington Region Economy



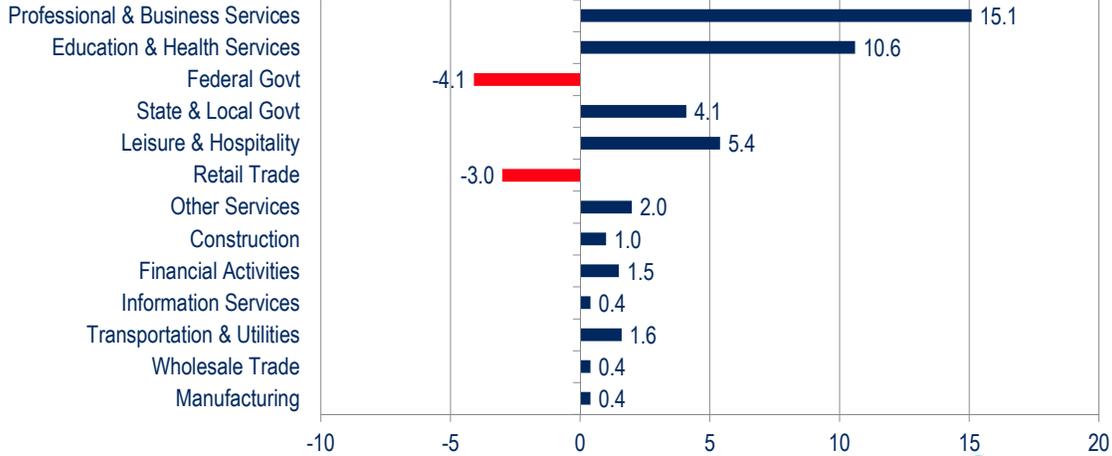
Source: The Stephen S. Fuller Institute at the Schar School, GMU; Forecast January 2019





