

# *Leadership Montgomery Breakfast Club*

## ***What Will The Montgomery County Economy Look Like in 2017***

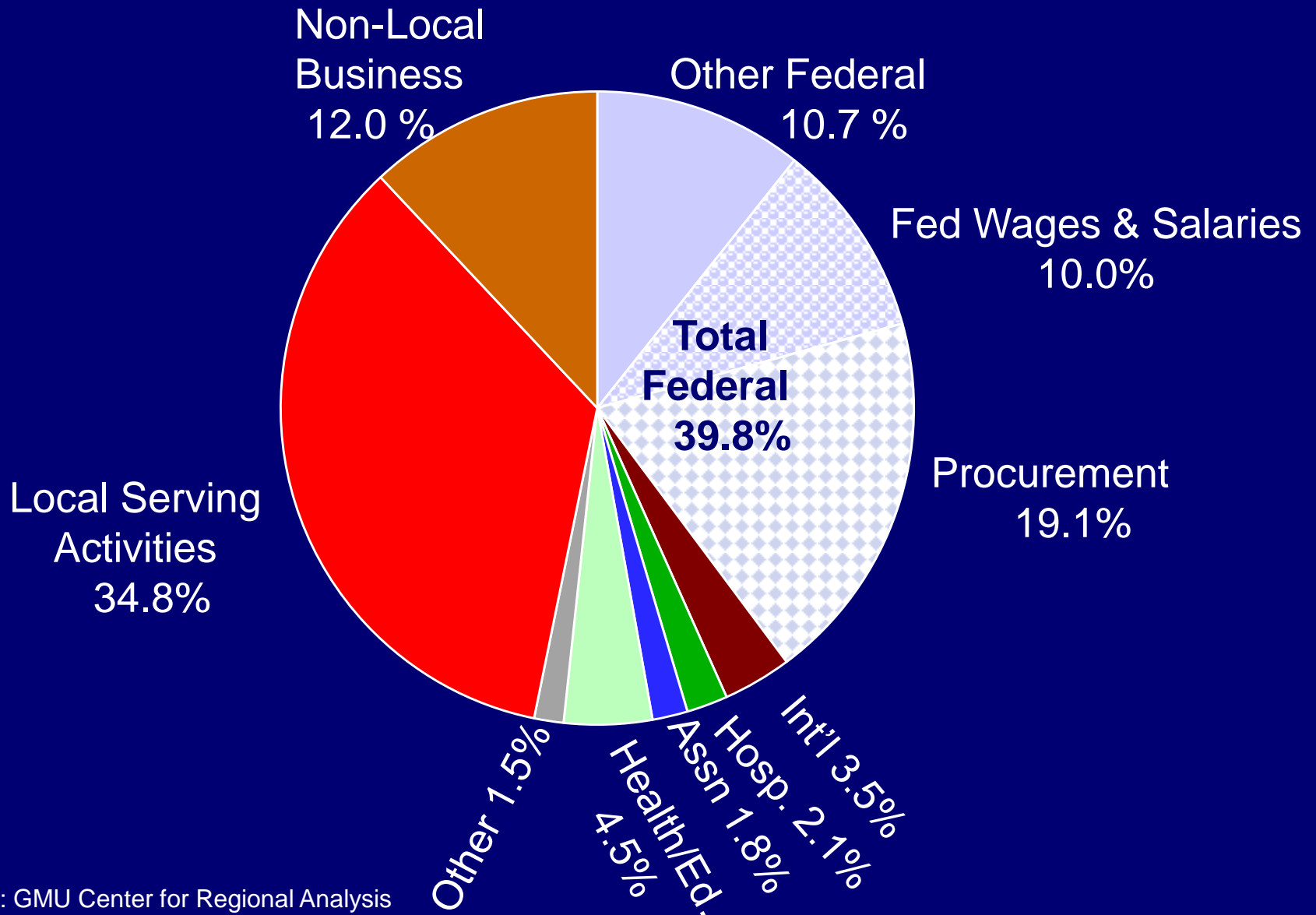
Stephen S. Fuller, Ph.D.

