



## 3<sup>rd</sup> Annual Stephen S. Fuller Institute Economic Forum

# *The Transformation of the Washington Region's Economy*

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December 10, 2019

# Footnotes to the Washington Region's Economic History



## The Washington Region: A Company Town

Year	DC	Population WMSA	U.S.	Federal Jobs in DC Number
1800	8,144	63,653	5,308,483	131*
1900	278,718	378,605	76,090,000	20,834*
1950	792,234	1,452,349	152,880,000	214,077*
2000	572,510	4,843,280	282,160,000	183,600* 326,200**

Sources: U.S. Census, National Capital Planning Commission  
\* in DC as defined since 1846    \*\*in Washington region



In 1980, federal procurement data became available by place of performance by jurisdiction, type of product or service, \$s, and agency.

1981-82 Recession—Washington region is not recession proof. BOT/GWRC Sponsored Research

1990-91 Recession—Washington Economy Watch

In 1991, with private sector job growth surging, the VP of the BOT declares the Washington is no longer dependent on the Federal government for its economic growth. \*DC DOES, February 2, 1986 Report--

“Federal Government: A Declining Industry”



1993-97—Clinton's National Performance Review—  
Reinventing Government

Tech Boom—Netplex—Dot-Com Bubble—9/11

2001 Recession—2002-2007-2010 Boom/Bust  
Federal Spending Drives Growth to 2010  
Federal Recovery Spending Drives Early Recovery  
Budget Control Act of 2011—Sequester Impacts  
Calls for diversification of region's economy  
Roadmap for Washington Region's Future Economy,

2015



## The Washington Region: A Company Town In a Changing Economy



## Top Ten: How Does the Washington Region's Economy Rank, 1950-2017

<u>1950</u>	<u>2010</u>	<u>2017</u>
NYC	NYC	NYC
LA	LA	LA
Chi	Chi	Chi
Phil	Wash DC	Dallas
Detroit	Houston	Wash DC
SF/Oak	Dallas	SF/Oak
Boston	Phil	Houston
Pitts	SF/Oak	Phil
Wash DC	Boston	Atlanta
St. Louis	Atlanta	Seattle



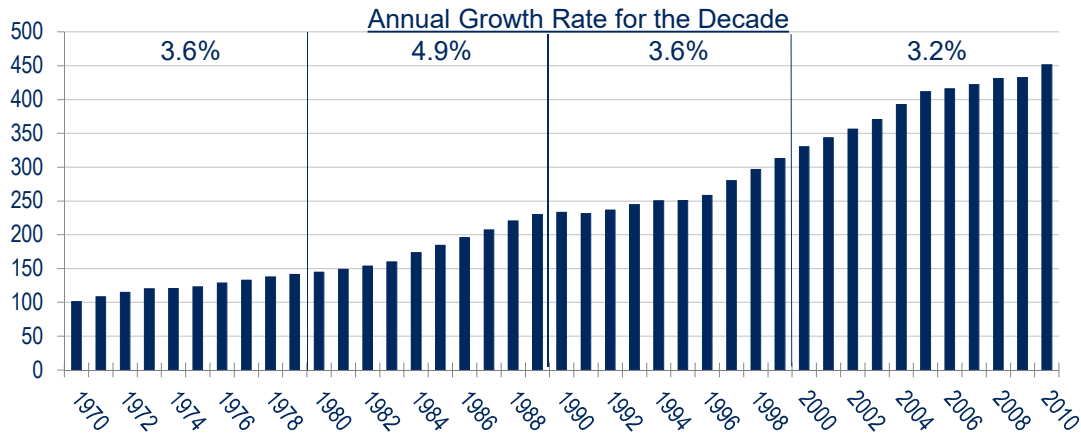
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## The Washington Region's First Economic Transformation: 1980-2010



