

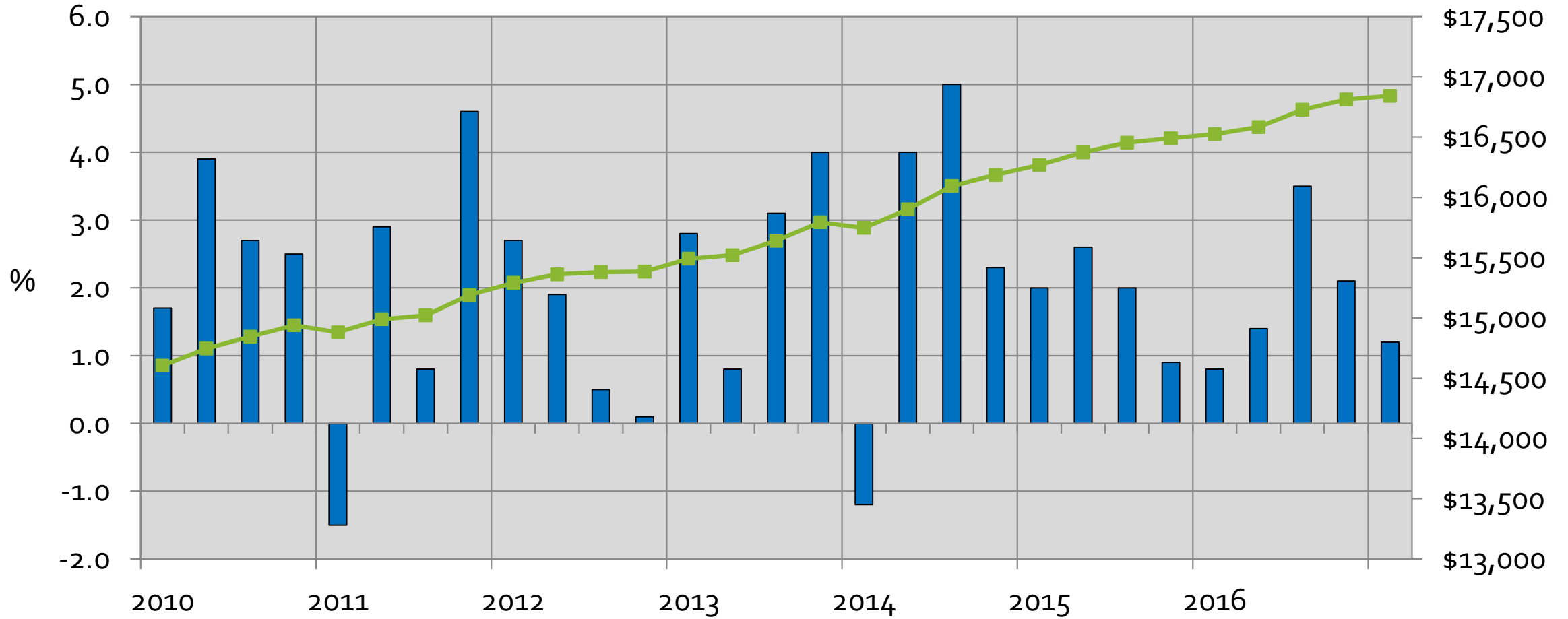
Washington Area Economy: Performance and Outlook

Center for Regional Analysis
Schar School of Policy and Government
George Mason University

June 2, 2017

U.S. Gross Domestic Product

■ Quarterly Change ■ Real GDP (Billions)

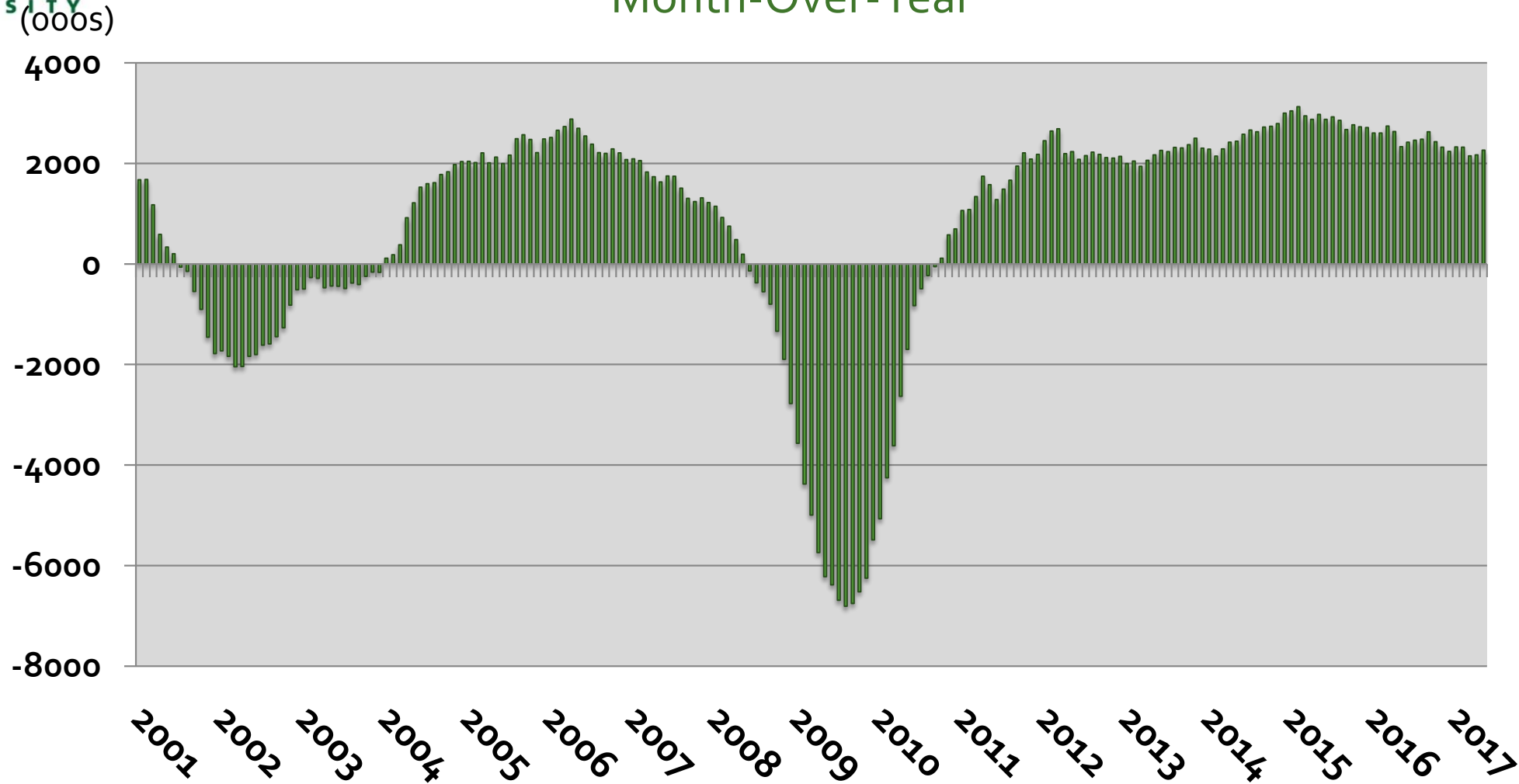


1Q17 +1.2%

Source: Bureau of Economic Analysis (Seasonally Adjusted, Chained 2009 Dollars)

Annual Change in Payroll Jobs – US

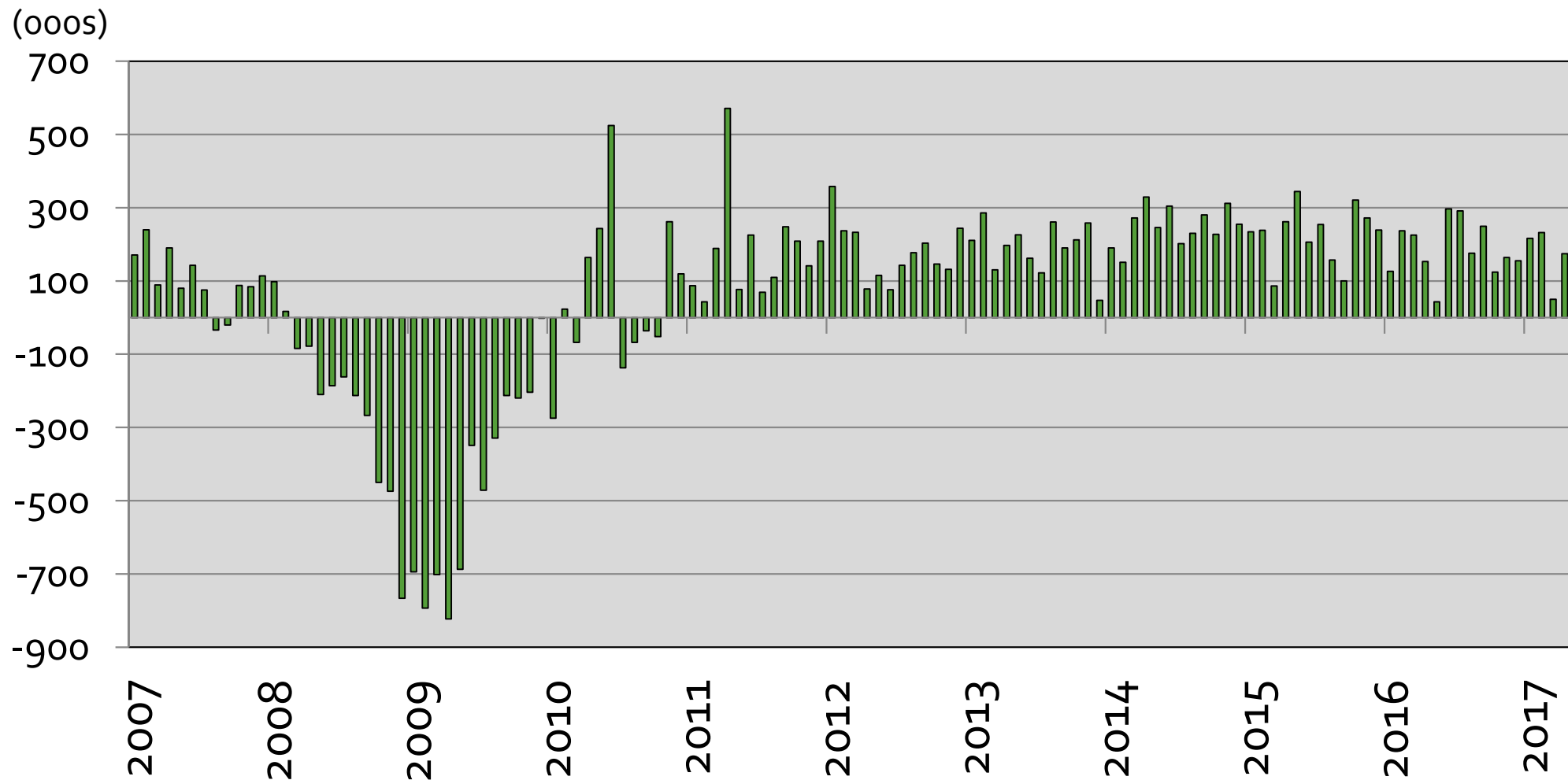
Month-Over-Year



May =
+2.26M

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

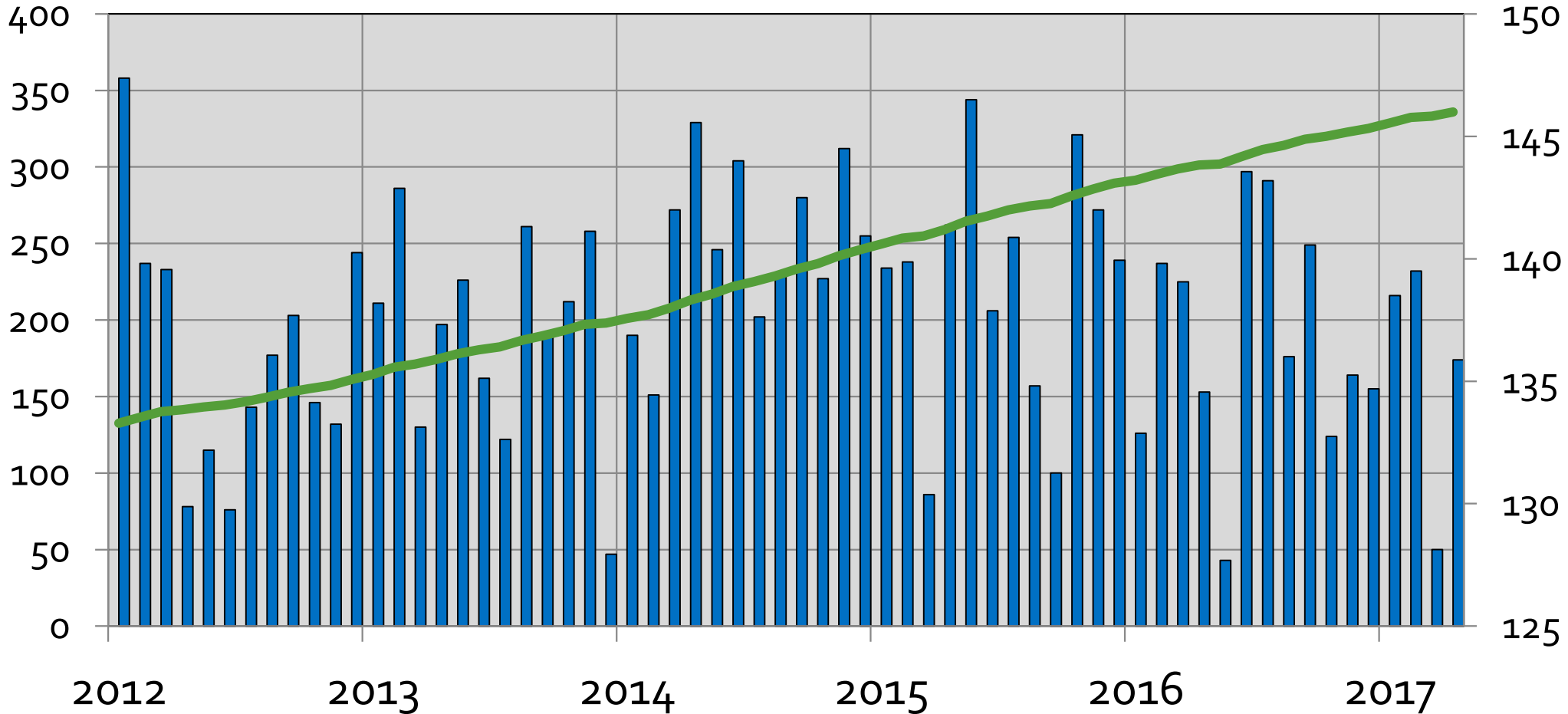
US Payroll Job Change Month-to-Month



May=
+138K

US Payroll Jobs

■ Month-to-Month Change (000s) — Total (Millions)



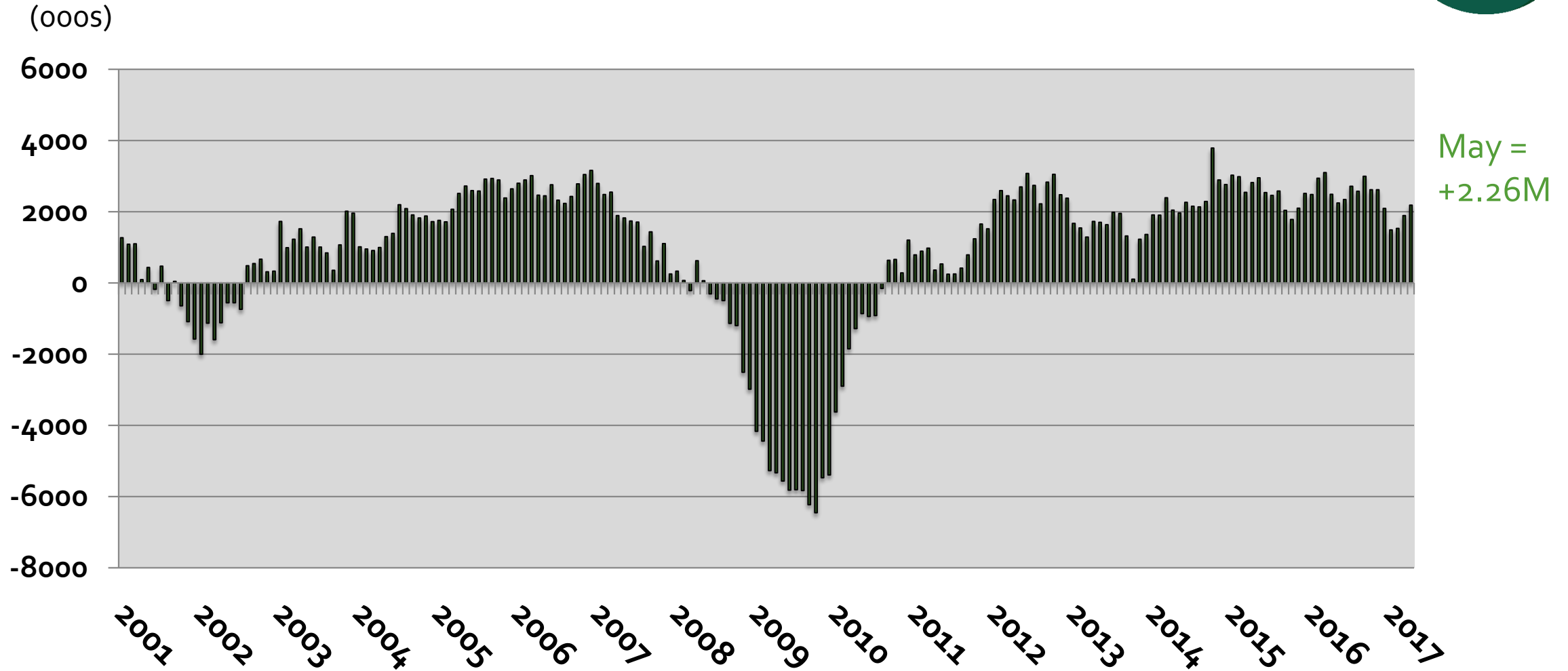
2016
+2.2 M

May
+138,000

Since 2010
+15M

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

Annual Change in US Employed Workers*



*employed workers include full-time, part-time, self-employed and contract workers

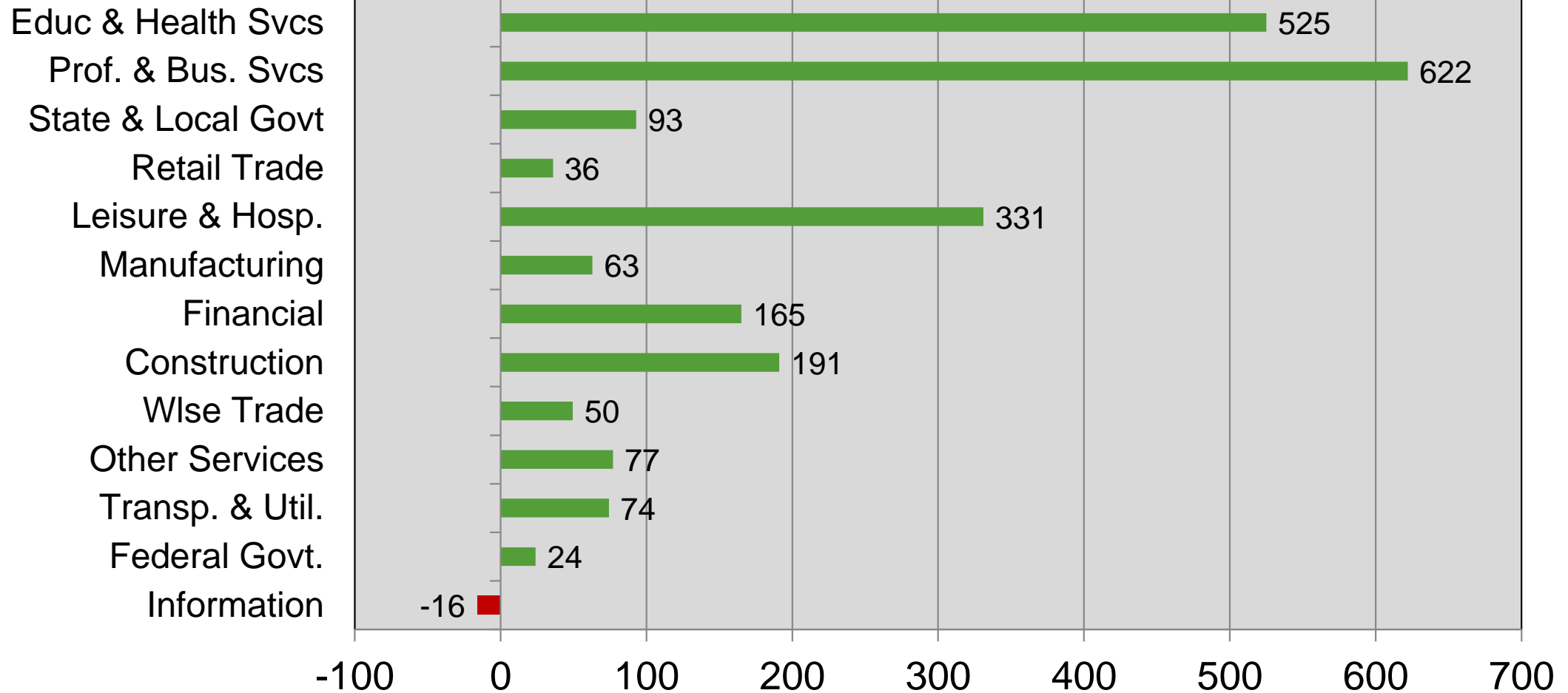
Source: Bureau of Labor Statistics (Not Seasonally Adjusted)

U.S. Payroll Job Change by Sector May 2016 – May 2017

Total = 2,260,000

Ranked by Size in 2016

(000s)