## Washington MSA Job Change by Sector 2018

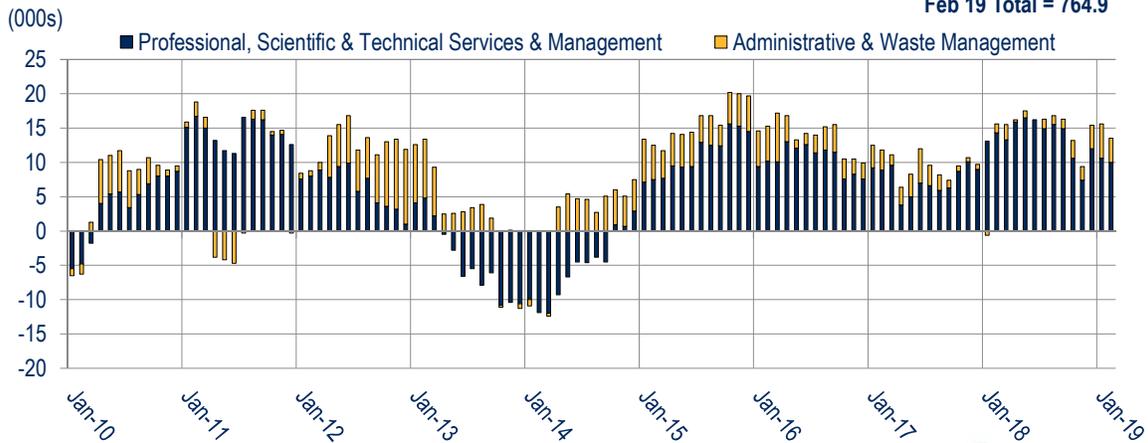
Ranked by Size in 2018



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



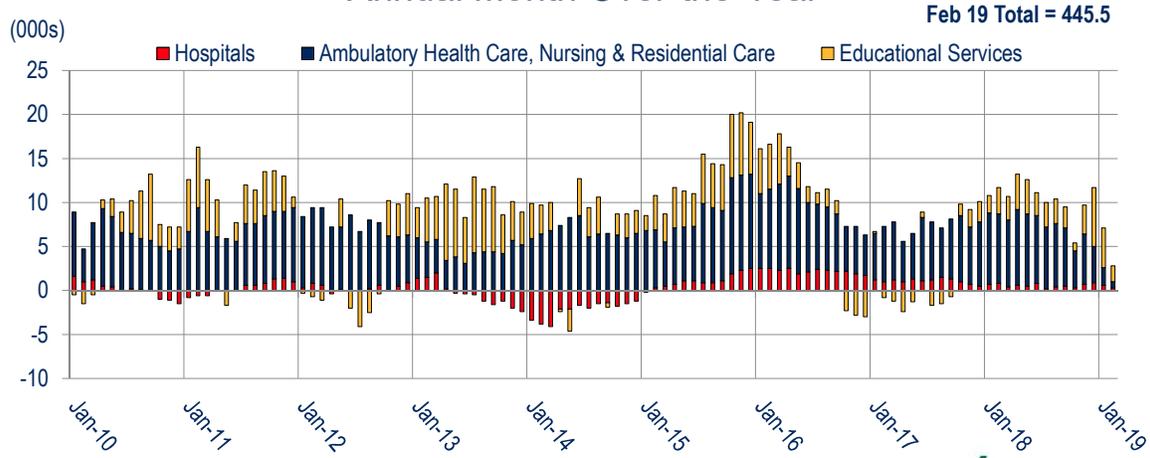
## Professional and Business Services Jobs Washington MSA Annual Month Over-the-Year



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



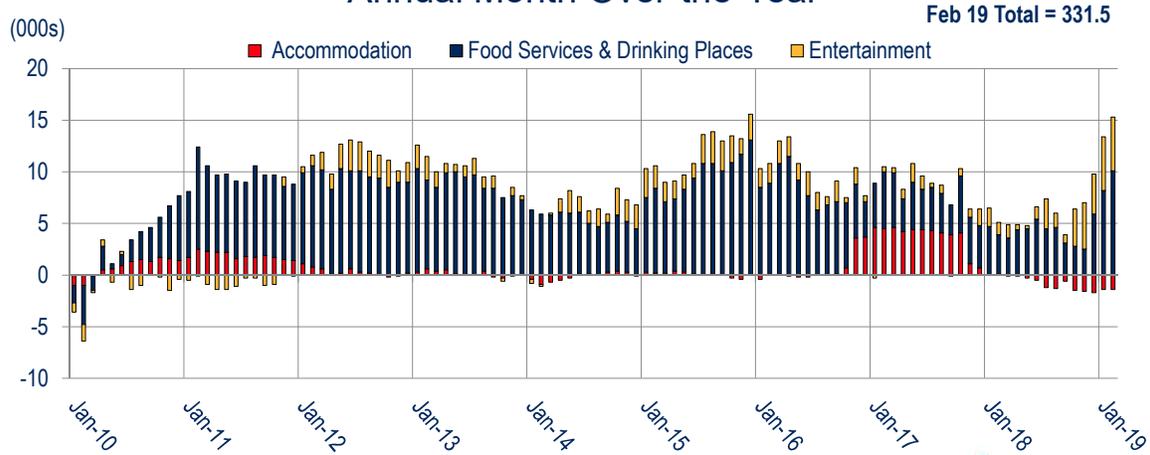
## Education and Health Services Jobs Washington MSA Annual Month Over-the-Year



