




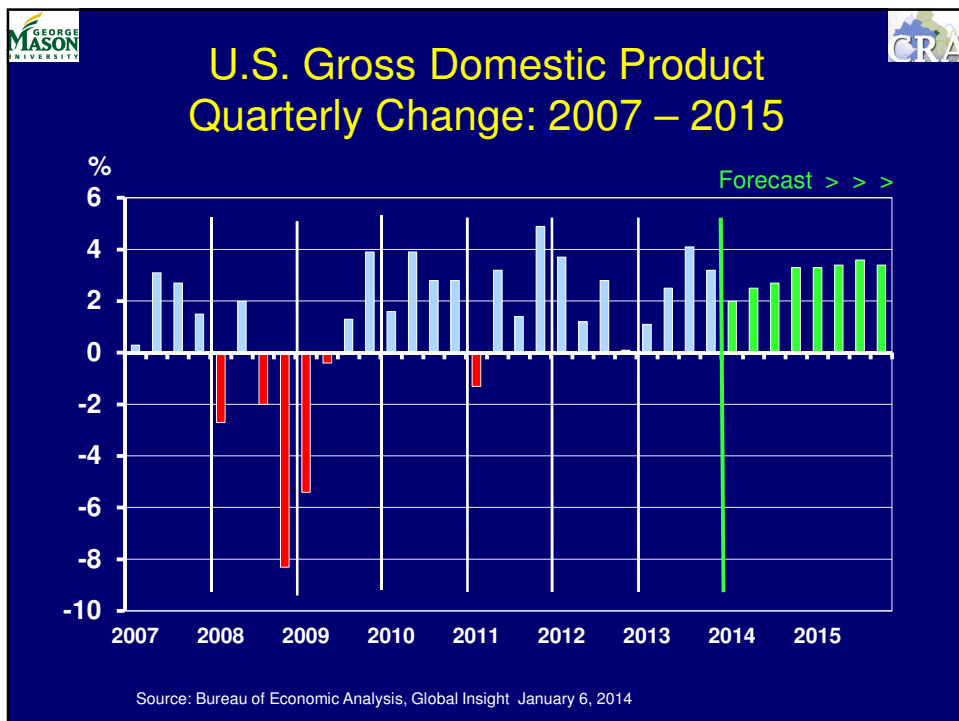
## Montgomery County Business Advisory Panel

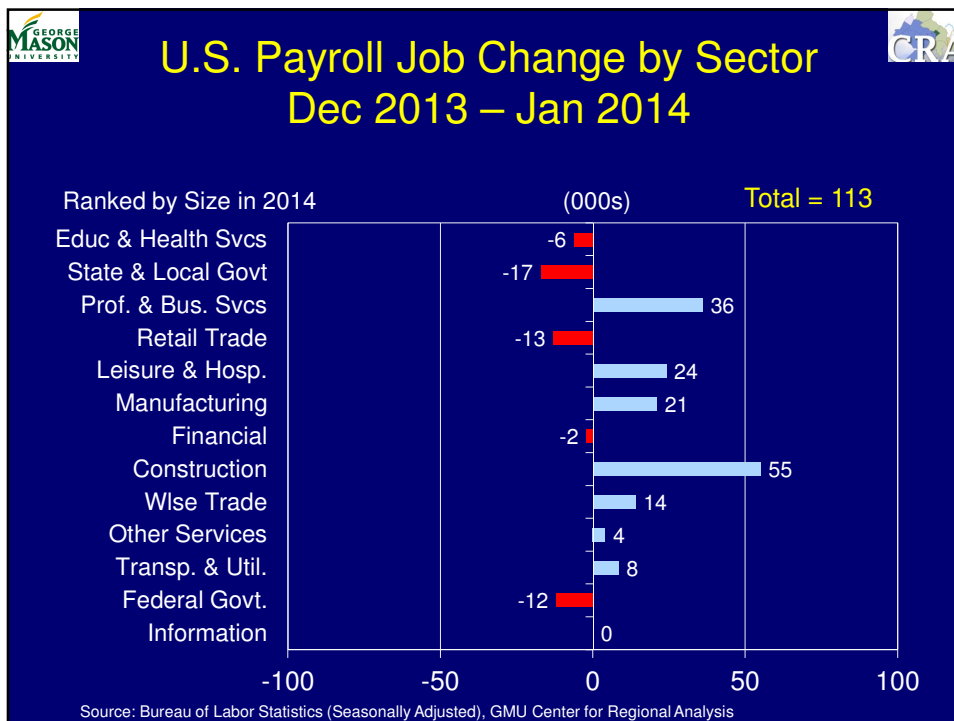
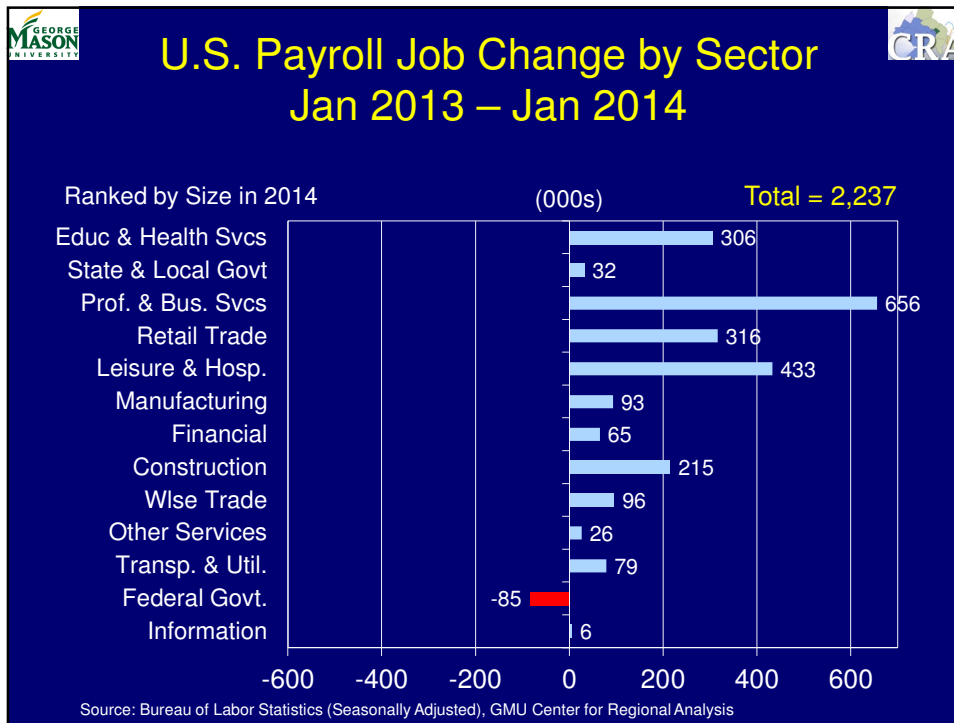