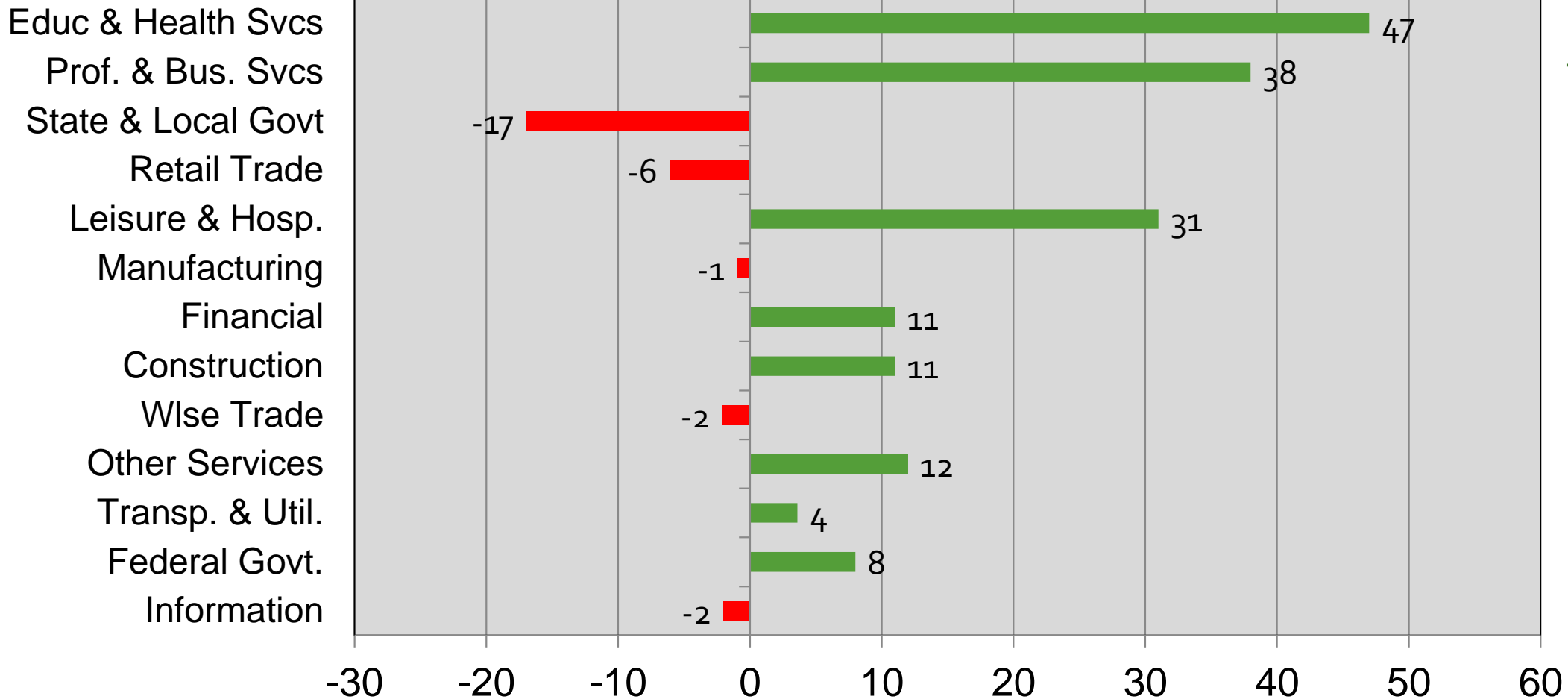


Source: Bureau of Labor Statistics (Seasonally Adjusted),
GMU Center for Regional Analysis

U.S. Payroll Job Change by Sector April 2017 – May 2017

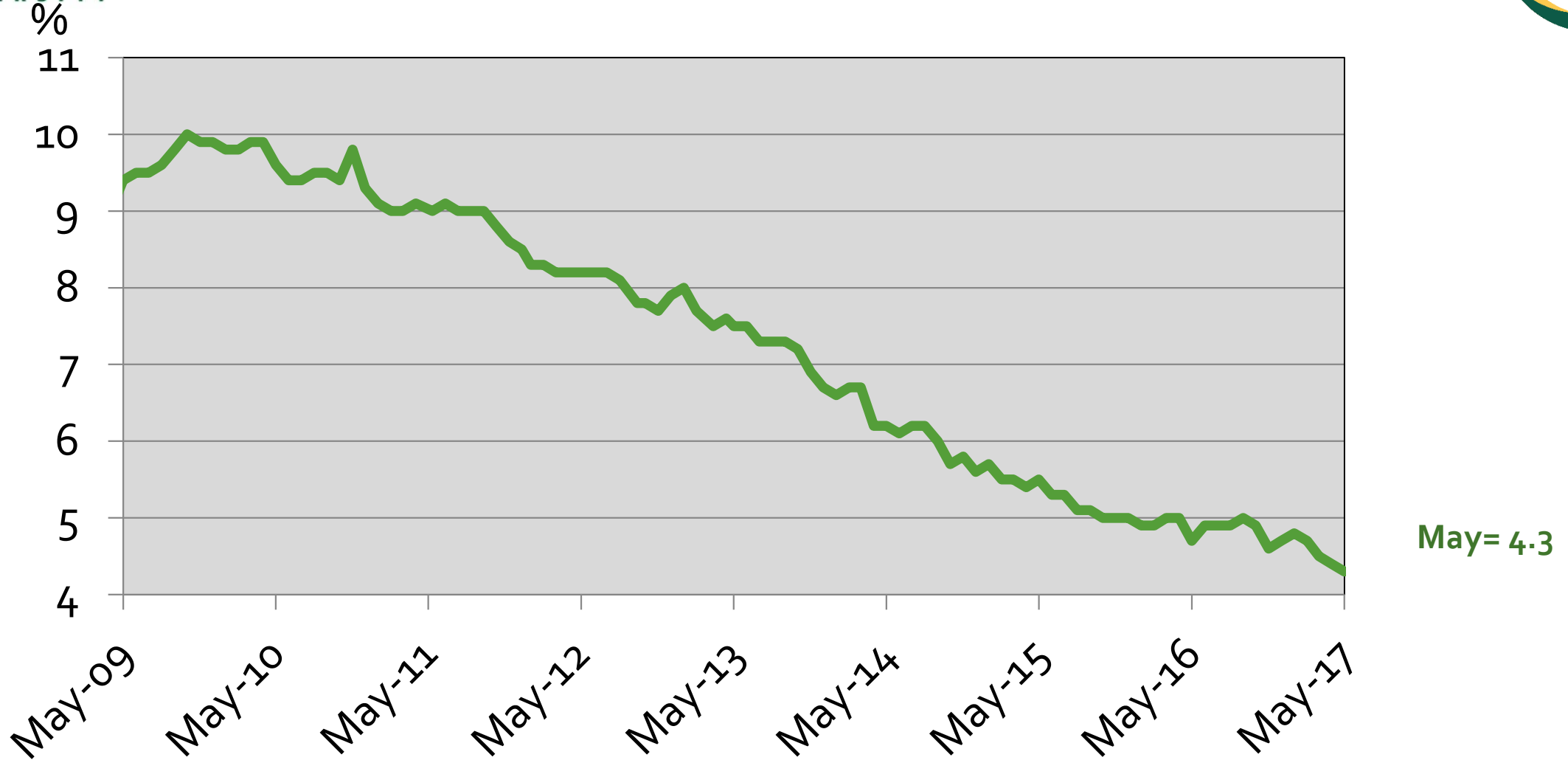
Ranked by Size in 2016

(000s)



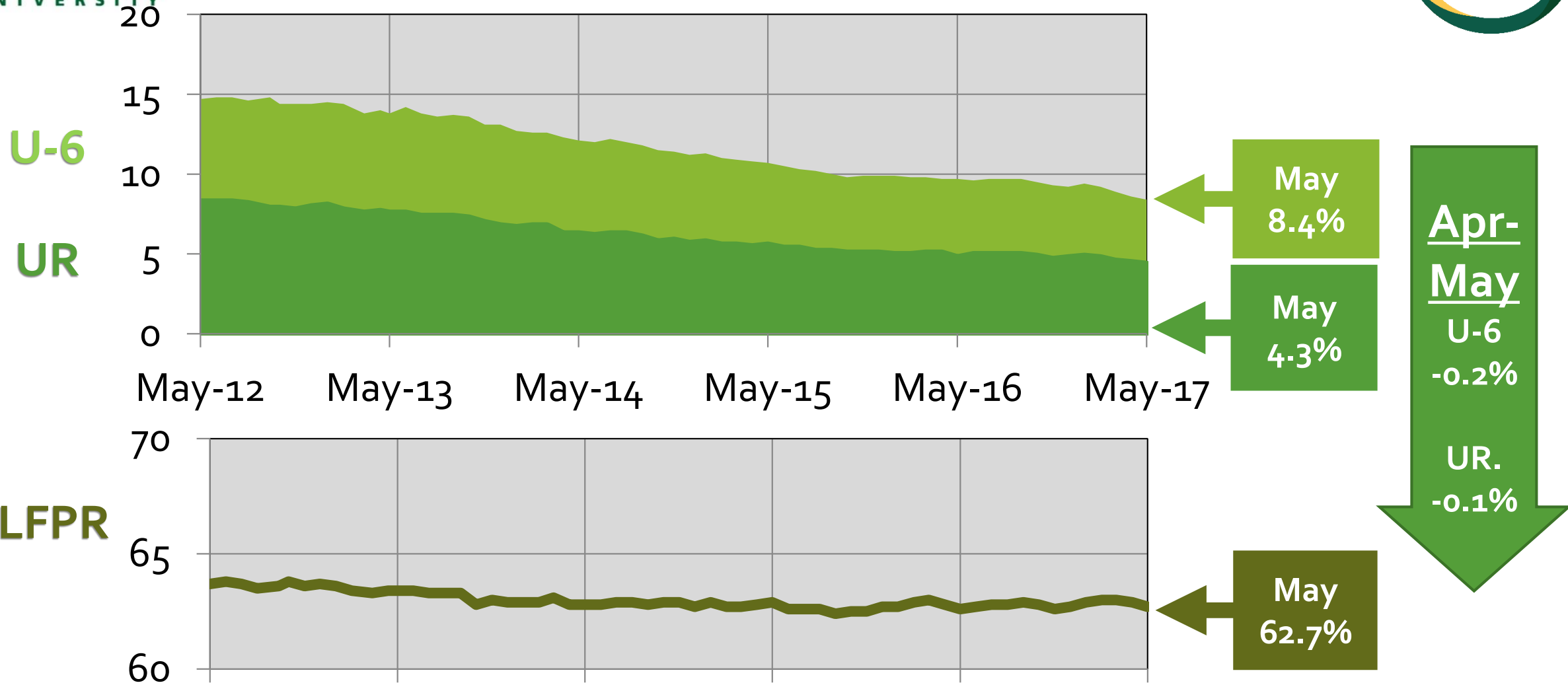
Total =
138K

U.S. Unemployment Rate



Source: Bureau of Labor Statistics (Seasonally Adjusted), IHS Economics October 2016

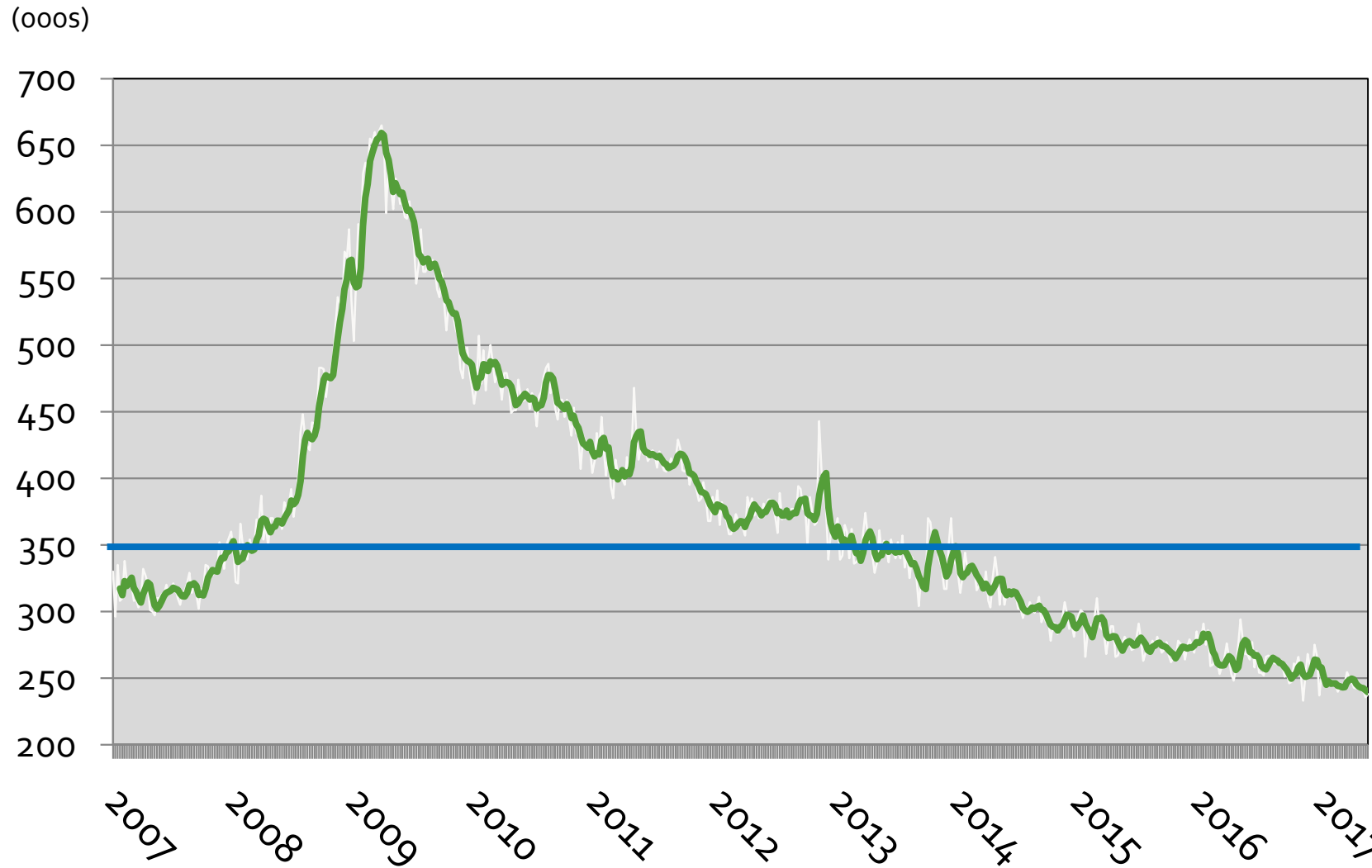
U.S. Unemployment



Source: Bureau of Labor Statistics (Seasonally Adjusted)