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



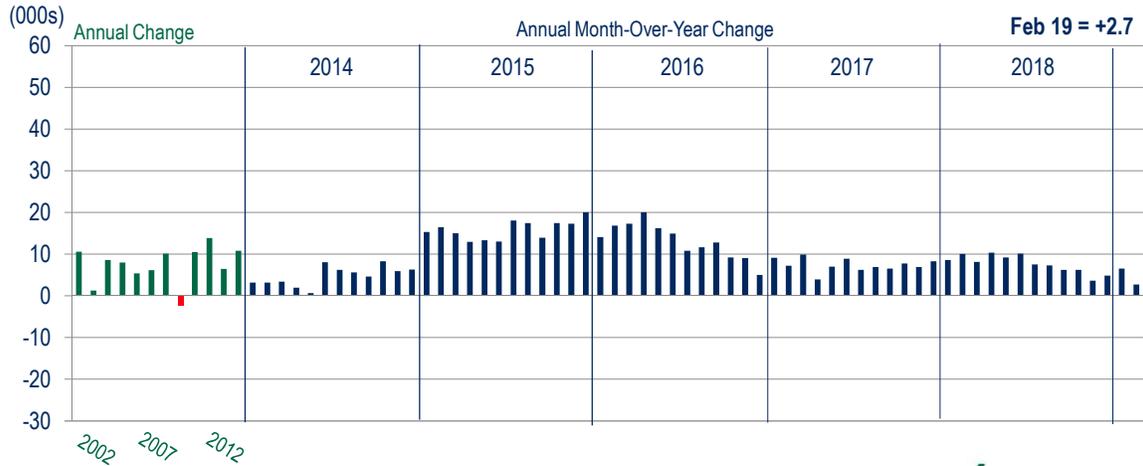
## Leisure and Hospitality Services Jobs Washington MSA Annual Month Over-the-Year



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



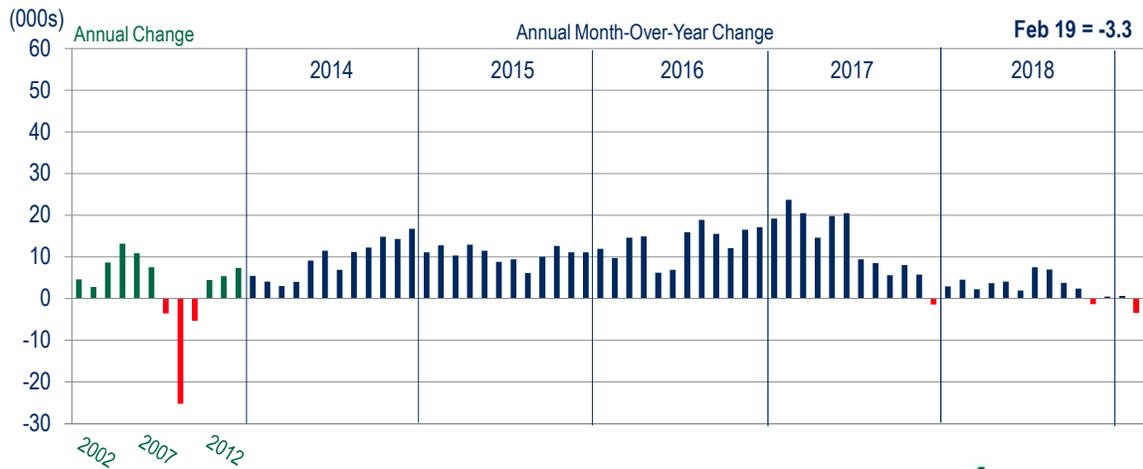
## District of Columbia Annual Job Change, 2002-2019



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



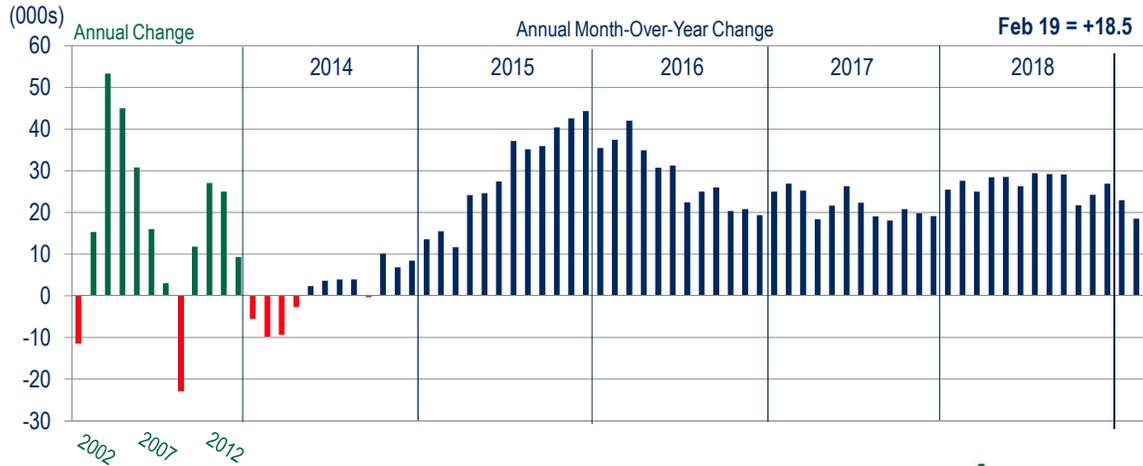
## Suburban Maryland Annual Job Change, 2002-2019