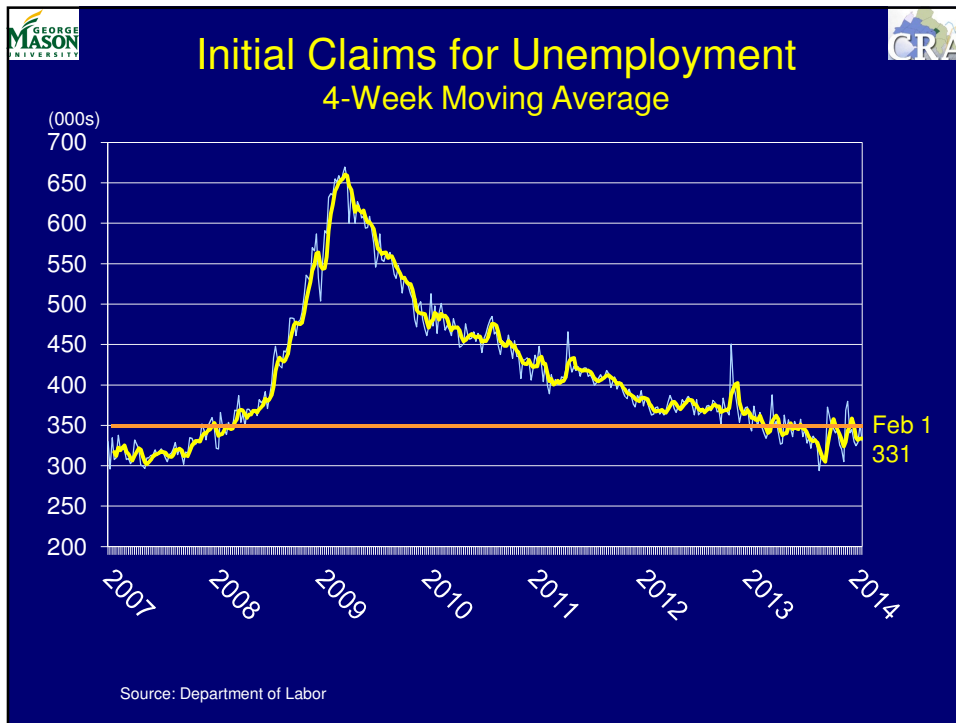
# The U.S., Washington Metropolitan Area and Suburban Maryland Economic Performance and Outlook

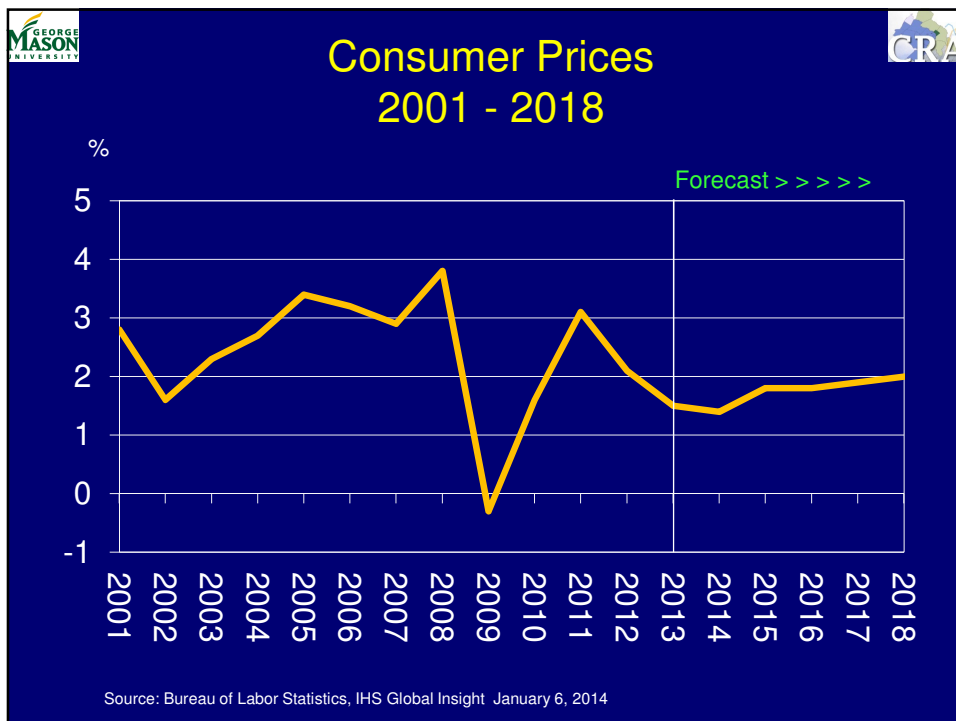
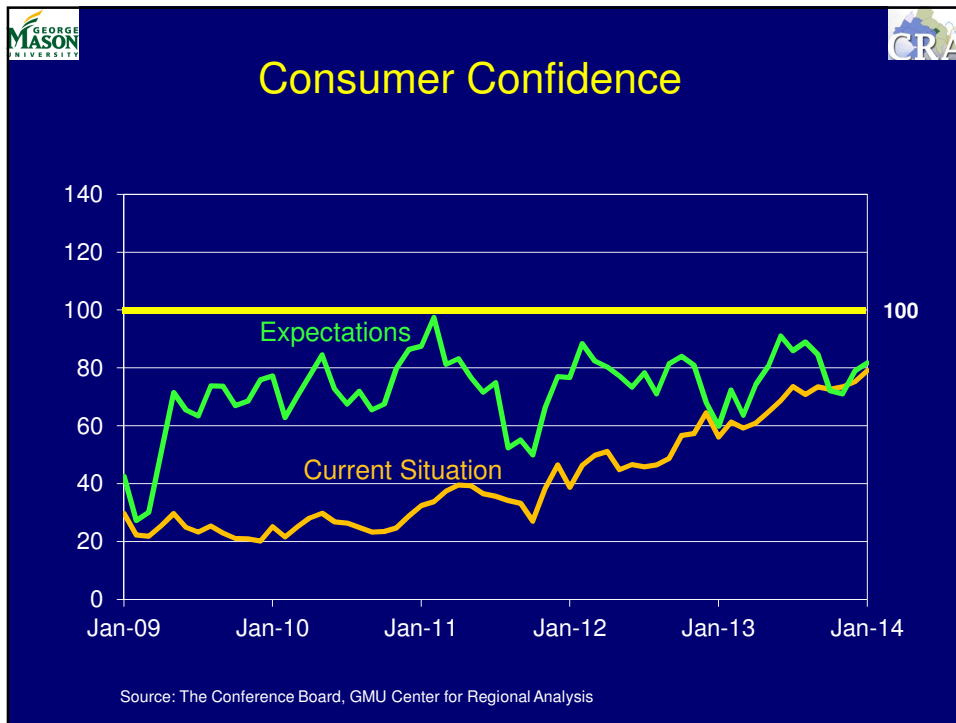
Stephen S. Fuller, Ph.D.  
Dwight Schar Faculty Chair and University Professor  
Director, Center for Regional Analysis  
George Mason University