Initial Claims for Unemployment

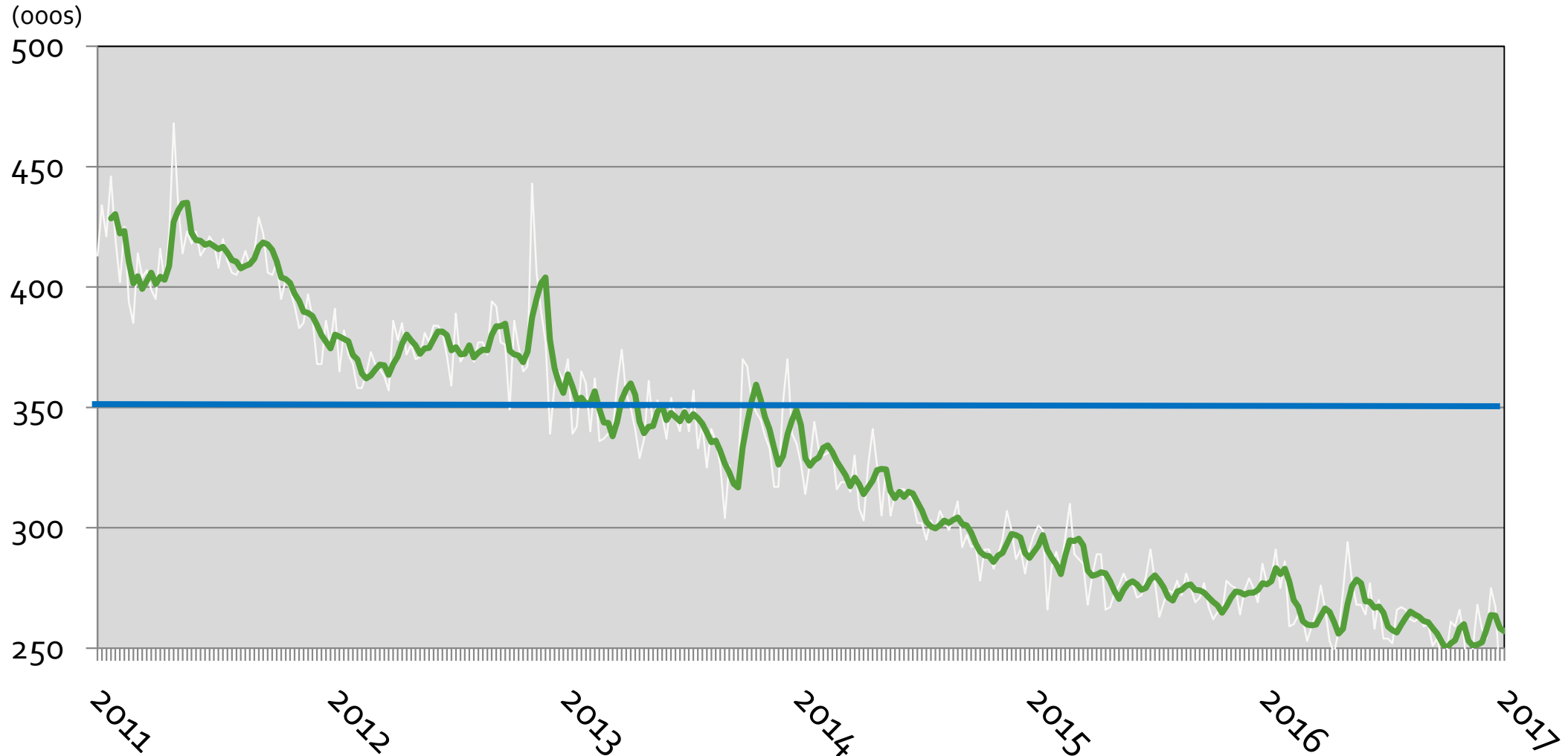
4-Week Moving Average



May 27: 238K

Initial Claims for Unemployment

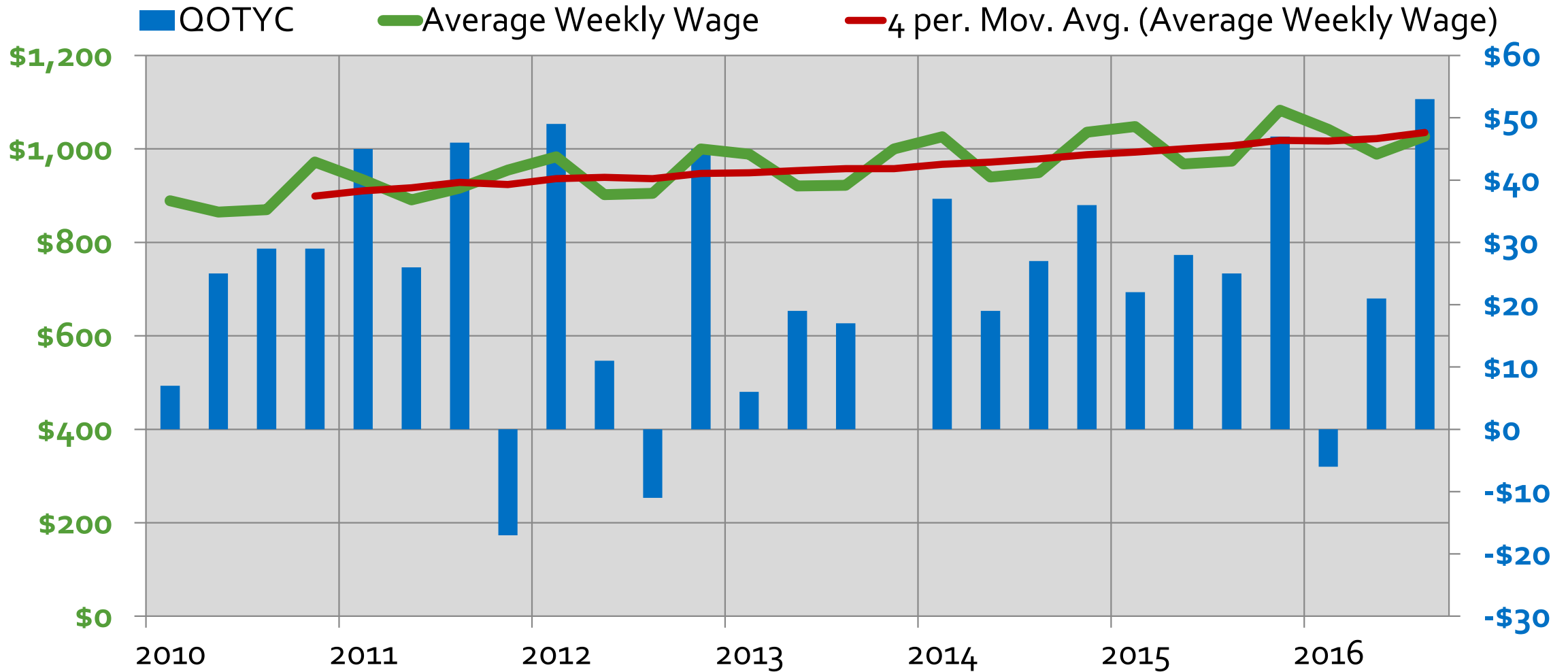
4-Week Moving Average



Jan 7:
249K

Average Weekly Wages

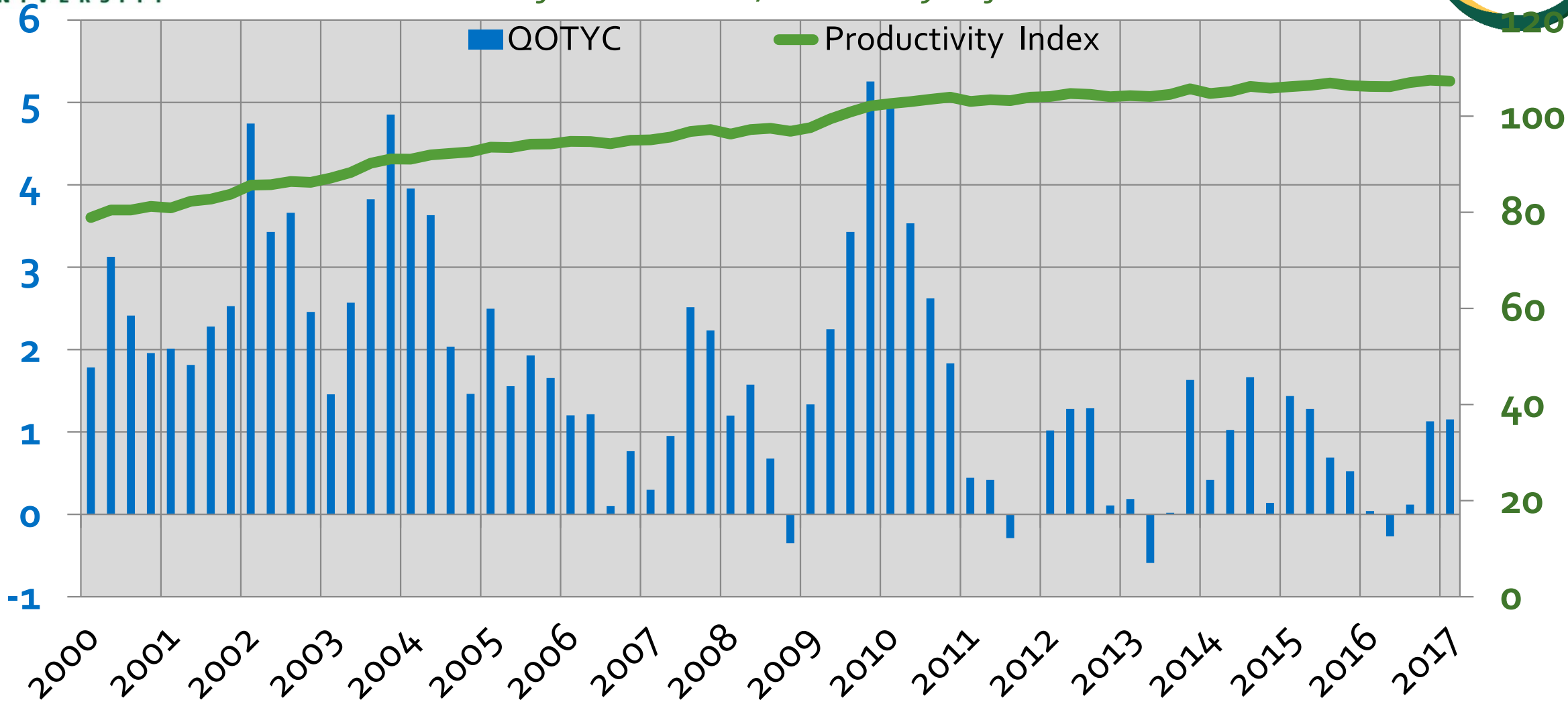
Across all Industries



Source: Bureau of Labor Statistics, GMU Center for Regional Analysis

Labor Productivity

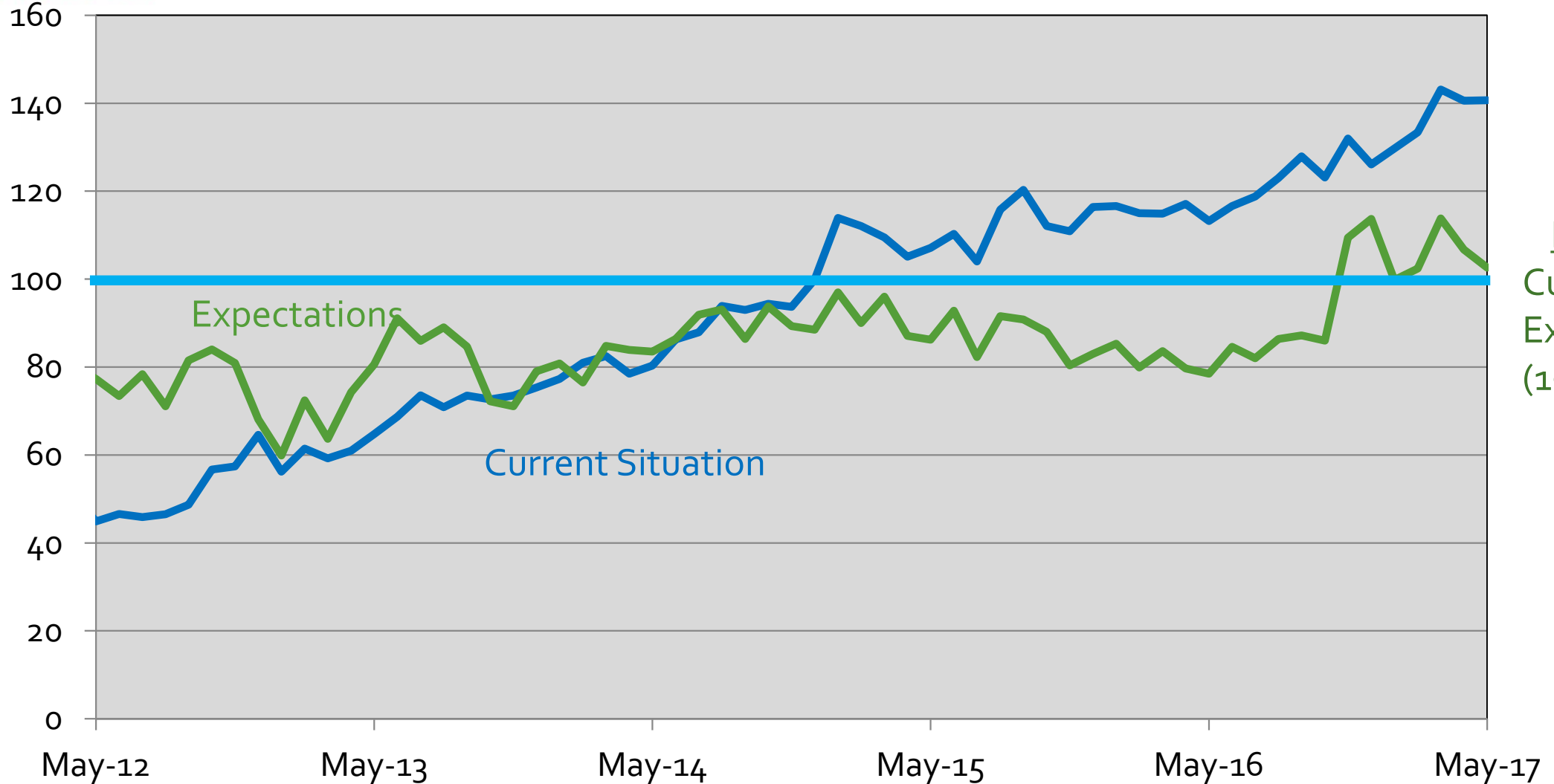
Nonfarm business, seasonally adjusted



Source: U.S. Bureau of Labor Statistics

Base year (100) = 2009

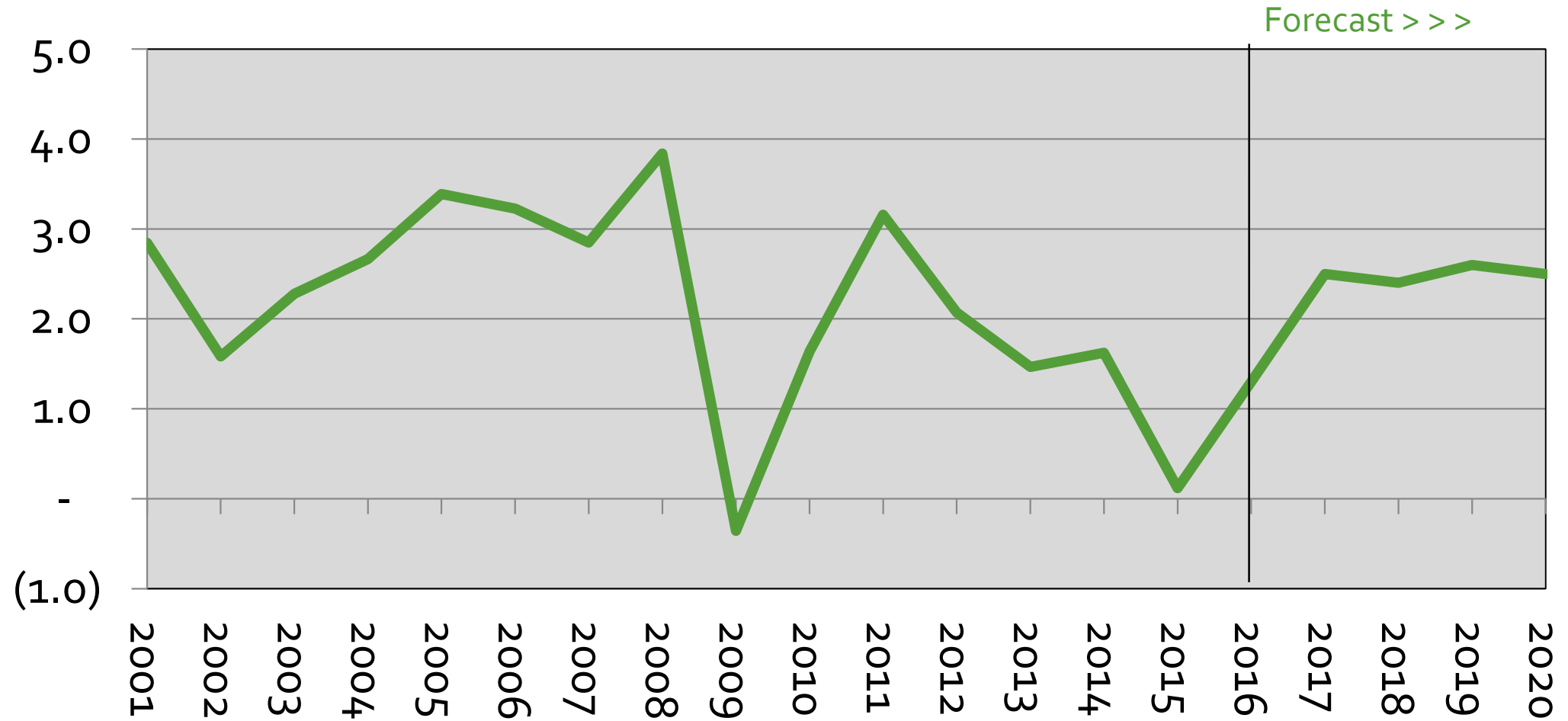
Consumer Confidence



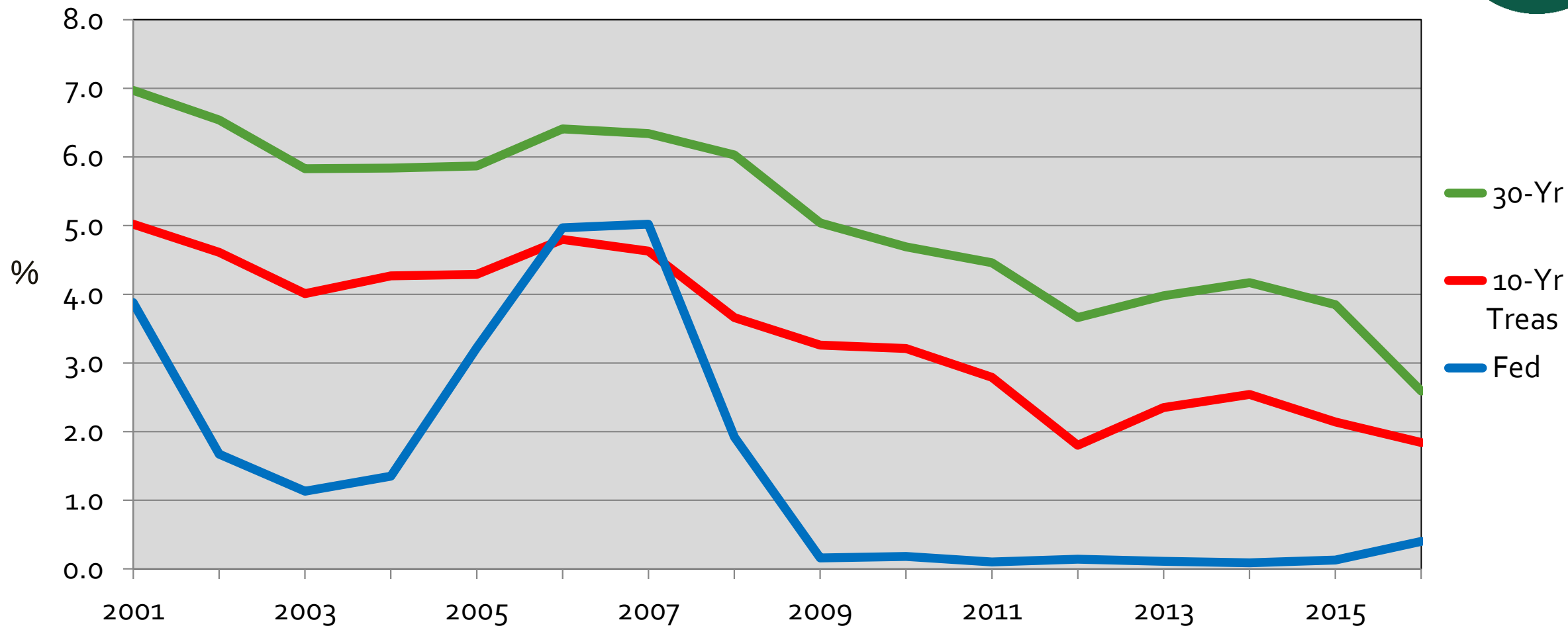
May 2017
 Cur. = 140.7
 Exp. = 102.6
 (1985 = 100)