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

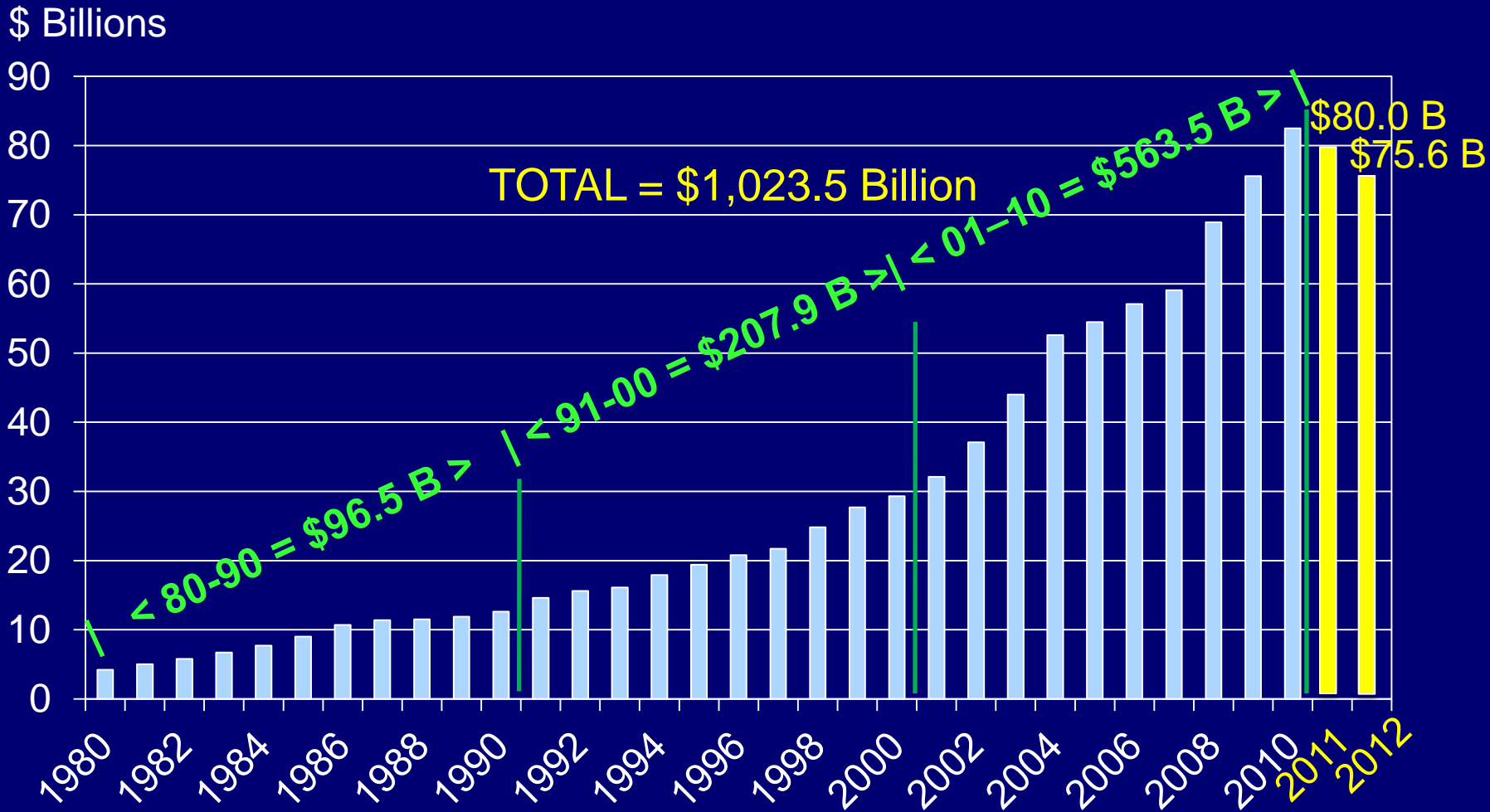
May 14, 2013

# The Economy In 2010 and the Changing Conditions that are Shaping Its Future

# 2010 Structure of the Greater Washington Economy



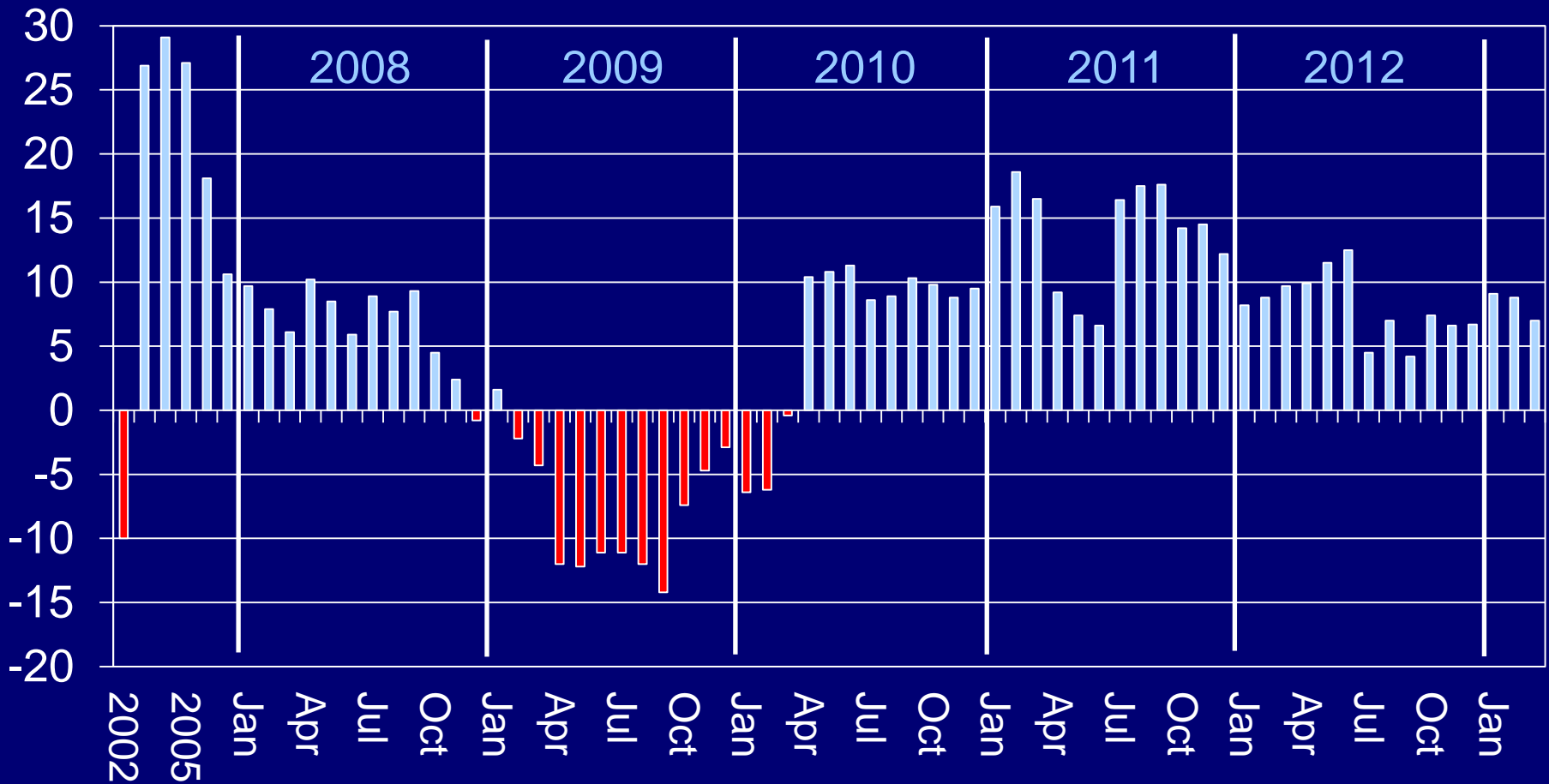
# Federal Procurement in the Washington Metro Area, 1980-2012



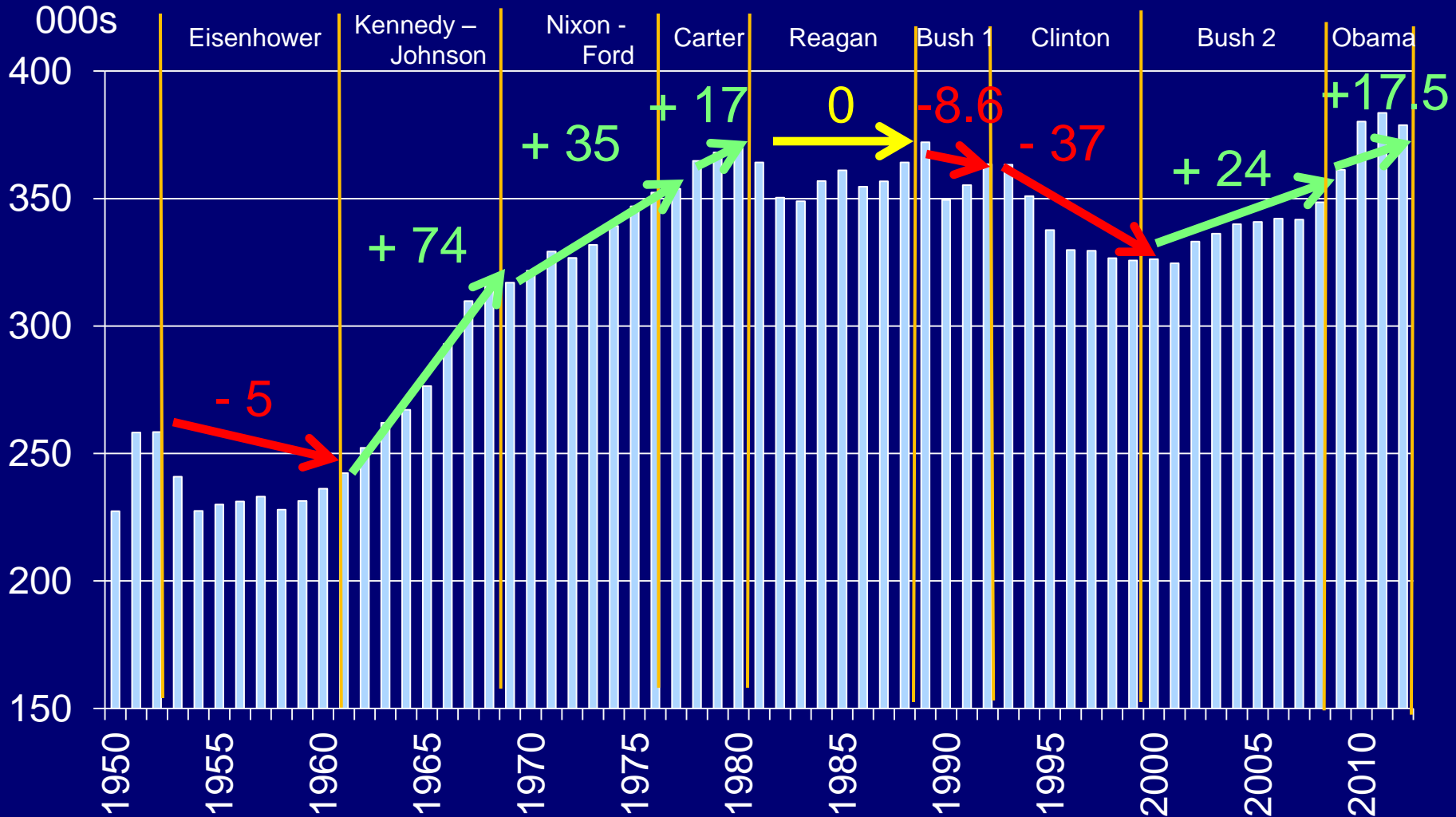
# Professional & Business Services Washington MSA

(000s) Annual Data

Annual Month over Year



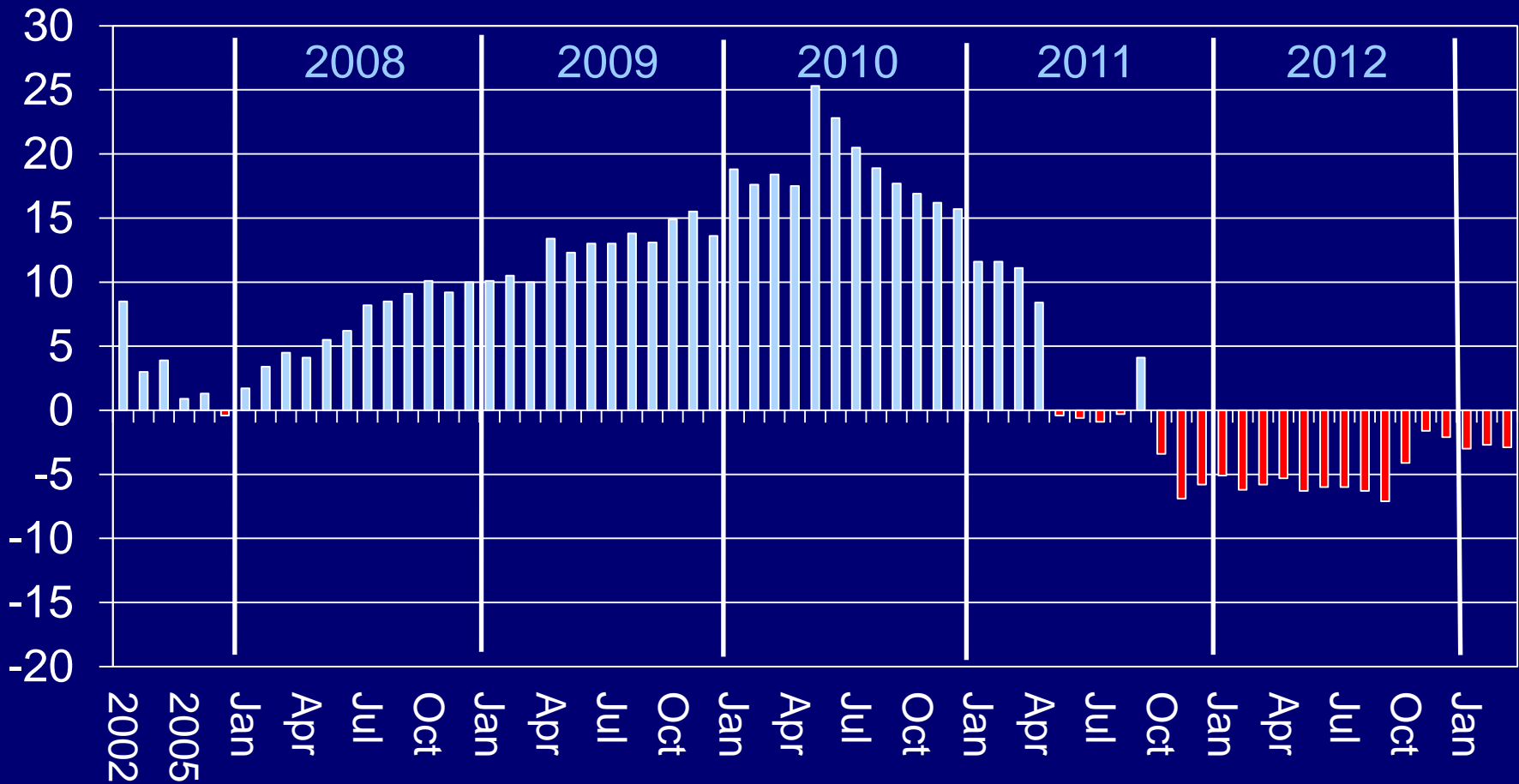
# Federal Employment in the Washington Metro Area, 1950-2012



# Federal Government Washington MSA

(000s) Annual Data

Annual Month over Year



# Summary for Federal Spending Trends in the Washington Metropolitan Area, 2010-2012

- Federal Procurement Outlays declined 8.4% between FY 2010 and FY 2012.
- Federal employment has declined since peaking in July 2010, losing 8,700 jobs or 2.25%.
- Federal payroll declined by 0.6% between FY 2010 and FY 2011 and will continue to decline as the workforce shrinks and older workers retire and are replaced by younger workers.