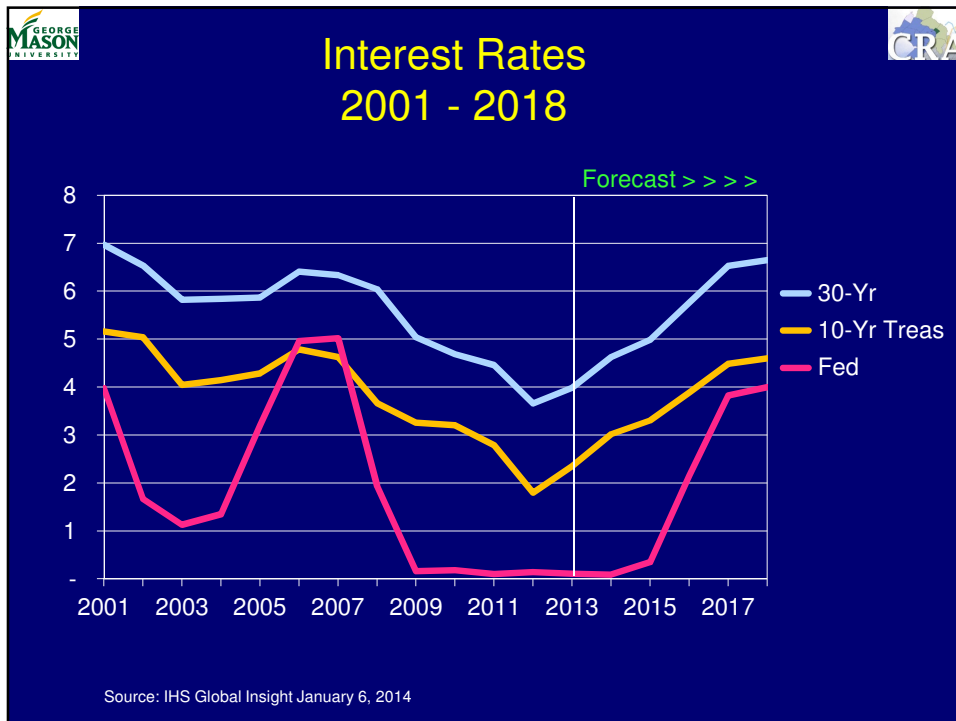
February 13, 2014



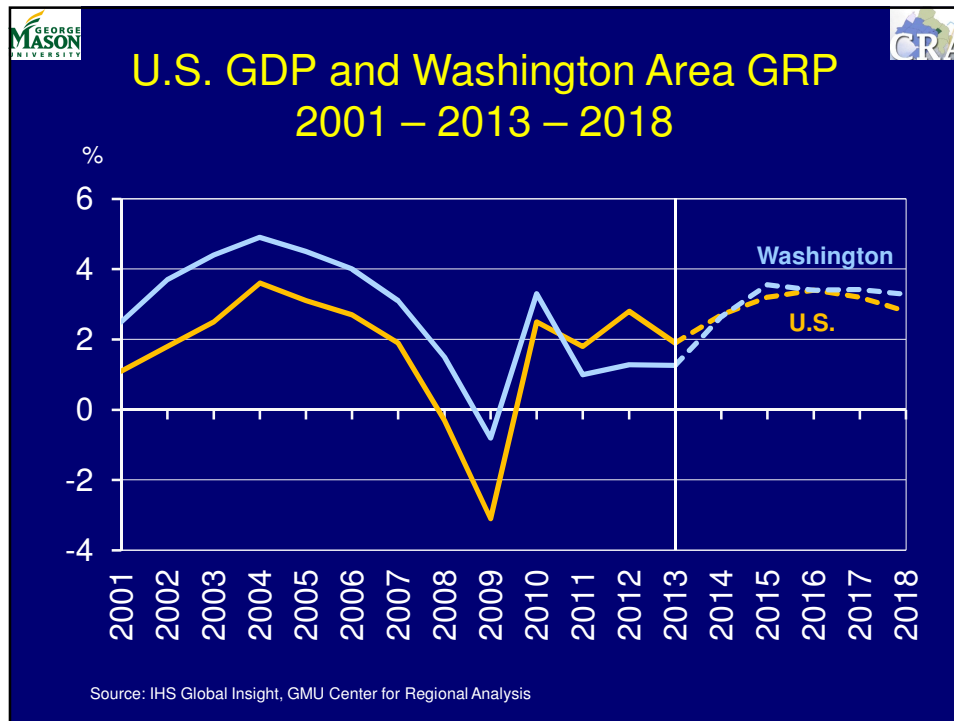








# The Washington Economy: Impacts of the Recession and the Sequester and 2013 Performance

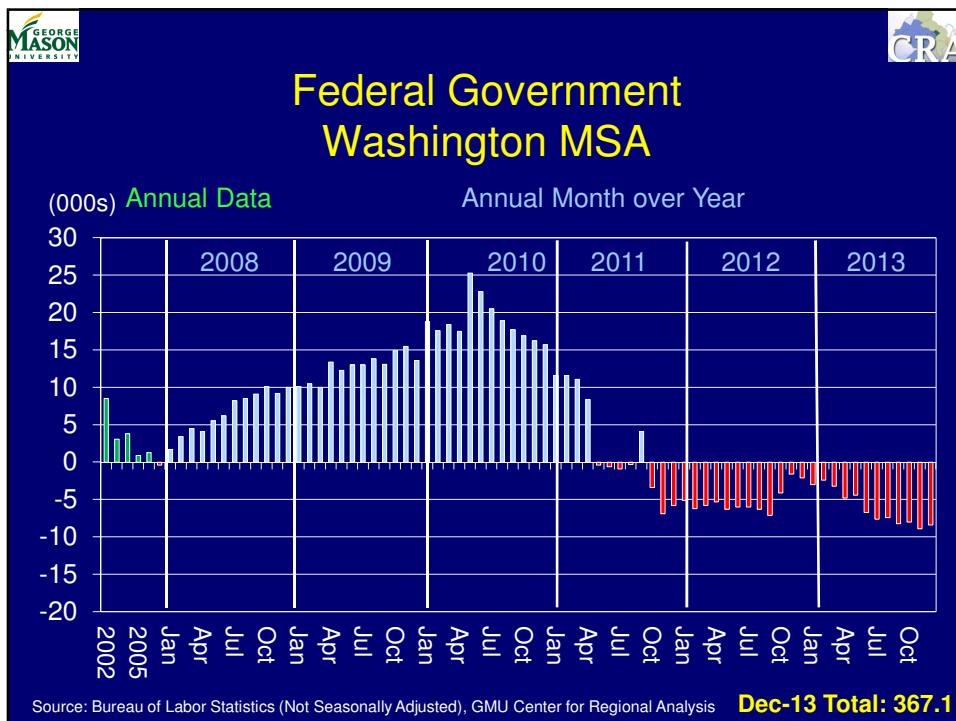
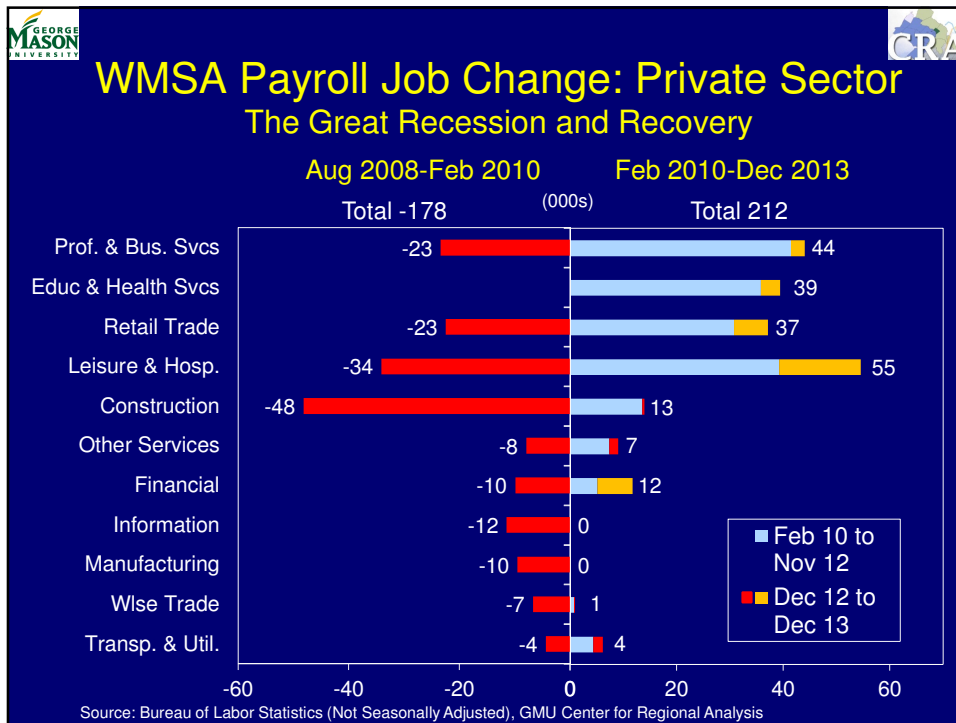