Consumer Prices

2001 - 2020



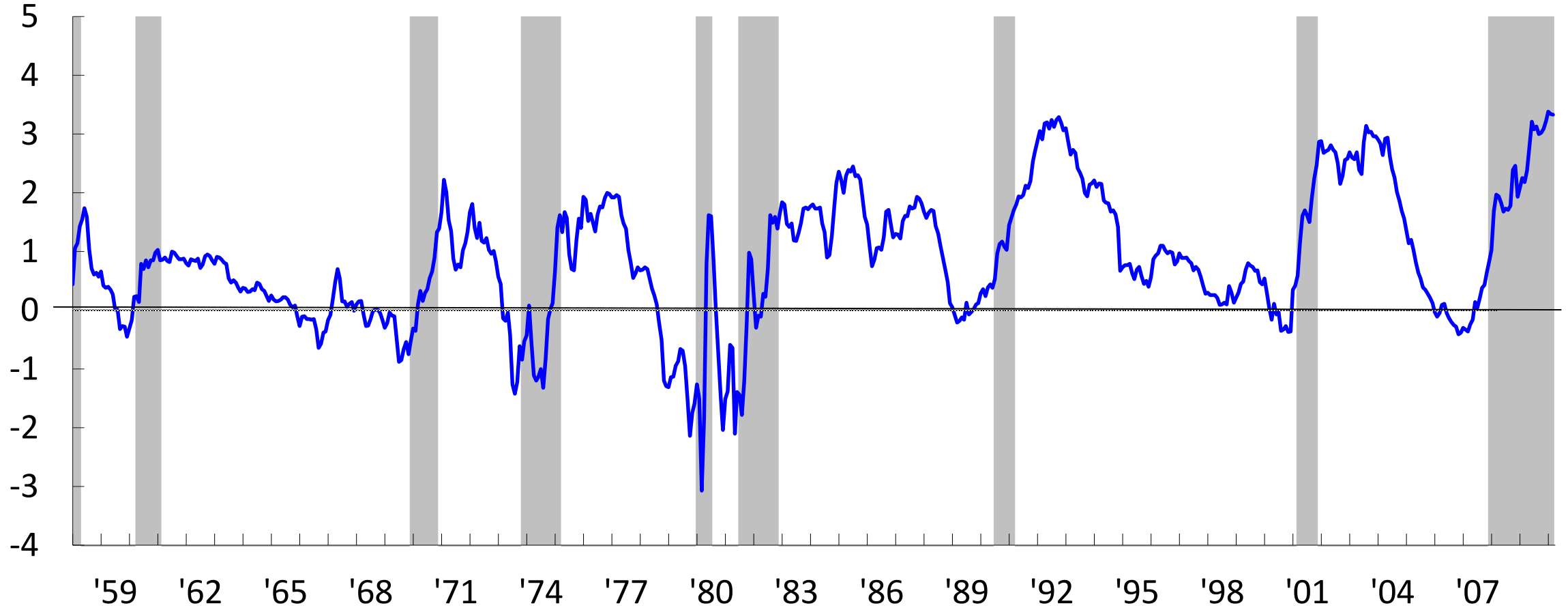
Interest Rates 2001 - 2016



Source: Federal Reserve Bank of St. Louis

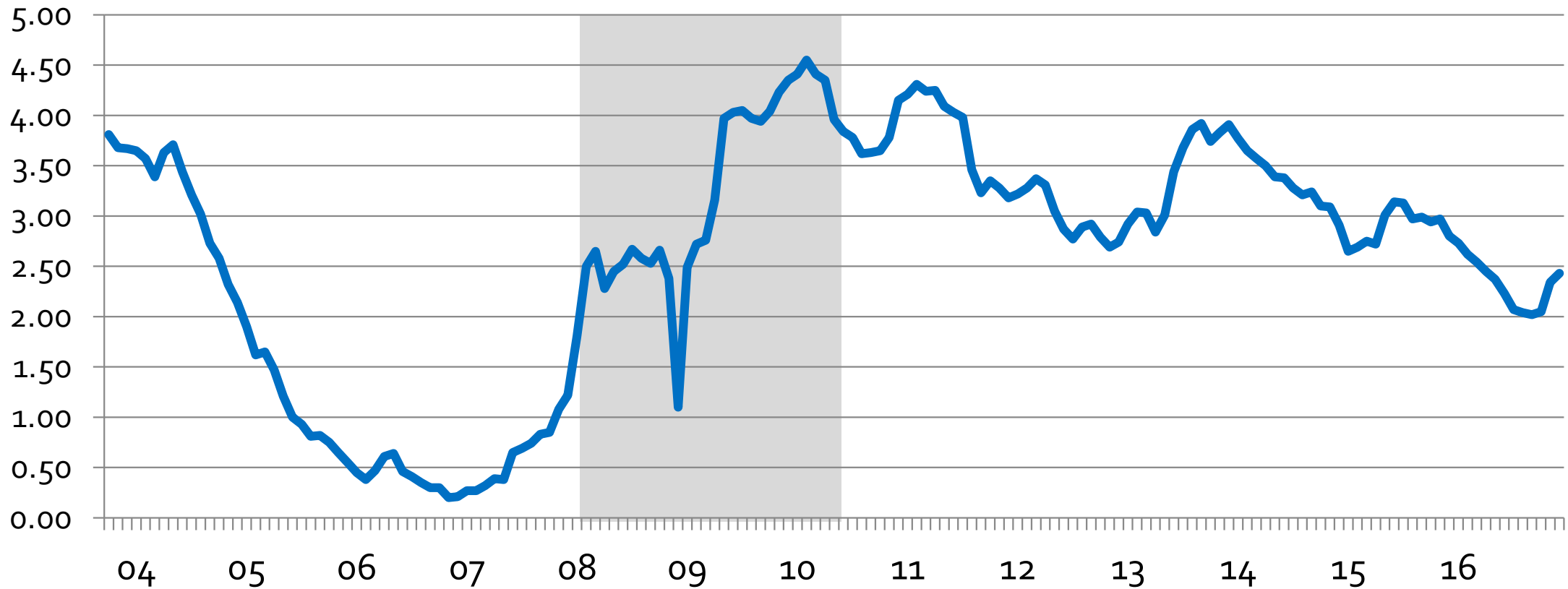
10-yr./1-yr. yield spread

Percentage points



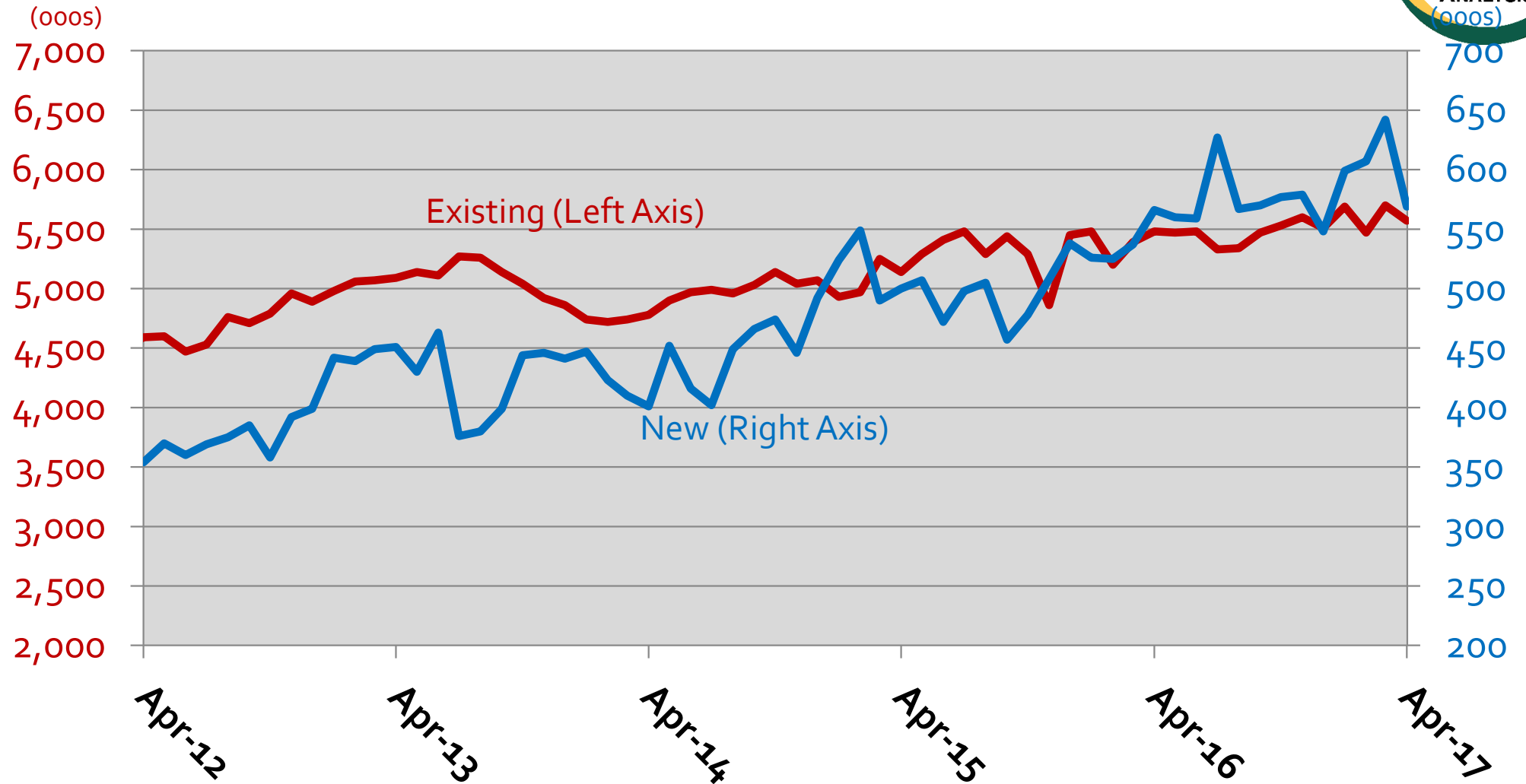
Source: FRB Dallas

10-yr./1-yr. yield spread



Source: Internal Revenue Service

U.S. New and Existing Home Sales

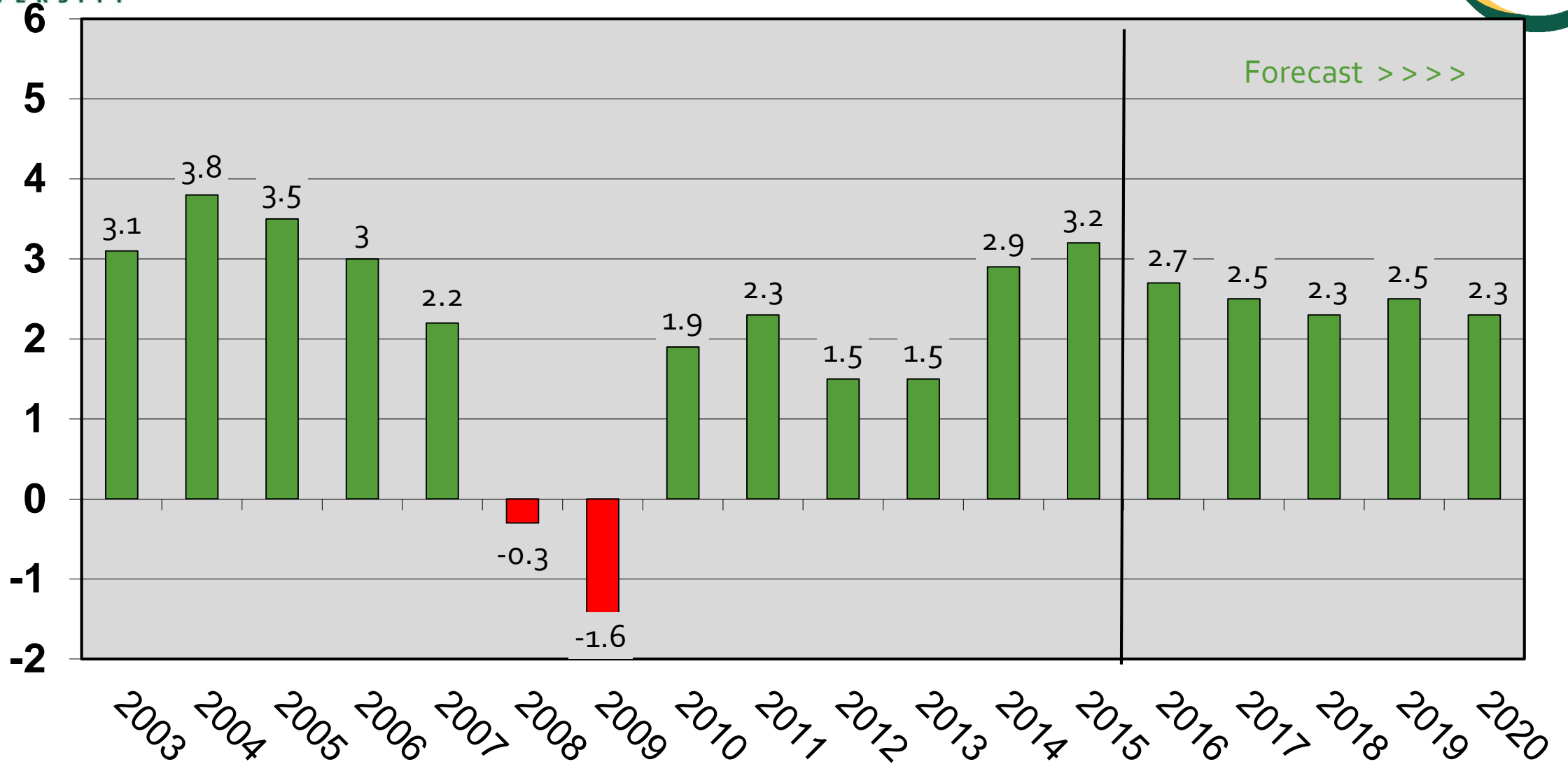


**Apr 16-
Apr 17
+1.6%
90K**

**Apr 16-
Apr 17
+0.5%
3K**

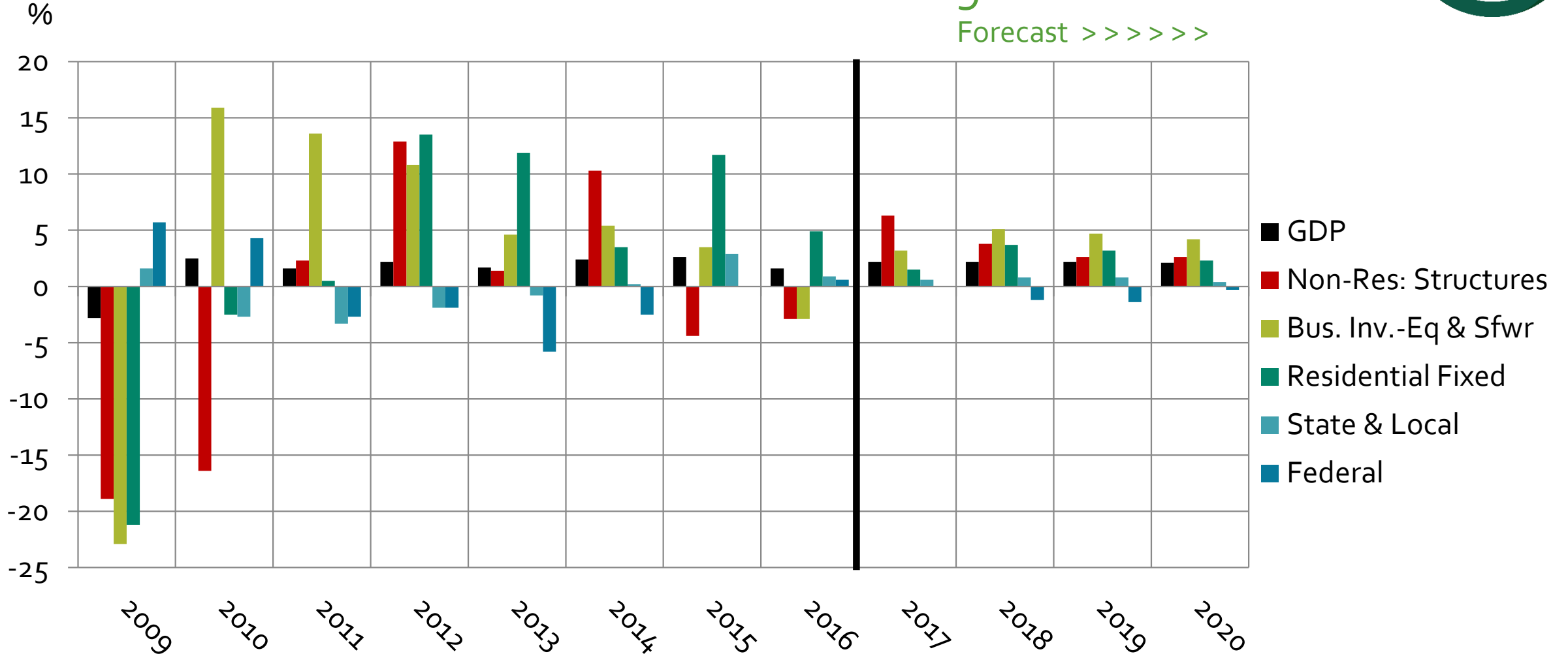
Source: U.S. Census (New)(Seasonally Adjusted Annual Rate), National Association of Realtors (Existing)

Growth in Total Consumption Outlays

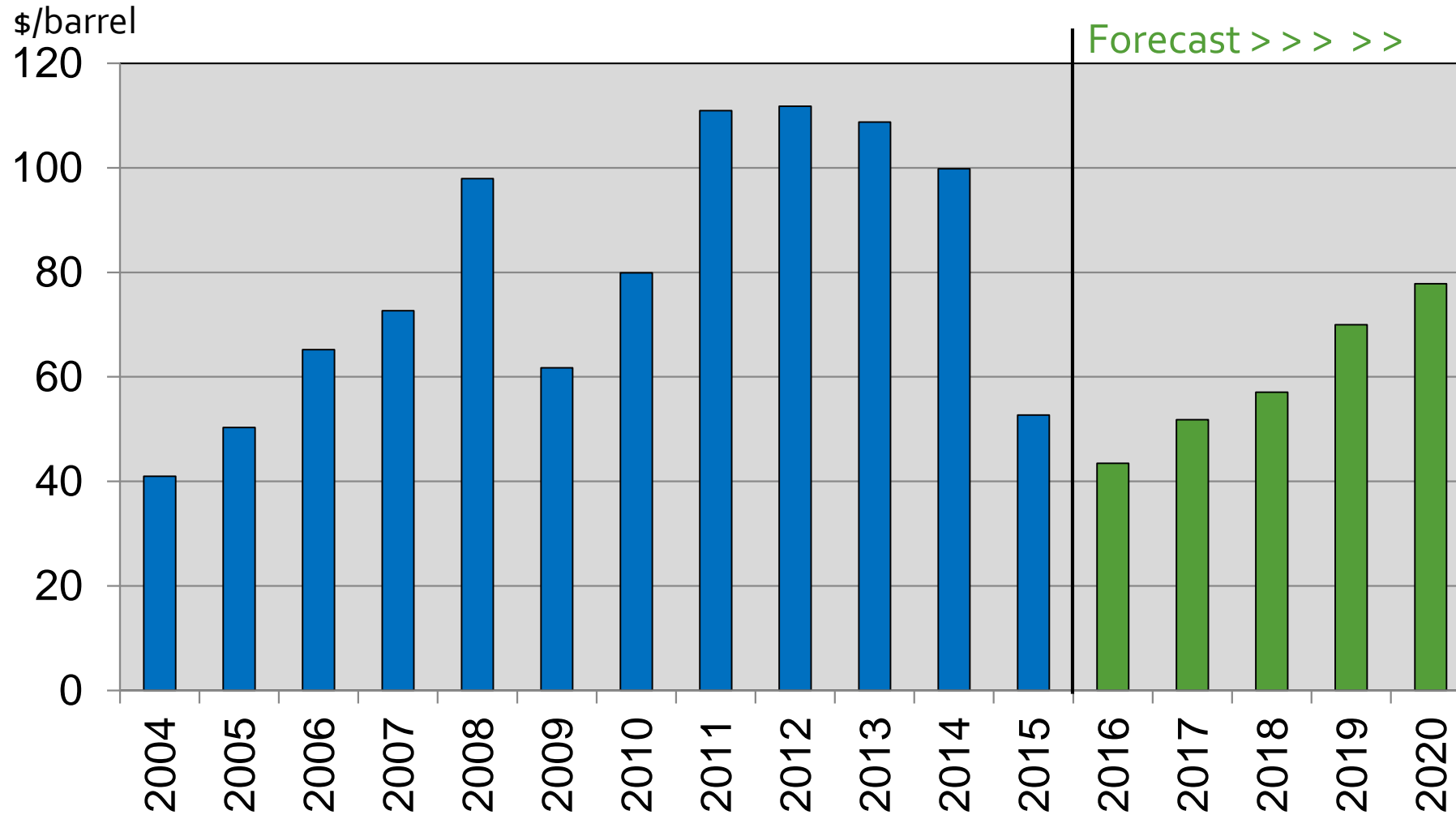


U.S. Economic Performance

Percent Annual Change



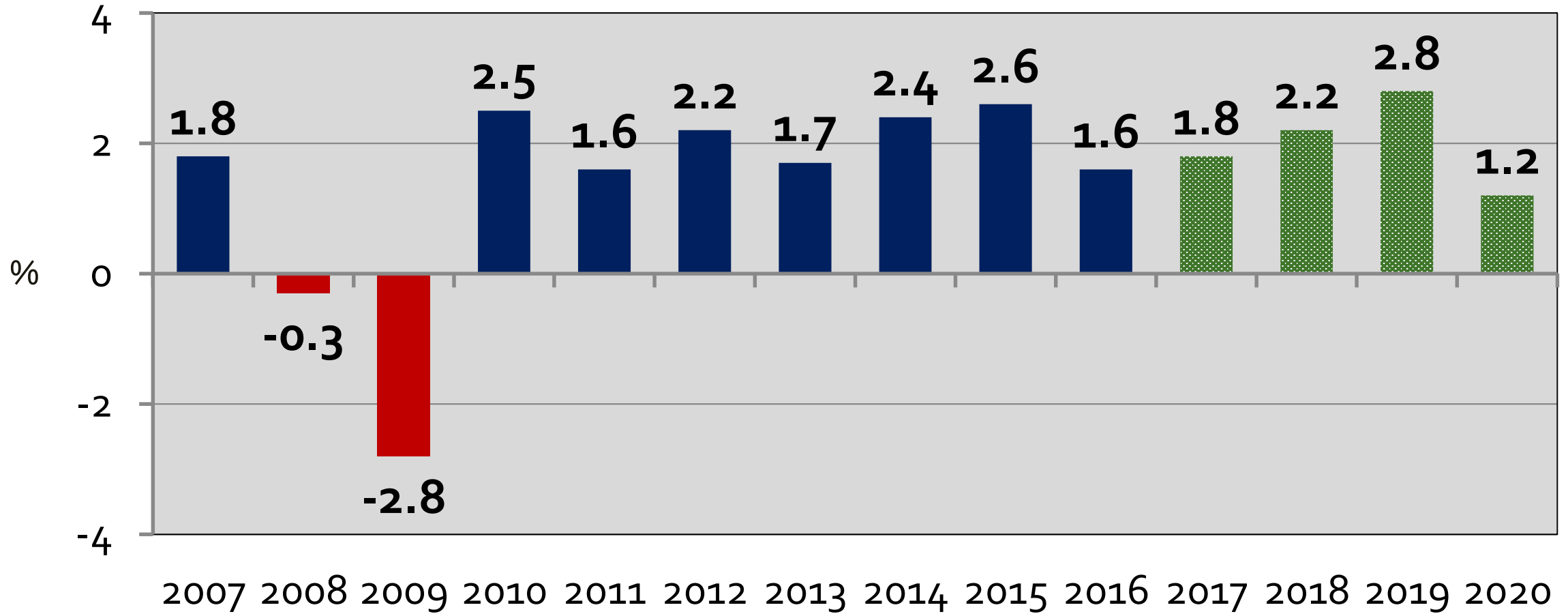
Oil Prices \$ per barrel



U.S. GDP

2007 – 2016 – 2020

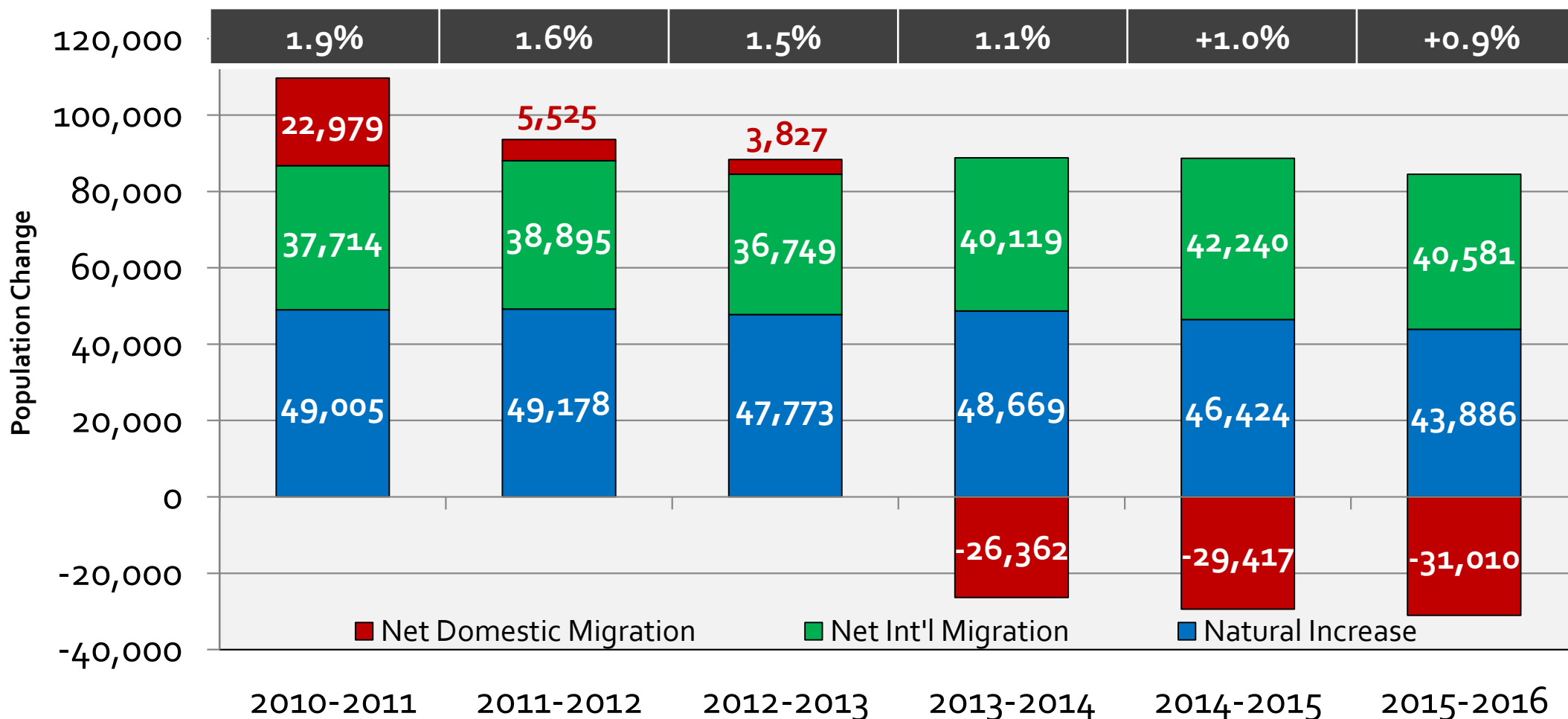
(Annual % Change)



Source: Bureau of Economic Analysis, GMU Center for Regional Analysis, Forecast: January, 2017