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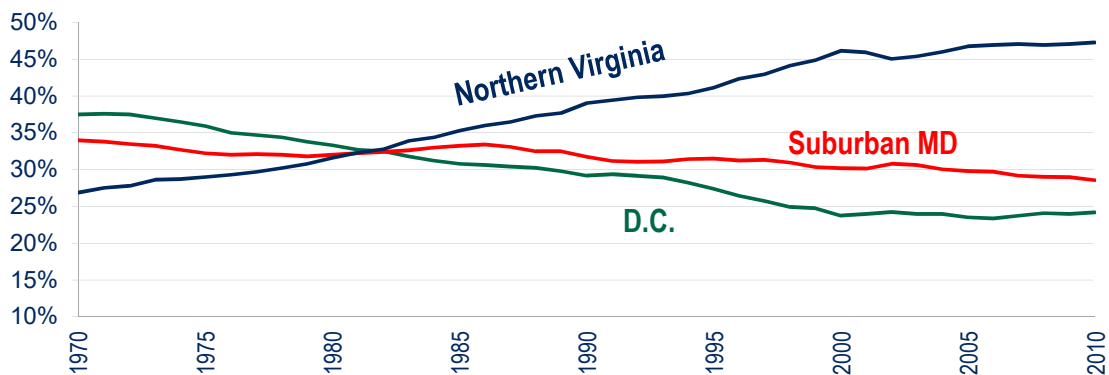
## Gross Regional Product in the Washington Region 1970 – 2010 (Billions of 2012 \$s)



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



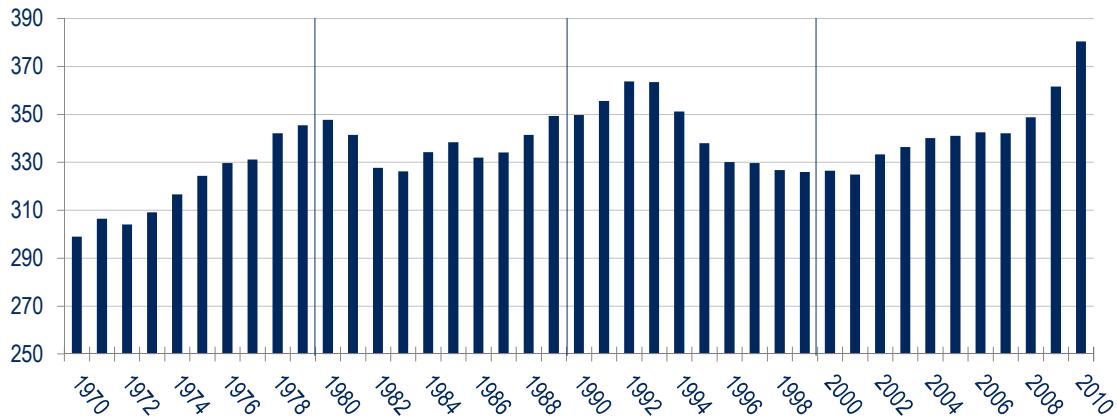
## Percent of GRP Washington Region Economy 1970-2010



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



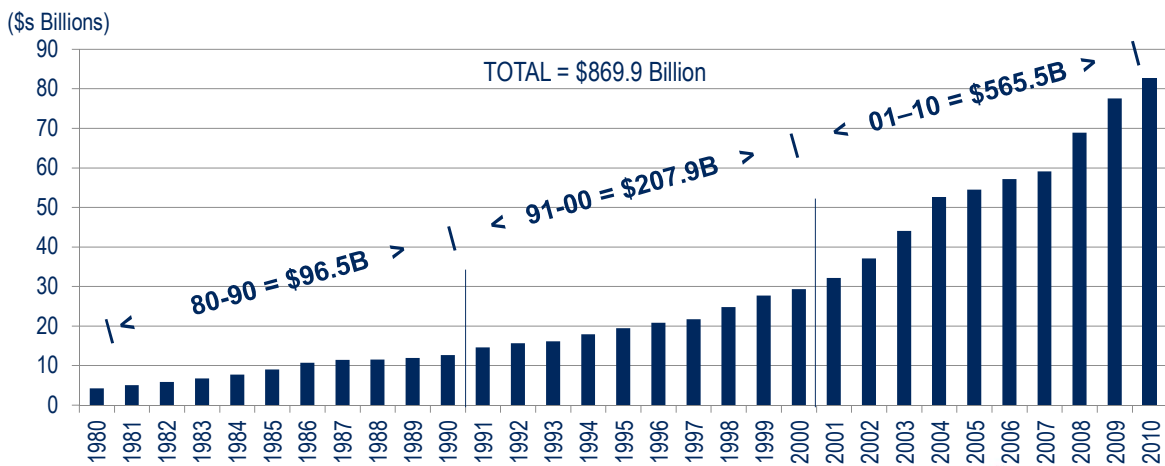
## Federal Jobs in the Washington Region 1970 – 2010 (in 000s)