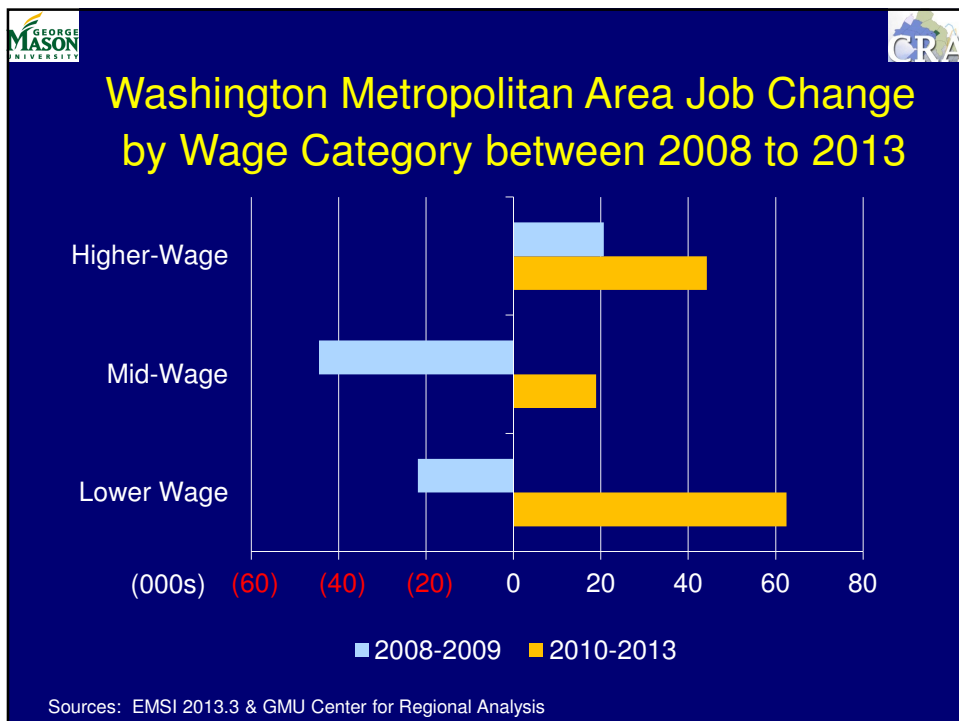
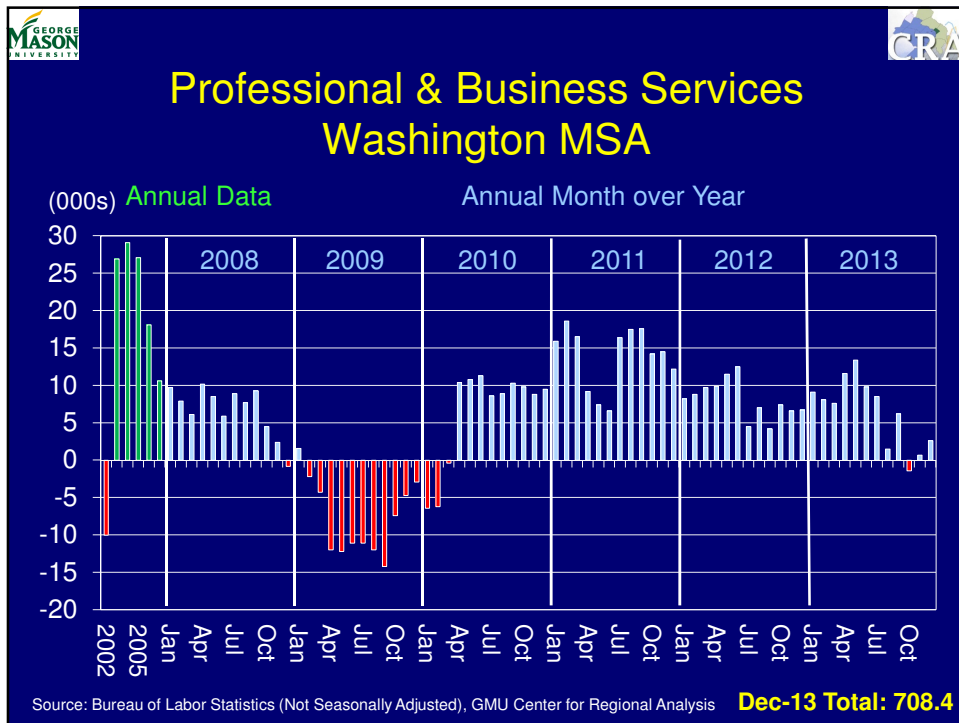
**Recession Impacts**

