



*Cardinal Bank & George Mason University  
22<sup>nd</sup> Annual Economic Conference*

**The Post-Federally Dependent  
Washington Area Economy**

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Dwight Schar Faculty Chair and University Professor  
Director, Center for Regional Analysis  
George Mason University

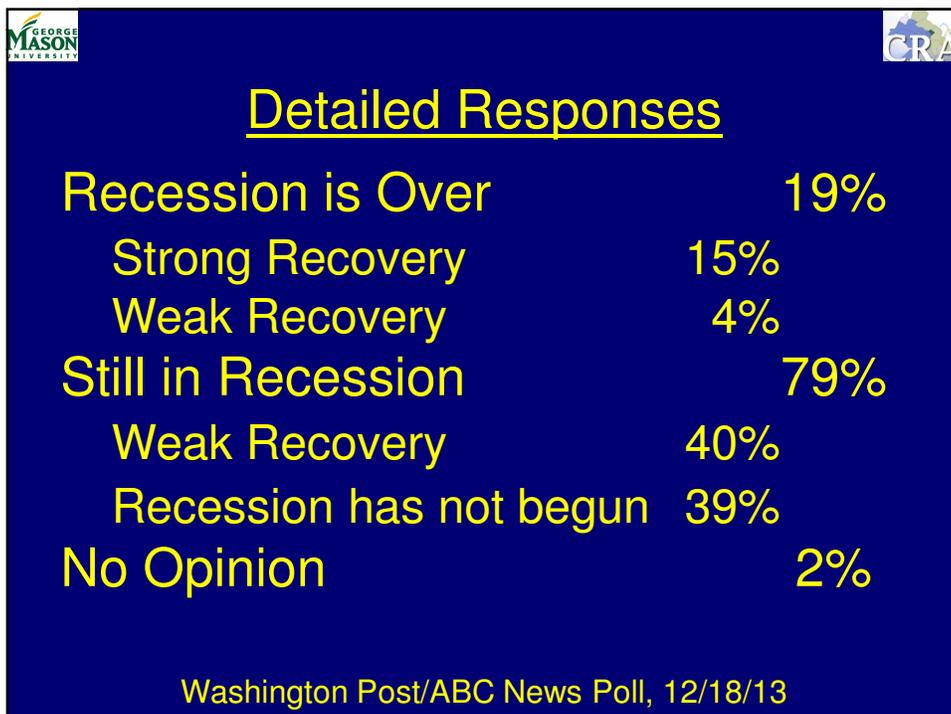
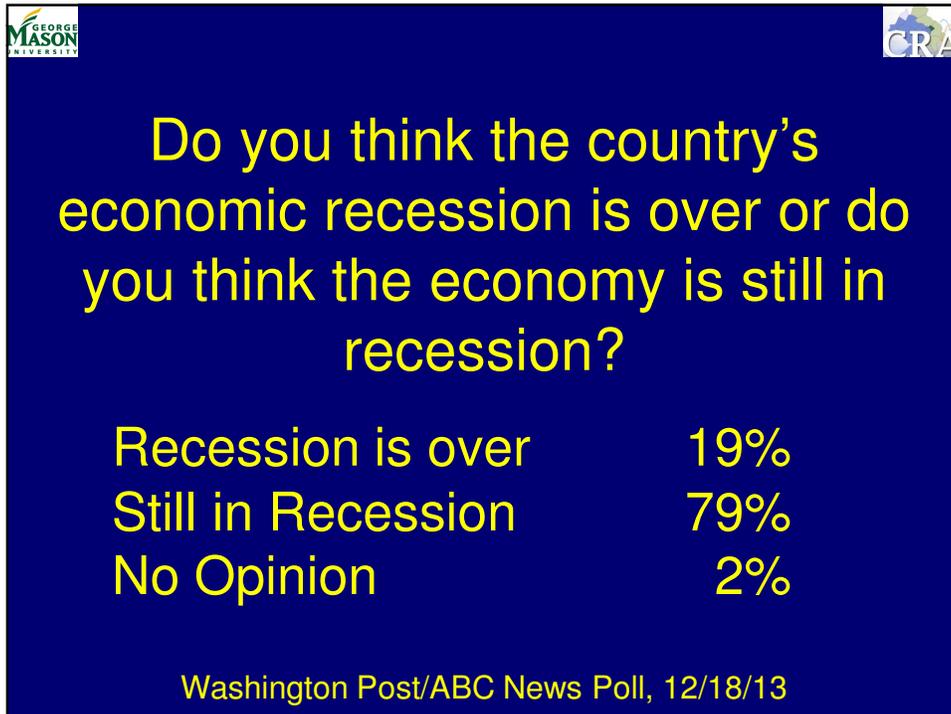
January 16, 2014