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



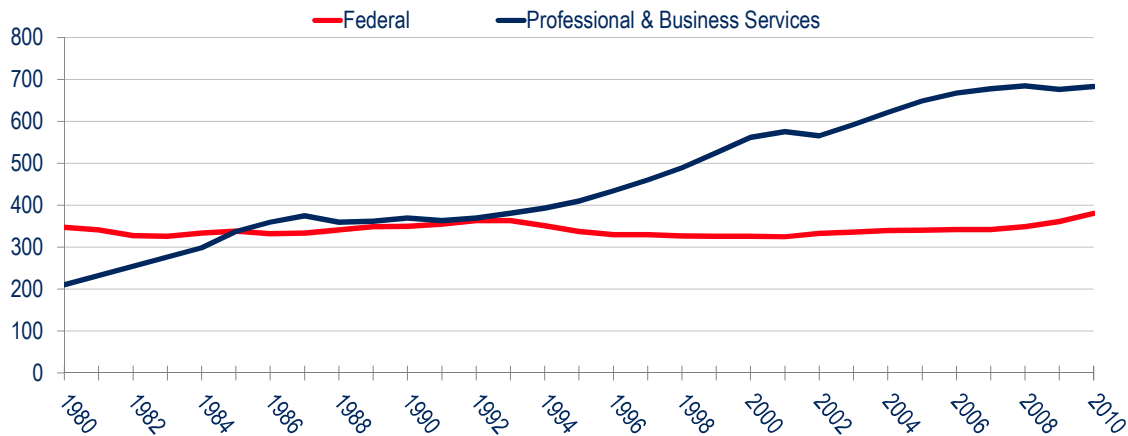
## Federal Procurement in the Washington Region, 1980-2010



Source: US Census, Consolidated Federal Funds Report and USAspending.gov, The Stephen S. Fuller Institute at the Schar School, GMU



## Federal and Professional & Business Services Jobs Washington Region, 1980 – 2010 (in 000s)



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



## Federal and Professional & Business Services Jobs as a Percentage of Total Jobs, WMSA 1970-2010

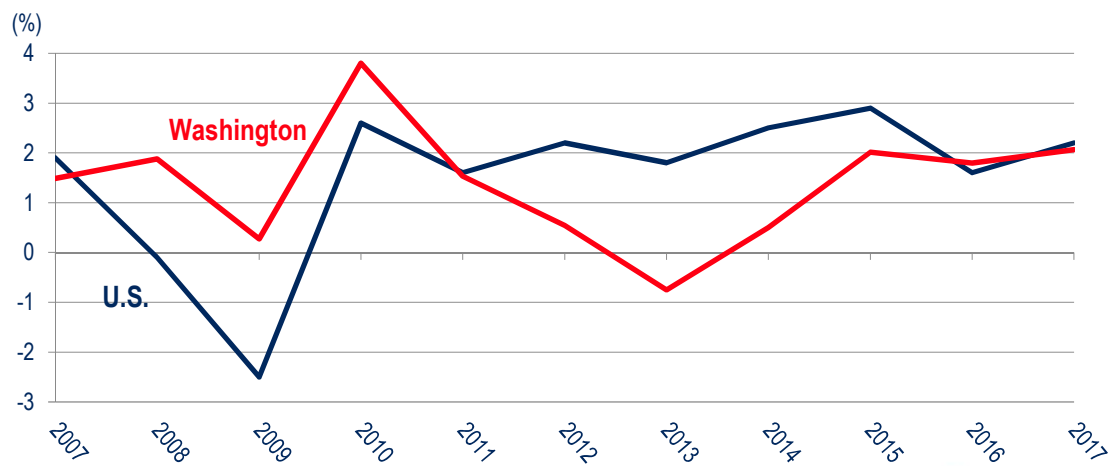
<u>Year</u>	<u>Federal Jobs</u>	<u>P&amp;BS Jobs</u>
1970	27.3%	9.5%
1980	22.5%	13.6%
1990	15.5%	16.4%
2000	12.1%	20.9%
2010	12.8%	22.9%