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

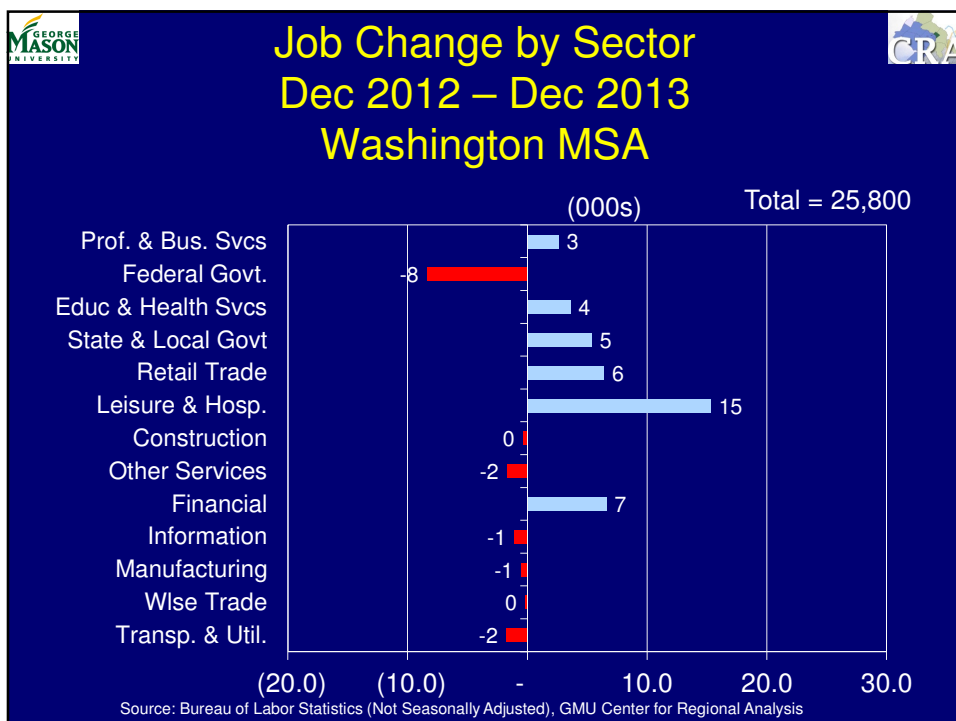
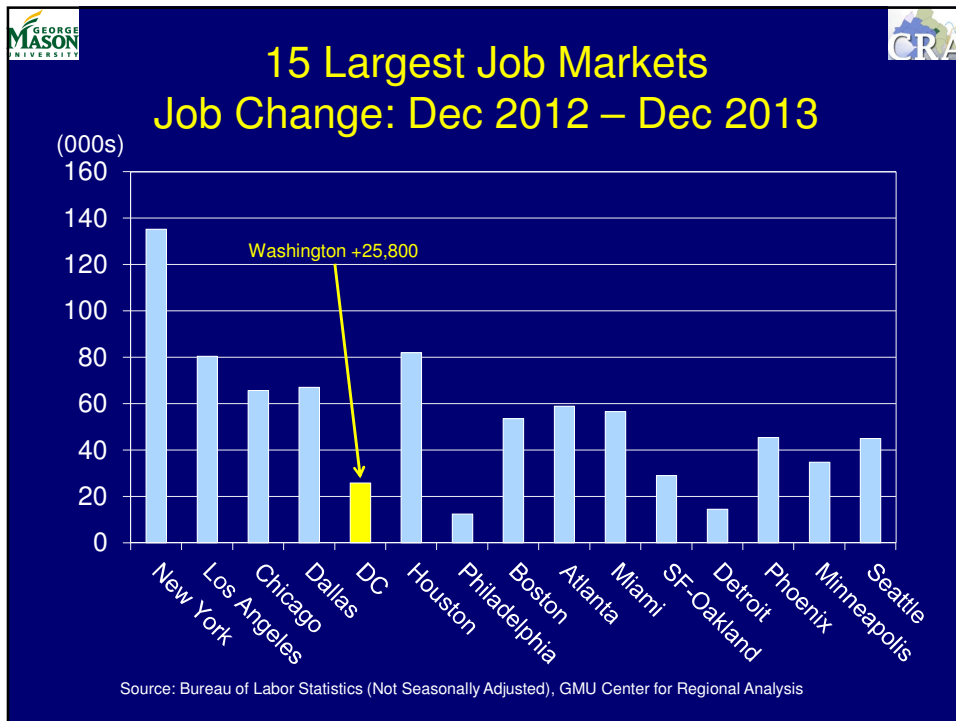
**Sequester+ Impacts**

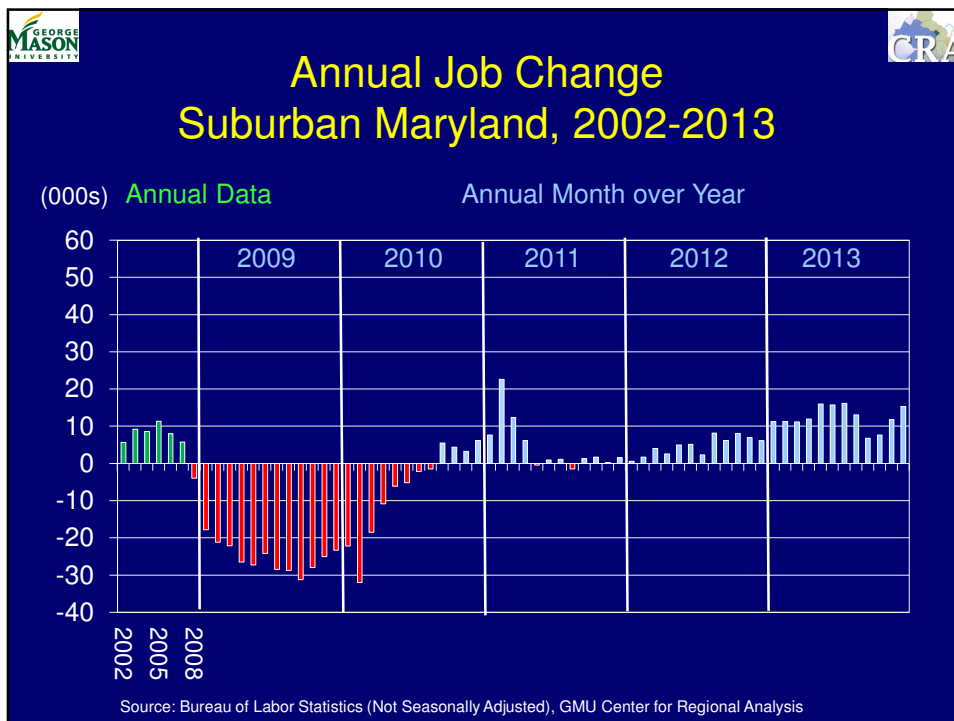
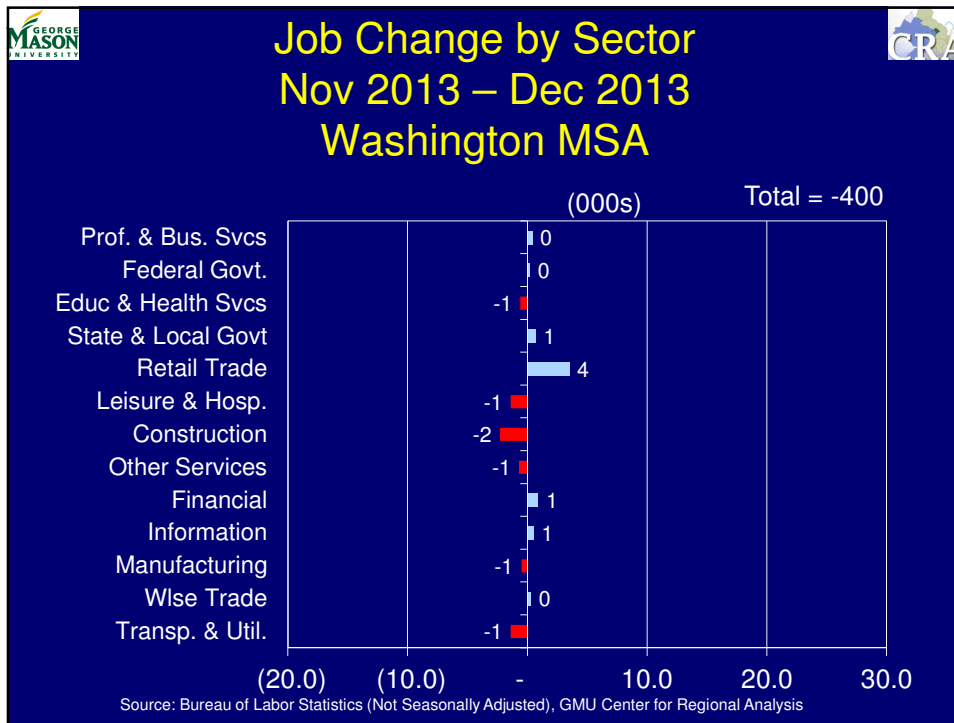
- Federal procurement \$s down by 11.8%
- There are 21,200 fewer federal jobs
- Federal payroll is down 4.8%  
or by \$2 billion