# The Relative Importance of Federal Spending in the Maryland-DC-Virginia Region

The Region's Share of U.S. Population	4.7%
The Region's Share of All Federal \$s	9.0%
The Region's Share of All DOD \$s	15.0%
Share of Total Federal Spending Subject to Sequestration	21.0%
Federal Spending as a Percent of the Region's GRP in 2011	39.0%

# Wash MSA Payroll Job Change: Private Sector

## The Great Recession and Recovery to March 2013

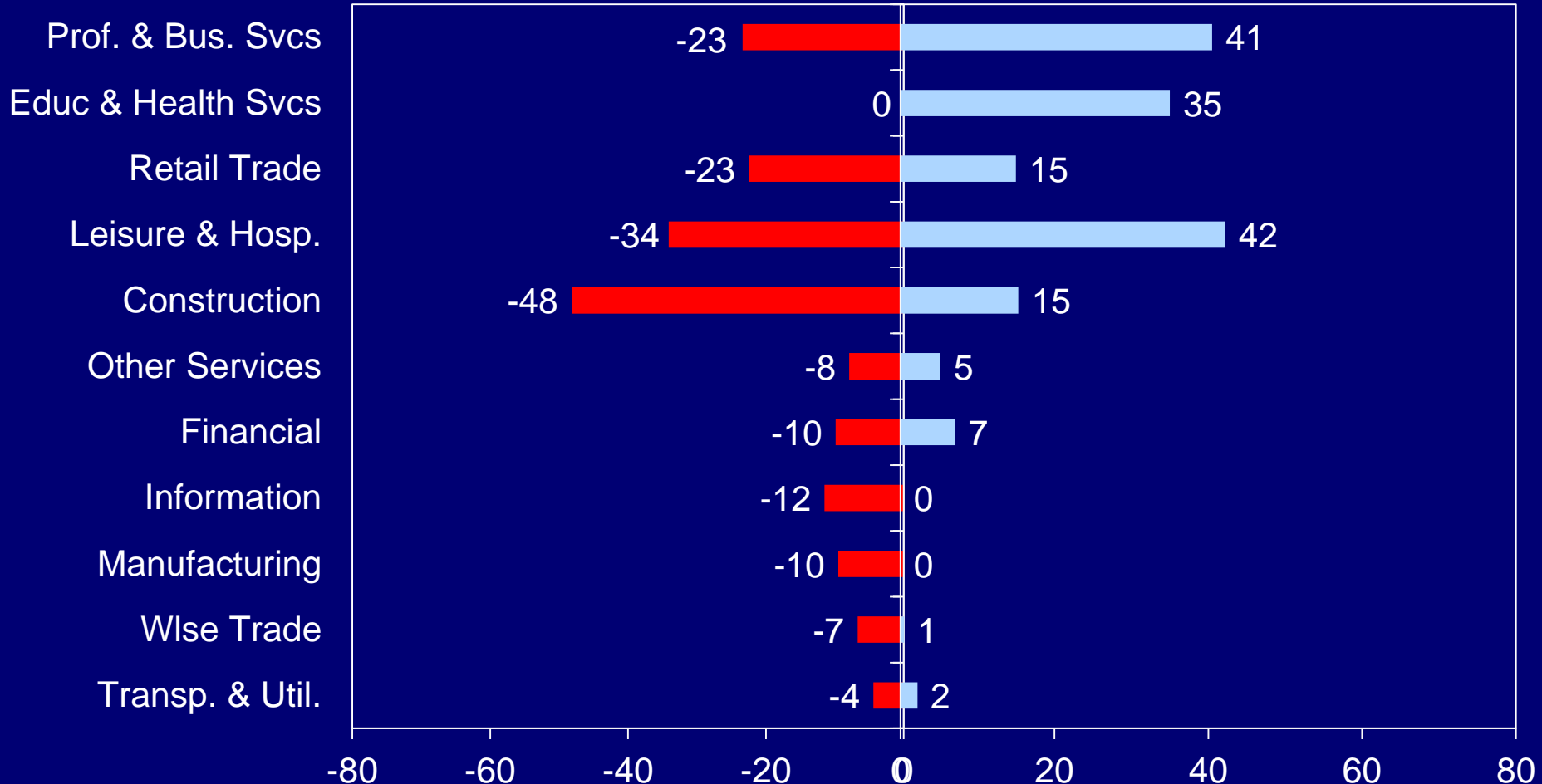
Aug 2008-Feb 2010

Feb 2010-Mar 2013

Total -159

(000s)