## The Washington Region's Second Economic Transformation: 2011-20XX



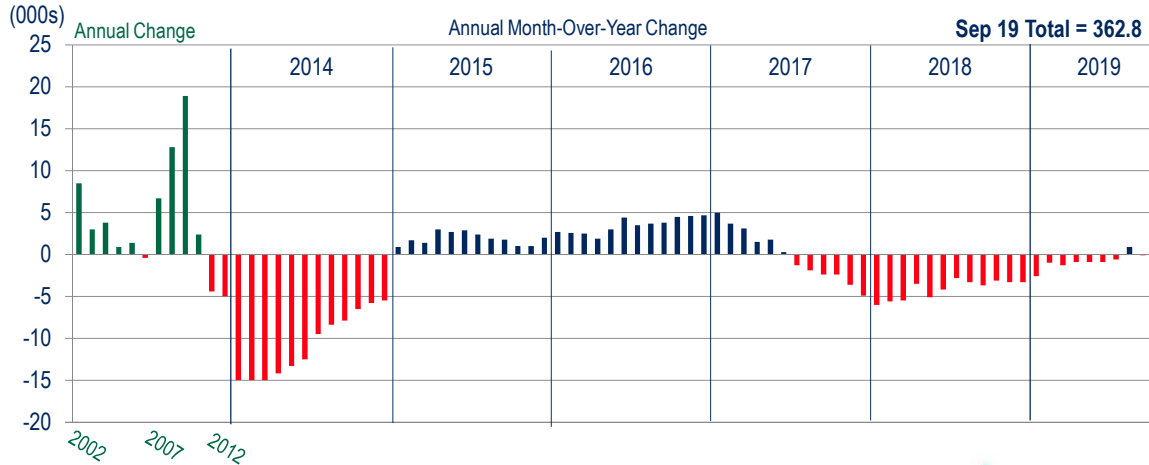
### U.S. GDP and Washington MSA GRP 2007 – 2017 (Annual % Change)



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



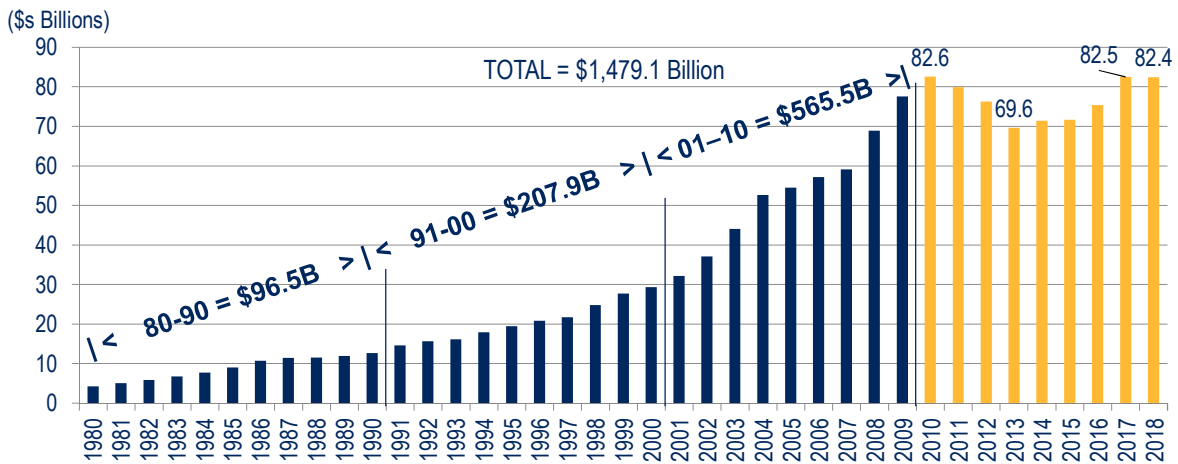
## Federal Government Jobs Washington MSA