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



## Northern Virginia Annual Job Change, 2002-2019

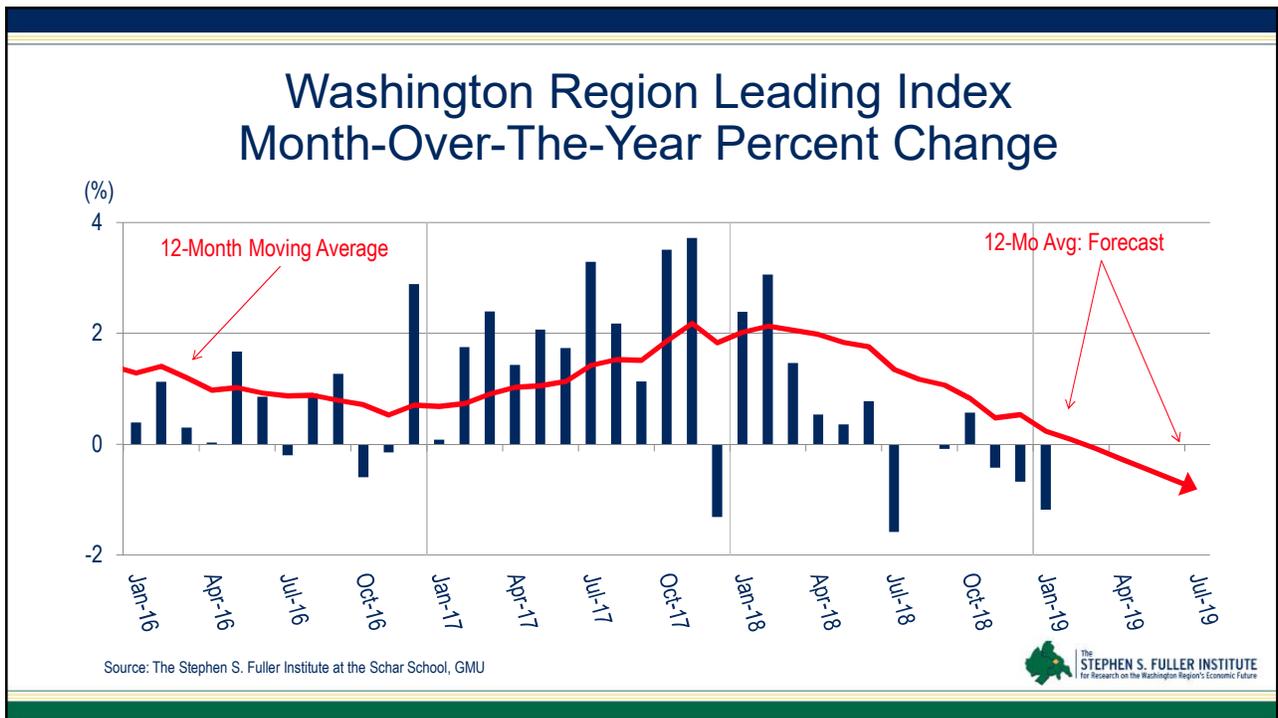
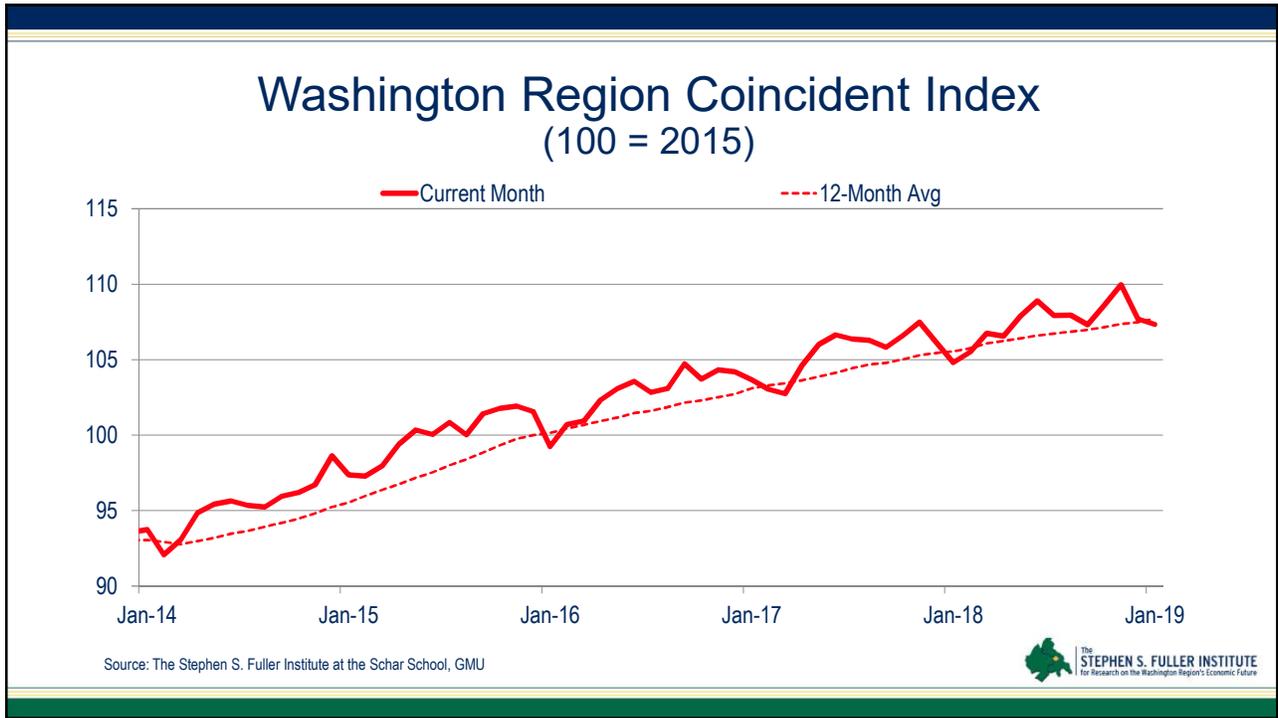


