House Appropriations Committee Retreat

The Virginia and Northern Virginia Economies: Current Trends and Future Prospects

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November 17, 2015

The Commonwealth of Virginia’s Economy: Recession and Recovery
U.S. GDP and Virginia GSP
1998 – 2014

Source: IHS Global Insight, GMU Center for Regional Analysis

State Comparison
GSP Percent Change 2010 – 2014

Source: Bureau of Economic Analysis, GMU Center for Regional Analysis
State Comparison
Job Change 2013 – 2014

Texas 343
Florida 242
Georgia 120
North Carolina 85
Ohio 68
Tennessee 57
South Carolina 48
Maryland 23
Alabama 21
Virginia 16
D.C. 6
West Virginia -3

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Virginia Payroll Job Change: Private Sector
The Great Recession and Recovery To Sep 2015

Ranked by Size in 2014
Total -293

- Mining & Logging -75
- Information -70
- Prof. & Bus. Svcs -60
- Wholesale Trade -57
- Transp. & Util. -50
- Leisure & Hosp. -44
- Retail Trade -40
- Manufacturing -30
- Financial -20
- Health Svcs -10
- Edu & Health Svcs 0
- Prof. & Bus. Svcs 10
- Retail Trade 20
- Wholesale Trade 30
- Manufacturing 40
- Transp. & Util. 50
- Leisure & Hosp. 60
- Retail Trade 70
- Mining & Logging 80

Total Private Sector Job Losses ended in March 2010

Total 225

Source: Bureau of Labor Statistics (Seasonally Adjusted), GMU Center for Regional Analysis
The GSP* Effects of Private Sector Job Change in the Commonwealth of Virginia, March 2008-September 2015 (in 2014$)

<table>
<thead>
<tr>
<th>Job Change</th>
<th>Average GSP Value</th>
<th>Total GSP Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>-293,400</td>
<td>$147,465</td>
<td>-$43,266,201,000</td>
</tr>
<tr>
<td>+224,500</td>
<td>$112,875</td>
<td>25,340,367,000</td>
</tr>
<tr>
<td>- 68,900</td>
<td>-</td>
<td>-$17,925,834,000</td>
</tr>
</tbody>
</table>

Source: GMU Center for Regional Analysis

*Gross State Product

Average Wage in the Commonwealth of Virginia 2001-2014

(000s of 2014 $s)

Source: Bureau of Labor Statistics, GMU Center for Regional Analysis
Commonwealth of Virginia
Annual Job Change, 2002-2015

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Commonwealth of Virginia:
Professional & Business Services Jobs

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Sep-15 Total: 686.7
Commonwealth of Virginia: Federal Government Jobs

Annual Data

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs (000s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sep-15 Total: 169.3</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Commonwealth of Virginia: Job Change by Sector
Sep 2014 – Sep 2015

<table>
<thead>
<tr>
<th>Sector</th>
<th>(000s)</th>
<th>Total = 32,900</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof. &amp; Bus. Svcs</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Federal Govt.</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td>Educ &amp; Health Svcs</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>State &amp; Local Govt</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Retail Trade</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td>Leisure &amp; Hosp.</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Other Services</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Information</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Wise Trade</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Transp. &amp; Util.</td>
<td>-2</td>
<td></td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Unemployment Rates By Select State, 2007-2015

Source: Bureau of Labor Statistics (Seasonally Adjusted)

The Washington Economy: Recession, Sequester, Repositioning and Expansion
2010 Structure of the Greater Washington Economy

- **Local Serving Activities**: 34.8%
- **Non-Local Business**: 12.0%
- **Other Federal**: 10.7%
- **Fed Wages & Salaries**: 10.0%
- **Procurement**: 19.1%
- **Total Federal**: 39.8%

*Source: GMU Center for Regional Analysis*
Federal Procurement in the Washington Metro Area, FY 1980-2014

$ Billions

TOTAL = $1,164.9 Billion

Source: US Census, Consolidated Federal Funds Report and USA spending.gov

Professional & Business Services Washington MSA

Annual Data

Annual Month over Year

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Sep-15 Total: 722.8
Summary of Federal Spending Trends in the Washington Metropolitan Area, 2010-2014

• Federal Procurement Outlays declined $11.2 billion or 13.6% between FY 2010 and FY 2014.

• Federal employment has declined since peaking in July 2010, losing 23,700 jobs or 6.1%.