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



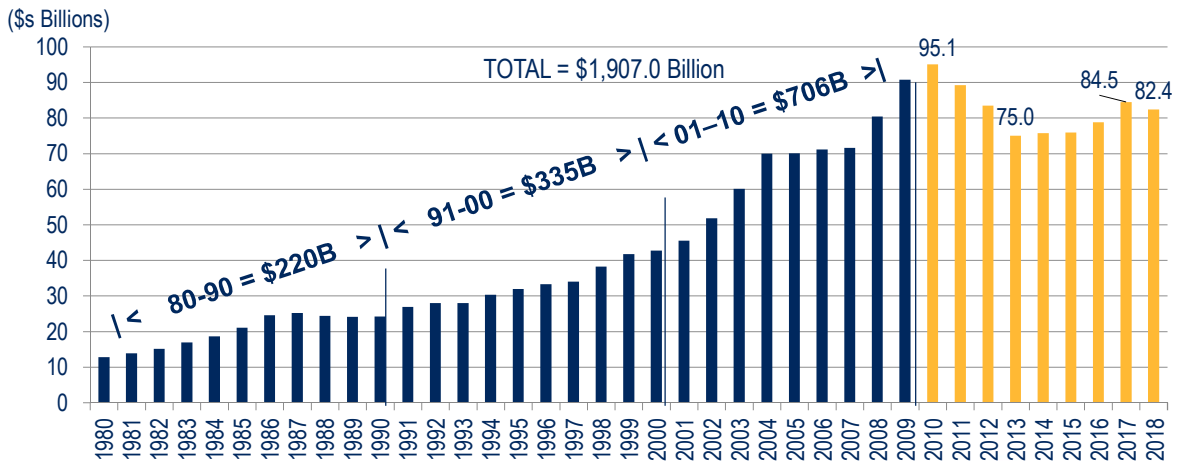
## Federal Procurement in the Washington Region, 1980-2018



Source: US Census, Consolidated Federal Funds Report and USAspending.gov, The Stephen S. Fuller Institute at the Schar School, GMU



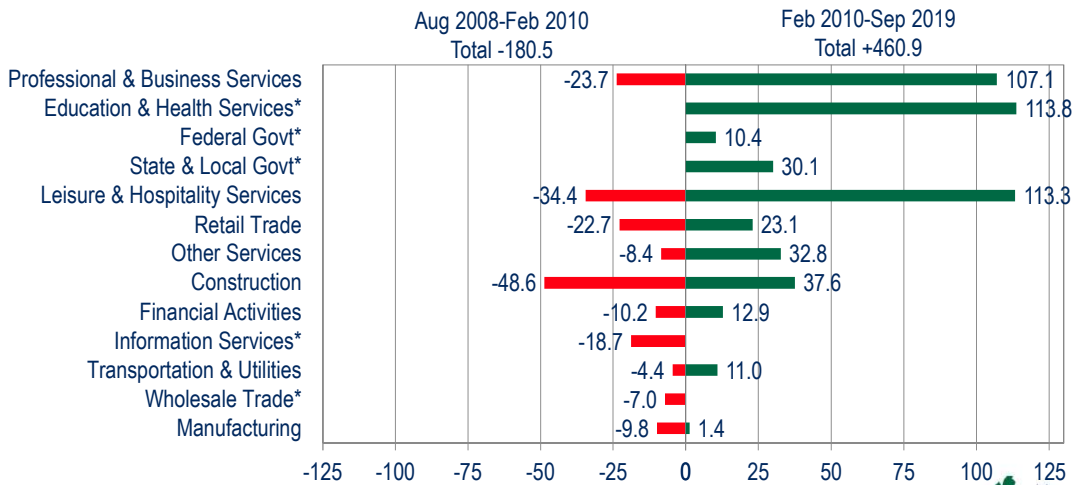
## Federal Procurement in the Washington Region, 1980-2018 (2018 \$s)



Source: US Census, Consolidated Federal Funds Report and USAspending.gov, The Stephen S. Fuller Institute at the Schar School, GMU



## Washington Region Job Change: The Great Recession and Recovery



Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU  
 \*Net change for the period; sector did not have losses during recession and/or did not have gains during recovery.