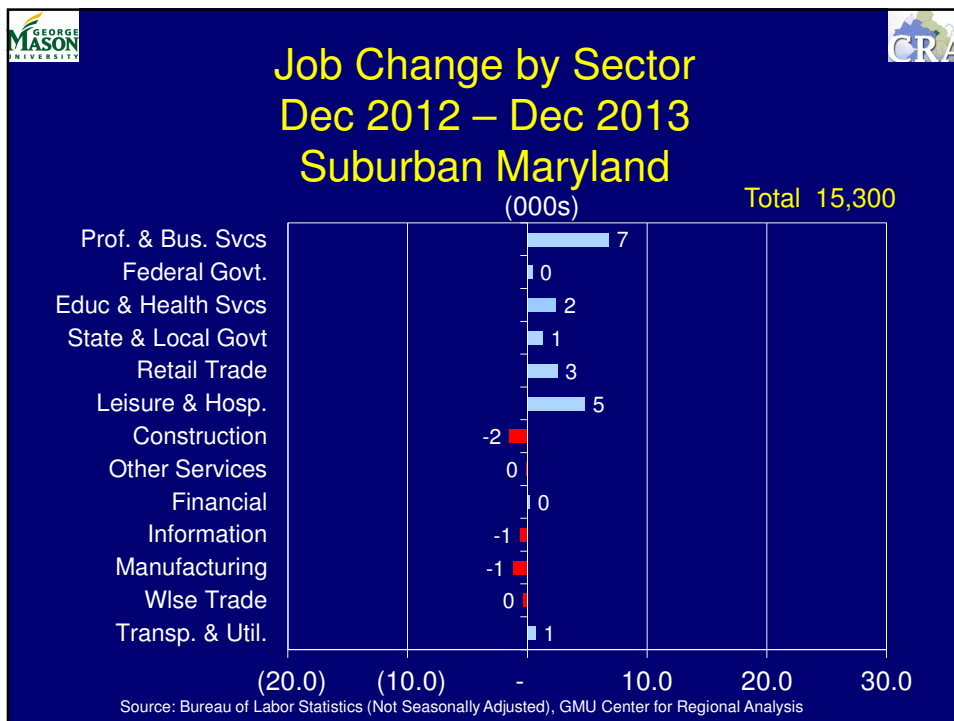
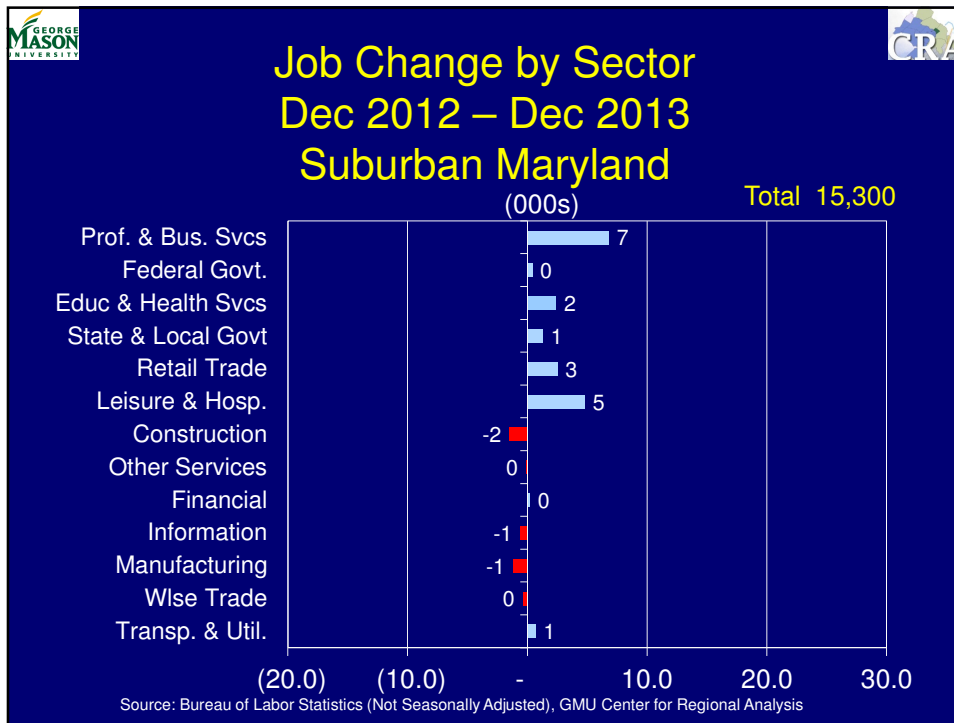