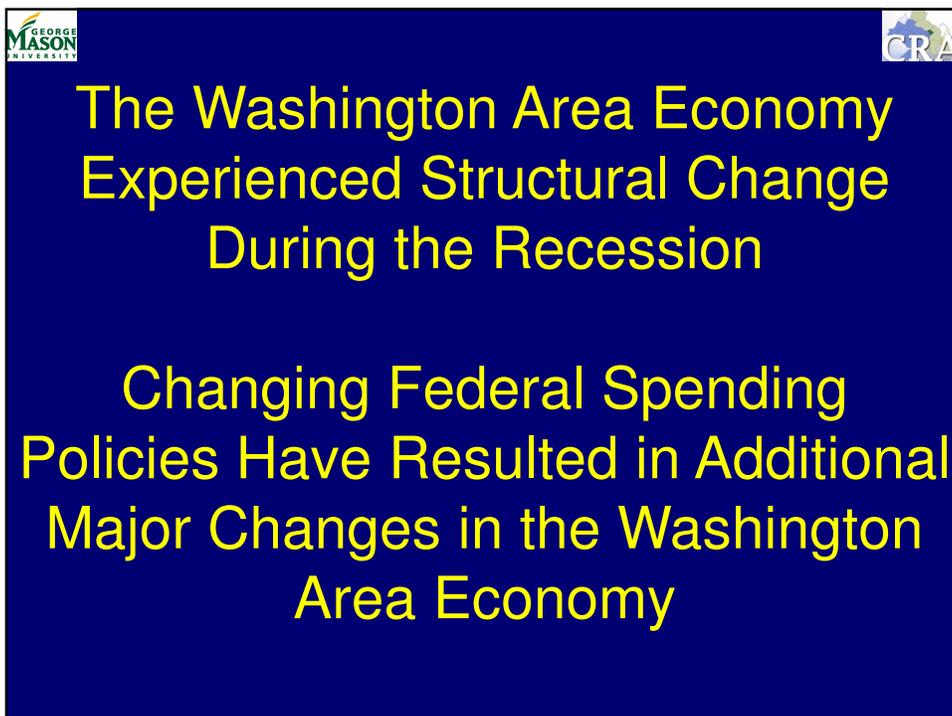


**Conference Quiz**

**Do you think the country's  
economic recession is over or do  
you think the economy is still in  
recession?**

Washington Post/ABC News Poll, 12/18/13







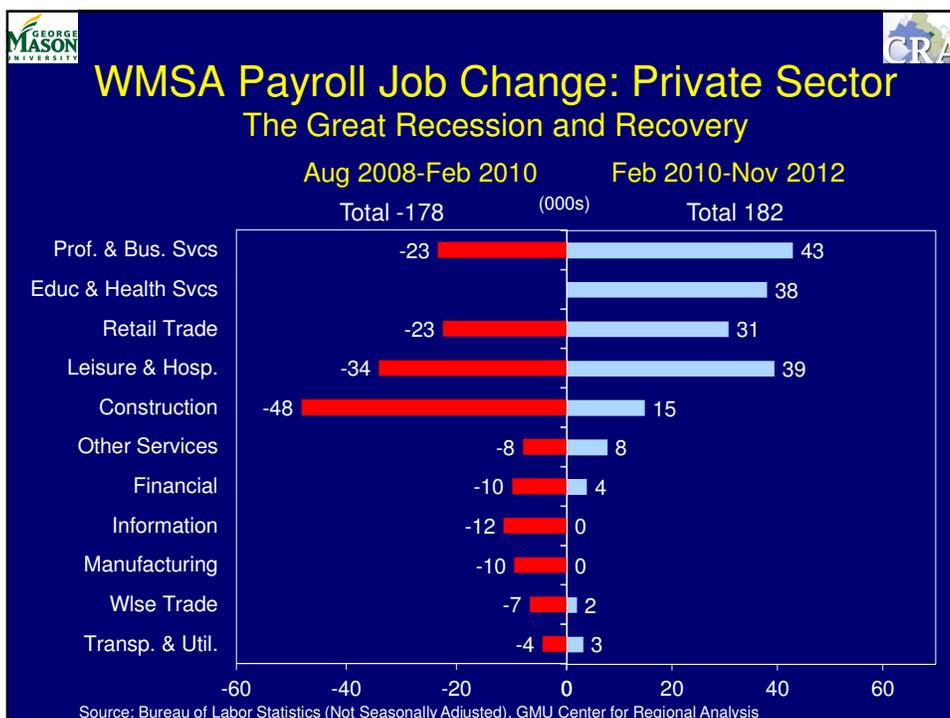
## Recession Impacts

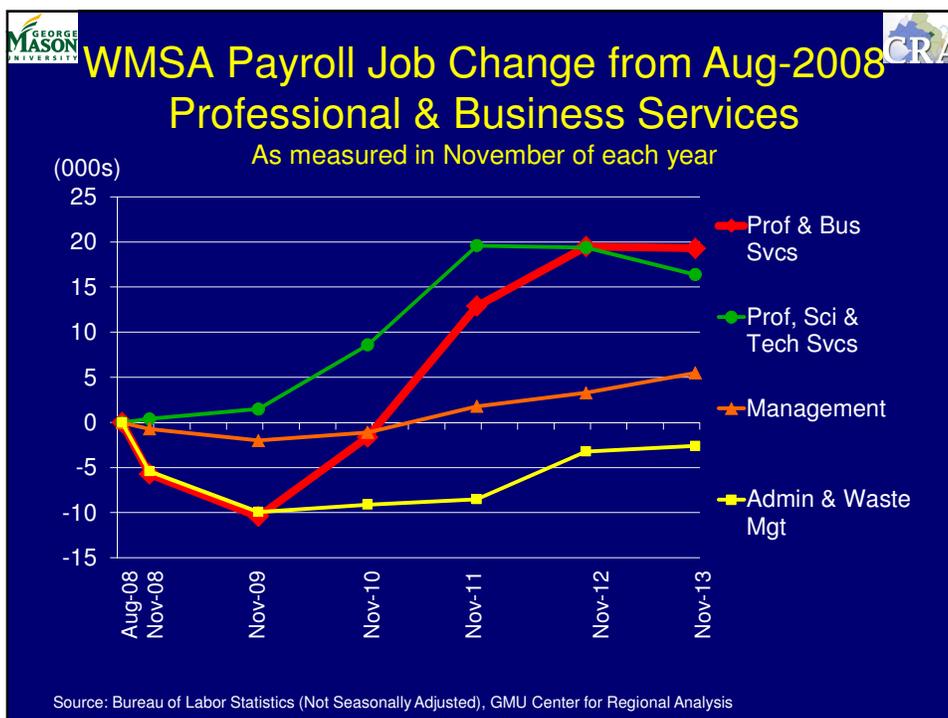
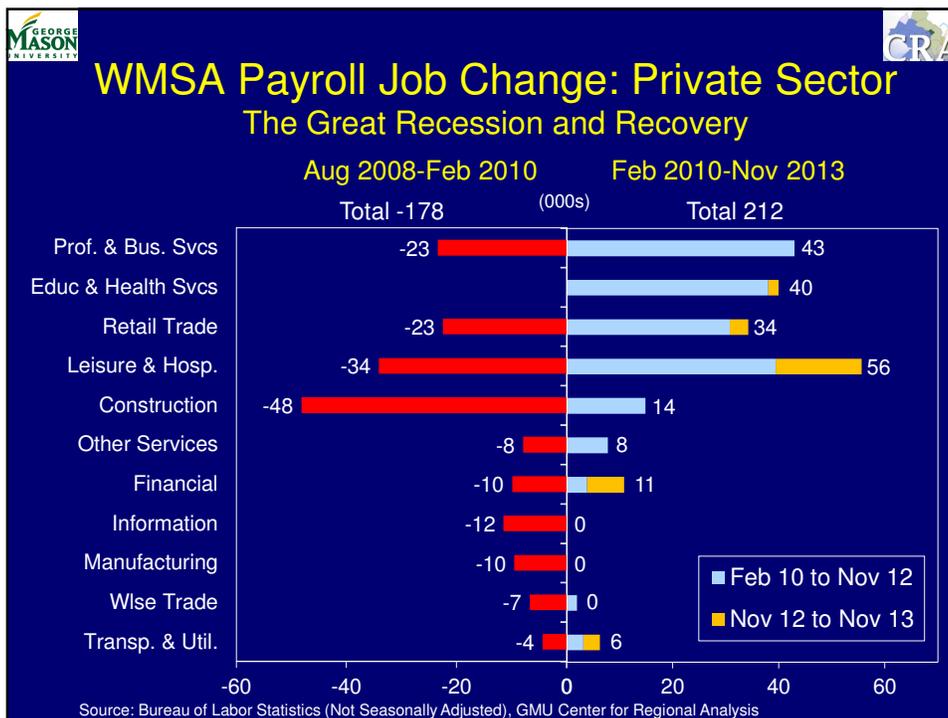


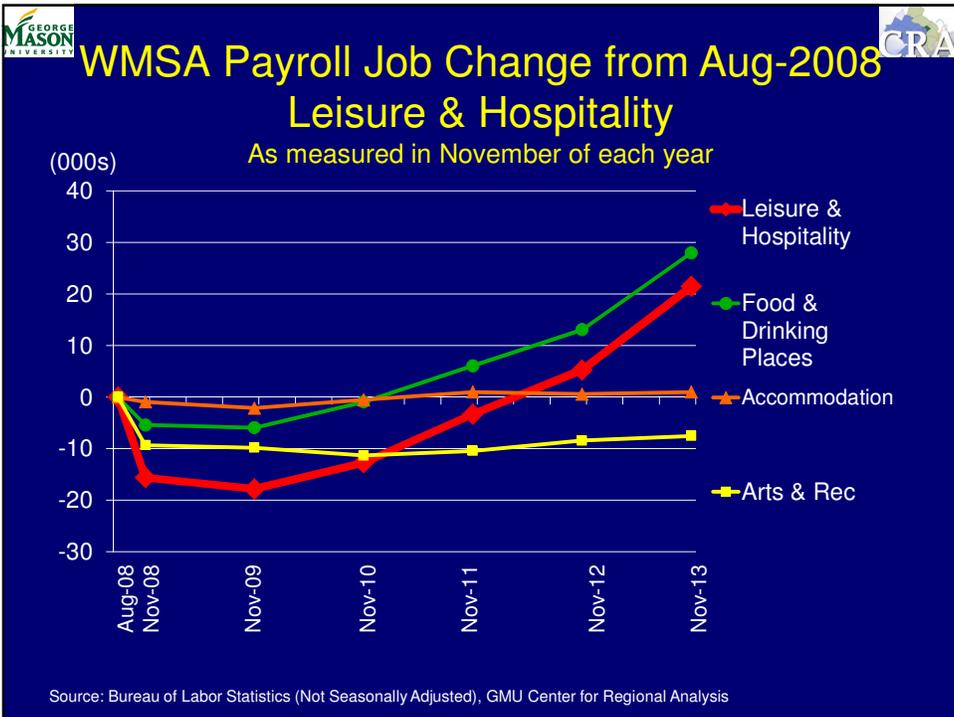
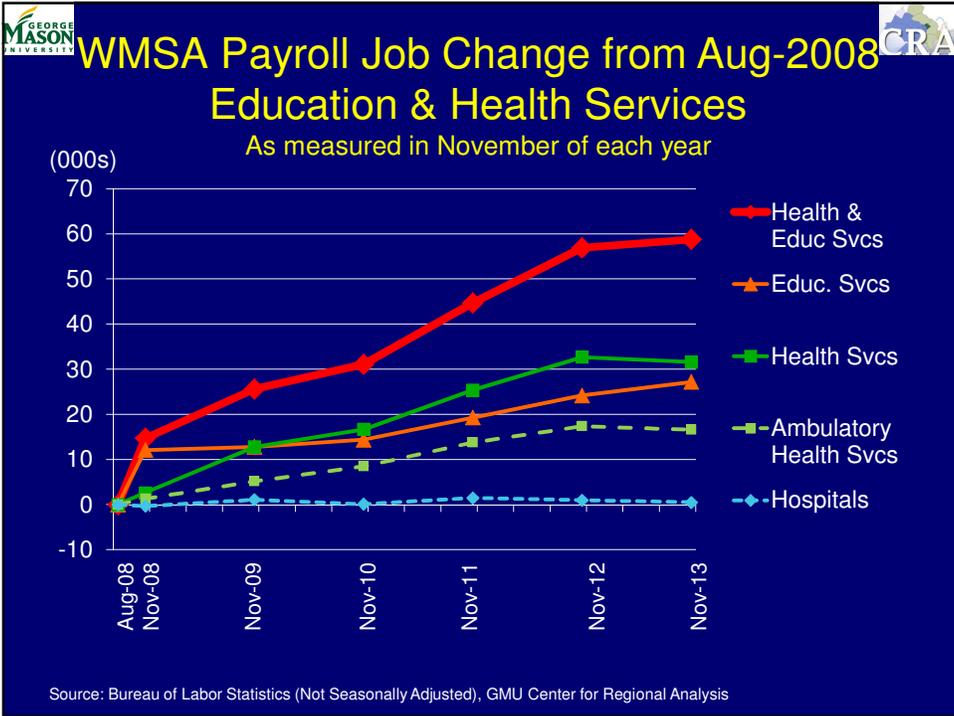
- GRP declined 0.8% in 2008
- The region's lost 178,100 jobs