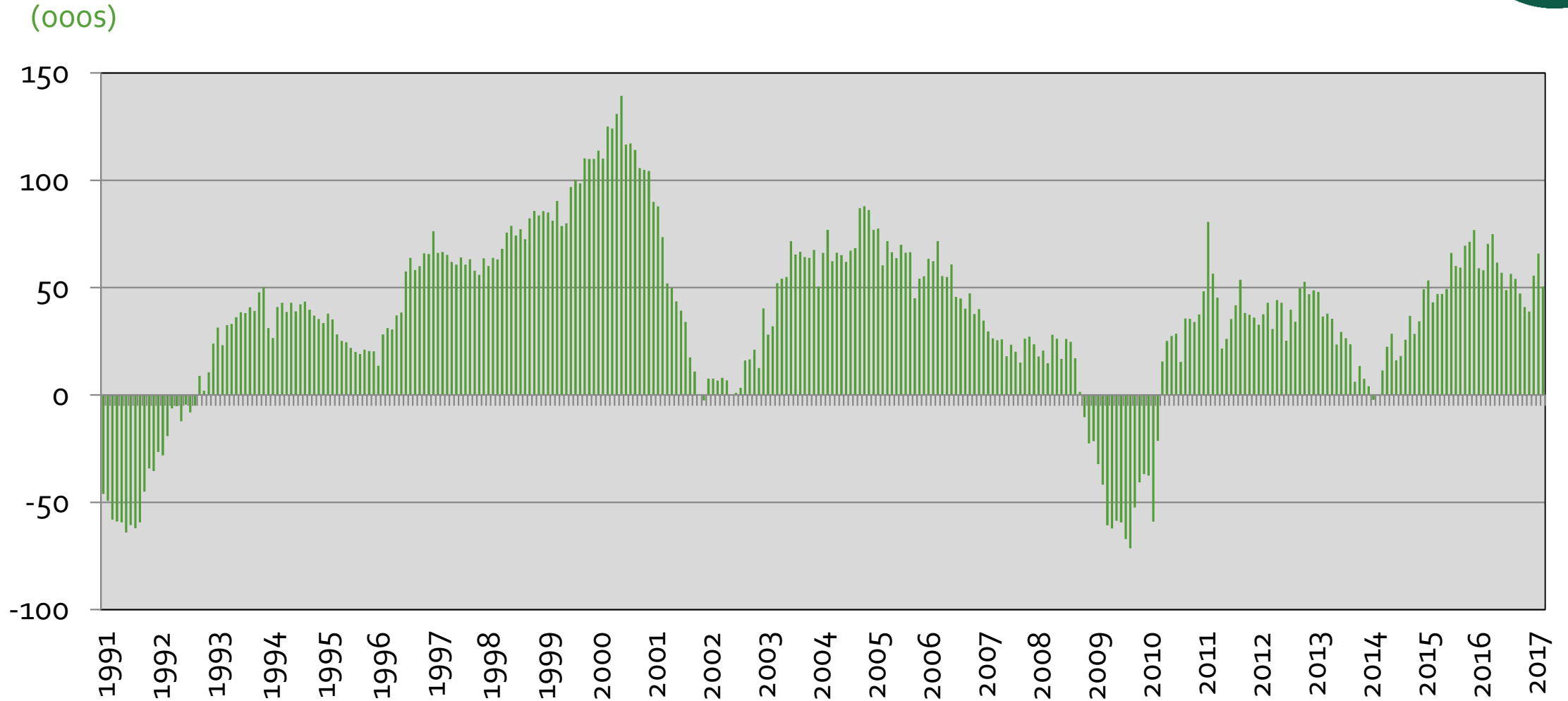
The Washington Economy

Elements of Population Change Washington MSA

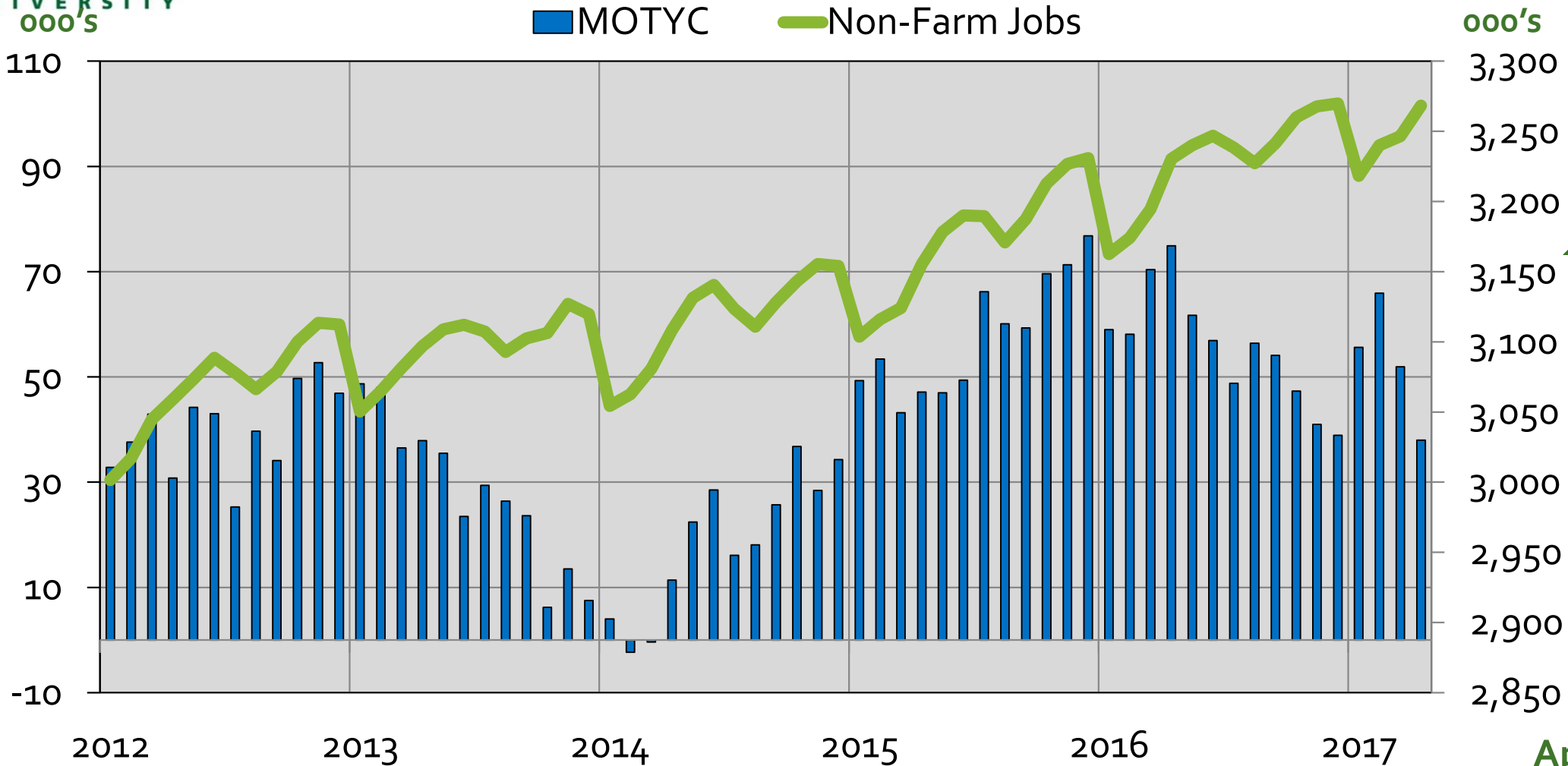


Source: US Census Bureau, Population Estimates Program, V2016

Annual Job Change – MOTYC Washington MSA



Annual Job Change - Washington MSA



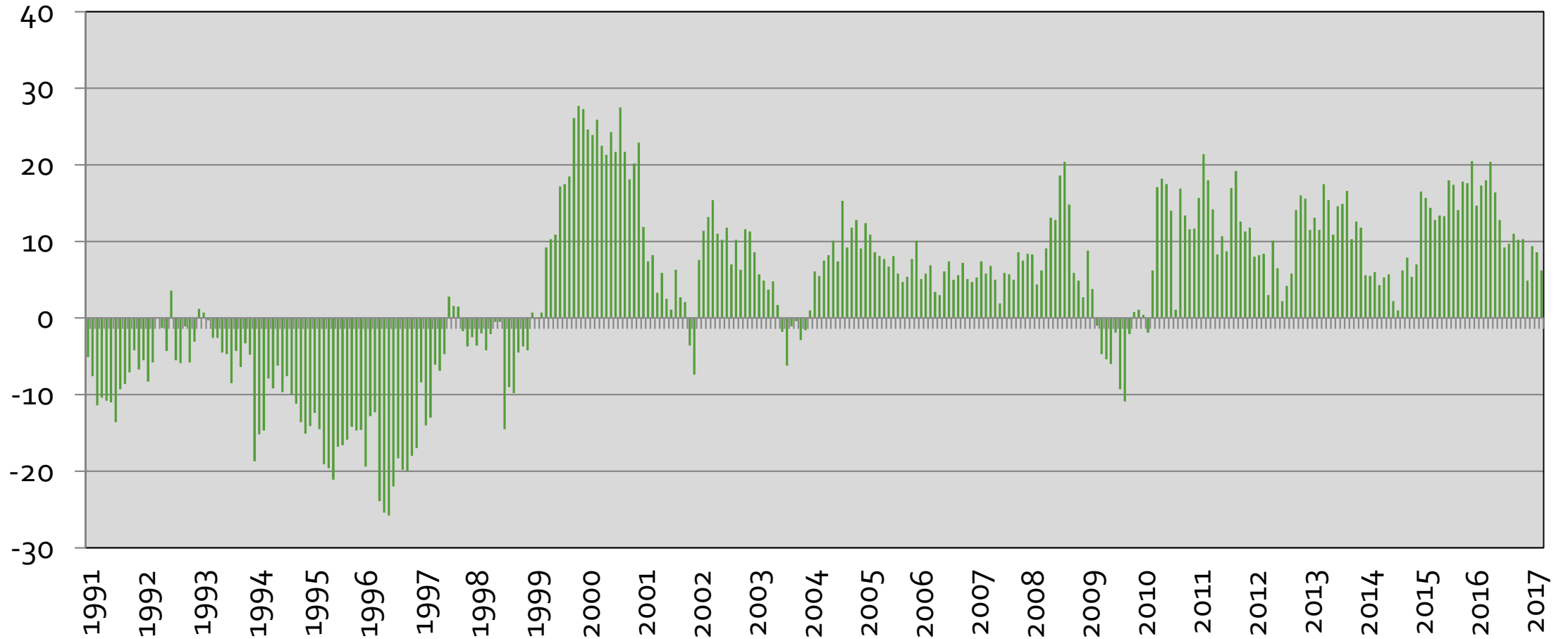
**Apr 16-
Apr 17
+38 K**

**Apr-17
Total: 3,268 K**

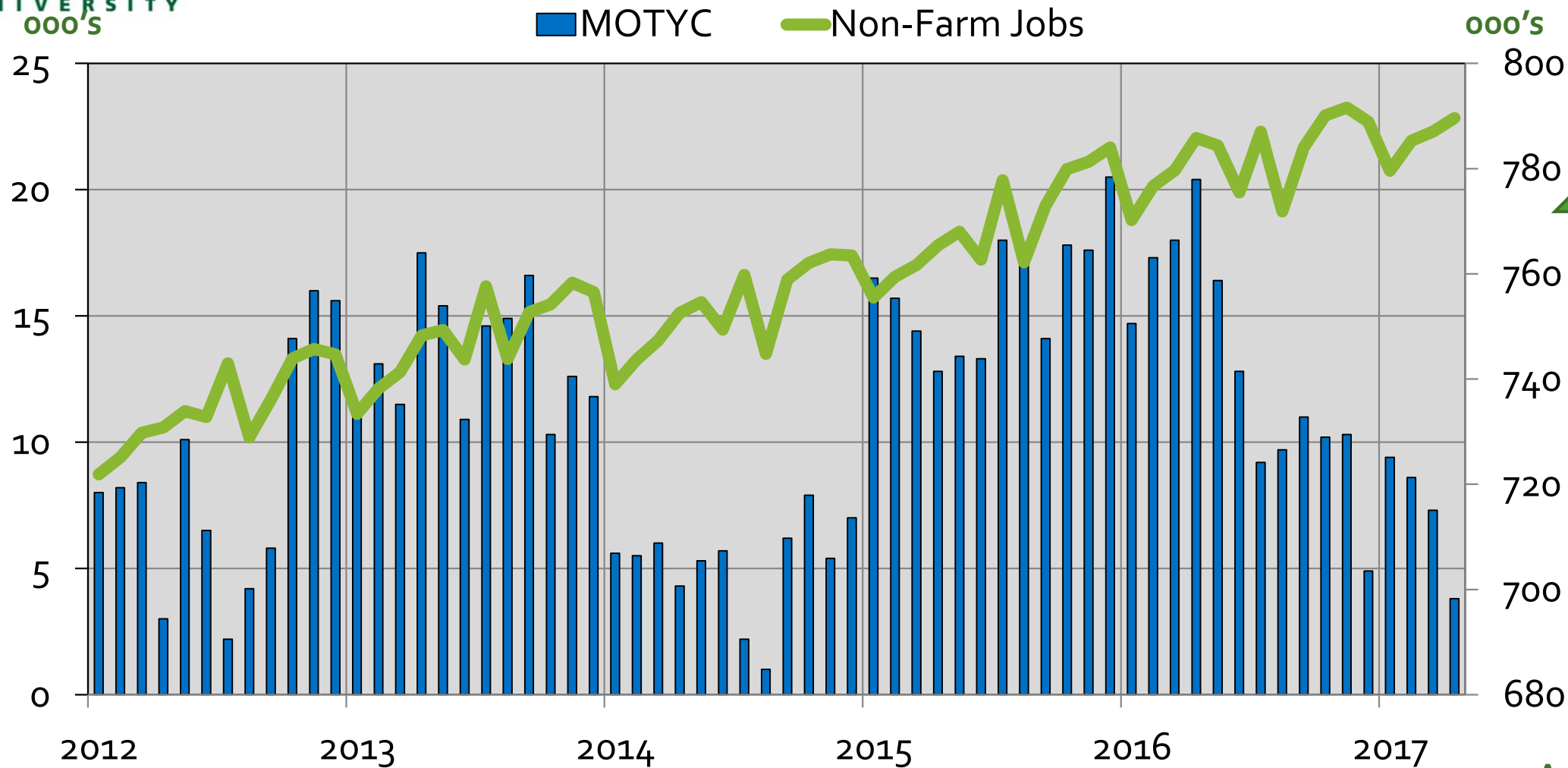
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Annual Job Change – MOTYC District of Columbia

(000s)



Annual Job Change – District of Columbia

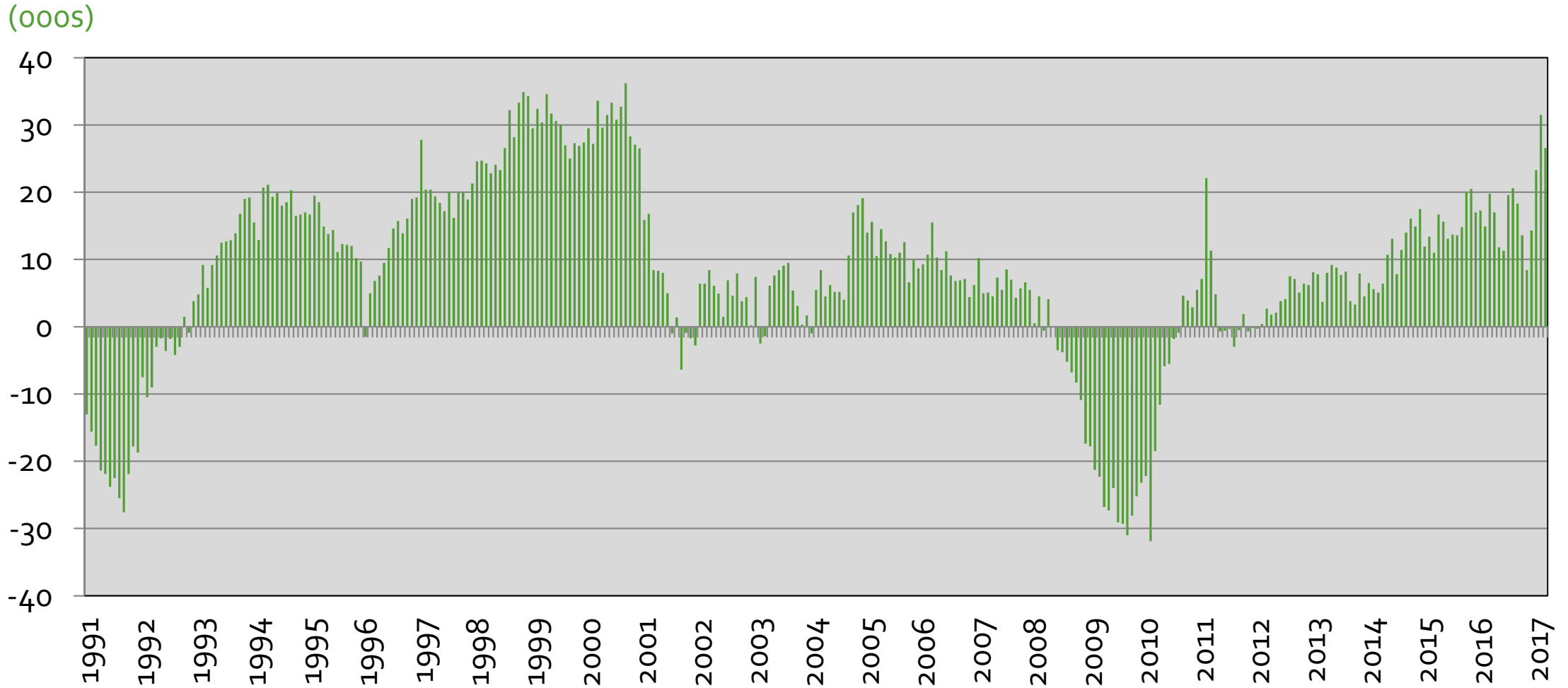


Apr 16-
Apr 17
+3.8 K

Apr-17
Total: 790 K

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

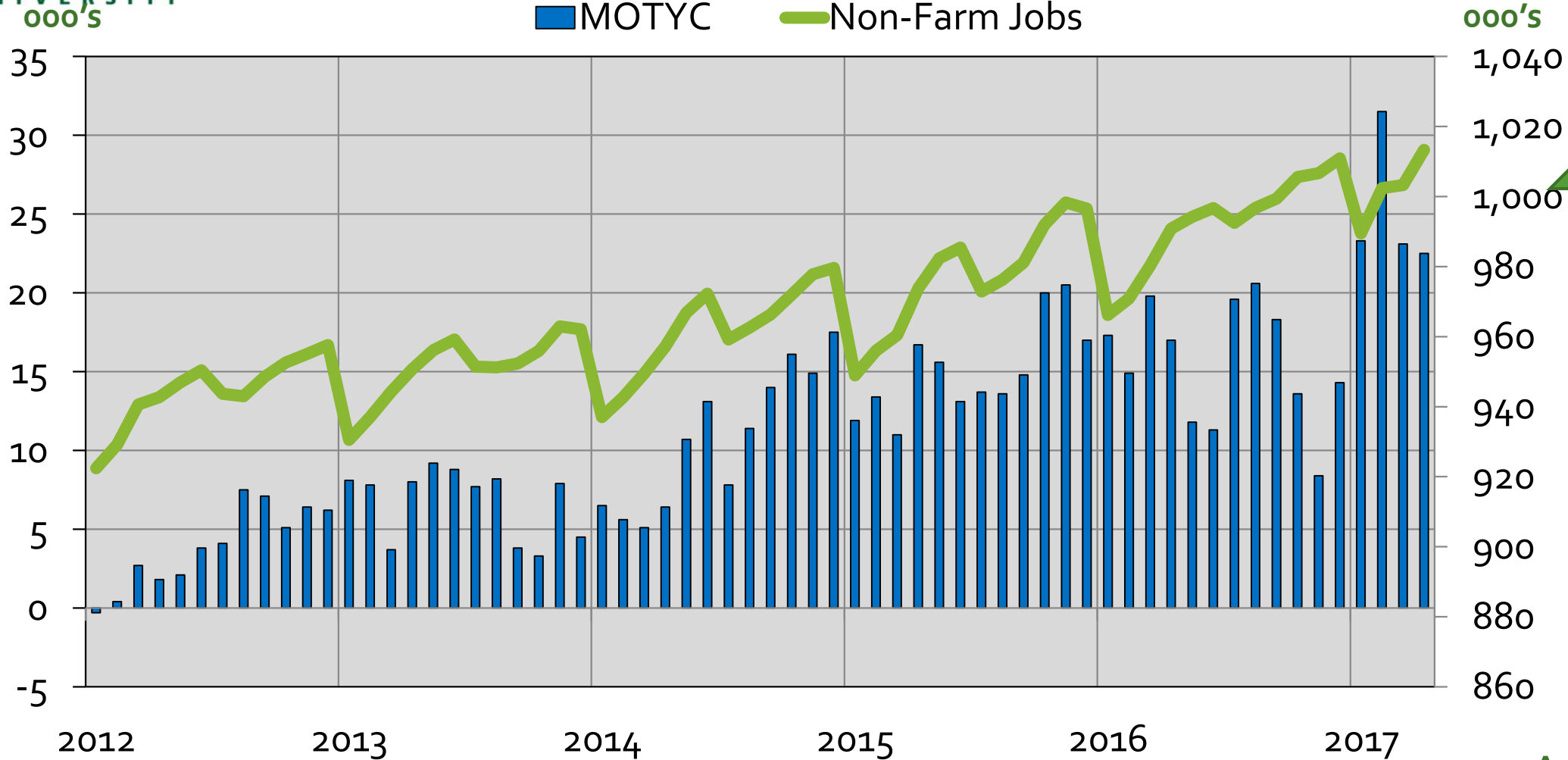
Annual Job Change – MOTYC Suburban Maryland