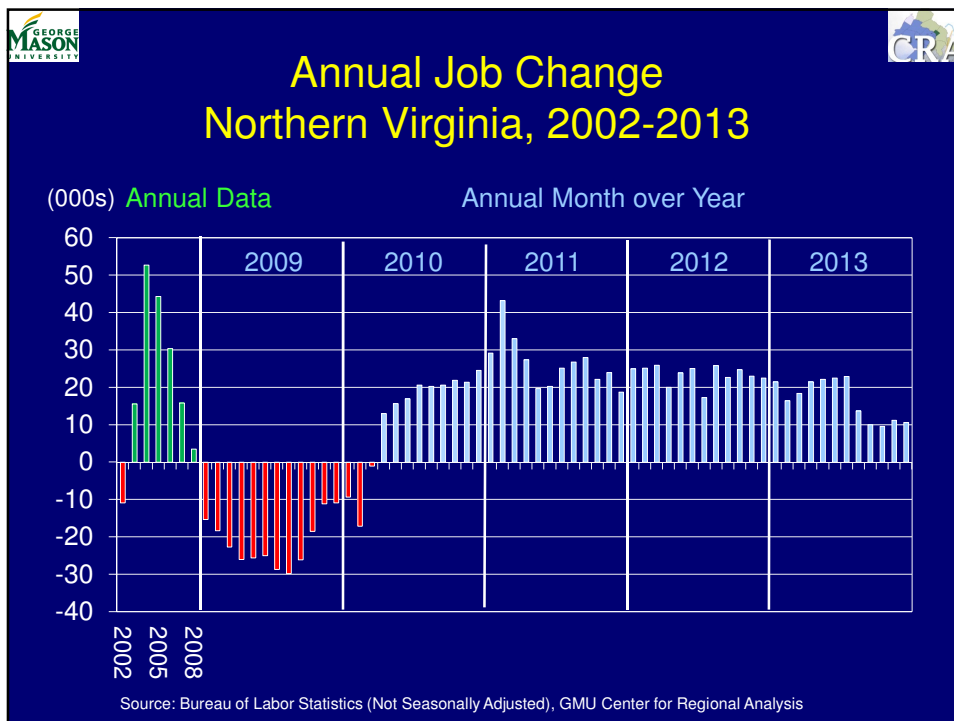
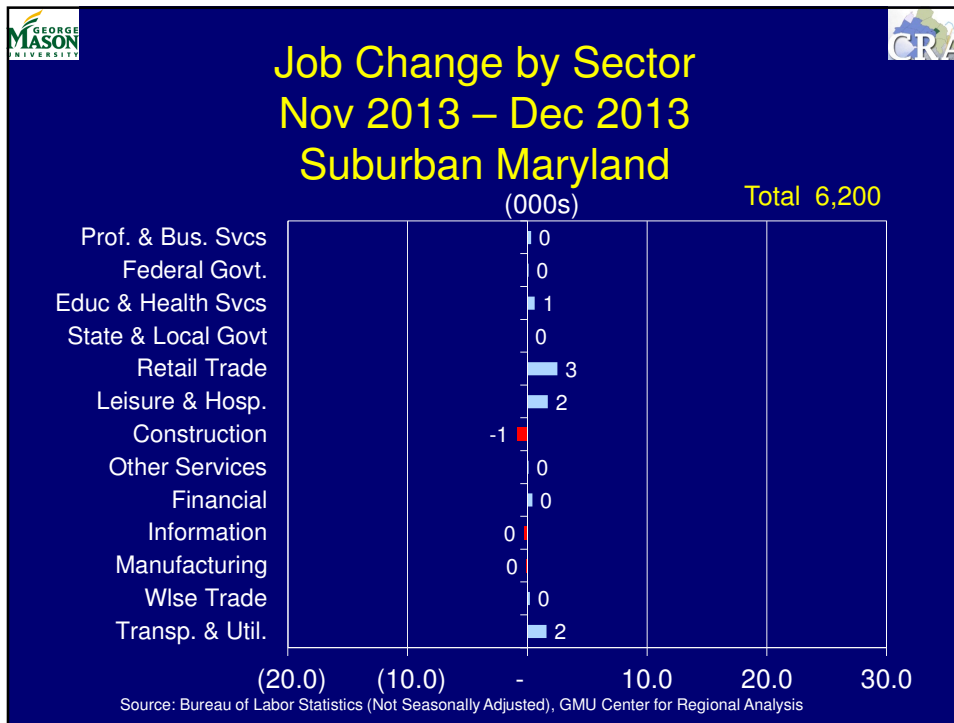


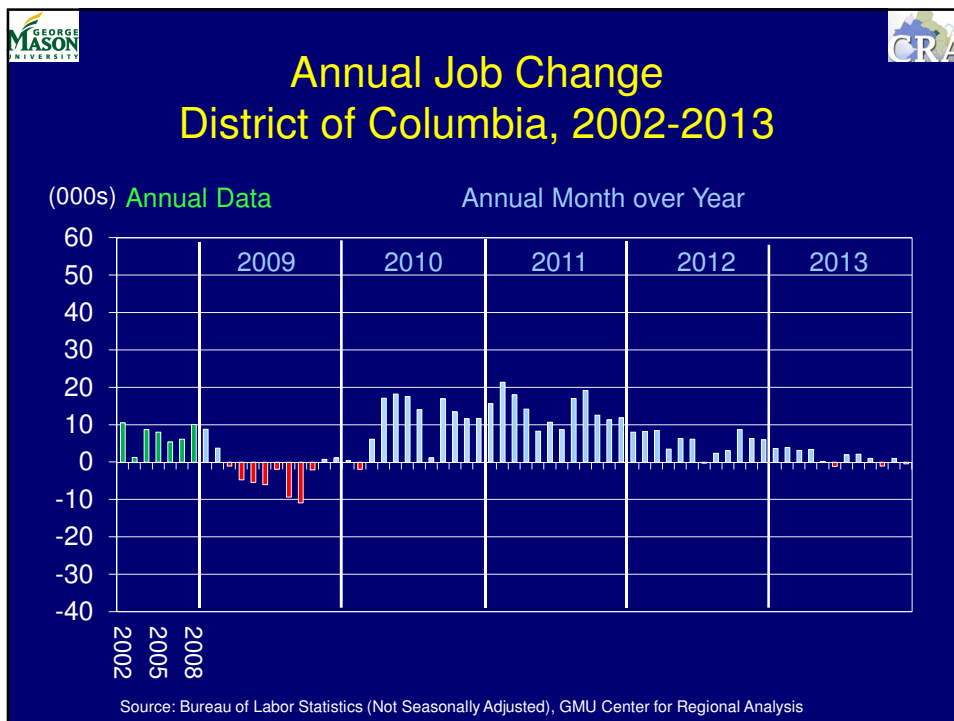
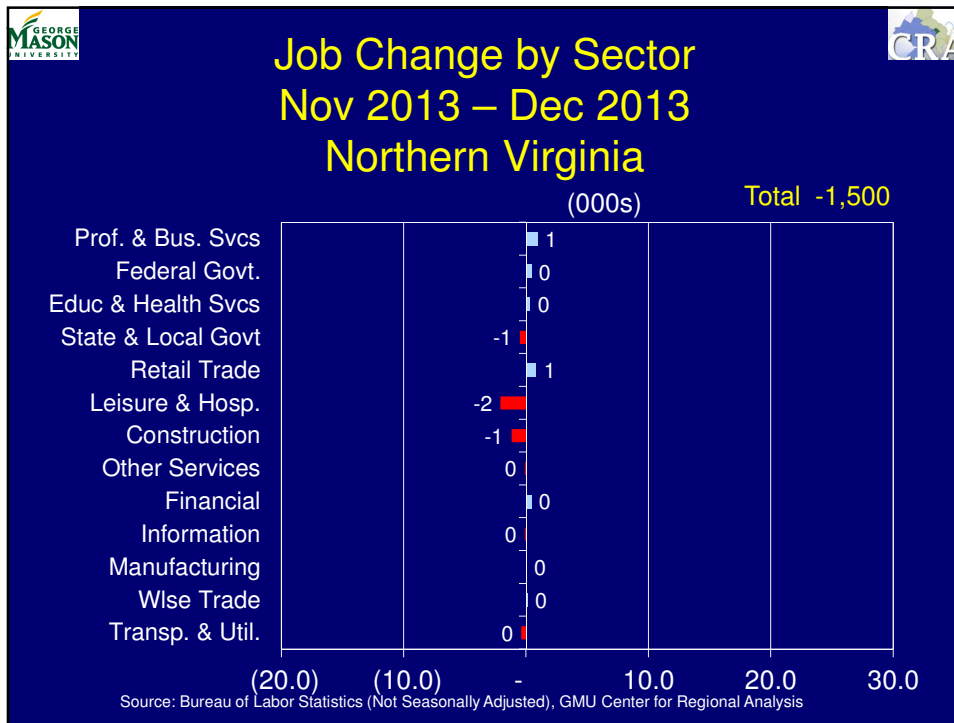