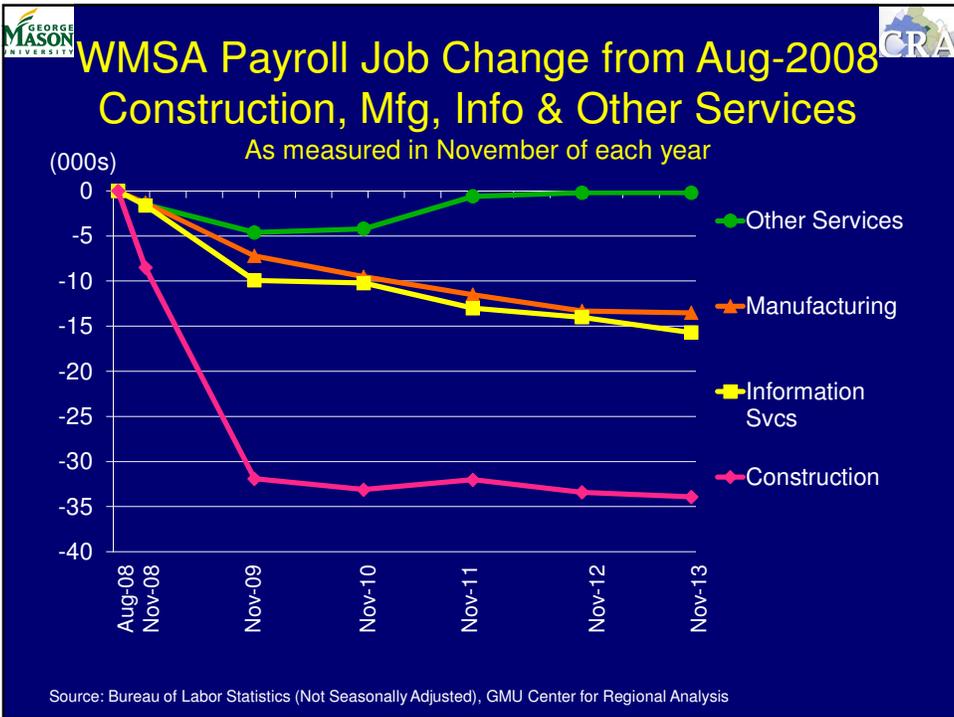
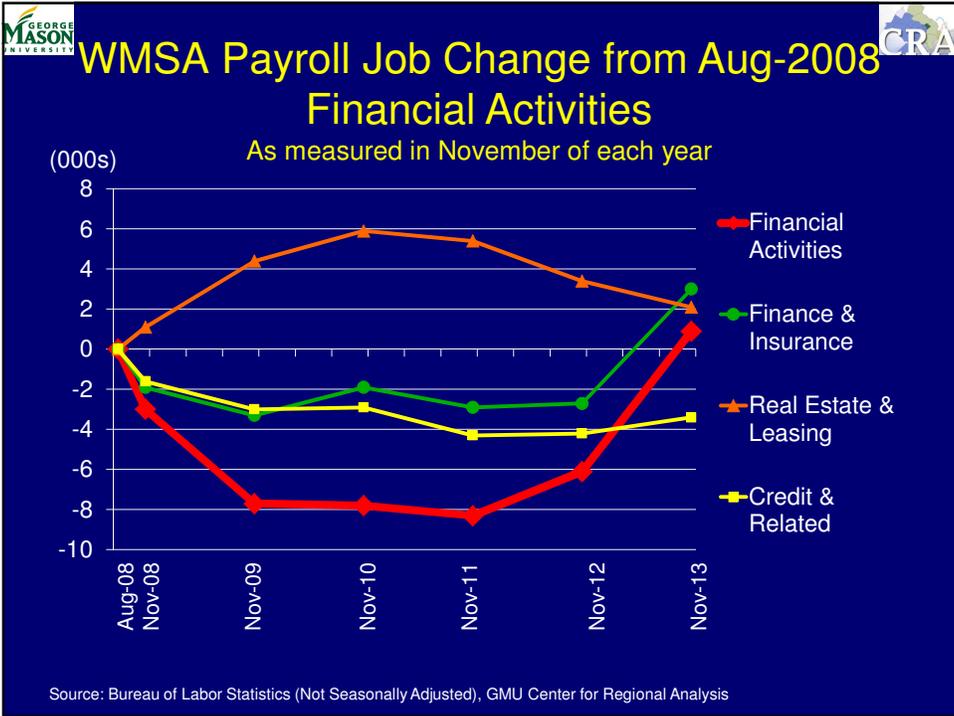
## Sequester+ Impacts

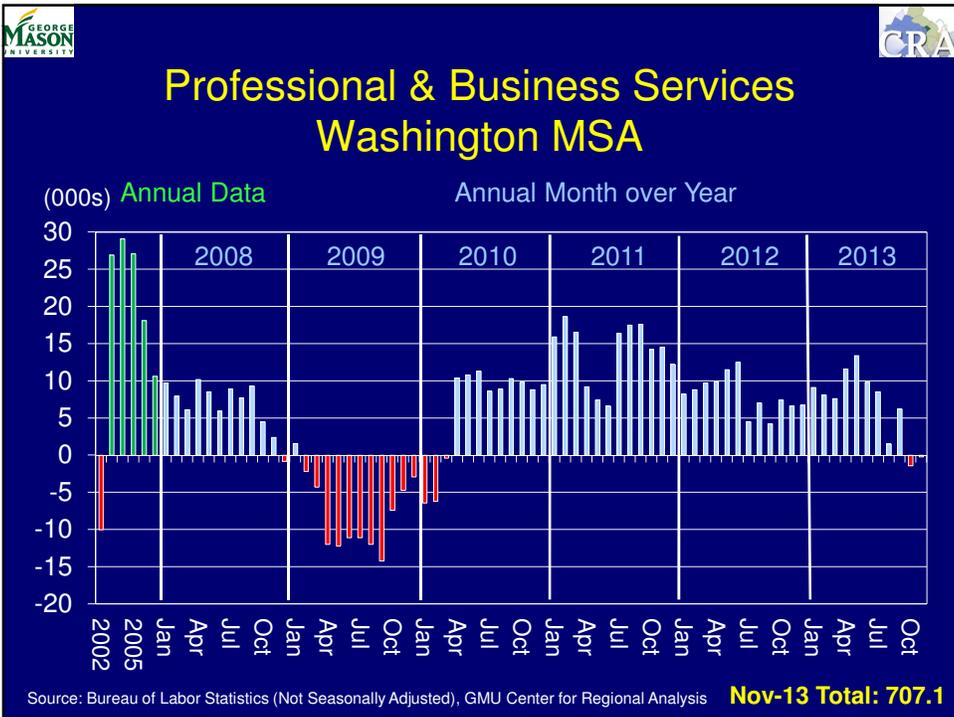
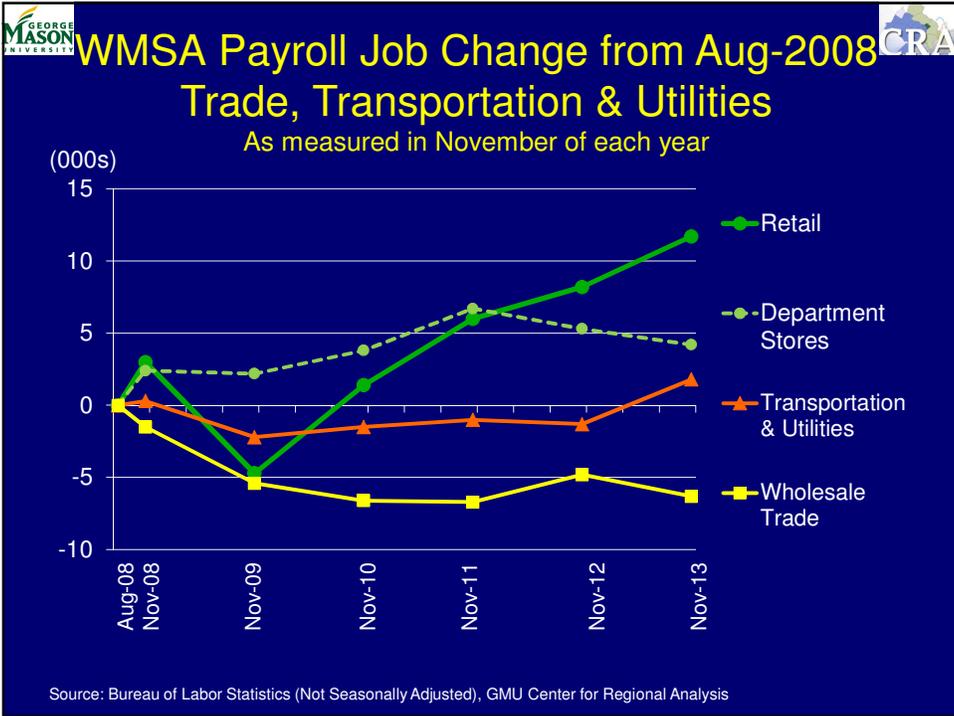
- Federal procurement \$s down by 11.8%
- There are 21,200 fewer federal jobs
- Federal payroll is down 4.8%  
or by \$2 billion