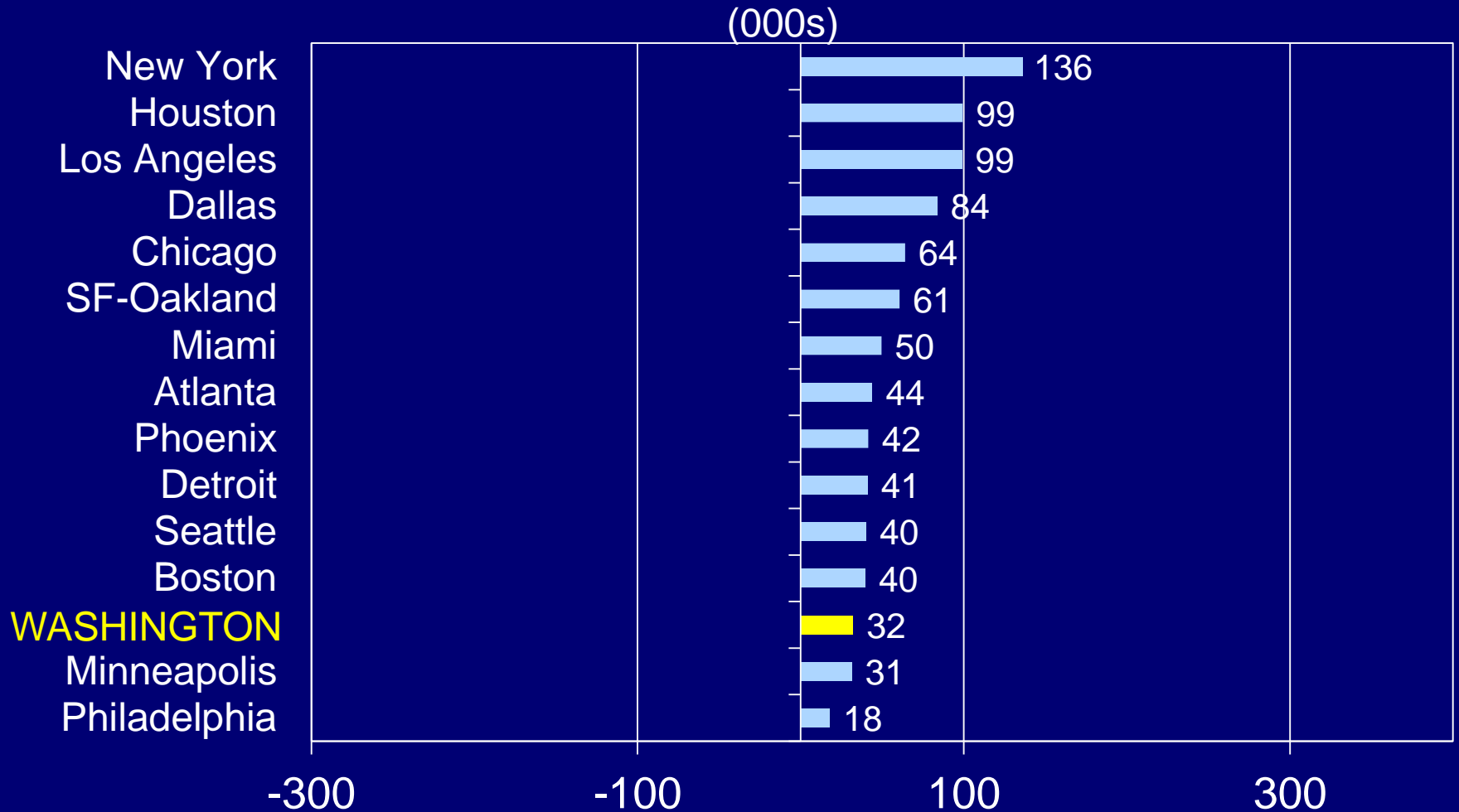
Total 157



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

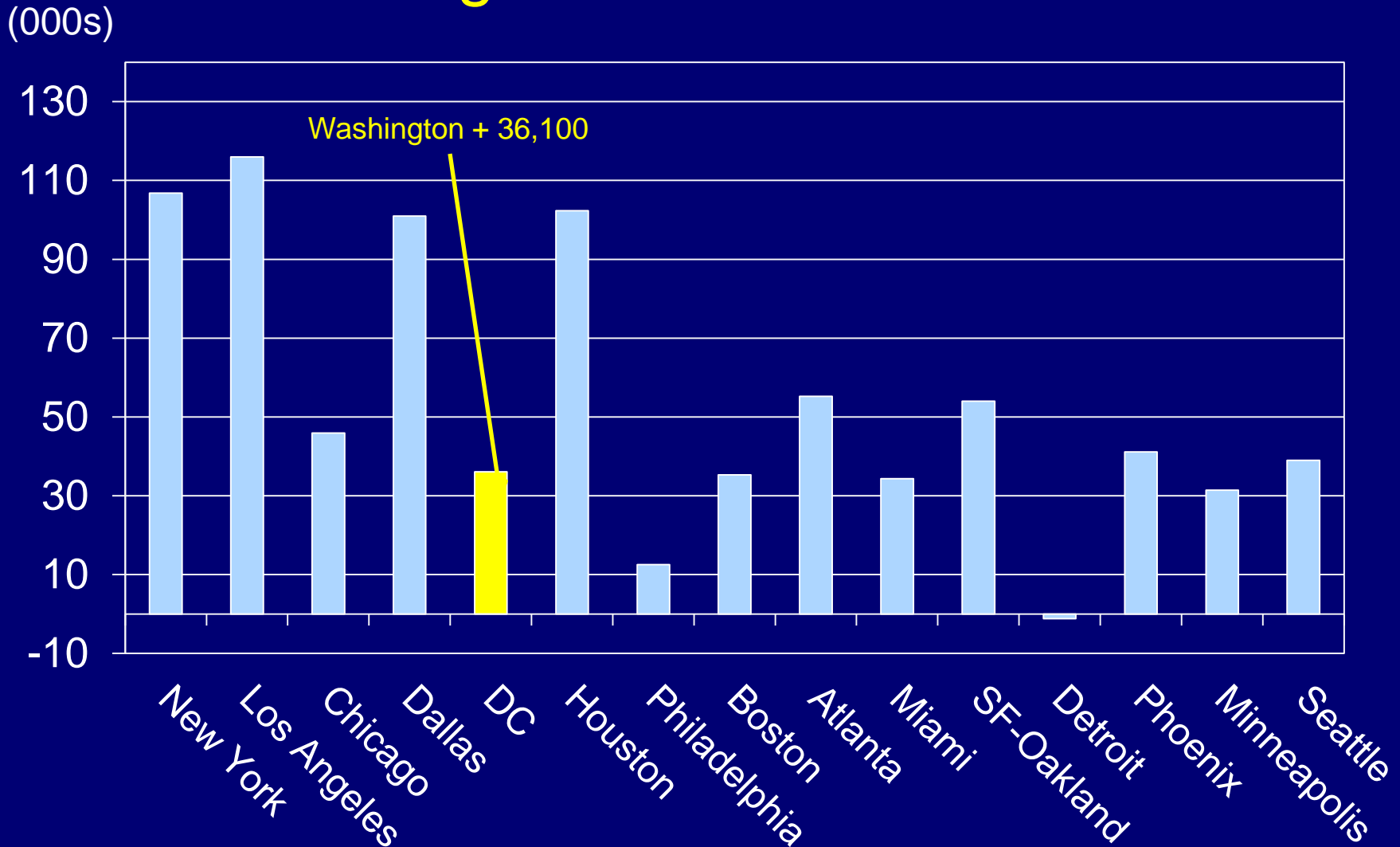
# Metro Area Comparisons Job Change 2011-2012

15 Largest Metro Areas



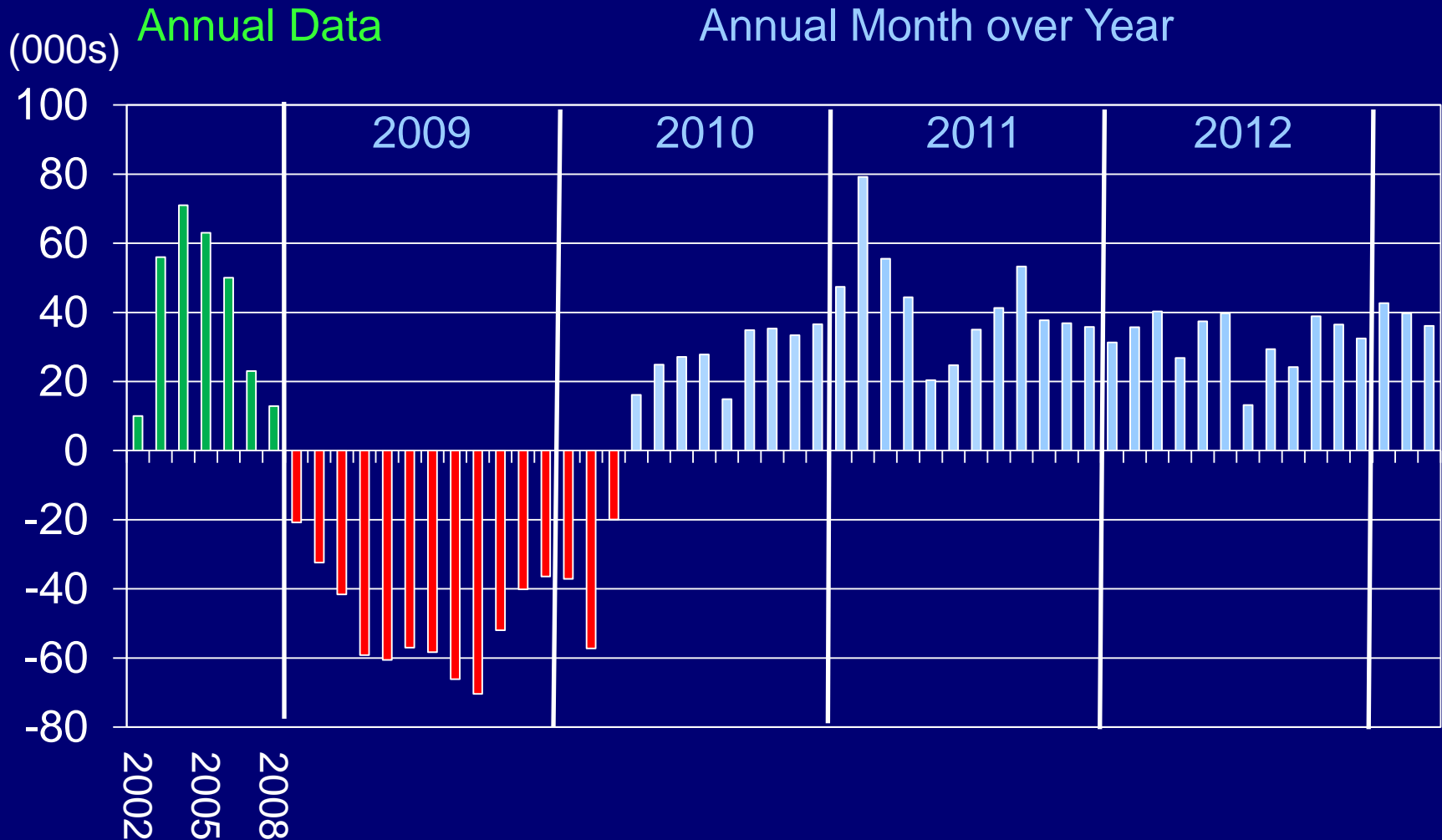
# 15 Largest Job Markets

## Job Change: Mar 2012 – Mar 2013



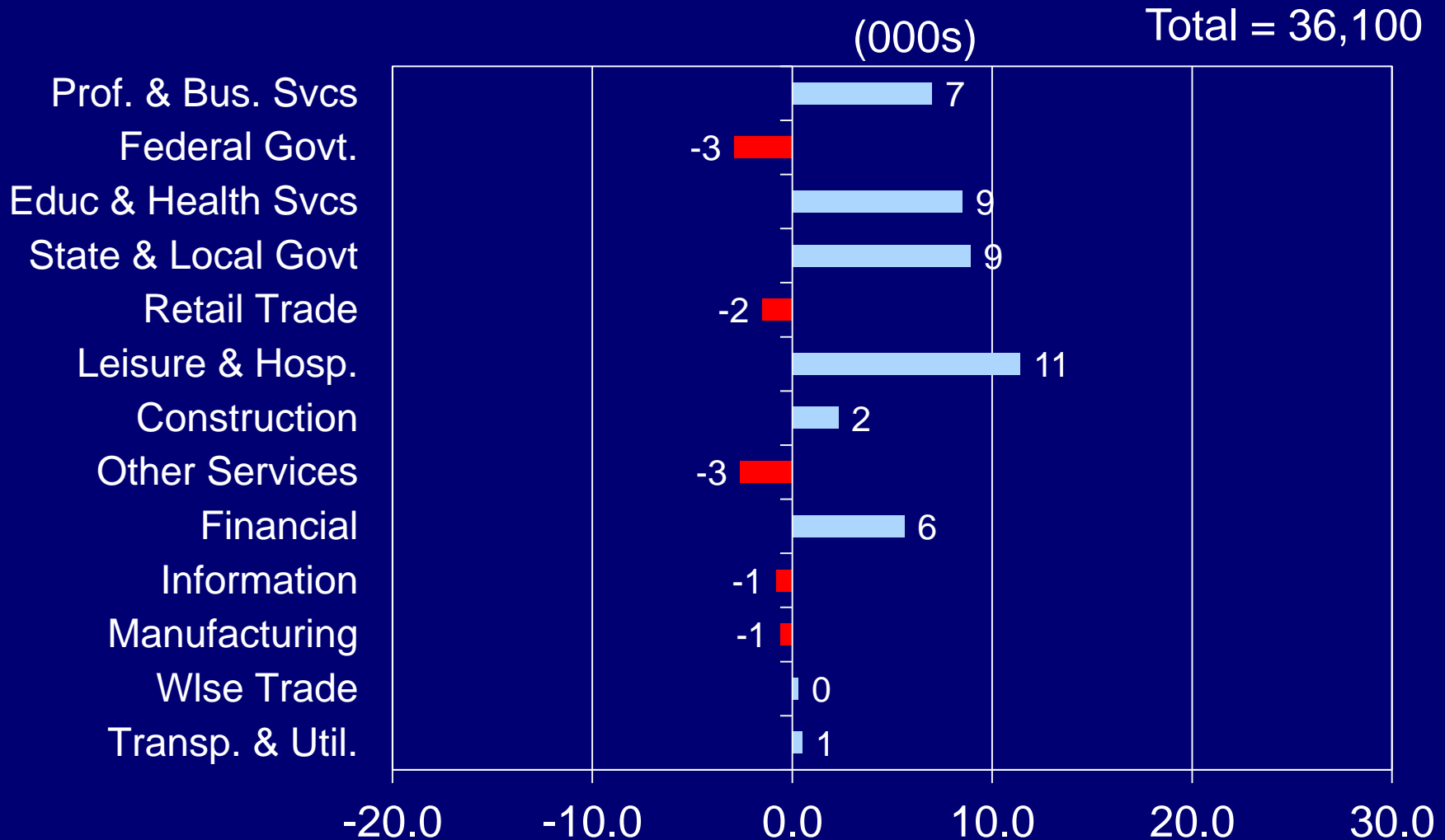
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

