The Current Performance and Near-Term Outlook for the U.S. and Washington Area Economies

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Director, Center for Regional Analysis
George Mason University

October 16, 2014

Recession Recovery Patterns of GDP
Past Four Recessions

*In 1992 or 2009 Chained Dollars

Sources: Bureau of Economic Analysis, GMU Center for Regional Analysis
Contributions to Post Recession Recoveries
Average Growth After 20 Quarters

Source: Bureau of Economic Analysis

<table>
<thead>
<tr>
<th>Recession</th>
<th>Avg % Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982-Q3</td>
<td>4.7</td>
</tr>
<tr>
<td>1991-Q1</td>
<td>3.2</td>
</tr>
<tr>
<td>2001-Q4</td>
<td>3.0</td>
</tr>
<tr>
<td>2009-Q2</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Source: Bureau of Economic Analysis

Decreasing Role of Residential Investment
% of GDP 20 Quarters Post-Recession

Source: Bureau of Economic Analysis
**ISM Manufacturing and Non-Manufacturing Indices**

Source: Institute for Supply Management

**Annual Change in Payroll Jobs – US**

Month-Over-Year

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
U.S. Payroll Job Change by Sector
Sep 2013 – Sep 2014

Ranked by Size in 2014

<table>
<thead>
<tr>
<th>Sector</th>
<th>Change (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educ &amp; Health Svcs</td>
<td>399</td>
</tr>
<tr>
<td>State &amp; Local Govt</td>
<td>713</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Svcs</td>
<td>264</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>372</td>
</tr>
<tr>
<td>Leisure &amp; Hosp.</td>
<td>161</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>89</td>
</tr>
<tr>
<td>Financial</td>
<td>282</td>
</tr>
<tr>
<td>Construction</td>
<td>109</td>
</tr>
<tr>
<td>Wise Trade</td>
<td>141</td>
</tr>
<tr>
<td>Other Services</td>
<td>47</td>
</tr>
<tr>
<td>Transp. &amp; Util.</td>
<td>12</td>
</tr>
<tr>
<td>Federal Govt.</td>
<td>-33</td>
</tr>
<tr>
<td>Information</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>2,635</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics (Seasonally Adjusted), GMU Center for Regional Analysis

U.S. Payroll Job Change by Sector
Aug 2014 – Sep 2014

Ranked by Size in 2014

<table>
<thead>
<tr>
<th>Sector</th>
<th>Change (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educ &amp; Health Svcs</td>
<td>32</td>
</tr>
<tr>
<td>State &amp; Local Govt</td>
<td>81</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Svcs</td>
<td>35</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>33</td>
</tr>
<tr>
<td>Leisure &amp; Hosp.</td>
<td>12</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>25</td>
</tr>
<tr>
<td>Financial</td>
<td>12</td>
</tr>
<tr>
<td>Construction</td>
<td>2</td>
</tr>
<tr>
<td>Wise Trade</td>
<td>0</td>
</tr>
<tr>
<td>Other Services</td>
<td>-2</td>
</tr>
<tr>
<td>Transp. &amp; Util.</td>
<td>12</td>
</tr>
<tr>
<td>Federal Govt.</td>
<td></td>
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<tr>
<td>Information</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>248</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics (Seasonally Adjusted), GMU Center for Regional Analysis
Initial Claims for Unemployment
4-Week Moving Average

Source: Department of Labor

U.S. Unemployment Rate

Source: Bureau of Labor Statistics (Seasonally Adjusted), IHS Economics October 9, 2014
Consumer Confidence

Source: The Conference Board, GMU Center for Regional Analysis

Consumer Prices
2001 - 2019

### Interest Rates 2001 - 2019

**Forecast > > >**

- 30-Yr
- 10-Yr Treas
- Fed

Source: IHS Economics October 9, 2014

### U.S. Gross Domestic Product

**Quarterly Change: 2007 – 2015**

Source: Bureau of Economic Analysis, IHS Economics October 9, 2014
The Washington Metropolitan Area Economy