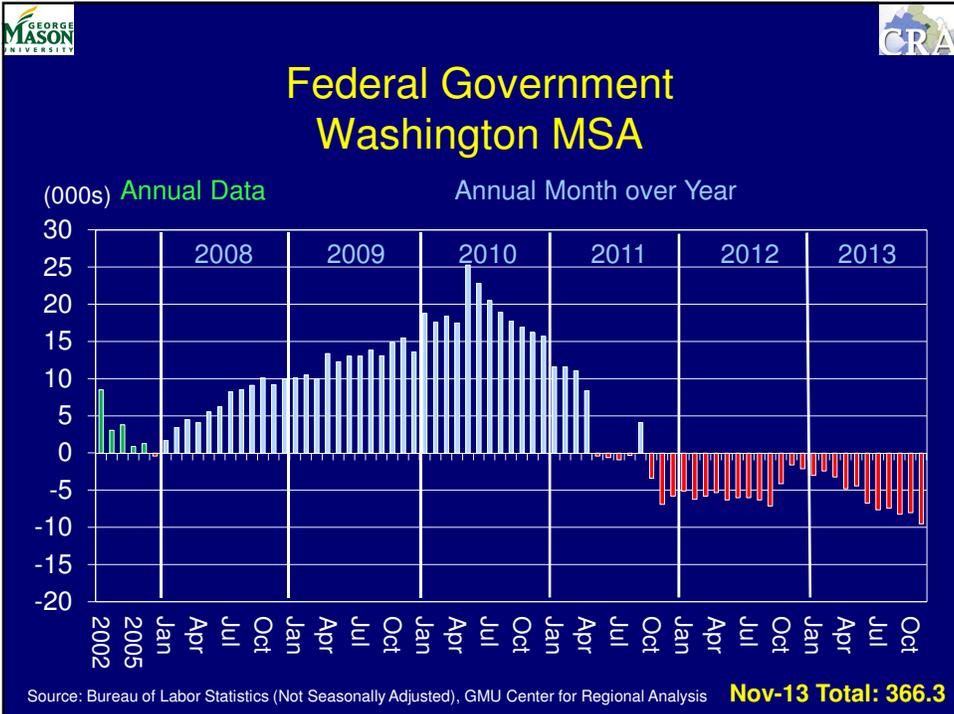








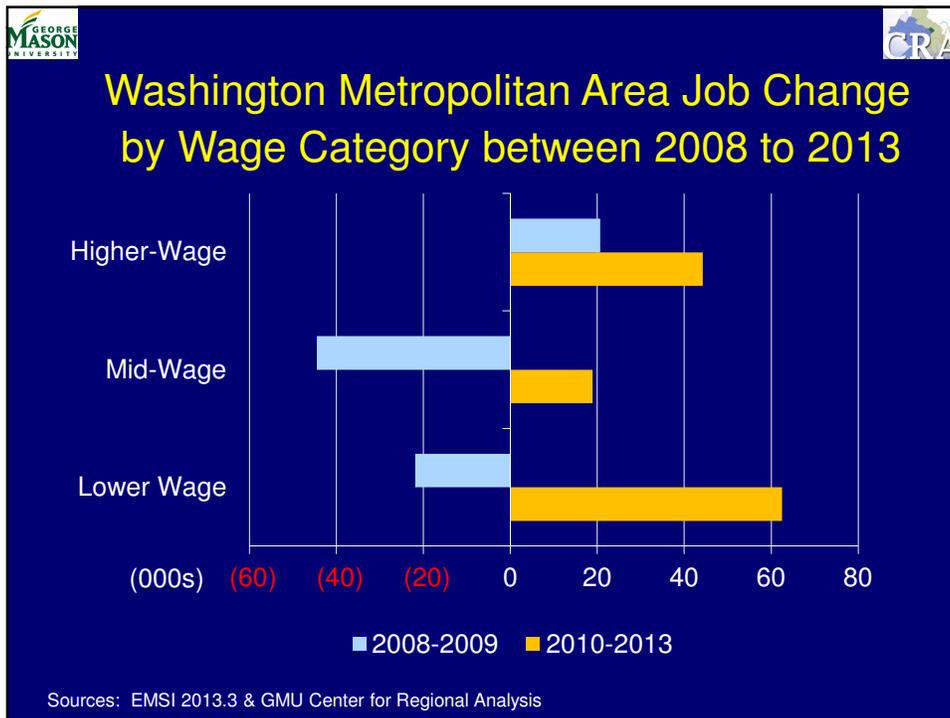




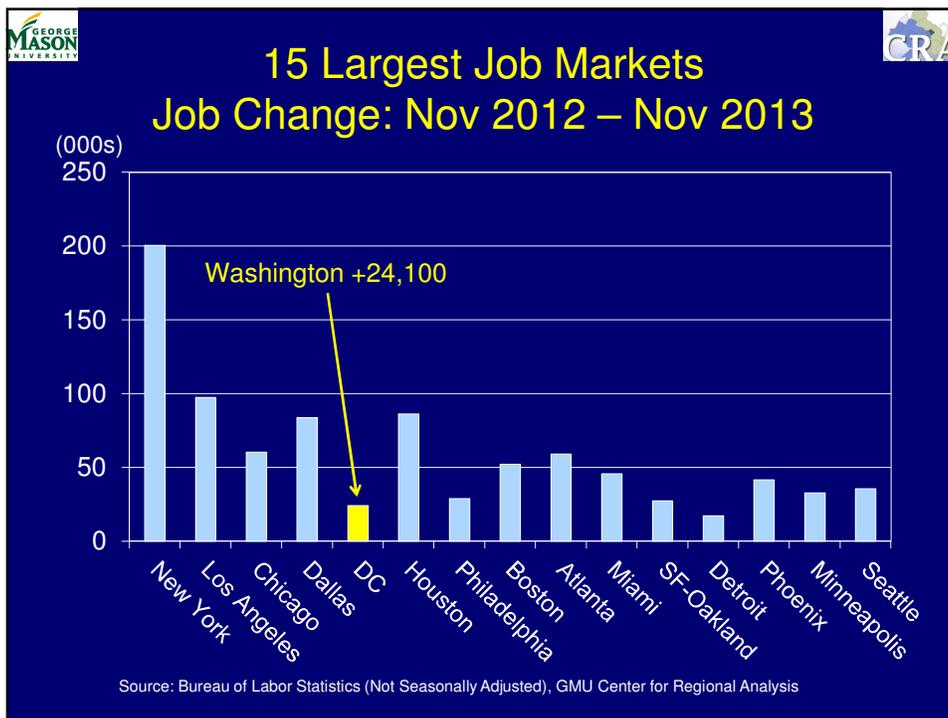
**Federal Employment Change in the Washington Metropolitan Area 2010-2013** (jobs in thousands)