# Annual Job Change Washington MSA, 2002-2013



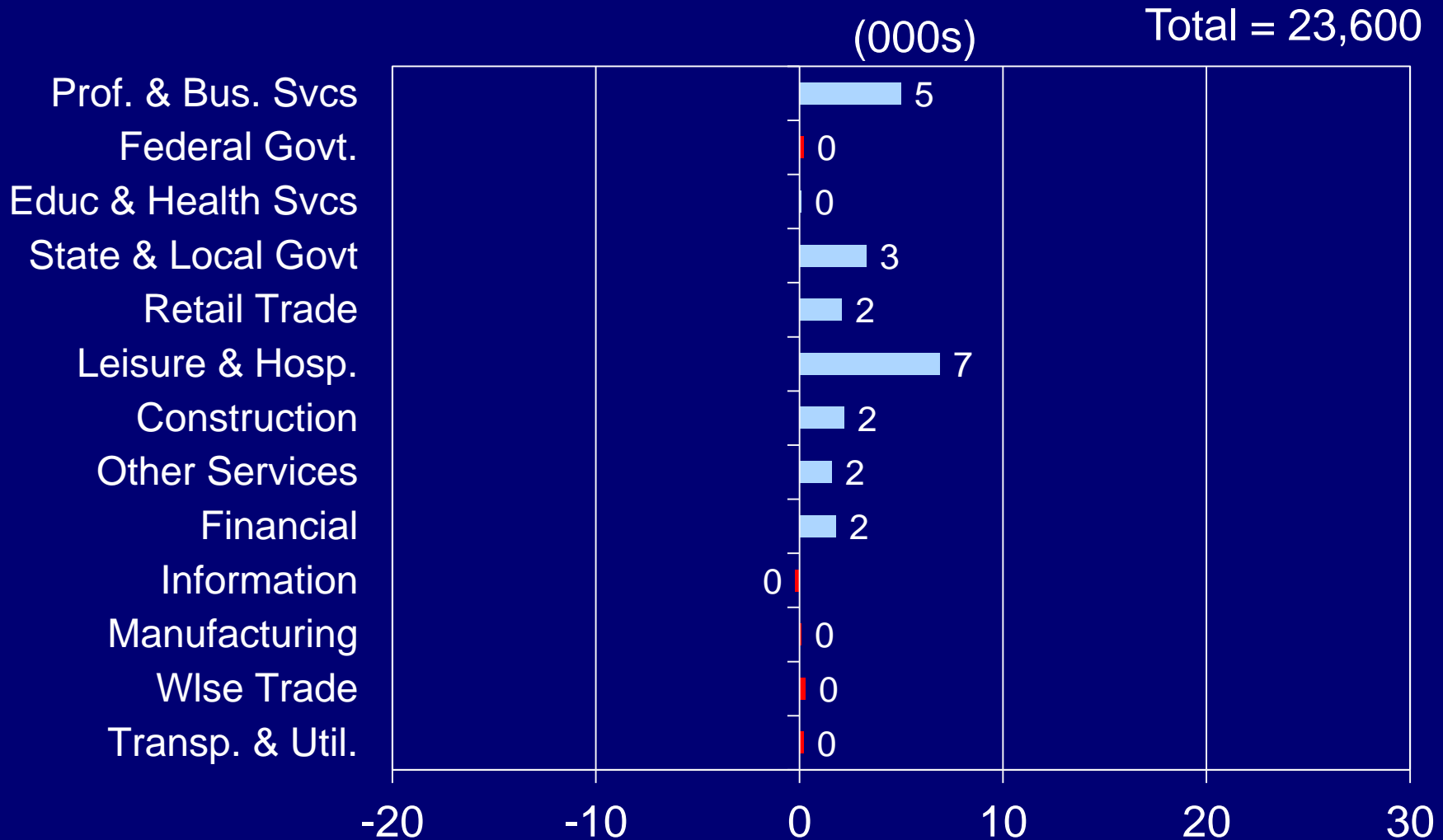
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

# Job Change by Sector Mar 2012 – Mar 2013 Washington MSA



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

# Job Change by Sector Feb 2013 – Mar 2013 Washington MSA



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

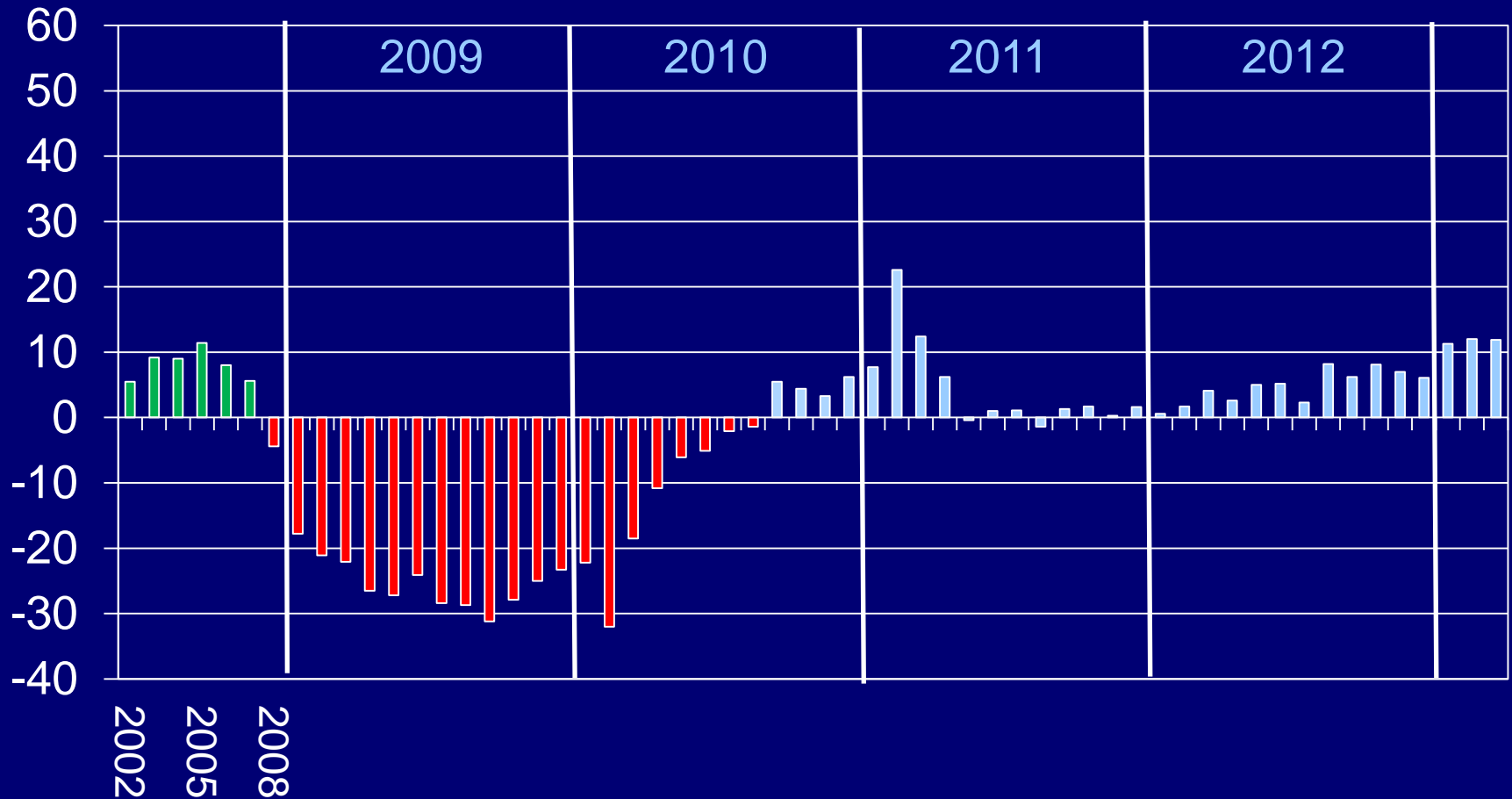
# Montgomery County: The Recession and Post-Recession