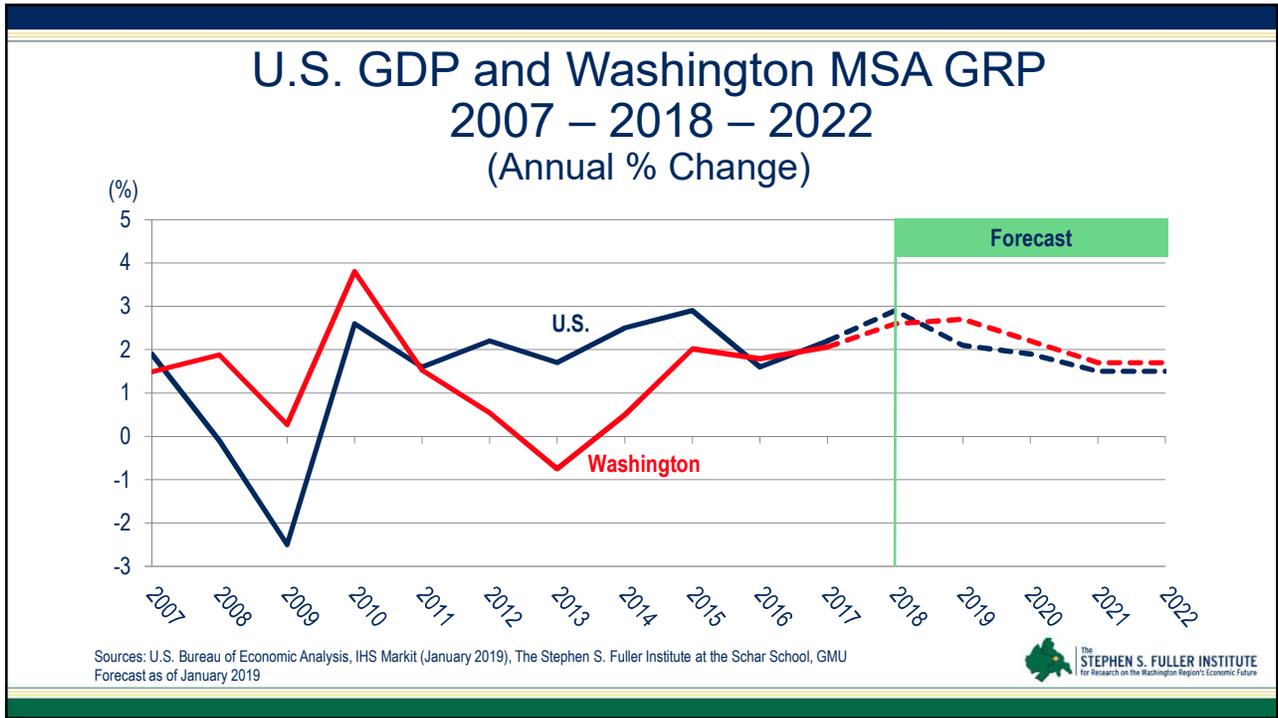
Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU