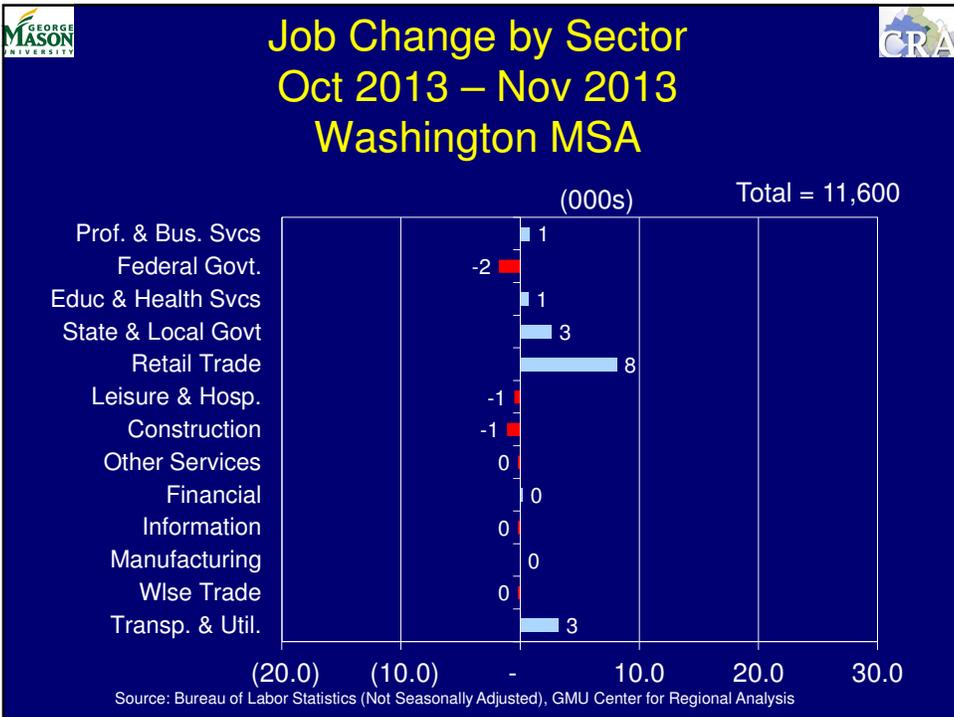
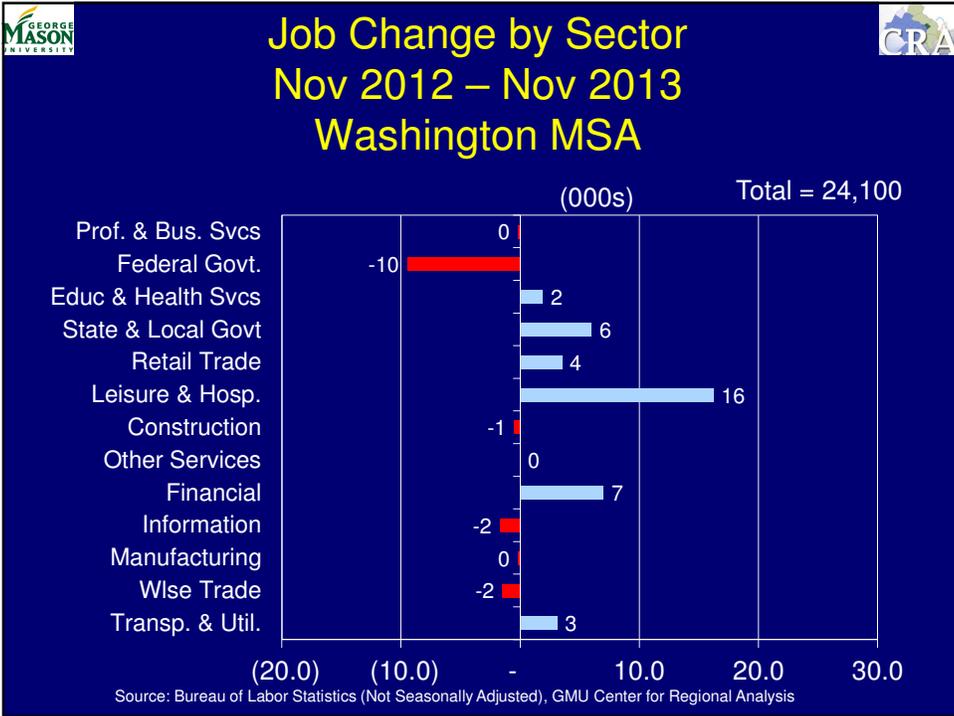
Fiscal Year	Jobs	Change	%
July 2010*	387.5		
September 2010	381.2		
September 2011	385.3	+ 4.1	1.1
September 2012	378.2	- 7.1	- 1.8
September 2013	370.0	- 8.2	- 2.2
November 2013	366.3	- 3.7	- 1.0
Annual 2017**	351.1	- 20.8	- 5.6
Annual 2023**	342.9	- 8.2	- 2.3

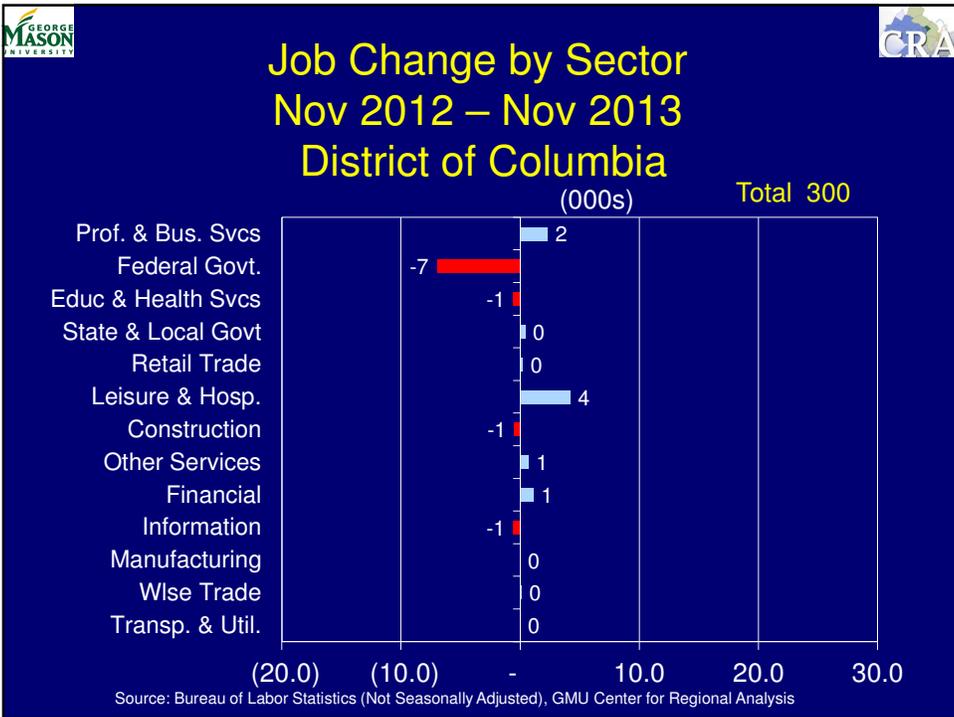
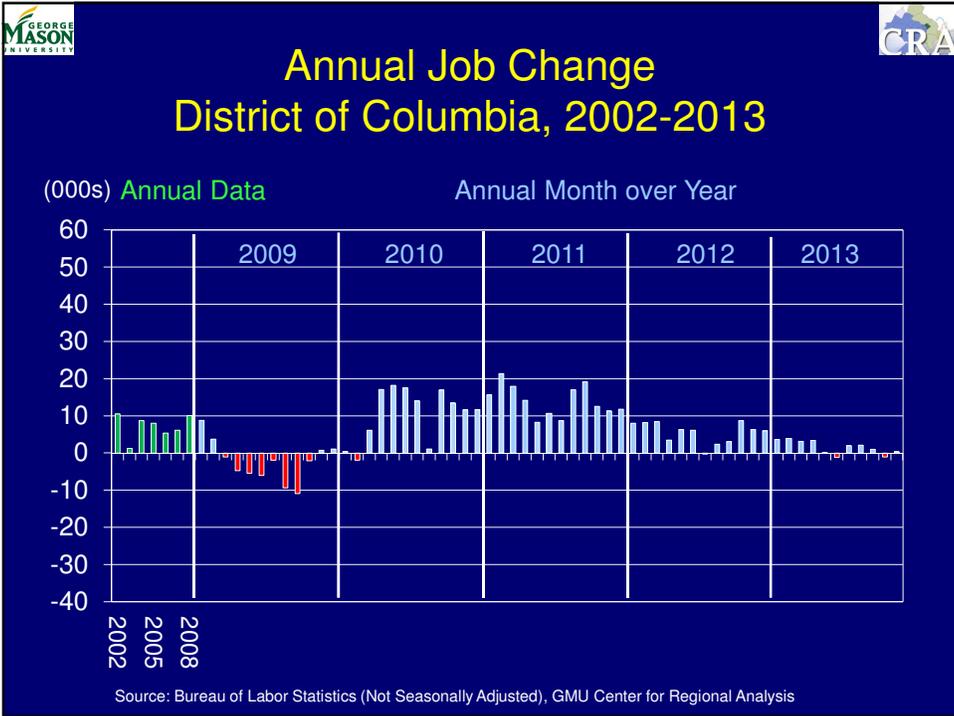
\*peak employment      \*\*IHS Global Insight