# Annual Job Change Suburban Maryland, 2002-2013

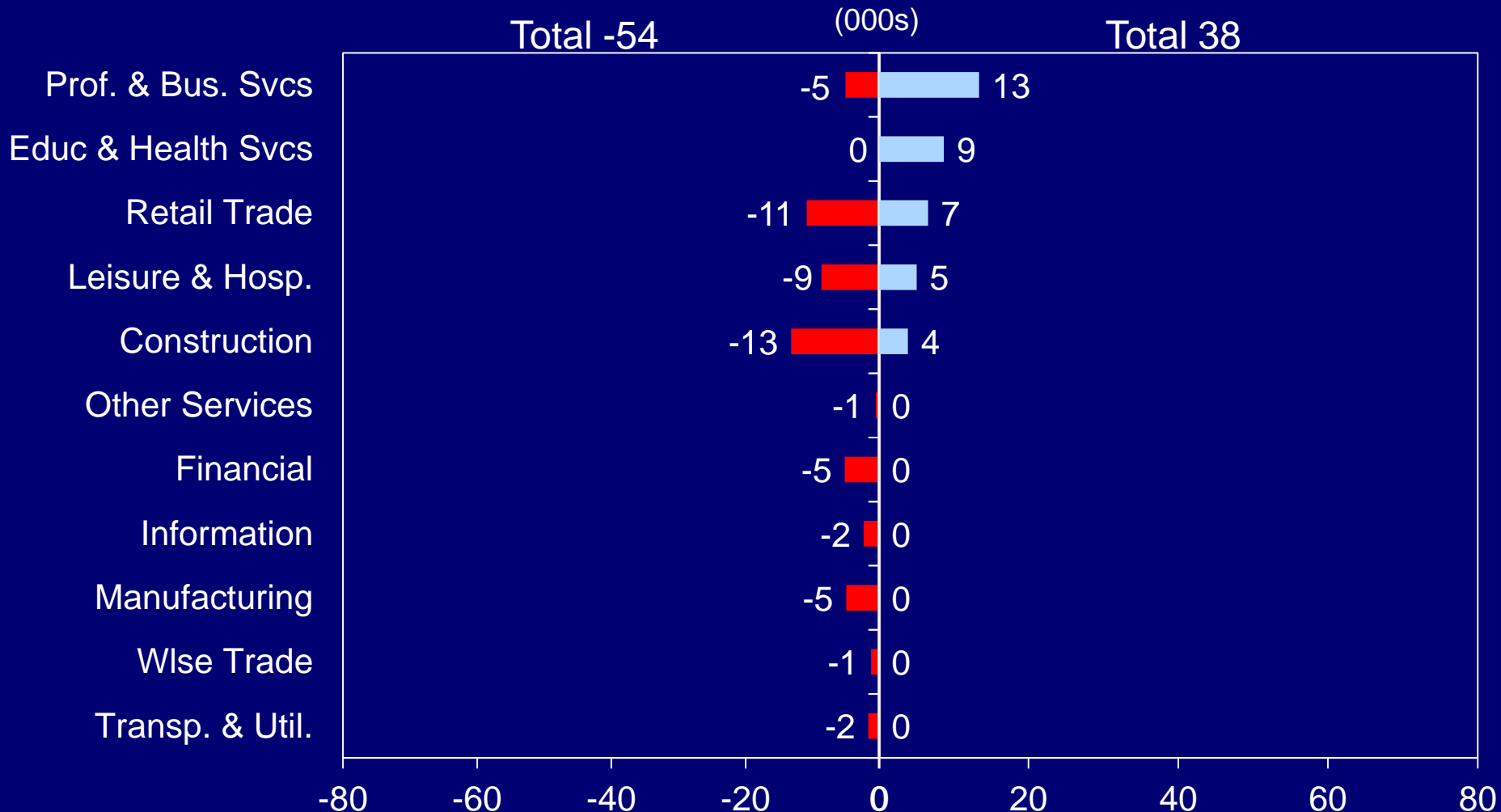
(000s) Annual Data

Annual Month over Year



# Montgomery Co.\* Job Change: Private Sector

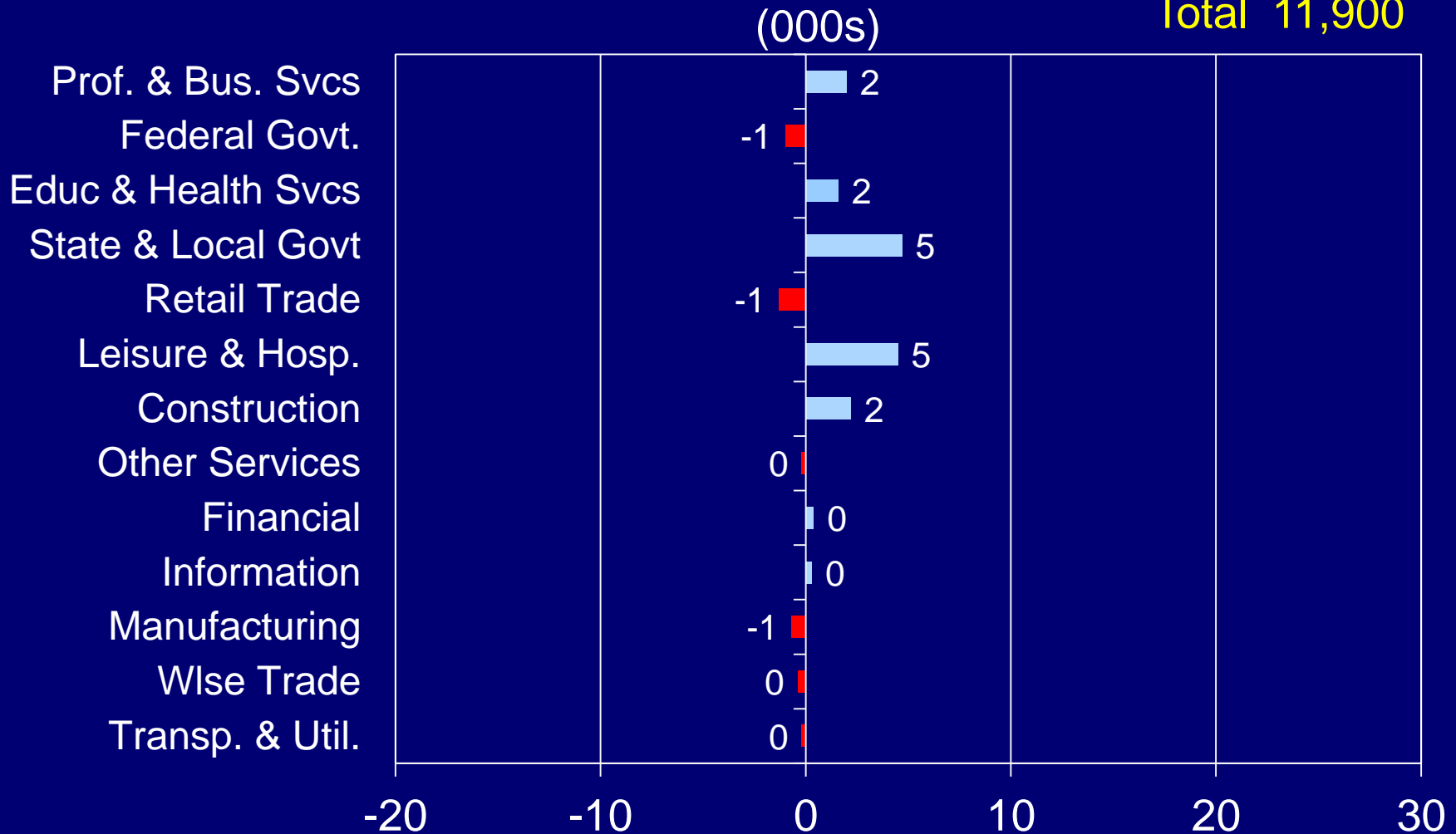
## The Great Recession and Recovery To December 2012



Source: US Bureau of Labor Statistics (Not Seasonally Adjusted), \* Includes Frederick County, MD