Annual Job Change – Suburban MD



■ MOTYC — Non-Farm Jobs



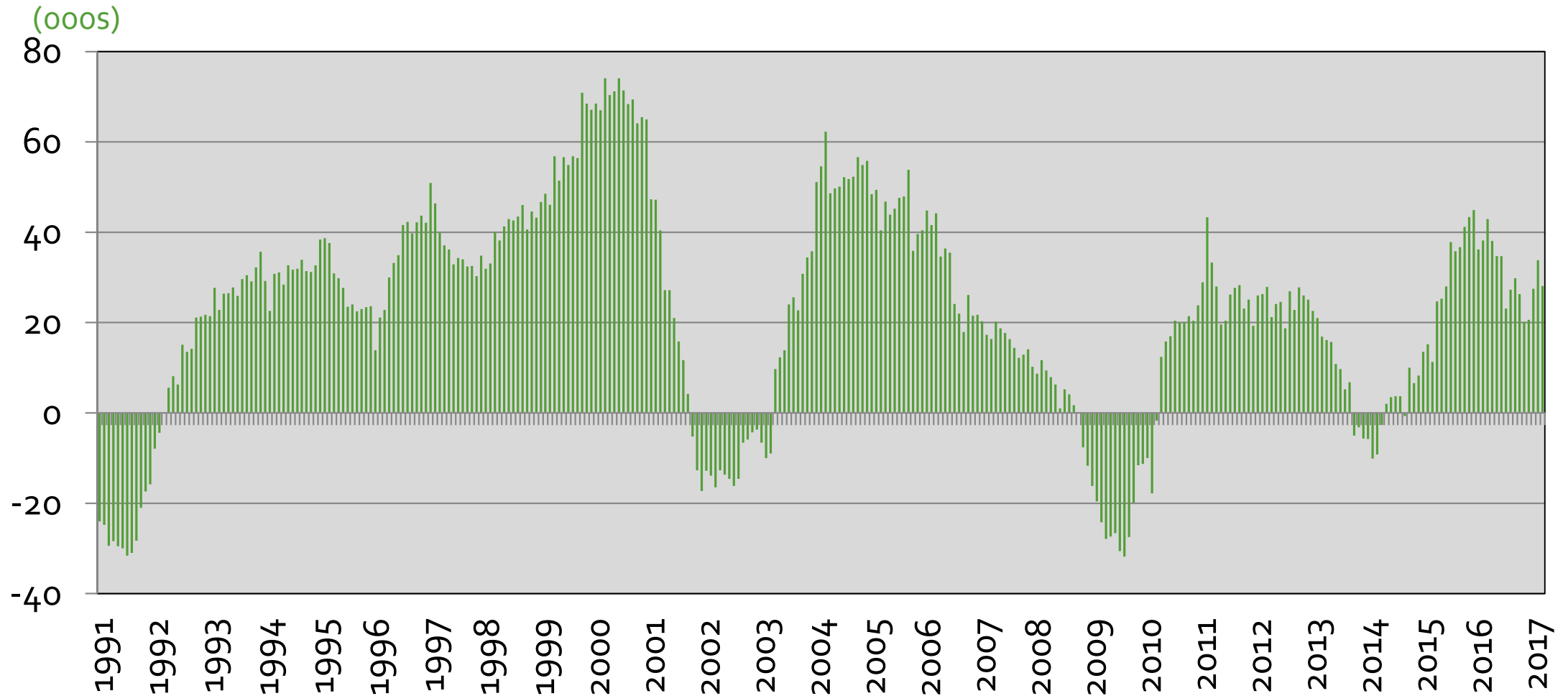
↑

Apr 16-
Apr 17
+22.3K

Apr-17
Total: 1013 K

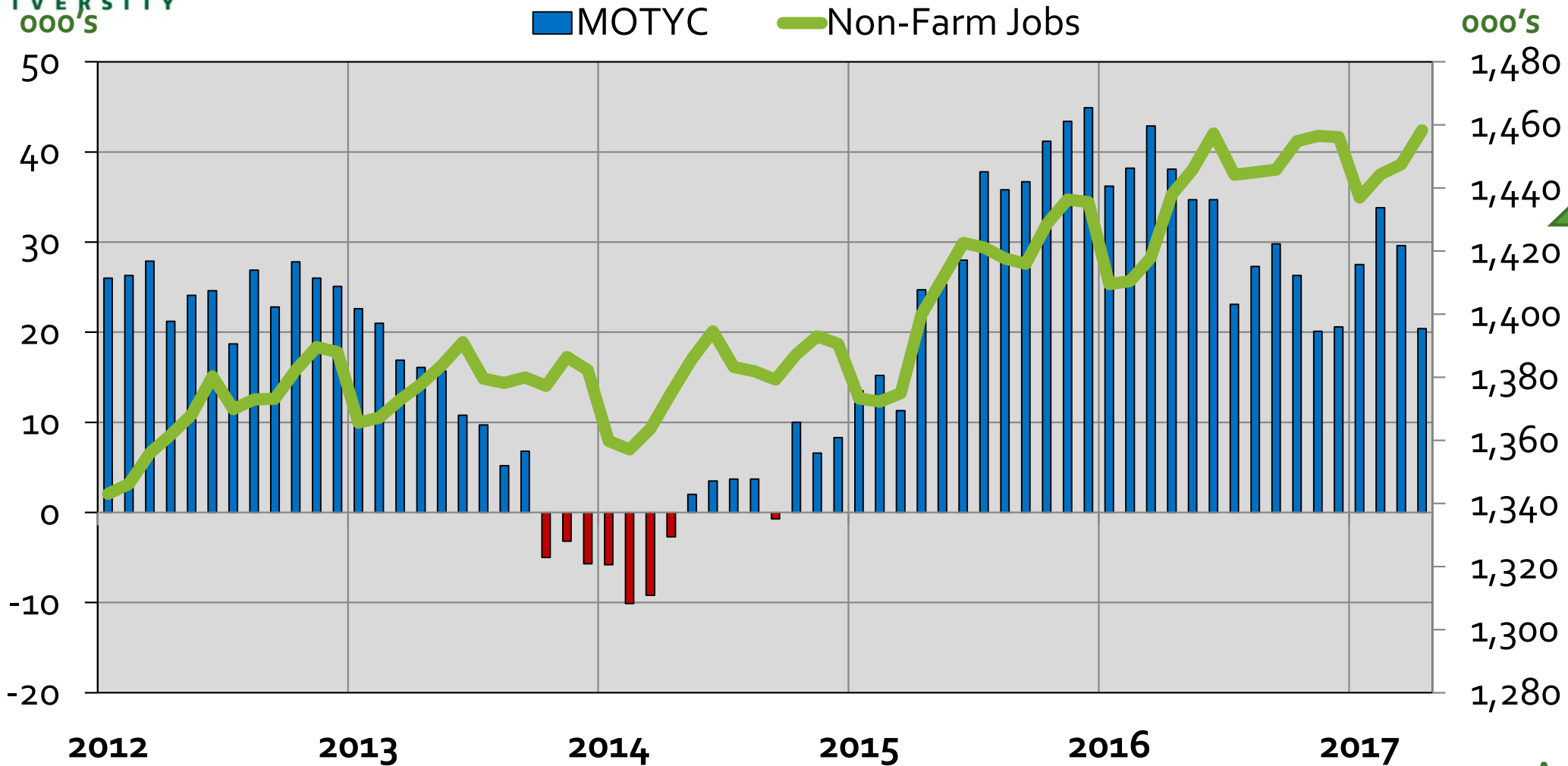
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Annual Job Change – MOTYC Northern Virginia



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

Annual Job Change – Northern VA



**Apr 16-
Apr 17
+20.4K**

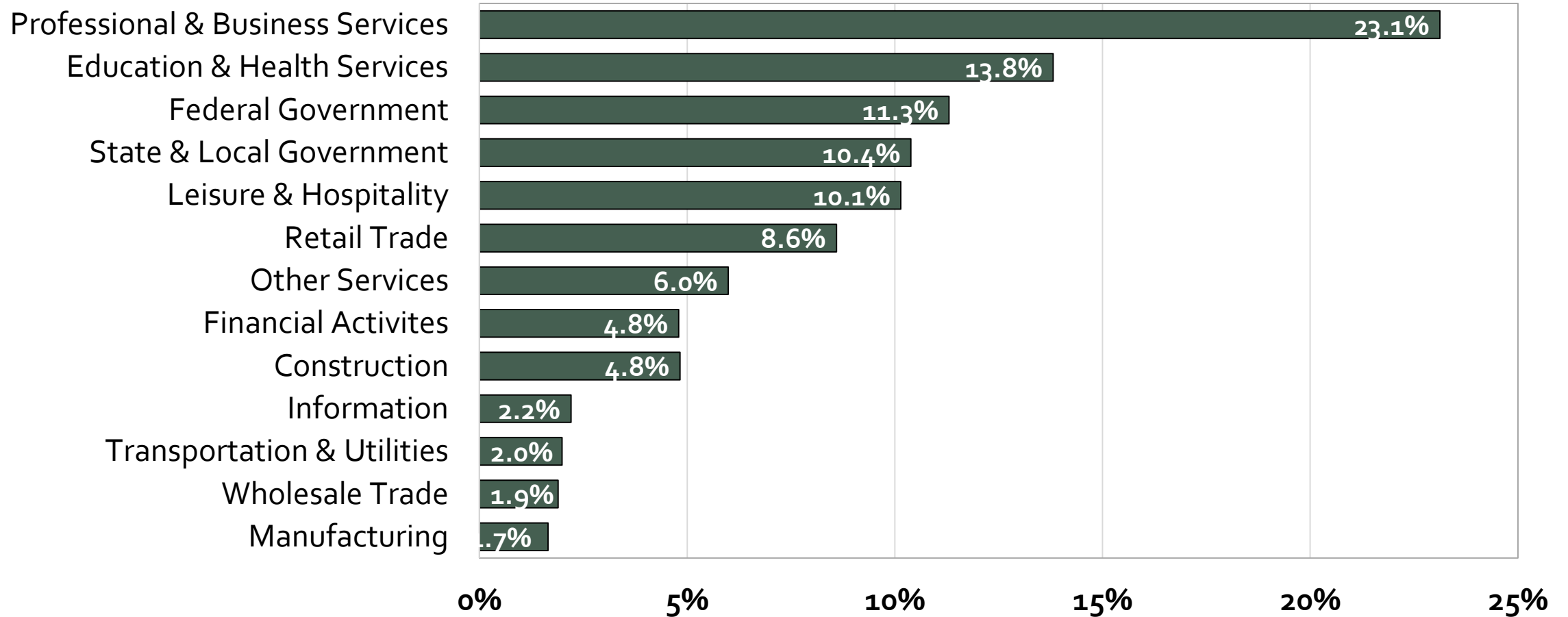
**Apr-17
Total: 1,458 K**

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

Employment Composition by Sector

Apr 2017

Washington MSA



Source: US Bureau of Labor Statistics, Current Employment Statistics

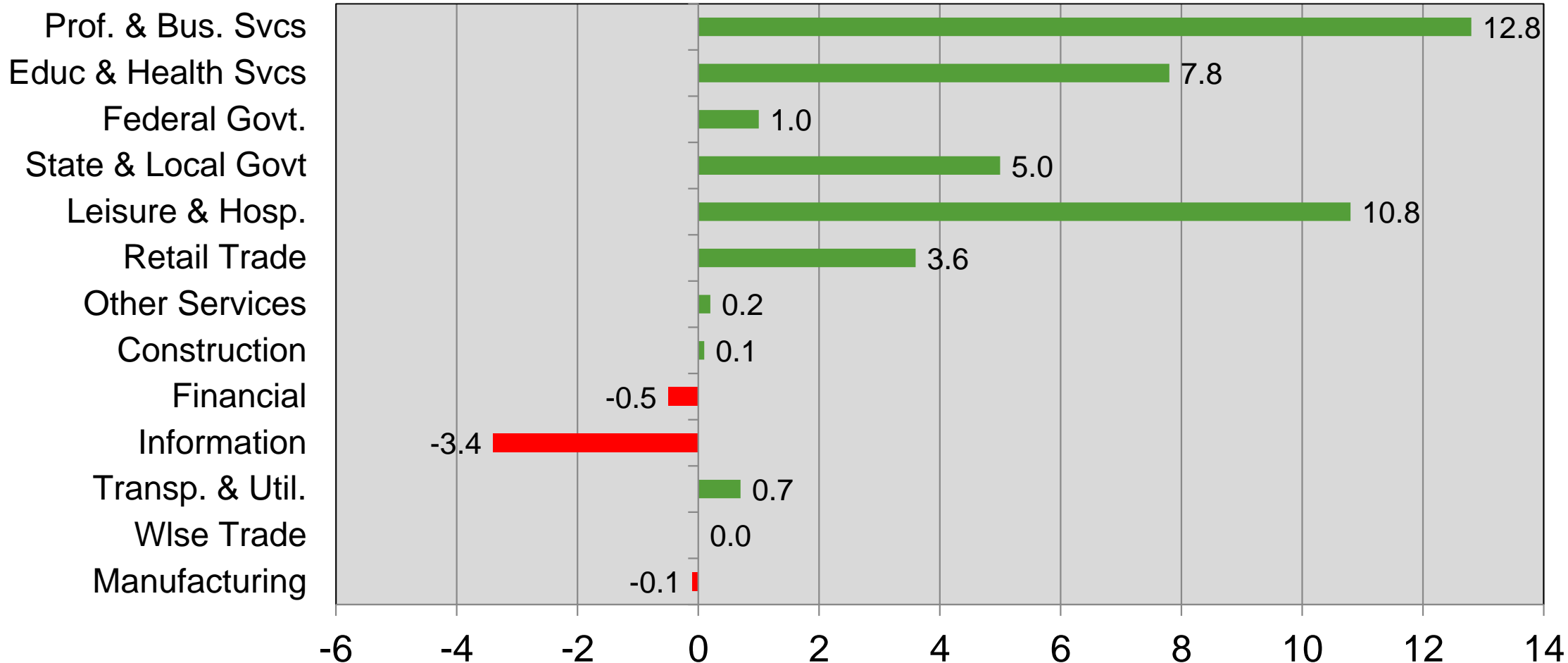
Job Change by Sector

Apr 2016 – Apr 2017

Washington MSA (000s)

(Ranked by Size in 2016)

Total = 38,000



Job Change by Sector

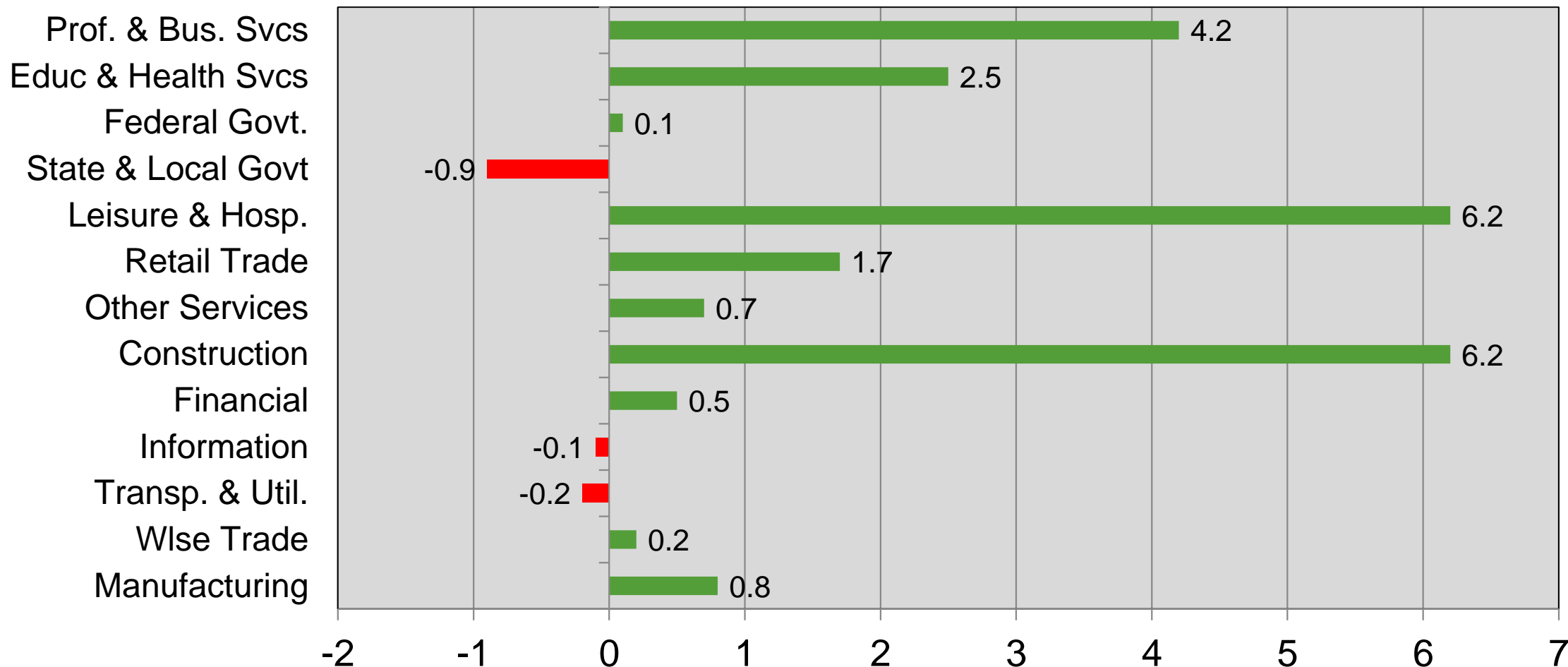
Mar 2017 – Apr 2017

Washington MSA

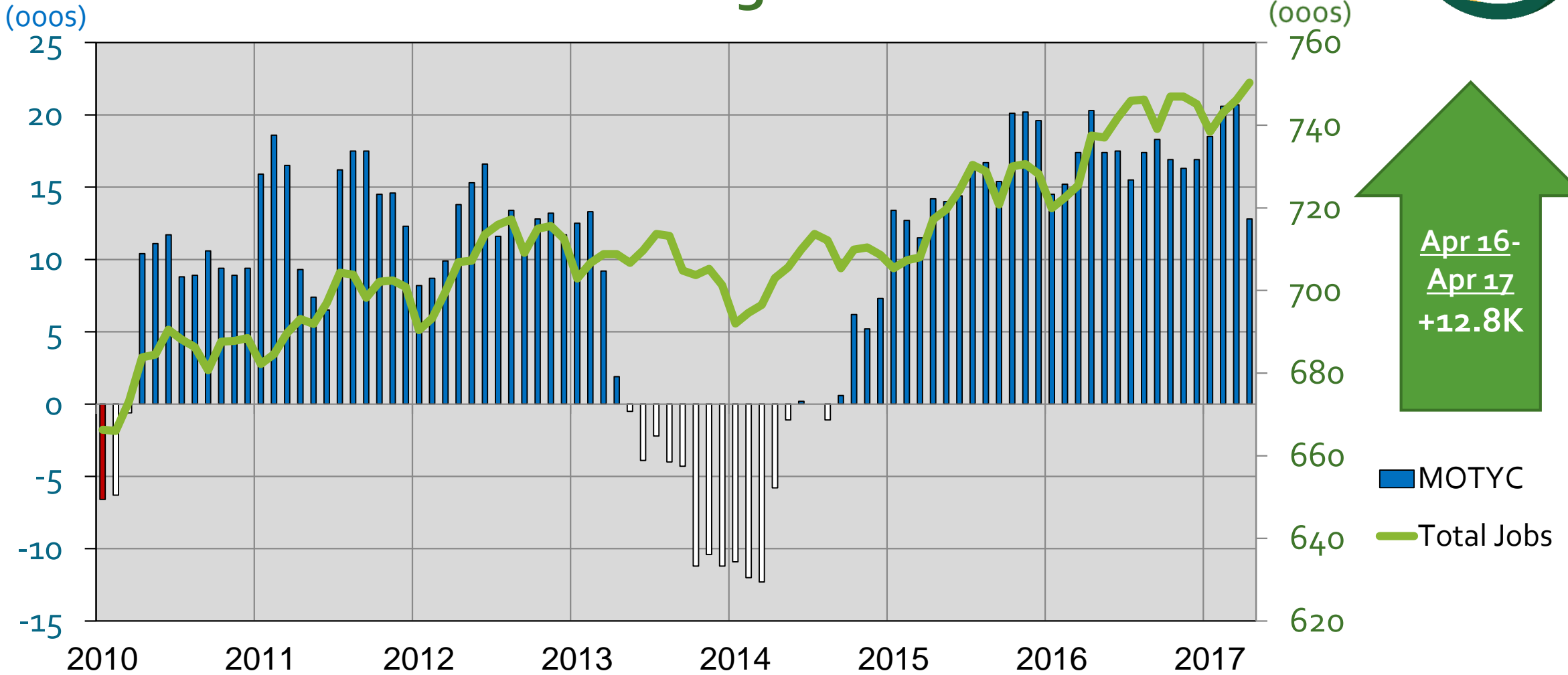
(Ranked by Size in 2016)

(000s)

Total = 21,900

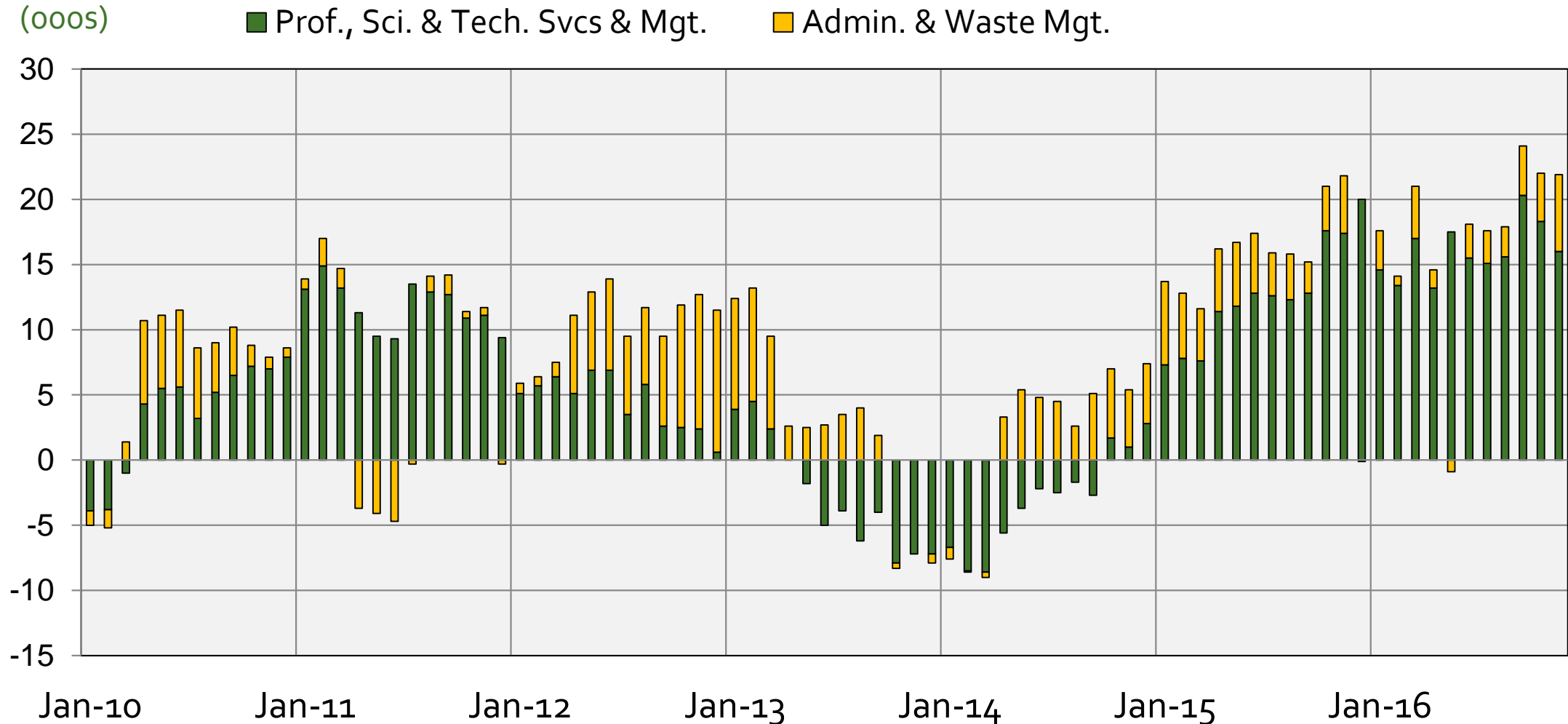


Professional & Business Services Washington MSA



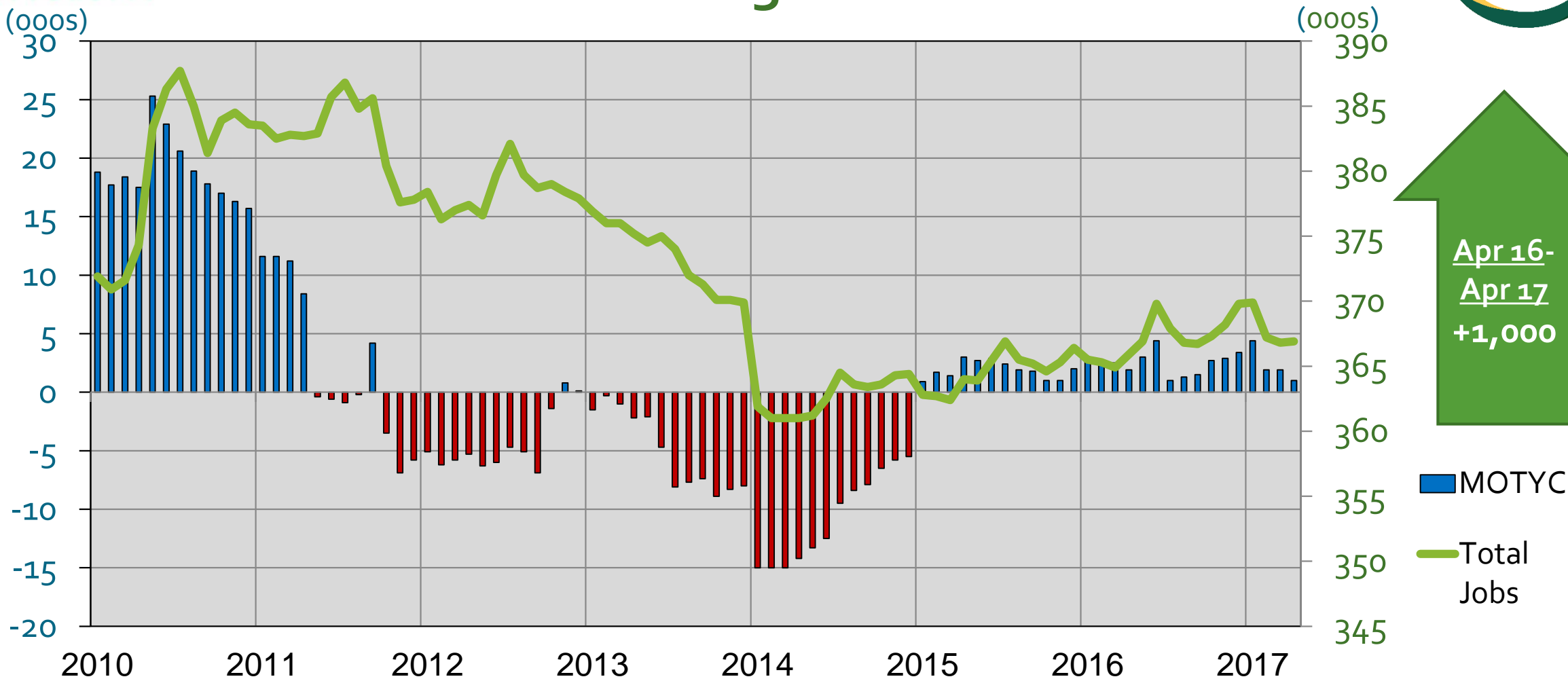
Professional & Business Services Washington MSA