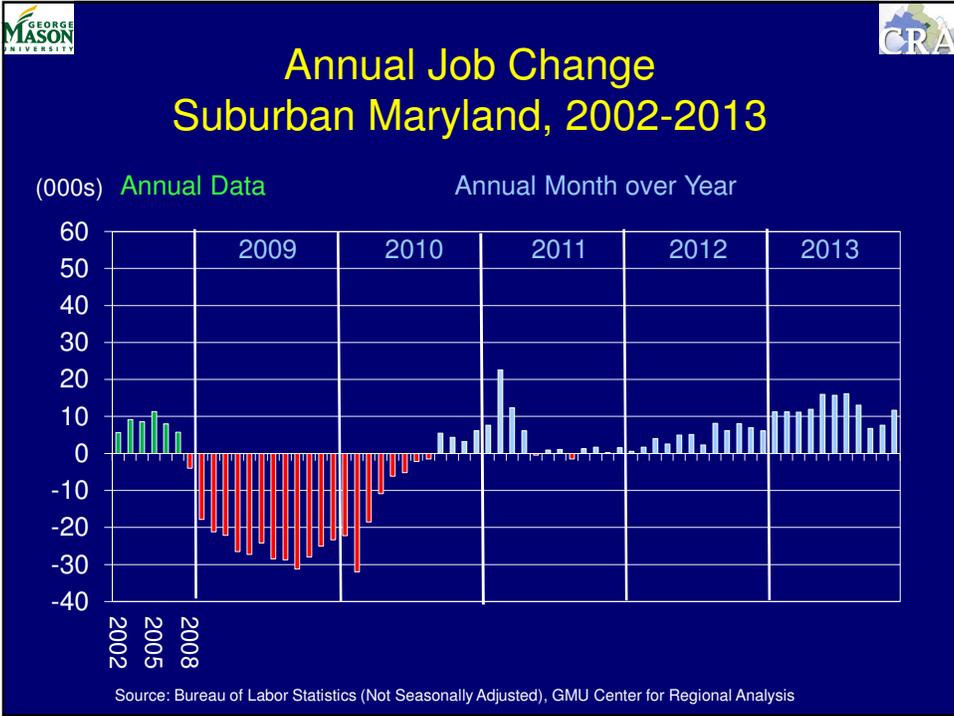
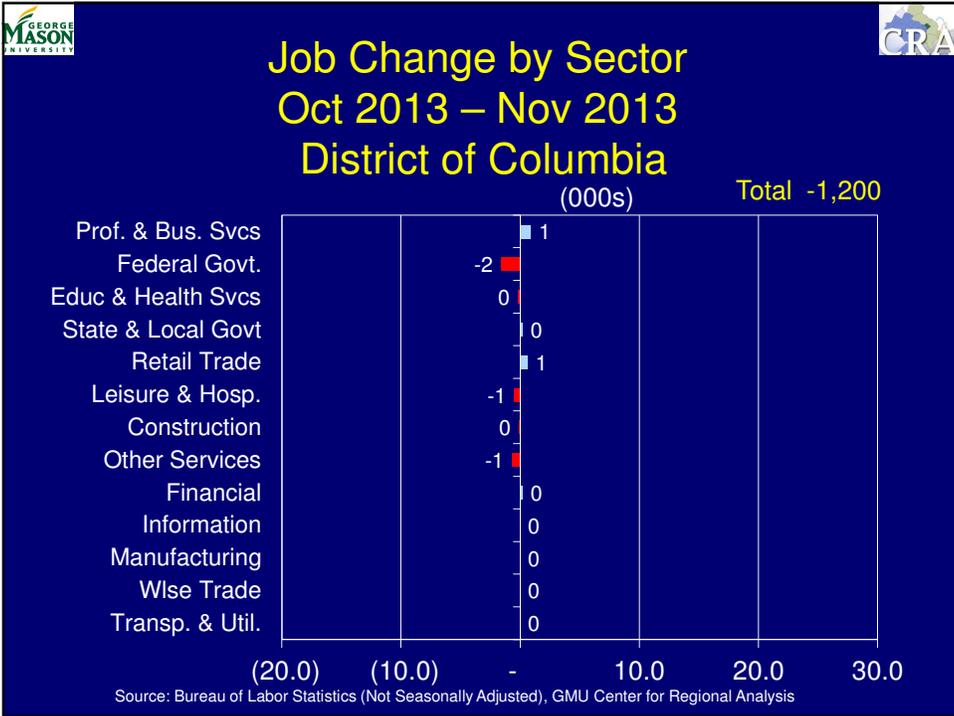


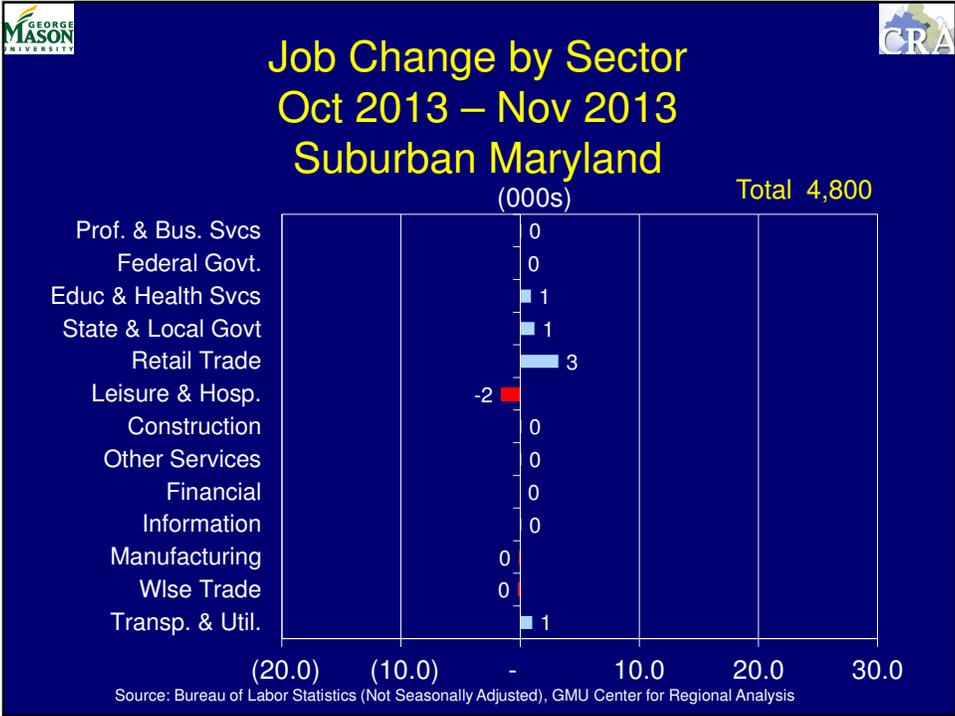
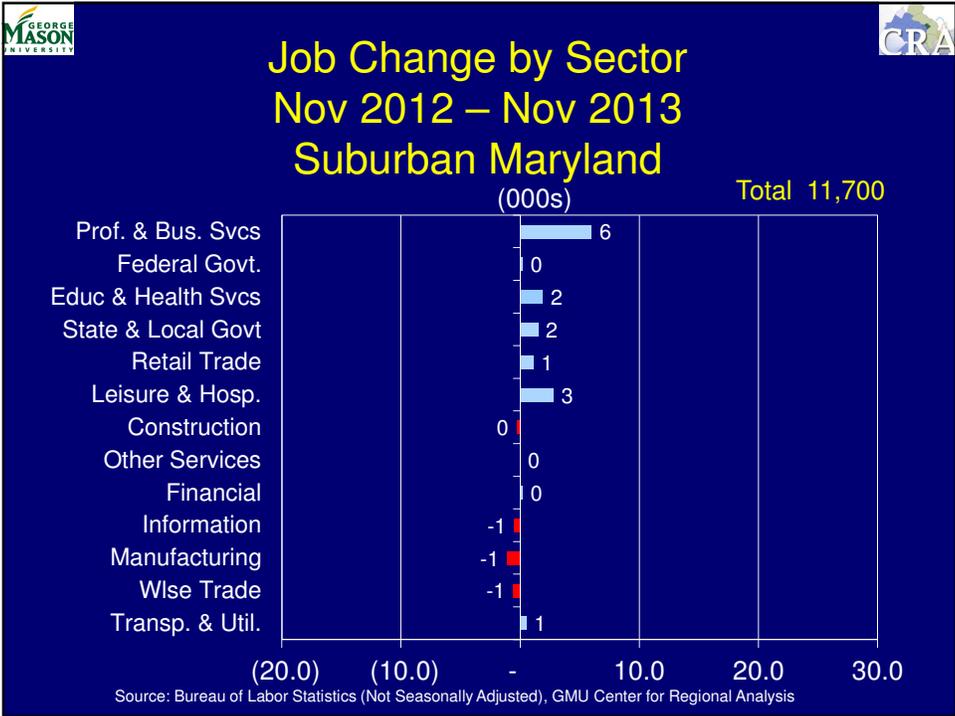
**The Current Baseline for the Region's Future Growth:  
What Are the Current Trends?**