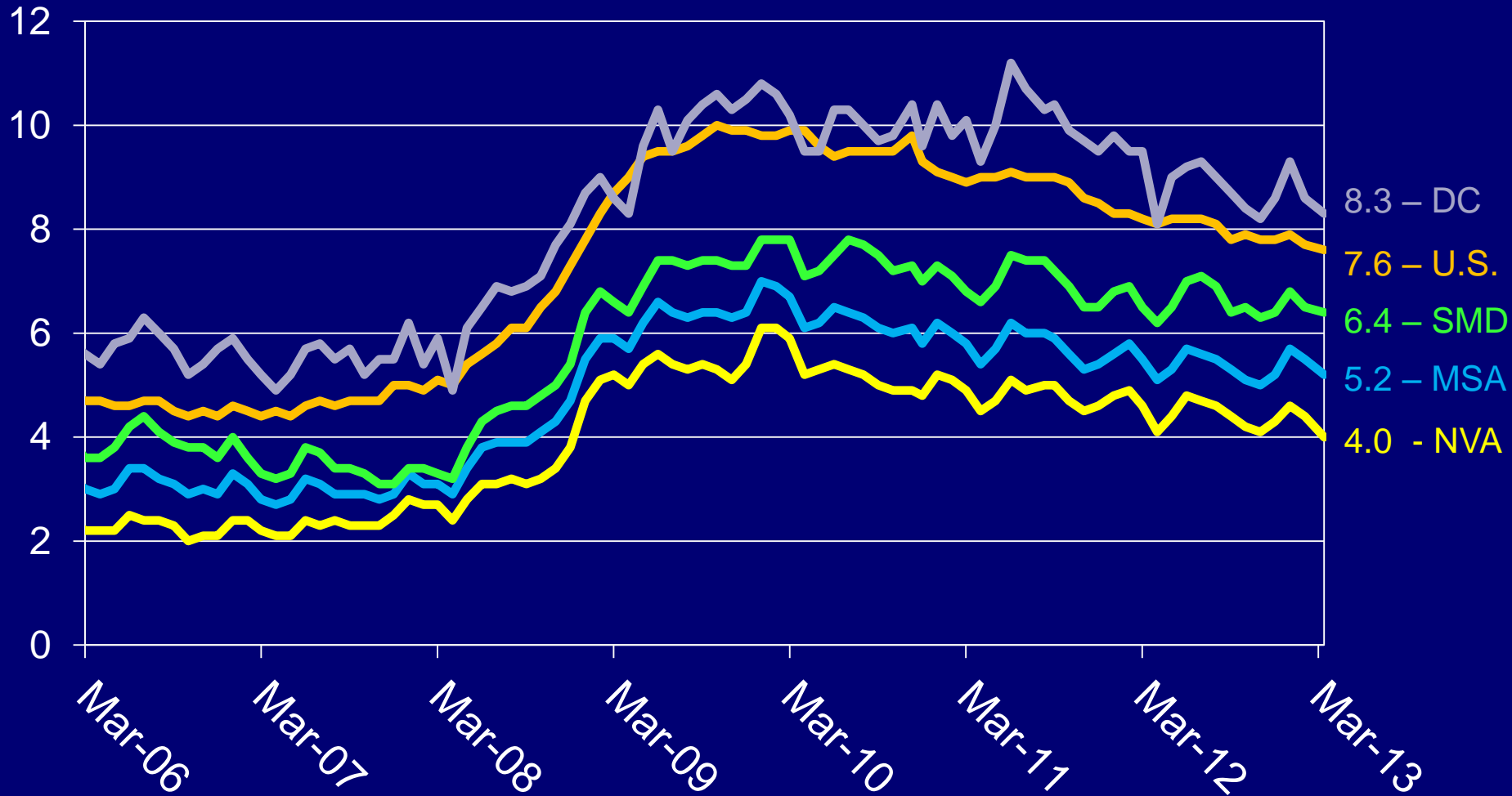
# Job Change by Sector Mar 2012 – Mar 2013 Suburban Maryland

Total 11,900



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

# Unemployment Rates in the WMSA By Sub-State Area, 2006-2013



Source: Bureau of Labor Statistics (Region - Not Seasonally Adjusted, US – Seasonally Adjusted)

# The Montgomery County Economic Outlook

# Job Growth in Montgomery County

## By Sector, 2012-2017 (in thousands)

<u>Sector</u>	<u>2012</u>	<u>2017</u>	<u>Change</u>	<u>Percent</u>
Prof. & Bus. Ser.	112.3	133.6	21.3	18.9
Education/Health	66.7	72.9	6.2	9.3
Retail Trade*	60.4	63.3	2.9	4.7
Federal Gov't	47.4	43.5	- 3.9	- 8.3
S & L Gov't	42.9	45.5	2.6	6.0
Hospitality	38.2	38.7	0.5	1.2
Financial Services	33.2	34.1	0.9	2.8
Other Services	26.9	27.2	0.3	1.0
Construction	24.0	34.8	10.8	45.2
Information Ser.	13.5	14.6	1.1	8.4
Manufacturing	11.4	11.9	0.5	4.7
<b>Total Jobs</b>	<b>477.0</b>	<b>520.1</b>	<b>43.1</b>	<b>9.0</b>

# Major Sources of Job Growth in Montgomery County, 2012-2017 (in thousands)

<u>Growth Sectors</u>	<u>2012</u>	<u>2017</u>	<u>Change</u>	<u>Percent</u>
Prof. & Bus. Ser.	112.3	133.6	21.3	18.9
Education/Health	66.7	72.9	6.2	9.3
Construction	24.0	34.8	10.7	45.2
Sub-Totals	203.0	241.3	38.3	18.9
<u>% Total</u>	<u>42.6</u>	<u>46.4</u>	<u>88.8</u>	
MC totals	477.0	520.1	43.1	9.0
Totals	3,033.4	3,314.4	281.0	9.3

# GRP Per Job in the Washington Area By Sector (in 2005 dollars)

<u>Sector</u>	<u>2012</u>	<u>2017</u>	<u>% Change</u>
Prof. & Bus. Services	\$134,750	\$154,656	14.8%
Federal Gov't	138,361	138,566	0.1
Education/Health	59,730	57,508	- 3.7
S & L Gov't	60,975	56,920	- 6.6
Hospitality	42,883	42,391	- 1.1
Retail Trade	60,807	64,136	5.5
Other Services	70,339	69,151	- 1.7
Financial Services	543,482	578,062	6.4
Construction	98,824	82,490	- 16.5
Information Services	349,868	468,376	33.9
Other Sectors	147,903	151,120	2.2
GRP per Job	\$130,653	\$138,881	6.3



# GRP Per Job in the Washington Area By Sector (in 2005 dollars)

<u>High Job Growth</u>	<u>2012</u>	<u>2017</u>	<u>% Change</u>
Prof. & Bus. Svs. (18.9%)	\$134,750	\$154,656	14.8
Education/Health (9.3%)	59,730	57,508	- 3.7
Construction (45.2%)	98,824	82,490	- 16.5
<u>Other High Value-Added Sectors</u>			
Information Services (8.4%)	349,868	468,376	33.9
Financial Services (2.8%)	543,482	578,062	6.4
Federal (-8.3%)	138,361	138,566	0.1
<b>GRP per Job</b>	<b>\$130,653</b>	<b>\$138,881</b>	<b>6.3</b>

# Montgomery County, MD: Growth Potential Summary: 2012-2017

(in billions of 2012 \$s jobs in thousands)

Indicator	2012	2017	Change
GRP Growth	\$68.7	\$79.5	15.8%
Net Job Growth			35,640
			7.1%
Replacement Job Growth		60,290	T=95,930
		11.6%	T=18.7%
Resident Workforce Growth	548,454	578,241	29,787

# Montgomery County, MD: Major Sources of Net New Jobs 2012-2017

<u>Occupation</u>	<u>Net New</u>	<u>% of Total</u>	<u>% Change</u>
Health Care (all)	7,271	17.7	13.2
Business and Financial	7,079	17.2	11.7
Personal Care Occup.	3,895	9.5	13.0
Sales Occupations	3,237	7.9	4.1
Buildings & Ground Clean.	2,918	7.1	9.2
Management Occupations	2,649	6.4	5.2
Education & Training	2,390	5.8	7.4
Food Prep. & Serving	2,026	4.9	6.3
Office Admin Support	1,667	4.1	2.0
Life, Physical, Social Sci.	1,397	3.4	8.6
Computer, Math and Sci	1,111	2.7	3.5
Totals	35,640	86.6	7.1

# Montgomery County, MD: Major Sources of Replacement Jobs 2012-2017

<u>Occupation</u>	<u>Replacement</u>	<u>% of Total</u>	<u>% Change</u>
Sales Occupations	11,788	10.0	15.1
Office Admin Support	9,936	8.4	12.0
Food Prep. & Serving	6,023	5.1	18.8
Business and Financial	5,865	5.0	9.7
Management Occupations	5,771	4.9	11.3
Health Care (all)	5,101	4.3	9.3
Arts, Design, Entertain.	3,462	2.9	12.5
Personal Care Occup.	3,404	2.9	11.4
Education & Training	3,396	2.9	10.6
Construction & Extraction	3,023	2.6	12.1
Computer, Math and Sci	2,987	2.5	9.4
Totals	62,944	65.1	11.8

# Montgomery County, MD: Health Care Occupations Demand 2012-2017

Occupation	Openings (% Total)		Net New (% Change)		Replacement (% Change)	
Nursing, Psychiatric, Home Health Aides	3207	25.9%	2481	22.0%	726	6.5%
Registered Nurses	1809	14.6%	1095	13.9%	714	9.0%
Physicians and Surgeons	1185	9.6%	415	5.3%	770	9.9%
Misc. Healthcare Support Occupations	743	6.0%	434	12.1%	309	8.6%
Misc. Health Diagnostics and Treating Prac	681	5.5%	337	9.3%	344	9.5%
Licensed Practical and Vocational Nurses	659	5.3%	347	14.8%	312	13.3%
Therapists	656	5.3%	361	10.9%	295	8.9%
Massage Therapists	431	3.5%	314	21.7%	117	8.1%
Health Support Techs	416	3.4%	237	11.4%	179	8.6%
Dentists	316	2.6%	136	11.3%	180	14.9%
Diagnosis Related Techs	287	2.3%	190	15.1%	97	7.7%
Clinical Laboratory Techs	247	2.0%	104	7.1%	143	9.7%
Pharmacists	205	1.7%	78	7.8%	127	12.8%
Healthcare Workers, All Other	198	1.6%	43	4.9%	155	17.7%
Dietitians and Nutritionists	174	1.4%	59	9.0%	115	17.5%
Total	11214	90.6%	6631	13.3%	4583	9.2%