## What is the outlook for the Washington region's economy?







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

	2015	2016	2017	2018	2019	2020	2021	2022
D.C.	15.8	13.9	8.7	7.2	4.6	5.0	4.2	5.2
Sub. MD	10.6	14.2	15.2	3.0	11.0	9.1	7.1	9.3
No. VA	29.2	30.5	25.9	25.1	22.3	17.6	16.0	17.5
REGION	55.6	58.6	49.8	35.3	38.2	31.8	27.4	32.1

Average Annual Change 2000-2017 = 38,800

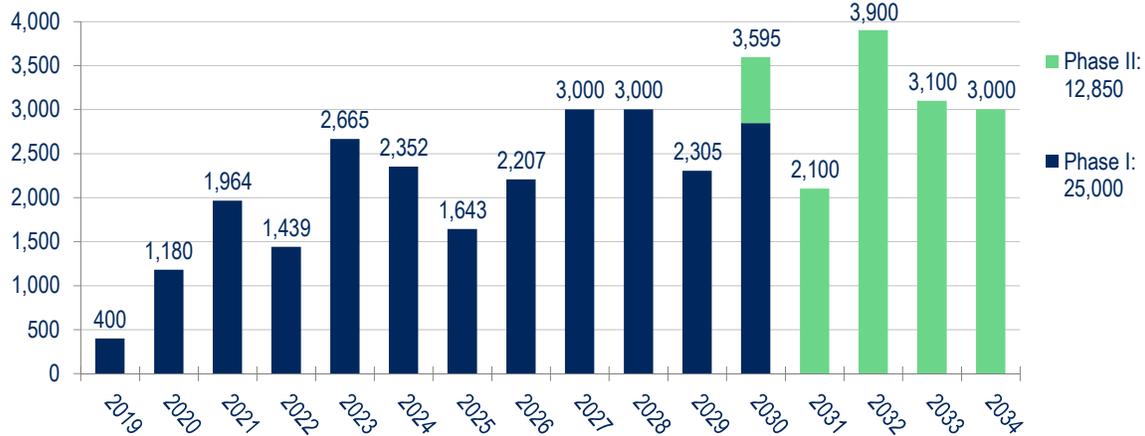
Source: BLS, IHS Economics, The Stephen S. Fuller Institute at the Schar School, GMU (forecast as of January 2019)  
NOTE: The regional totals include Jefferson, WV.; Sub-state areas re-weighted to sum to region-wide total

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For Research on the Washington Region's Economic Future