Month Over the Year Change



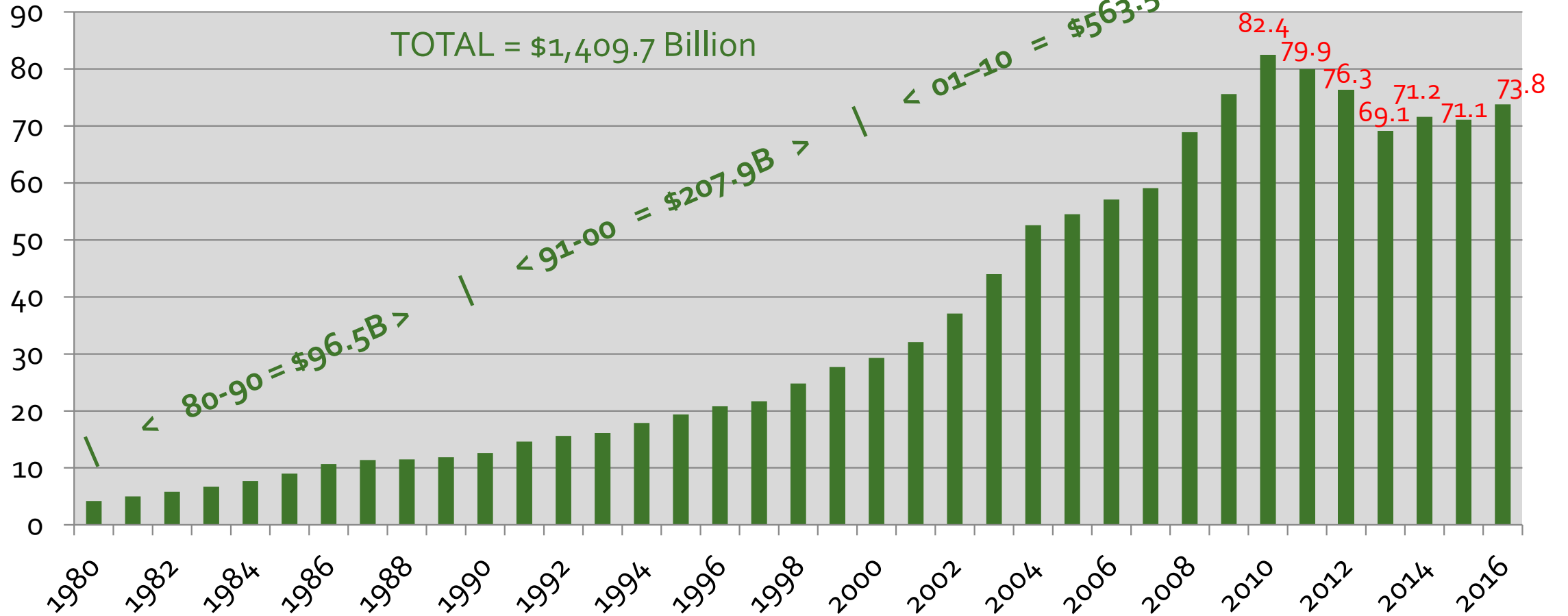
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Federal Government Washington MSA



Federal Procurement in the Washington MSA 1980-2016 (Fiscal Years)

\$ Billions



Job Change by Sector

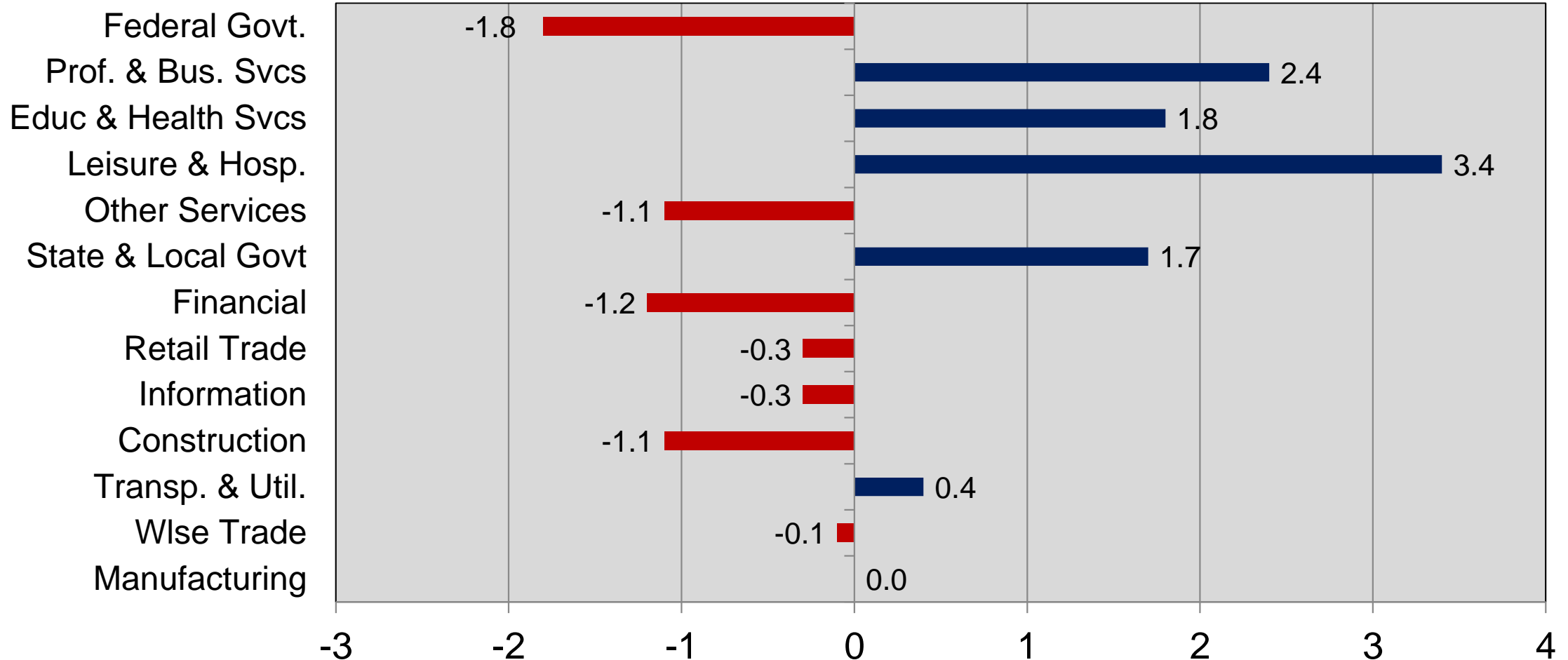
Apr 2016 – Apr 2017

District of Columbia

(Ranked by Size in 2016)

(000s)

Total 3,800



Job Change by Sector

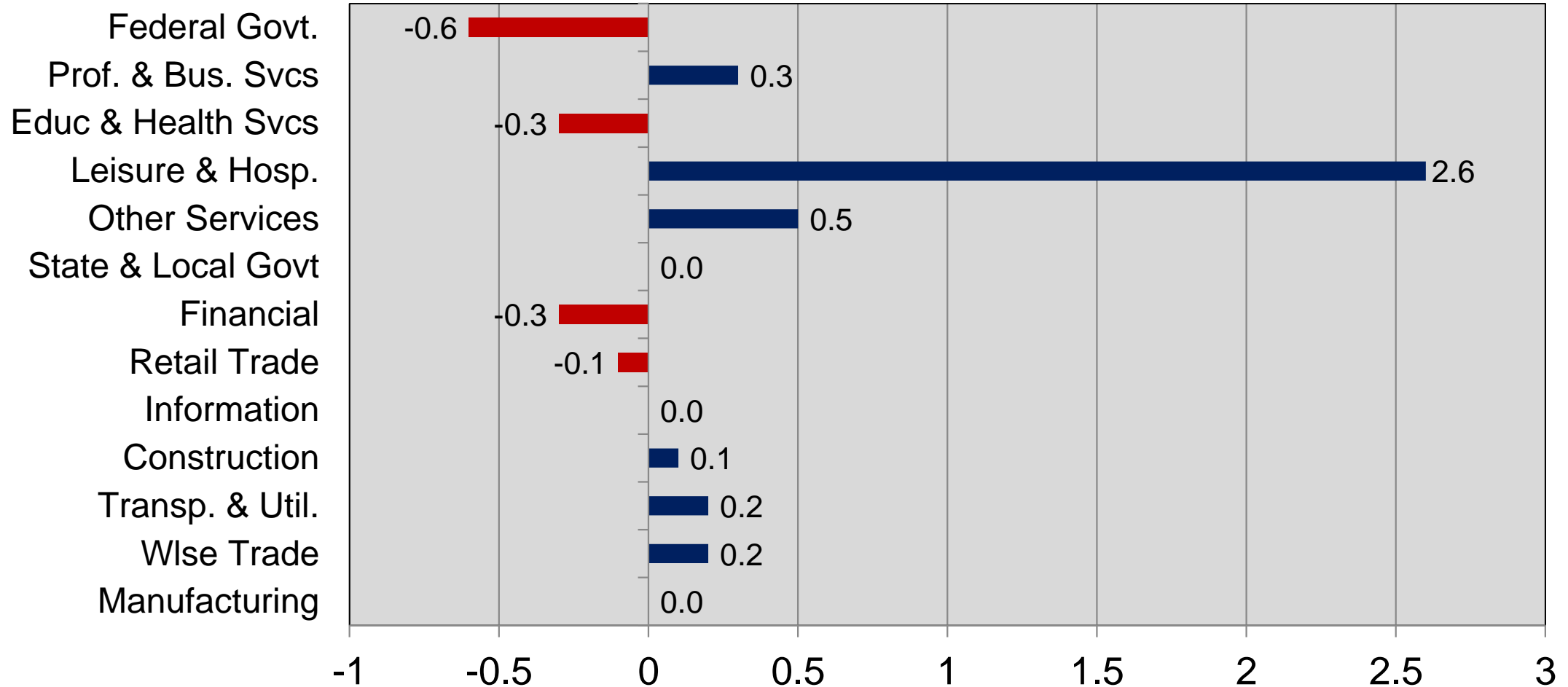
Mar 2017 – Apr 2017

District of Columbia

(Ranked by Size in 2016)

(000s)

Total 2,600



Job Change by Sector

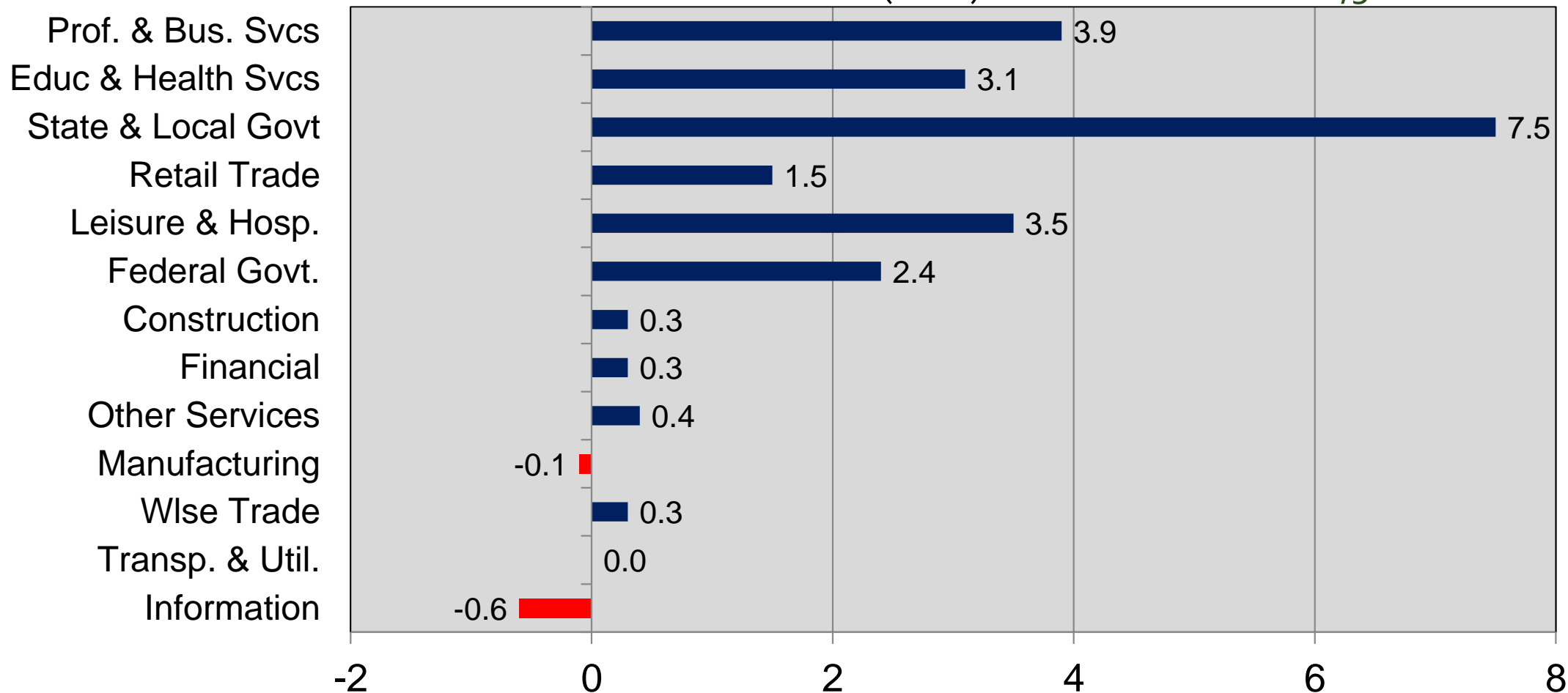
Apr 2016 – Apr 2017

Suburban Maryland

(Ranked by Size in 2016)

(000s)

Total 22,500



Job Change by Sector

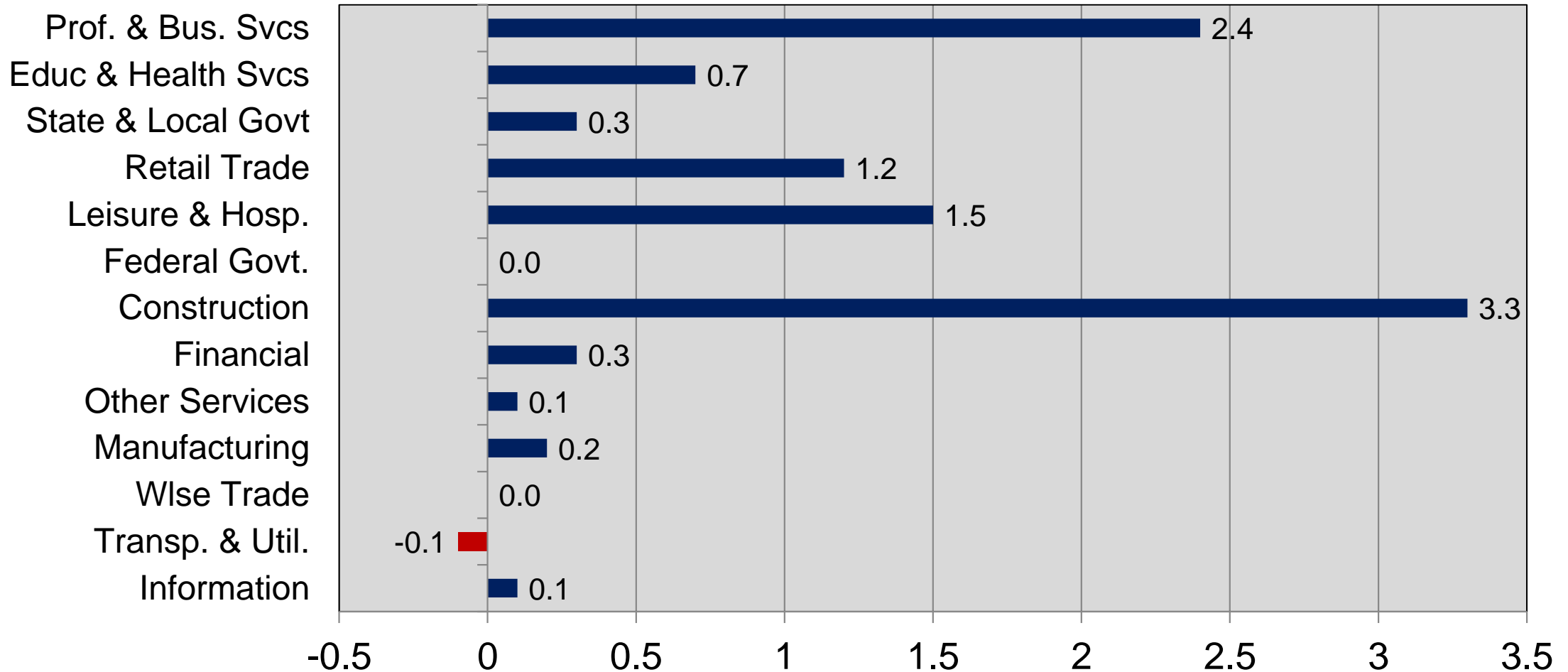
Mar 2017 – Apr 2017

Suburban Maryland

(Ranked by Size in 2016)

(000s)

Total: 4,400

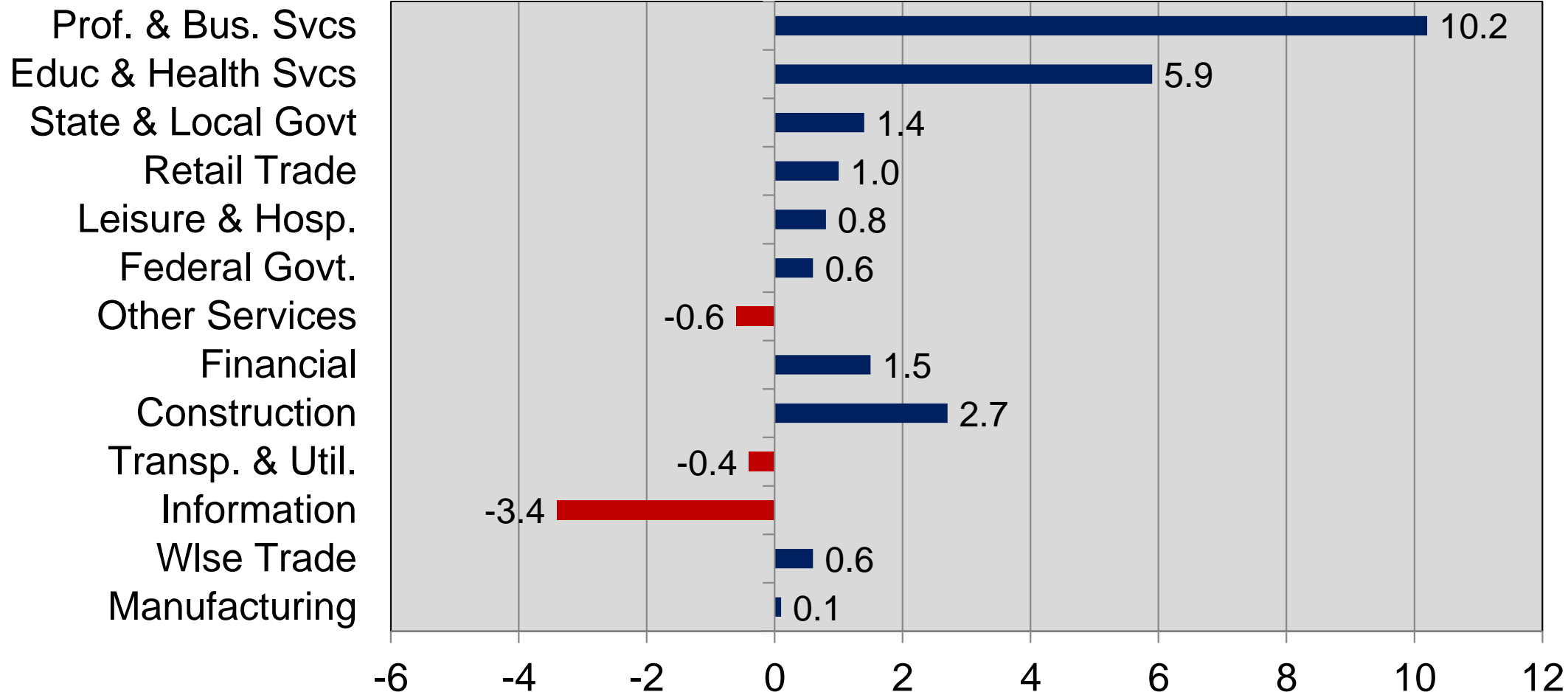


Job Change by Sector Apr 2016 – Apr 2017 Northern Virginia

(Ranked by Size in 2016)