## The Economic Impact of the Recession & Recovery

<u>Sectors</u>	<u>% of all jobs</u>	<u>% of job change</u>	<u>GRP Value per job*</u>
P&BS	23.0	27.2	\$166,728
Ed & Health Services	13.4	37.2	\$79,676
Federal	11.0	3.4	\$209,039
S & L Gov't	10.2	9.8	\$93,276
Leisure & H. Services	10.1	25.8	\$56,992
Retail Trade	8.3	0.1	\$79,188
Other Services	6.3	8.0	\$99,569
Construction	4.9	- 3.6	\$129,035
Financial Activities	4.8	0.9	\$773,558
Information Services	2.2	- 6.1	\$365,029
Transp. & Utilities	2.1	2.2	\$214,340
Wholesale Trade	1.9	- 2.3	\$252,614
Manufacturing	1.2	- 2.7	\$294,485
Average per job GRP			\$170,332

\*GRP Value in 2018 \$s



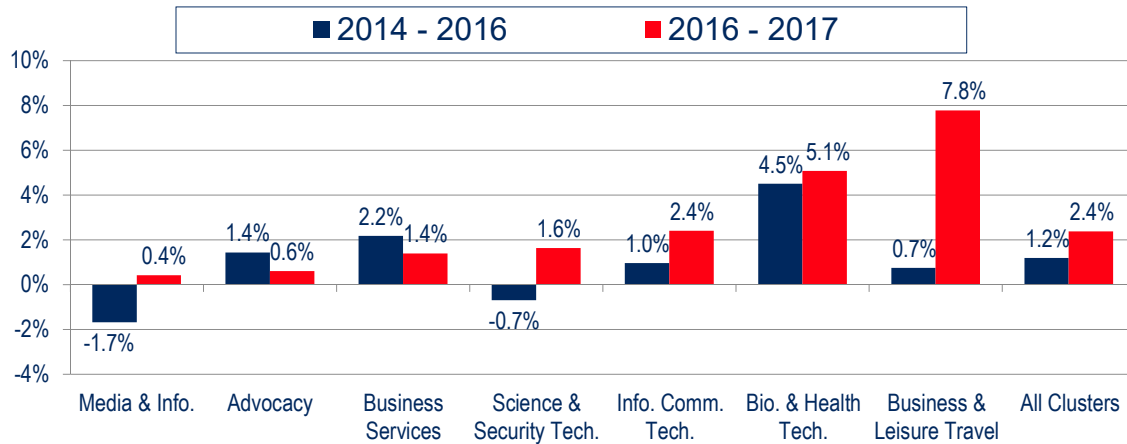
## The Economic Impact of the Recession & Recovery

<u>Sectors</u>	<u># of job change*</u>	<u>GRP Value per job*</u>	<u>GRP \$s Added*</u>
P&BS	83.4	\$166,728	\$13.9
Ed & Health Services	113.8	\$79,676	\$9.1
Federal	10.4	\$209,039	\$2.2
S & L Gov't	30.1	\$93,276	\$2.8
Leisure & H. Services	78.9	\$56,992	\$4.5
Retail Trade	0.4	\$79,188	\$0.0
Other Services	24.4	\$99,569	\$2.4
Construction	-11.0	\$129,035	- \$1.4
Financial Activities	2.7	\$773,558	\$2.1
Information Services	-18.7	\$365,029	- \$6.8
Transp. & Utilities	6.6	\$214,340	\$1.4
Wholesale Trade	-7.0	\$252,614	- \$1.8
Manufacturing	-8.4	\$294,485	- \$2.5
Total/GRP Values	305.6	\$170,332	\$84,751

\*Jobs in thousands, in 2018 dollars, GRP \$s Added in billions



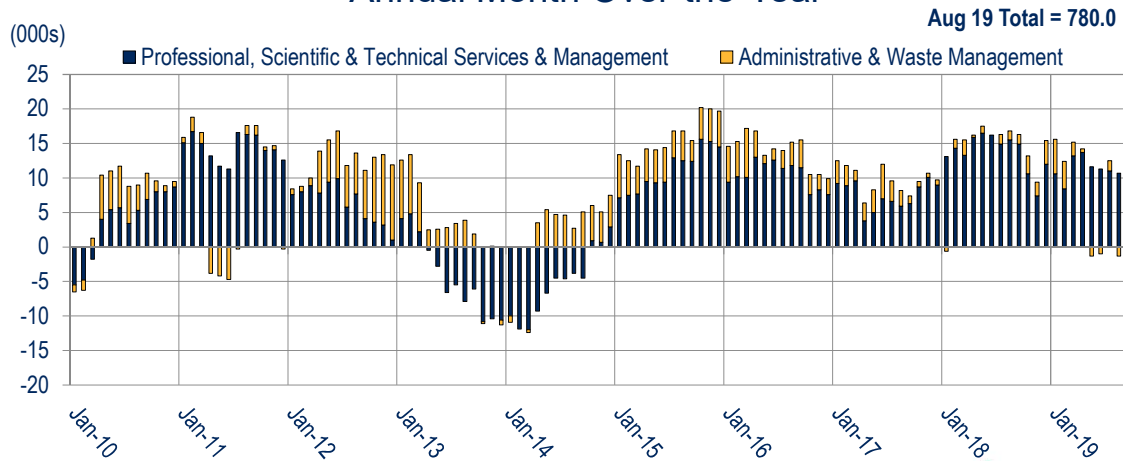
## Growth Rates of the Washington Region's Advanced Industrial Clusters, Annualized Growth