# How will Amazon's HQ2 impact the Washington region's and Arlington County's economies?

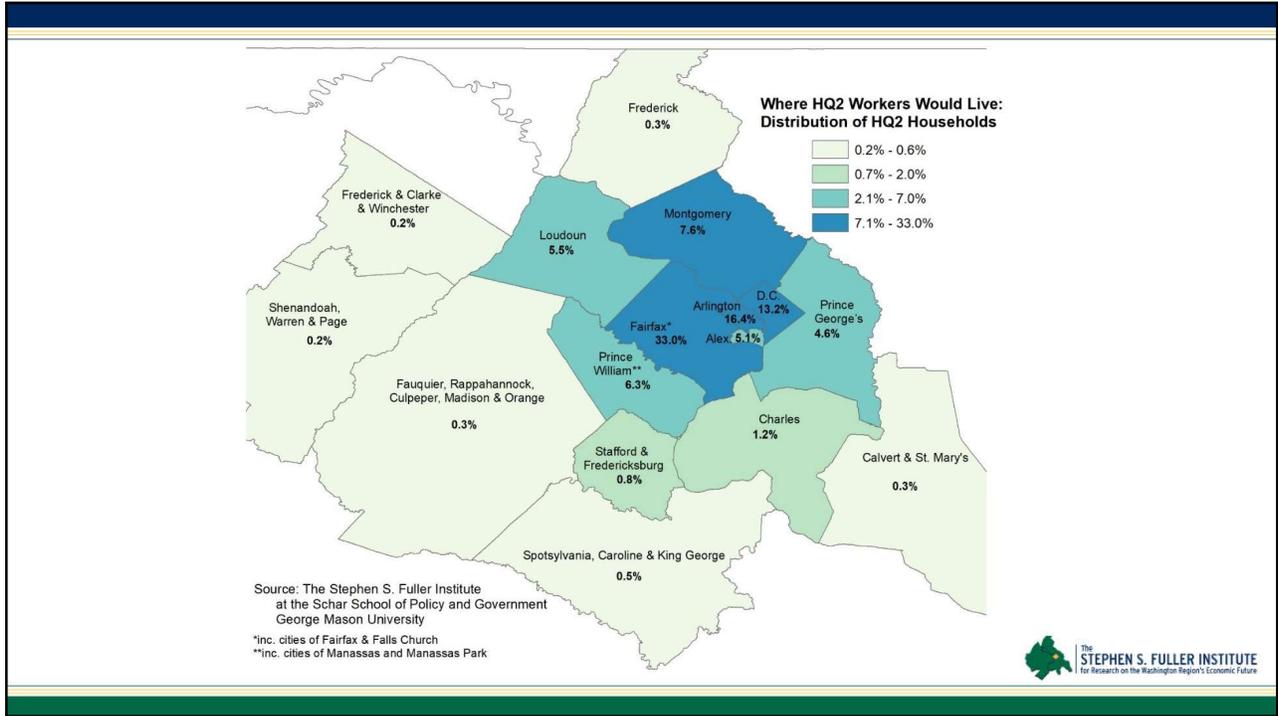


## HQ2 Employment Schedule



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





## Amazon-Related Household at Full Build-Out Assumes 37,850 HQ2 jobs

	Household w/ an HQ2 Job	Households w/ a Job Supported by HQ2 Spending (1)	Total
Arlington County, VA	6,097	766	6,862
Rest of Northern Virginia	19,219	14,104	33,323
Rest of Virginia	642	14,967	15,609
D.C.	4,909	469	5,377
Maryland	6,047	1,515	7,562
Elsewhere	363	508	871
<b>Total (2)</b>	<b>37,276</b>	<b>32,328</b>	<b>69,604</b>

Source: The Stephen S. Fuller Institute at the Schar School, GMU  
 (1) Includes payroll and operations expenditures  
 (2) A small share of the workers holding HQ2-related jobs are anticipated to cohabitate either with another HQ2-related worker or become part of an existing household. Therefore, the number of households is projected to be fewer than the number of jobs. Only the indirect and induced jobs located in the Commonwealth were analyzed.