• Federal payroll declined by $2.5 billion or 6.4% between FY 2010 and FY 2014 and will continue to decline as the workforce shrinks and older workers retire and are replaced by younger workers.
15 Largest Job Markets

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

WMSA Payroll Job Change: Private Sector
The Great Recession and Recovery
Aug 2008-Feb 2010    Feb 2010-Sep 2015

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
The GRP* Effects of Private Sector Job Change in the Washington Metropolitan Area Aug 2008-September 2015 (in 2014 $s)

<table>
<thead>
<tr>
<th>Job Change</th>
<th>Total GRP Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 181,300</td>
<td>- $29,044,064,000(^1)</td>
</tr>
<tr>
<td>+ 272,800</td>
<td>+ $29,704,162,000(^2)</td>
</tr>
<tr>
<td>+ 91,500</td>
<td>+ $660,098,000</td>
</tr>
</tbody>
</table>

Source: GMU Center for Regional Analysis

*Gross Regional Product
\(^1\) $160,200 per job contribution to GRP
\(^2\) $108,900 per job contribution to GRP

Average Wage in the Washington Metro Area, 2001-2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>63.8</td>
</tr>
<tr>
<td>2002</td>
<td>63.9</td>
</tr>
<tr>
<td>2003</td>
<td>64.8</td>
</tr>
<tr>
<td>2004</td>
<td>66.5</td>
</tr>
<tr>
<td>2005</td>
<td>67.2</td>
</tr>
<tr>
<td>2006</td>
<td>68.0</td>
</tr>
<tr>
<td>2007</td>
<td>69.2</td>
</tr>
<tr>
<td>2008</td>
<td>70.5</td>
</tr>
<tr>
<td>2009</td>
<td>71.5</td>
</tr>
<tr>
<td>2010</td>
<td>70.7</td>
</tr>
<tr>
<td>2011</td>
<td>70.3</td>
</tr>
<tr>
<td>2012</td>
<td>69.3</td>
</tr>
<tr>
<td>2013</td>
<td>69.6</td>
</tr>
<tr>
<td>2014</td>
<td>69.6</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics, GMU Center for Regional Analysis
15 Largest Job Markets
Job Change: Sep 2014 – Sep 2015

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Annual Job Change
Washington MSA, 2002-2015

Annual Data
Annual Month over Year

2010 2011 2012 2013 2014 2015

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Job Change by Sector
Sep 2014 – Sep 2015
Washington MSA

Prof. & Bus. Svcs: 18
Federal Govt: 15
Educ & Health Svcs: 10
State & Local Govt: 5
Retail Trade: 6
Leisure & Hosp.: 5
Construction: 3
Other Services: 1
Financial: -1
Information: -1
Manufacturing: -1
Wise Trade: 0
Transp. & Util.: 3

Total = 53,300

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Annual Job Change
Northern Virginia, 2002-2015

(000s) Annual Data Annual Month over Year

2002 2005 2008
2010 2011 2012 2013 2014 2015

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Job Change by Sector
Sep 2014 – Sep 2015
Northern Virginia

(000s) Total 27,400

Prof. & Bus. Svcs 6
Federal Govt. 7
Edu. & Health Svcs 4
State & Local Govt 2
Retail Trade 4
Leisure & Hosp. 0
Construction 1
Other Services 1
Financial 1
Information 1
Manufacturing 4
Wse Trade
Transp. & Util.

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Unemployment Rates in the WMSA
By Sub-State Area, 2008-2015


Economic Outlook for the
Washington Metropolitan Area:
2015-2020
11/18/2015

GMU Center for Regional Analysis 17

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

Source: IHS Economics, GMU Center for Regional Analysis, Forecast: September 2015

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

Source: GMU Center for Regional Analysis, Forecast: September 2015
Employment Change in the WMSA by Sub-State Area (000s)

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>D.C.</td>
<td>13.0</td>
<td>6.5</td>
<td>14.3</td>
<td>15.7</td>
<td>11.0</td>
<td>12.7</td>
<td>11.7</td>
<td>11.0</td>
</tr>
<tr>
<td>Sub. MD</td>
<td>6.1</td>
<td>11.1</td>
<td>20.0</td>
<td>22.4</td>
<td>20.1</td>
<td>16.9</td>
<td>15.8</td>
<td>14.8</td>
</tr>
<tr>
<td>No. VA</td>
<td>8.9</td>
<td>1.3</td>
<td>24.6</td>
<td>28.3</td>
<td>26.7</td>
<td>19.0</td>
<td>17.9</td>
<td>16.8</td>
</tr>
<tr>
<td>REGION</td>
<td>28.0</td>
<td>18.9</td>
<td>58.9</td>
<td>66.4</td>
<td>57.8</td>
<td>48.6</td>
<td>45.4</td>
<td>42.6</td>
</tr>
</tbody>
</table>

Average Annual Change 1990-2010 = 36,000

Source: BLS, IHS Economics, GMU Center for Regional Analysis (August 2015); *estimated based on first half-year performance.
NOTE: The regional totals do not include Jefferson, WV.

Structure of the Greater Washington Economy

2010
- Non-Local Business: 12.0%
- Local Serving Activities: 34.8%
- Other Federal: 10.7%
- Fed Wages & Salaries: 10.0%
- Total Federal: 39.8%
- Procurement: 19.1%

2020
- Non-Local Business: 17.5%
- Local Serving Activities: 38.3%
- Other Federal: 7.7%
- Fed Wages & Salaries: 7.1%
- Total Federal: 28.8%
- Procurement: 14.0%

Source: GMU Center for Regional Analysis
Thank You
Questions

cra.gmu.edu