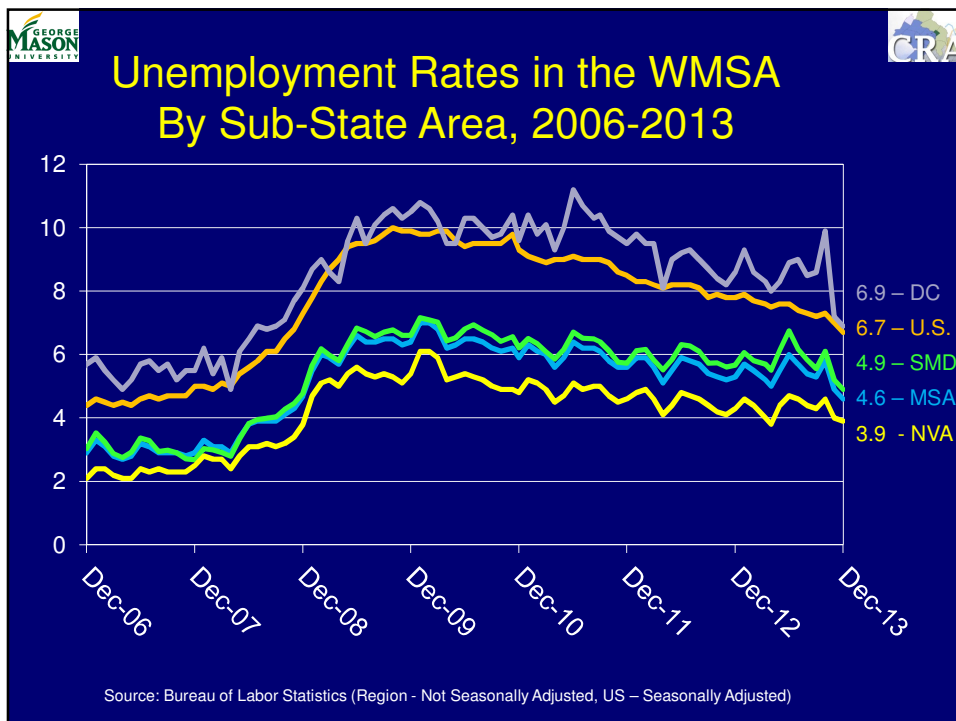
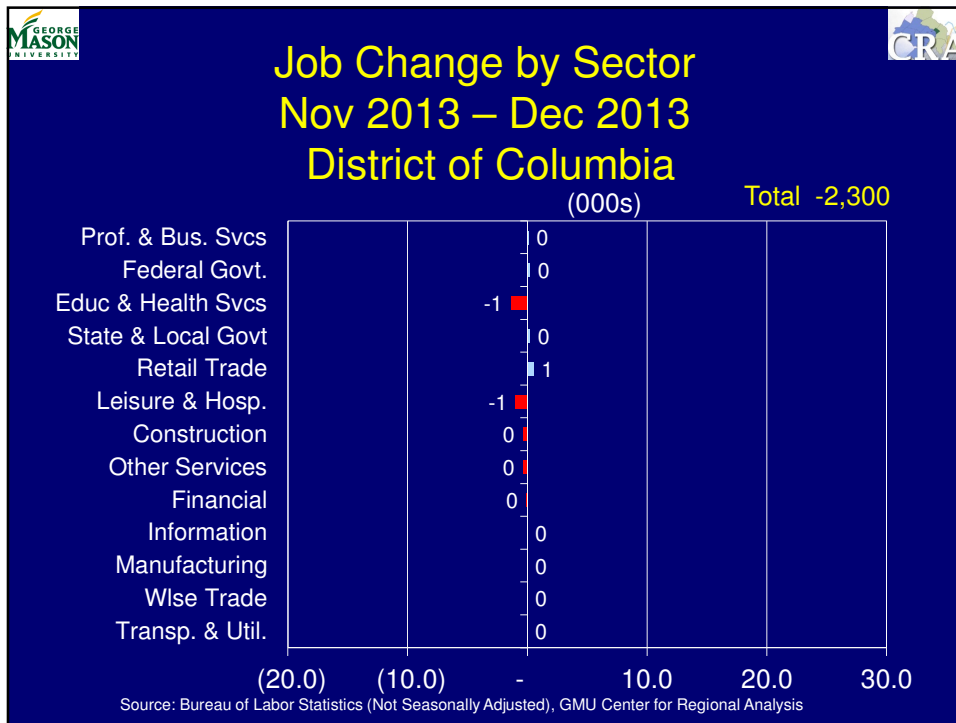


















## Economic Outlook for the Washington Metropolitan Area: 2013-2018

### Washington Metropolitan Area Gross Regional Product, 2013-2018 (in billions of 2005\$)



| <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.

|  <b>Employment Change in the WMSA<br/>by Sub-State Area (000s)</b>  |      |      |      |      |      |      |      |      |
|---|------|------|------|------|------|------|------|------|
|   | 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.

|  <b>Principal Sources of Job and GRP<br/>Growth in the Washington Area, 2013-2018</b>  |                   |                              |                                     |
|--|-------------------|------------------------------|-------------------------------------|
| (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

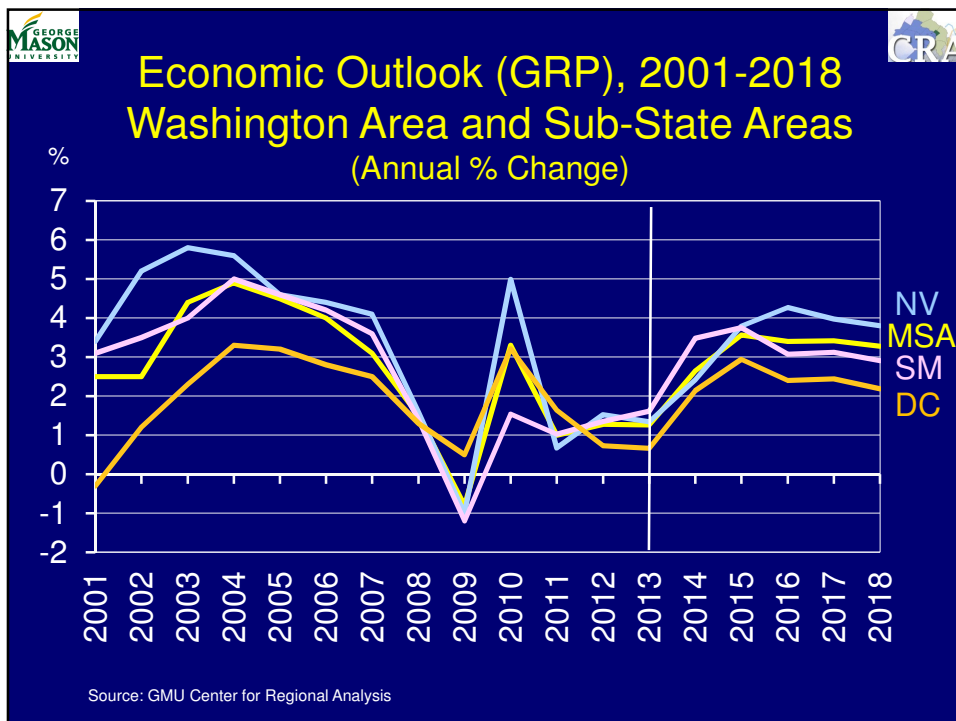
Sources: IHS Global Insight; GMU Center for Regional Analysis



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

|                      | Job Change | % of Total Job Change | Average Value Added per Job |
|----------------------|------------|-----------------------|-----------------------------|
| 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





Thank You  
Questions

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