## The Economic Impacts of Amazon's HQ2: Construction Outlays

	<u>Arlington County</u>	<u>Washington Region</u>
<u>Construction \$s</u>		
Direct Outlays	\$2.7 - \$4.1 billion	\$2.7 - \$4.1 billion
Total Output*	\$3.2 - \$4.8 billion	\$5.3 - \$8.0 billion
Personal Income	\$260 - \$390 m	\$1.7 - \$2.5 billion
Jobs Supported	2,500-3,800	25,900-39,400

Sources: VEDP, The Stephen S. Fuller Institute at the Schar School, GMU \*reflect County and VA multipliers of 1.183 and 1.952 respectively

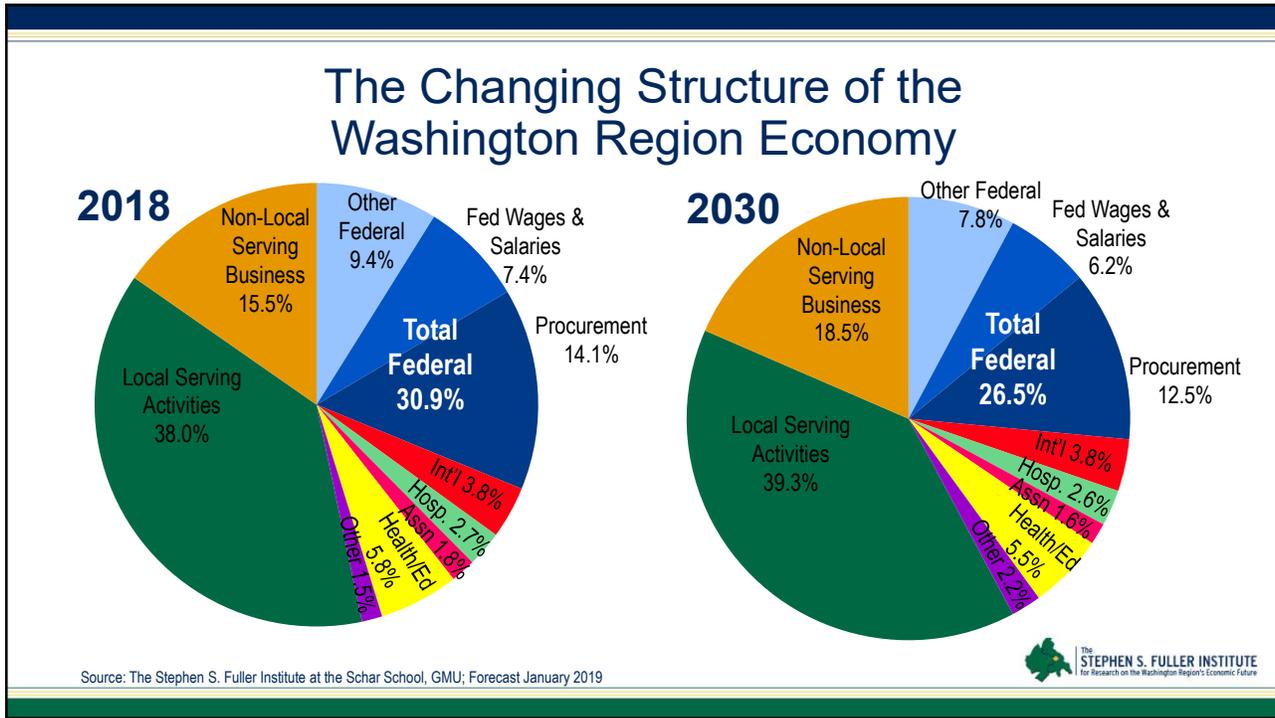


## The Economic Impacts of Amazon's HQ2: Post-Construction Outlays

	<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	\$4.9 – 7.3 billion
Personal Income	\$124 - \$186 m	\$1.5 - \$2.3 billion
Jobs Supported	1,150 – 1,735	22,160 – 33,240

Sources: VEDP, The Stephen S. Fuller Institute at the Schar School, GMU \*reflects Arlington and VA multipliers of 1.273 and 1.935 respectively





## Thank You & Questions

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

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



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