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



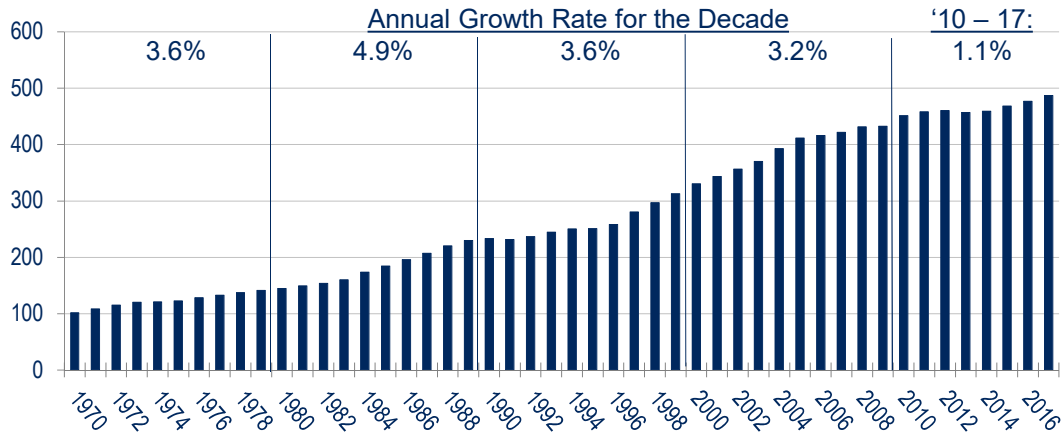
## Professional and Business Services Jobs Washington MSA Annual Month Over-the-Year



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



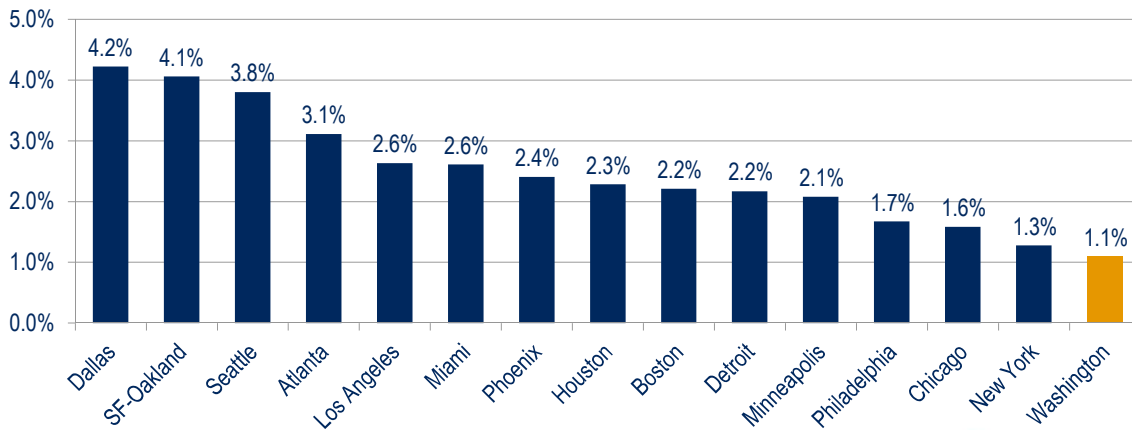
## Gross Regional Product in the Washington Region 1970 – 2017 (Billions of 2012 \$s)