WMSA Payroll Job Change: Private Sector
The Great Recession and Recovery

Aug 2008-Feb 2010  (000s)  Feb 2010-Aug 2014

-23  0  34
-23  28
-34  25
-48  72
0  14
-8  11
-10  11
-12  14
-10  72
-7  12
-4  3

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
15 Largest Job Markets
Job Change: 2011 – 2012

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

15 Largest Job Markets
Job Change: 2012 – 2013

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

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

Job Change by Sector
Aug 2013 – Aug 2014
Washington MSA

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Aug 2013 – Aug 2014
Northern Virginia

(000s) Total 5,900

Prof. & Bus. Svcs
Federal Govt.
Educ & Health Svcs
State & Local Govt
Retail Trade
Leisure & Hosp.
Construction
Other Services
Financial
Information
Manufacturing
Trade
Transp. & Util.

(20.0) (10.0) 10.0 20.0 30.0

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

Job Change by Sector
Jul 2014 – Aug 2014
Northern Virginia

(000s) Total -6,900

Prof. & Bus. Svcs
Federal Govt.
Educ & Health Svcs
State & Local Govt
Retail Trade
Leisure & Hosp.
Construction
Other Services
Financial
Information
Manufacturing
Trade
Transp. & Util.

(20.0) (10.0) 10.0 20.0 30.0

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Unemployment Rates in the WMSA
By Sub-State Area, 2007-2014

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

Housing Market Trends in the Washington Metropolitan Area
Percent Change in Inventories of Existing Homes
Month-Over-Year 2000 – 2014, MSA

Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis. Total monthly inventory includes listings active at the end of the month plus sales during the month.

Total Listings Per Sale
September Each Year

Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis
Median House Sales Price
Washington MSA

Average Sales Price Percent Change
Washington MSA
All Housing Types

Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis
Comparison of YoY Change in Closed Sales and Listings
Aug 2014

Average Sales Price Percent Change
Northern Virginia
All Housing Types

Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis
Washington MSA
Building Permits
2001 – 2014, 3-Month Mvg Avg

Source: Census Bureau, GMU Center for Regional Analysis

New Building Permits for Privately Owned Residential Units, WMSA

Source: Census Bureau, GMU Center for Regional Analysis

**Through June
Economic Outlook for the Washington Metropolitan Area: 2014-2018

![Graph showing economic outlook for various regions in the Washington Metropolitan Area from 2001 to 2018.](image-url)

Source: GMU Center for Regional Analysis, Forecast: October 2014
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>14.1</td>
<td>5.6</td>
<td>11.0</td>
<td>7.5</td>
<td>8.5</td>
<td>7.5</td>
<td>8.0</td>
<td>5.6</td>
</tr>
<tr>
<td>Sub. MD</td>
<td>4.4</td>
<td>4.8</td>
<td>6.7</td>
<td>12.1</td>
<td>17.0</td>
<td>20.5</td>
<td>22.6</td>
<td>18.0</td>
</tr>
<tr>
<td>No. VA</td>
<td>26.4</td>
<td>23.5</td>
<td>12.6</td>
<td>15.6</td>
<td>25.8</td>
<td>31.1</td>
<td>34.5</td>
<td>32.7</td>
</tr>
<tr>
<td>REGION</td>
<td>42.6</td>
<td>32.2</td>
<td>30.3</td>
<td>35.2</td>
<td>51.3</td>
<td>59.1</td>
<td>65.1</td>
<td>56.3</td>
</tr>
</tbody>
</table>

Average Annual Change 1990-2010 = 35,800

Source: BLS, IHS Economics, GMU Center for Regional Analysis

NOTE: The regional totals include Jefferson, WV.

U.S. GDP and Washington Area GRP
2001 – 2014 – 2018

Source: IHS Economics, GMU Center for Regional Analysis, Forecast: October 2014
Thank You & Questions
cra.gmu.edu

Save The Date:
Center for Regional Analysis
Economic Conference
January 15, 2015