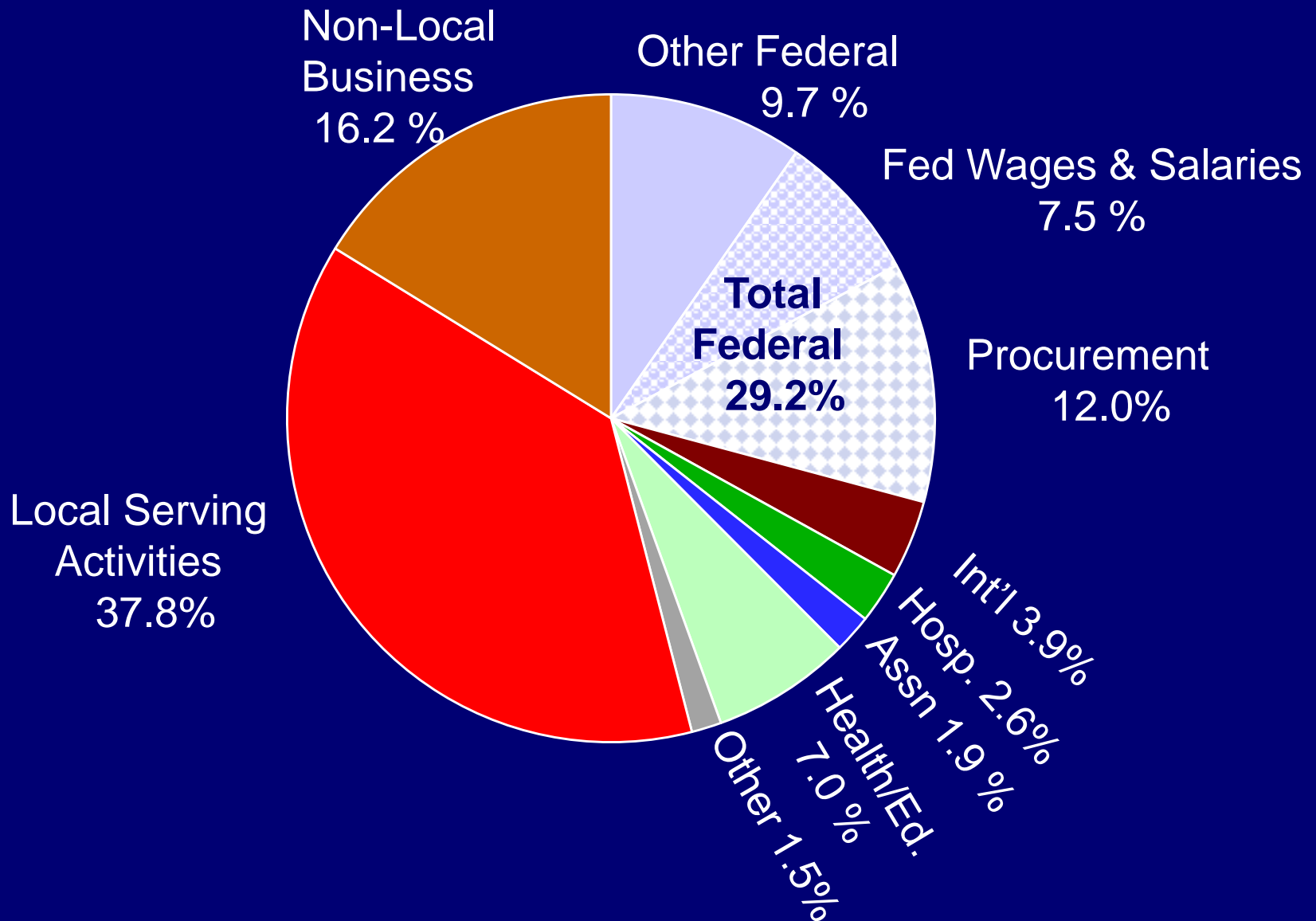
# Montgomery County, MD: Business and Finance Occupations Demand 2012-2017

Occupation	Openings (% Total)		Net New (% Change)		Replacement (% Change)	
	Count	Percentage	Count	Percentage	Count	Percentage
Financial Analysts and Advisors	2784	21.5%	2053	21.6%	731	7.7%
Management Analysts	2752	21.3%	1739	14.0%	1013	8.1%
Miscellaneous Business Operation Specialists	1584	12.2%	821	10.3%	763	9.6%
Accountants and Auditors	1383	10.7%	459	5.3%	924	10.7%
Market Research and Marketing Specialists	973	7.5%	560	18.1%	413	13.3%
Human Resources Workers	468	3.6%	215	7.2%	253	8.5%
Buyers and Purchasing Agents	422	3.3%	88	3.5%	334	13.1%
Appraisers and Assessors of Real Estate	293	2.3%	83	4.2%	210	10.7%
Compliance Officers	280	2.2%	204	16.3%	76	6.1%
Training and Development Specialists	258	2.0%	147	11.1%	111	8.4%
Meeting, Convention, and Event Planners	237	1.8%	143	14.6%	94	9.6%
Tax Examiners and Revenue Agents	236	1.8%	108	9.6%	128	11.3%
Logisticians	228	1.8%	149	18.0%	79	9.6%
Claims Adjusters, Appraisers, Examiners	220	1.7%	41	3.1%	179	13.5%
Miscellaneous Financial Specialists	205	1.6%	112	12.7%	93	10.5%
<b>Total</b>	<b>12323</b>	<b>95.2%</b>	<b>6922</b>	<b>12.2%</b>	<b>5401</b>	<b>9.5%</b>

# Educational Levels of Net New and Replacement Jobs in Montgomery County, MD, 2012 – 2017

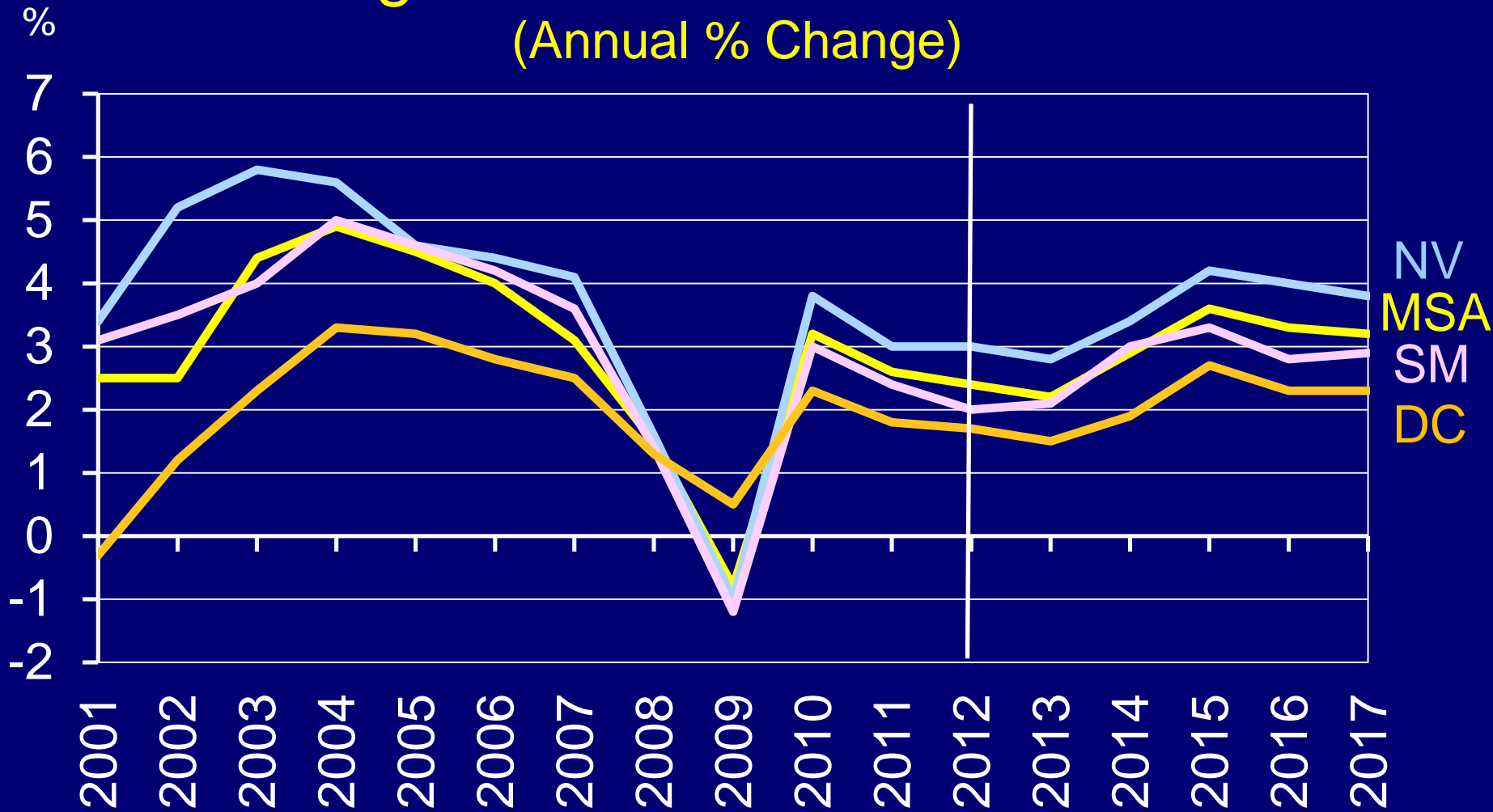
Educational Level	All Jobs	Net New	Replacement
Bachelor's or more	32.4% 38,271	38.1% 15,699	29.4% 22,572
Associate's	4.2% 4,971	4.7% 1,922	4.0% 3,049
HS/Voc. Ed. GED/OJT	63.0% 74,326	56.3% 23,188	66.5% 51,138

# 2017 Structure of the Greater Washington Economy





# Economic Outlook (GRP), 2012-2017 Washington Area and Sub-State Areas (Annual % Change)



# Thank You Questions

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