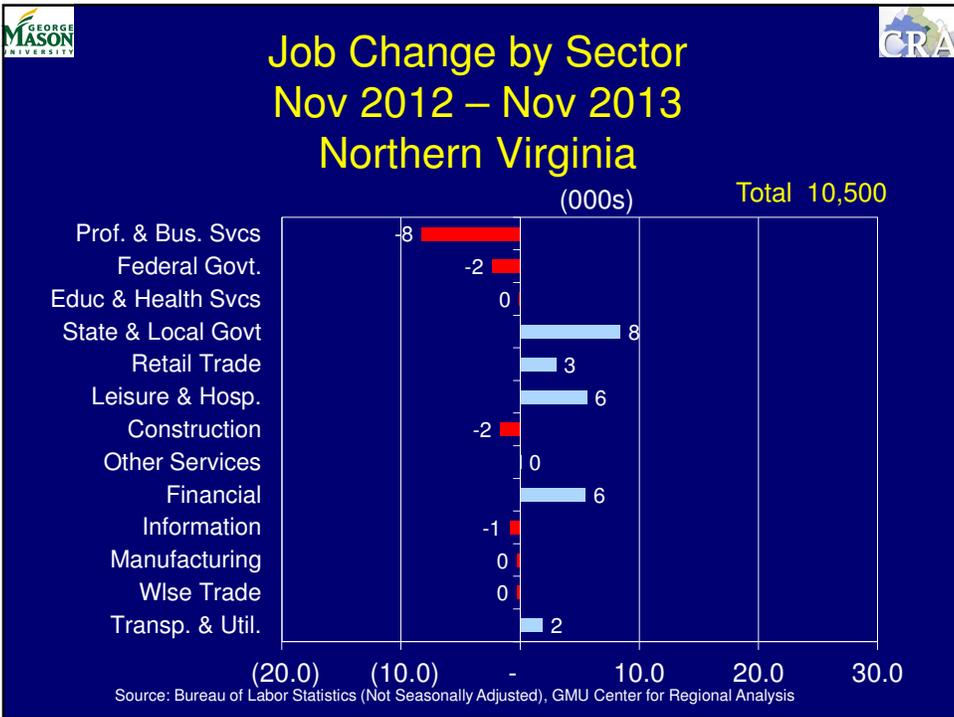
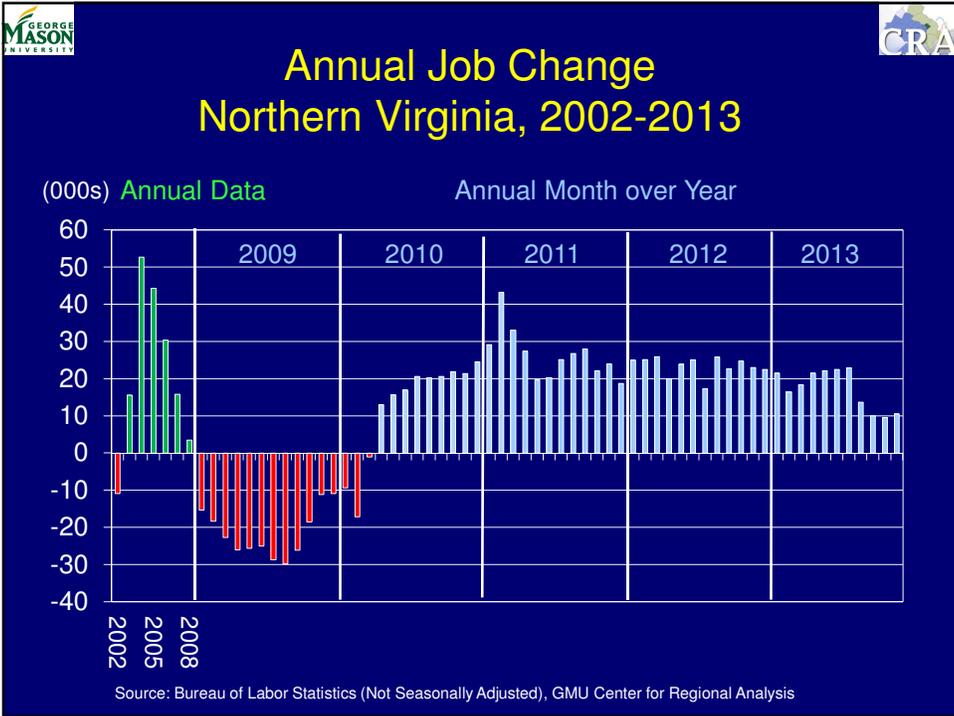


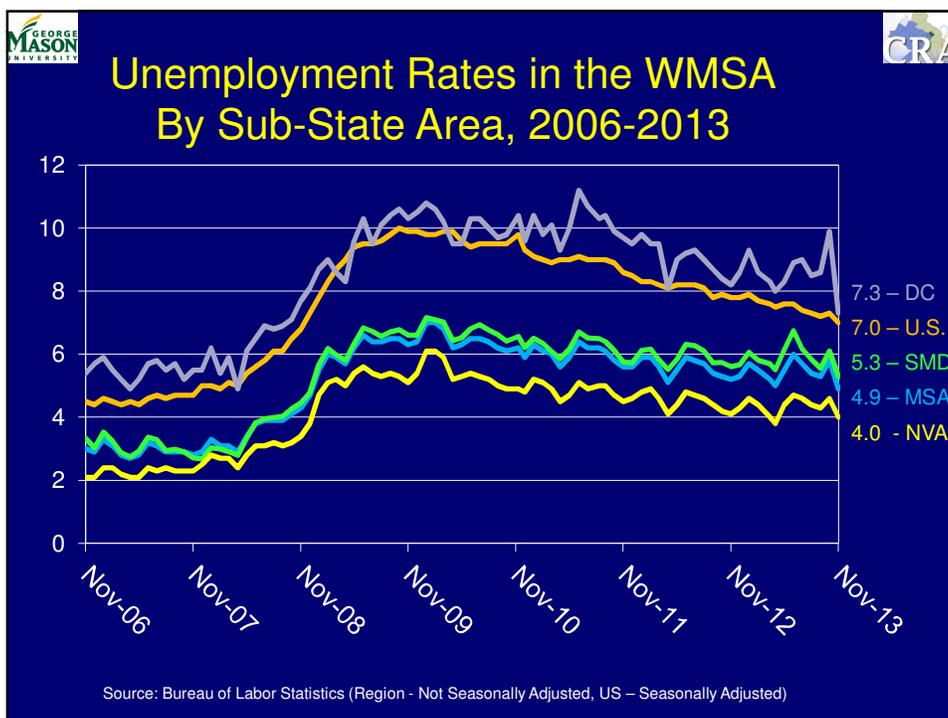
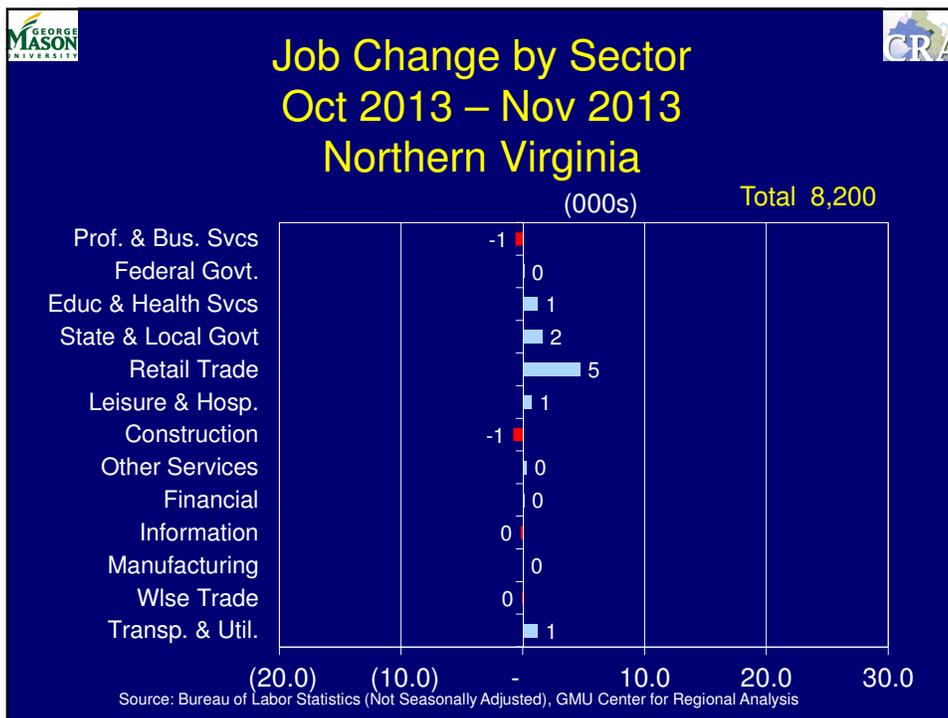