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



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



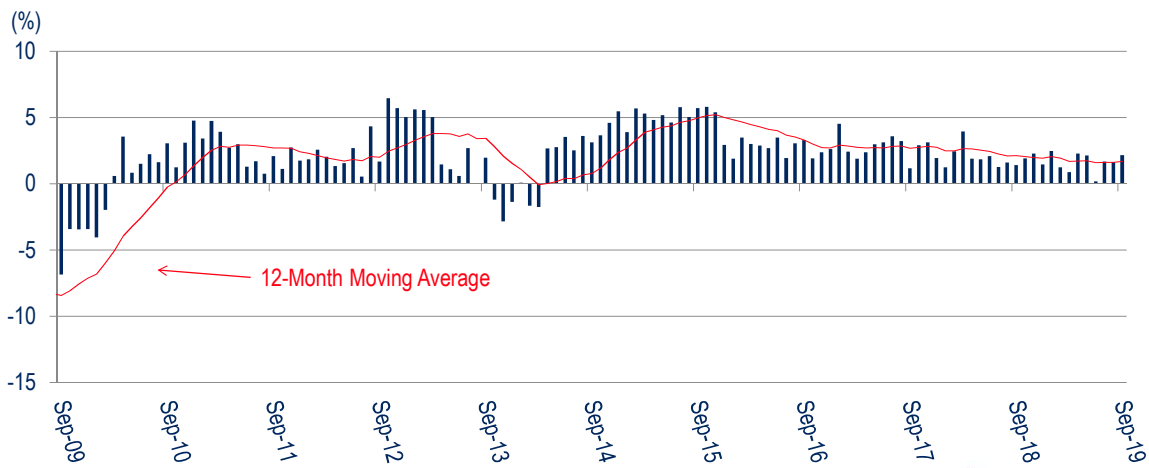
Sources: U.S. Bureau of Economic Analysis, The Stephen S. Fuller Institute at the Schar School, GMU



# Tracking the Washington Region's Economic Performance



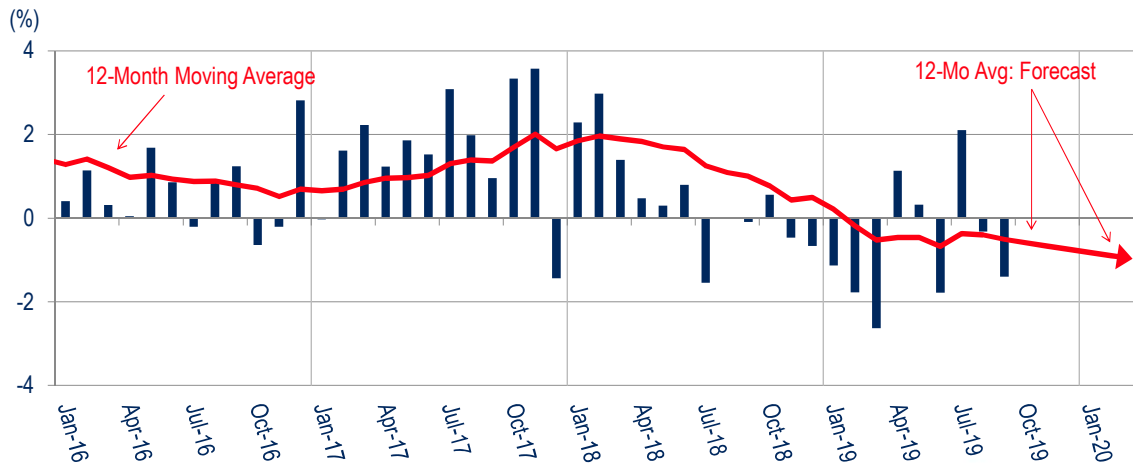
## Washington Region Coincident Index Month-Over-The-Year Percent Change



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



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



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



## First Key Question

Can the Washington region achieve a competitive economy building on its federal government base with an expanding core of high-value added, fast growing, export based, non-federally dependent business activities or will its future growth trajectory always be defined by its federal government base?



## Second Key Question

Can the Washington region overcome its multi-layered jurisdictional governance to build on its competitive assets and overcome its capacity constraints to achieve the region's inherent growth potentials?



## Thank You

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

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



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