## Economic Outlook for the Washington Metropolitan Area: 2013-2018




## Washington Metropolitan Area and U.S. Economic Growth 2012-2018

(annual percent real change)

<u>Year</u>	<u>WMSA</u>	<u>U.S.</u>
2012	1.28	2.8
2013	1.26	1.9
2014	2.65	2.7
2015	3.56	3.2
2016	3.40	3.4
2017	3.42	3.2
2018	3.28	2.8

Sources: IHS Global Insight; GMU Center for Regional Analysis




### Washington Metropolitan Area Gross Regional Product, 2013-2018

(in billions of 2005\$s)

<u>Region</u>	<u>2013</u>	<u>Share</u>	<u>2018</u>	<u>Share</u>	<u>% Change</u>
Metro	\$391.2	100.0	\$458.8	100.0	17.3
District	92.7	23.7	104.5	22.8	12.7
SubMD	110.3	28.2	129.5	28.2	17.4
NoVA	187.1	47.8	223.5	48.7	19.4

Source: IHS Global Insight, GMU Center for Regional Analysis  
The Washington metropolitan area includes Jefferson County, WV and is included in the total GRP values.




### Principal Sources of Job and GRP Growth in the Washington Area, 2013-2018

(in thousands)

<u>Growth Sectors</u>	<u>Job Change</u>	<u>% of Total Job Change</u>	<u>Average Value Added per Job*</u>
Prof. & Bus. Ser.	144.5	48.8	\$158,211
Construction	51.9	17.5	\$91,482
Education/Health	35.2	11.9	\$59,938
Hospitality Services	27.1	9.1	\$43,036
State and Local	19.6	6.6	\$60,099
Sub-Total	278.3	93.9	\$99,820
Overall Total	296.4	100.0	\$135,544

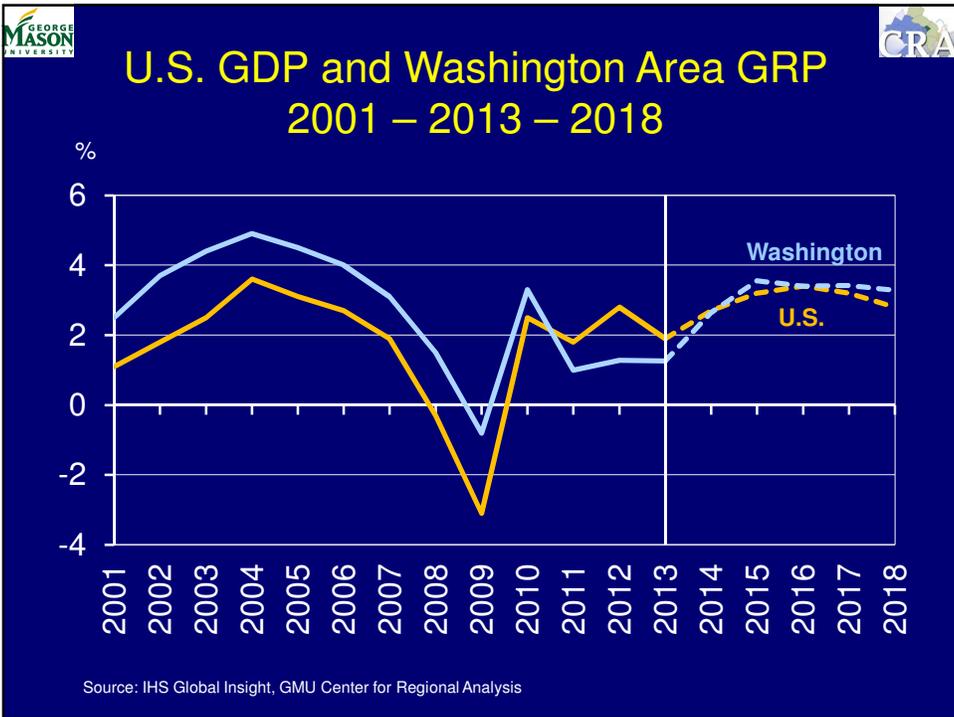
\* in 2005\$s

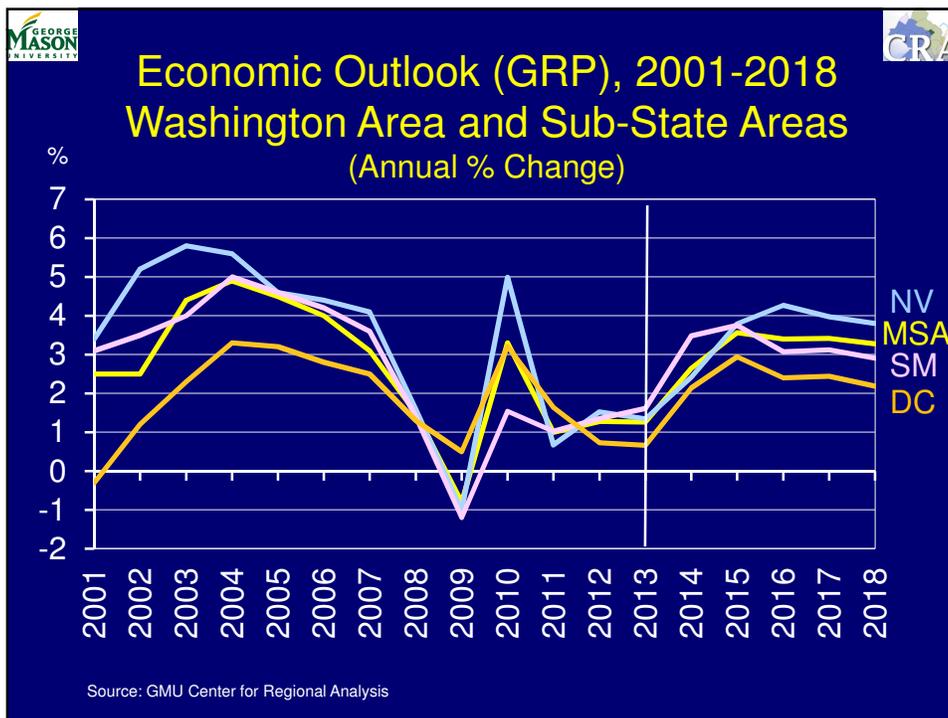
Sources: IHS Global Insight; GMU Center for Regional Analysis

**Job and GRP Gains and Losses for the Washington Area's Other Sectors, 2013-2018**  
(in thousands)

	<u>Job Change</u>	<u>% of Total Job Change</u>	<u>Average Value Added per Job</u>
Federal Gov't	- 22.8	- 7.7	\$141,894
Retail Trade	13.6	4.6	\$60,981
Other Services	2.1	0.7	\$102,734
Financial Services	- 1.3	- 0.4	\$591,253
Information Services	6.3	2.1	\$549,993
Manufacturing	1.5	0.5	\$103,723
Transportation	9.3	3.1	\$133,796
Wholesale Trade	7.3	2.5	\$193,924
Sub-Totals	18.1	6.1	\$200,732
Overall Total	296.4	100.0	\$135,544

Sources: IHS Global Insight; GMU Center for Regional Analysis





**Employment Change in the WMSA  
by Sub-State Area (000s)**

	2011	2012	2013	2014	2015	2016	2017	2018
<b>D.C.</b>	14.1	5.6	1.9	9.7	11.3	9.3	6.5	4.6
<b>Sub. MD</b>	4.4	4.8	20.7	18.1	22.7	20.0	14.3	12.2
<b>No. VA</b>	26.4	23.5	14.6	32.2	31.8	36.8	35.0	30.3
<b>REGION</b>	42.6	32.2	37.5	60.2	66.1	66.4	56.2	47.5

Average Annual Change 1990-2010 = 36,000

Source: BLS, IHS Global Insight, GMU Center for Regional Analysis  
NOTE: The regional totals include Jefferson, WV.



**Economic forecasts for the Washington Area assume that:**

- (1) there will be a sufficient number of qualified workers to fill the jobs,
- (2) there will be a sufficient supply of housing to house the future workforce at affordable costs, and
- (3) the region will have the infrastructure required to support this future growth.



**CRA and the 2030 Group**  
invite you to a  
Panel Discussion on the critical  
challenges facing the Washington  
Metropolitan Area

**When:** February 11, 2014  
Coffee at 8:30, Program 9:30-11:30

**Where:** GMU Founders Hall Auditorium  
3351 Fairfax Drive, Arlington, VA



Thank You  
Questions

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