(000s)

Total 20,400



Job Change by Sector

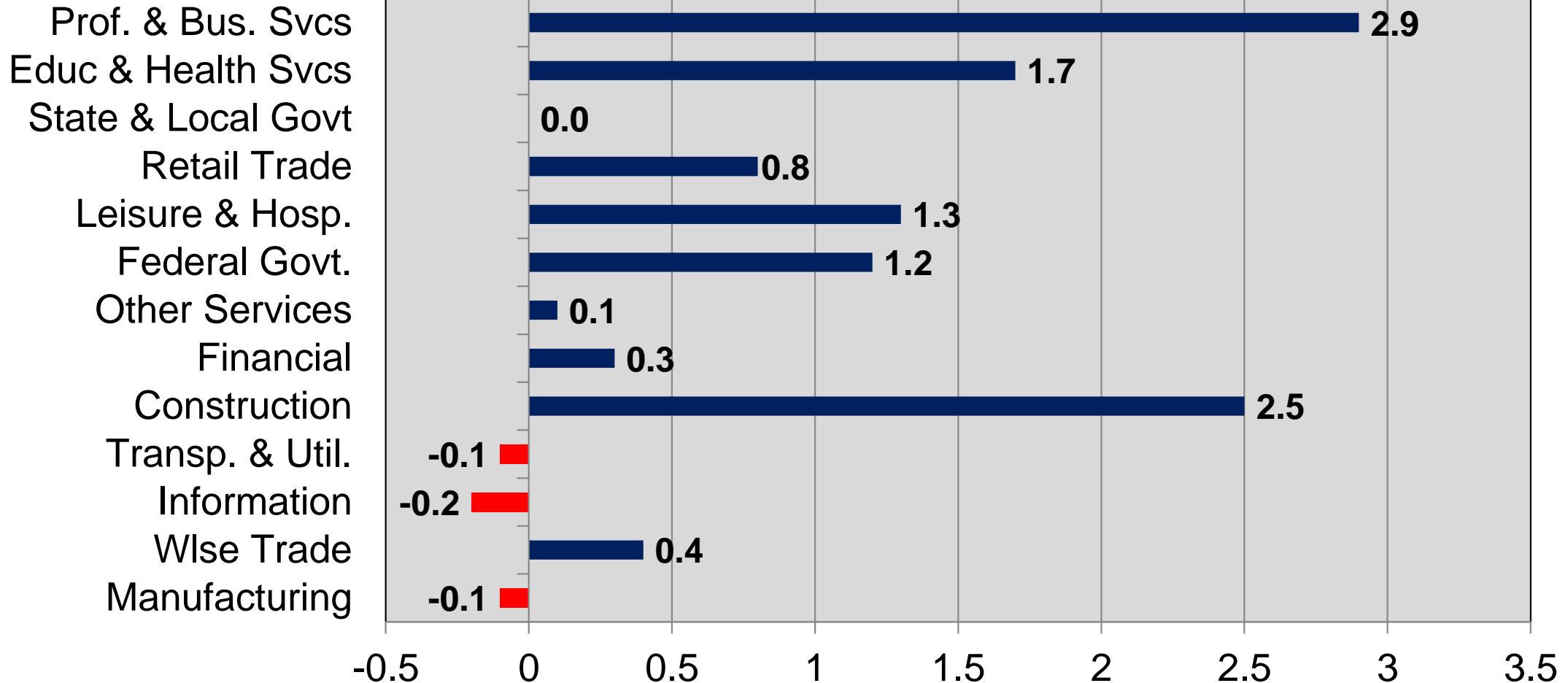
Mar 2017 – Apr 2017

Northern Virginia

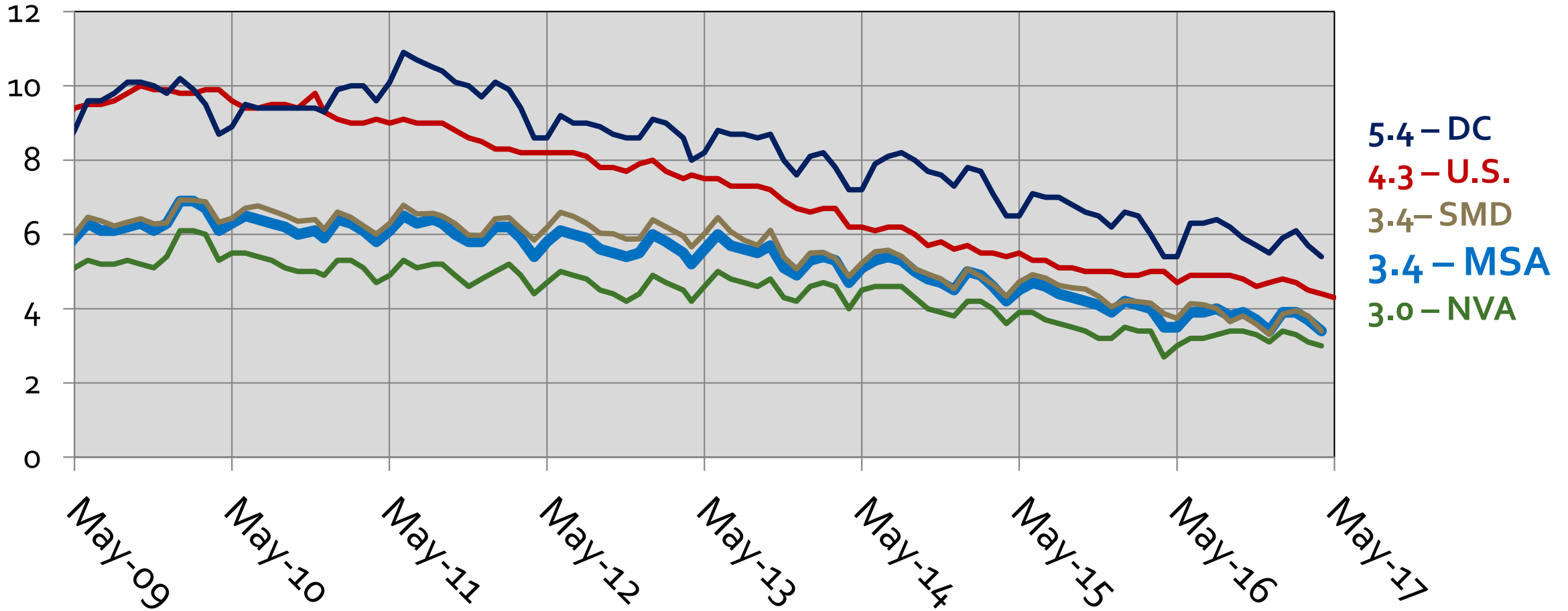
(Ranked by Size in 2016)

(000s)

Total 10,800



Unemployment Rates in the WMSA By Sub-State Area

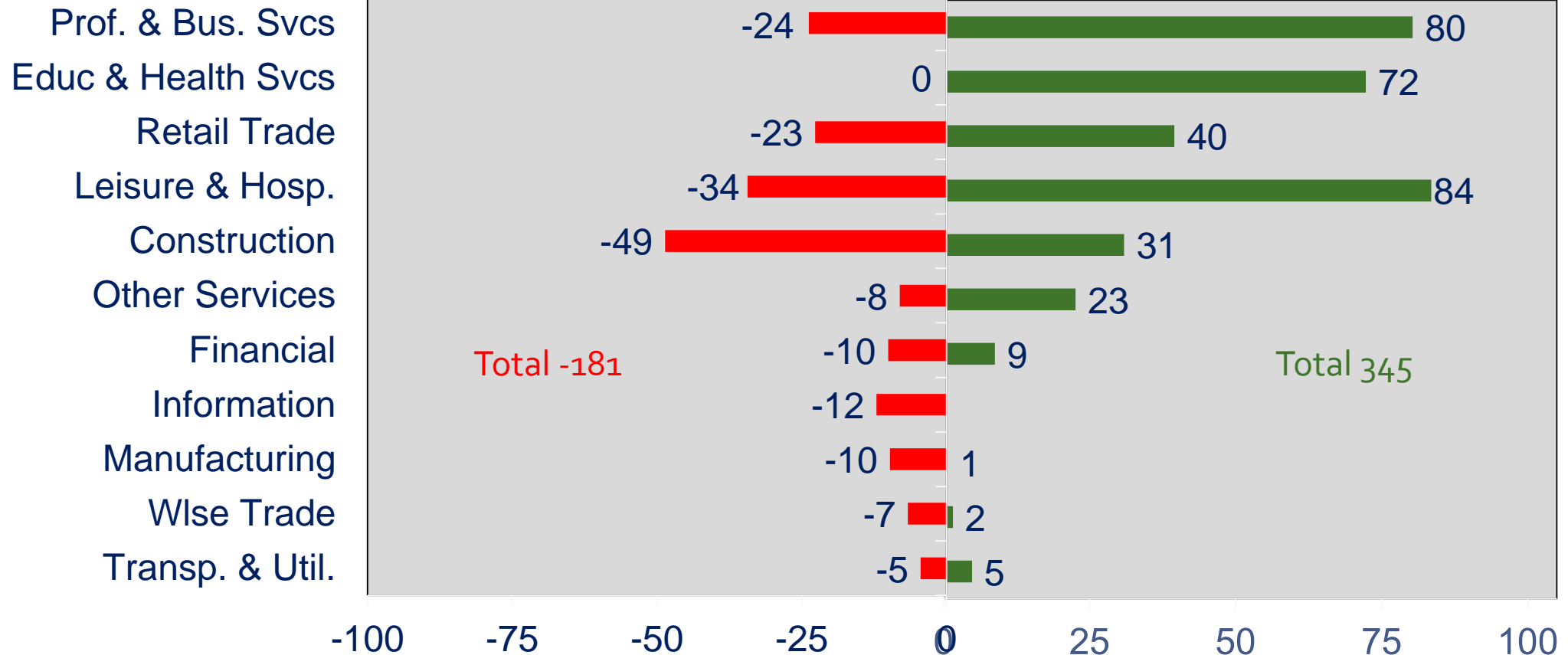


Source: Bureau of Labor Statistics (Region - Not Seasonally Adjusted, US – Seasonally Adjusted)

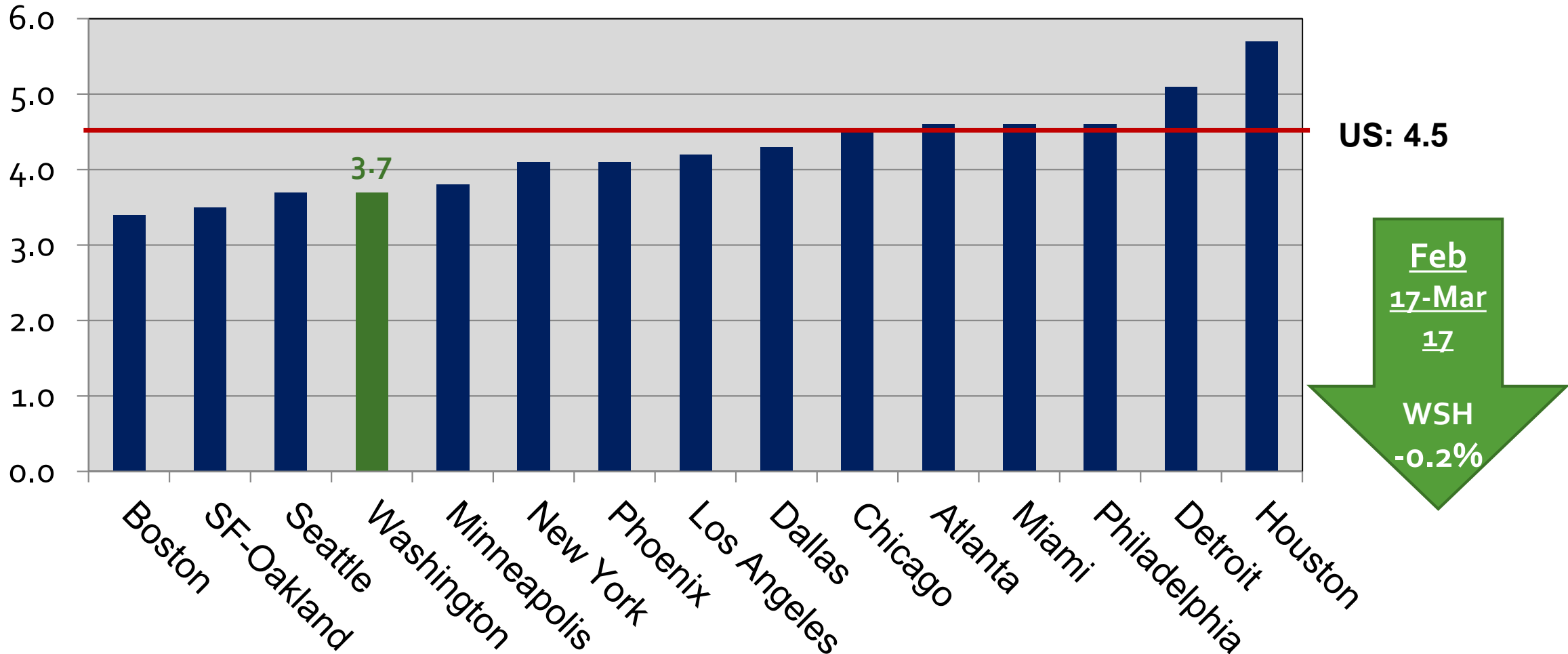
WMSA Payroll Job Change: Private Sector The Great Recession and Recovery

Aug 2008-Feb 2010

Feb 2010-Sep 2016



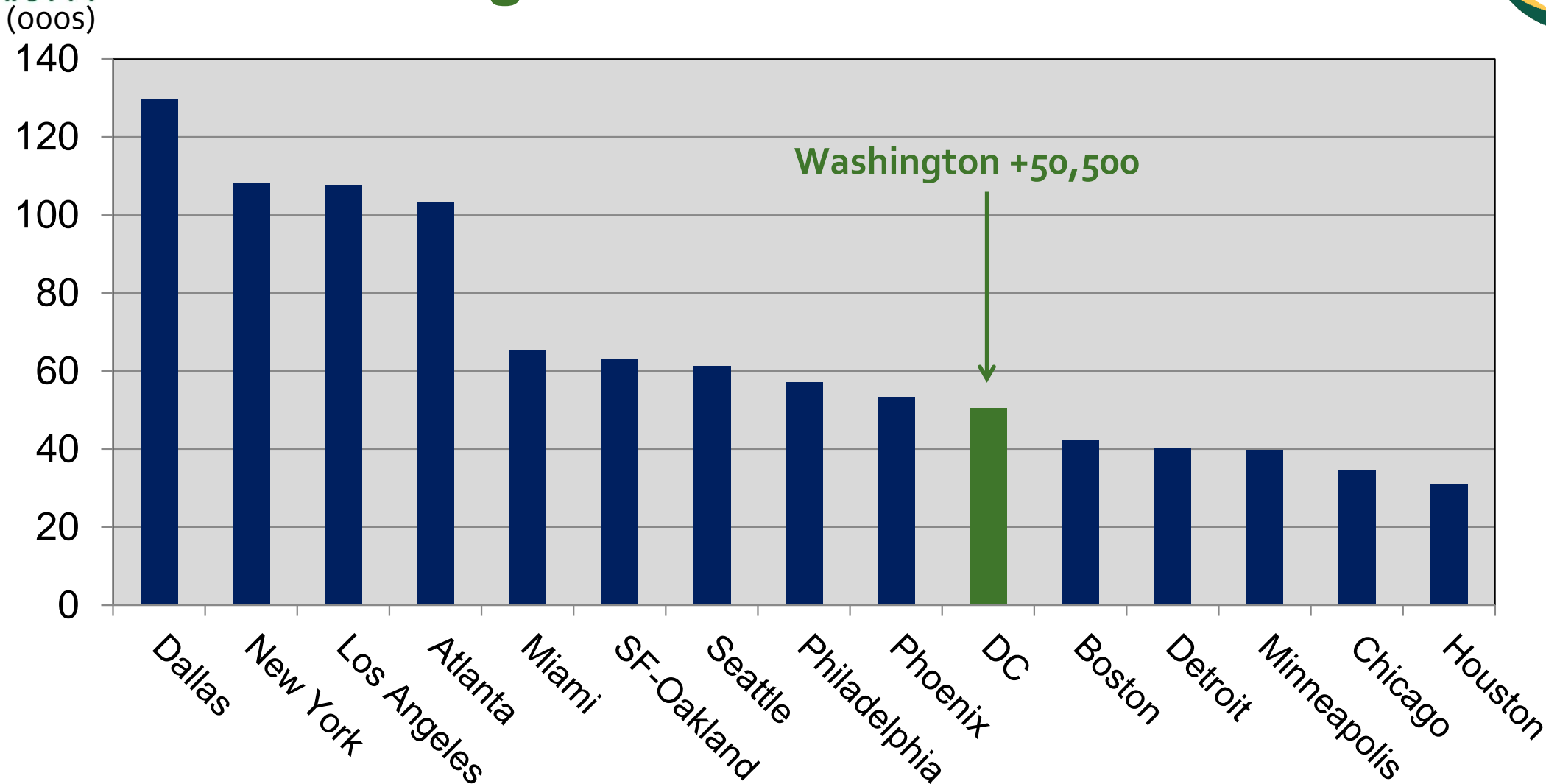
15 Largest Job Markets Ranked by Unemployment Rate March 2017



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

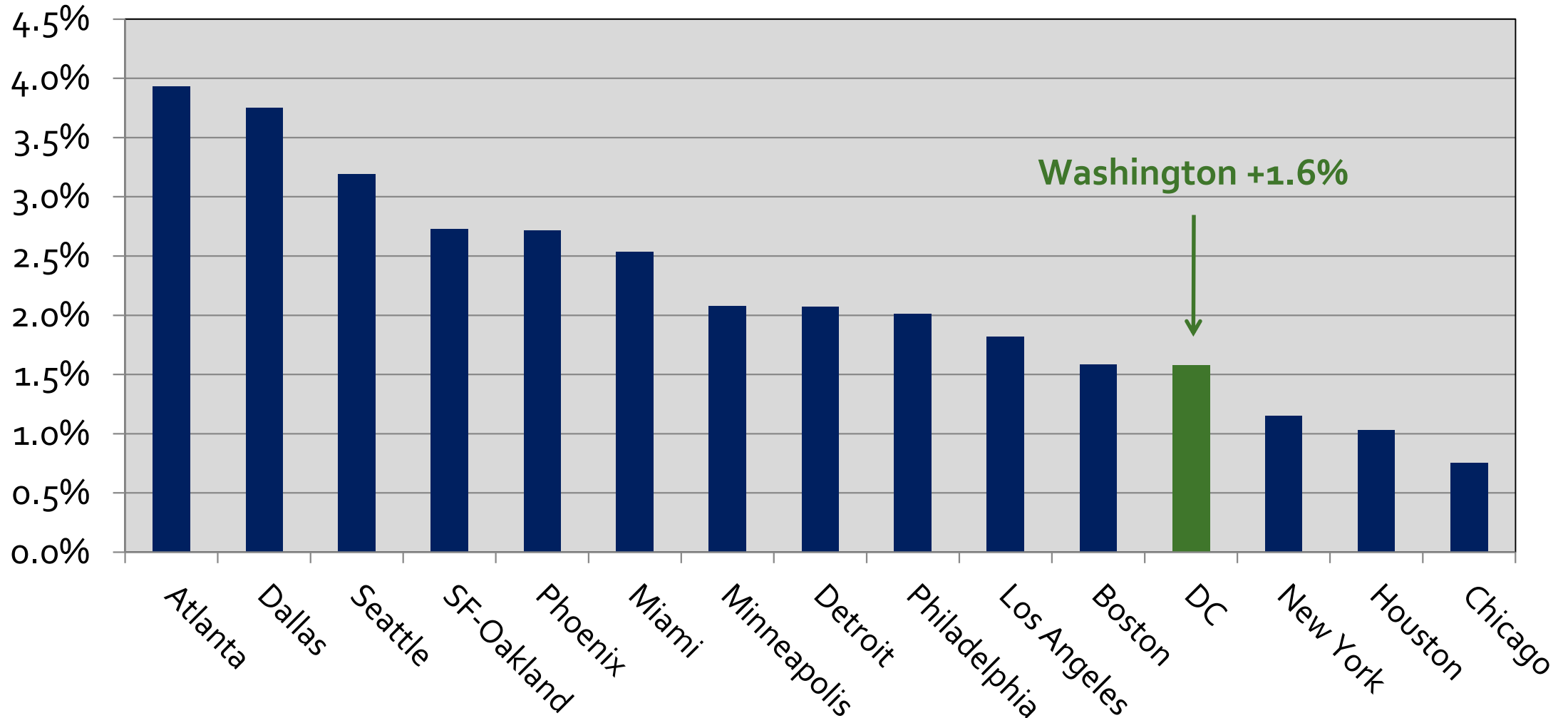
15 Largest Job Markets

Job Change: March 2016 – March 2017



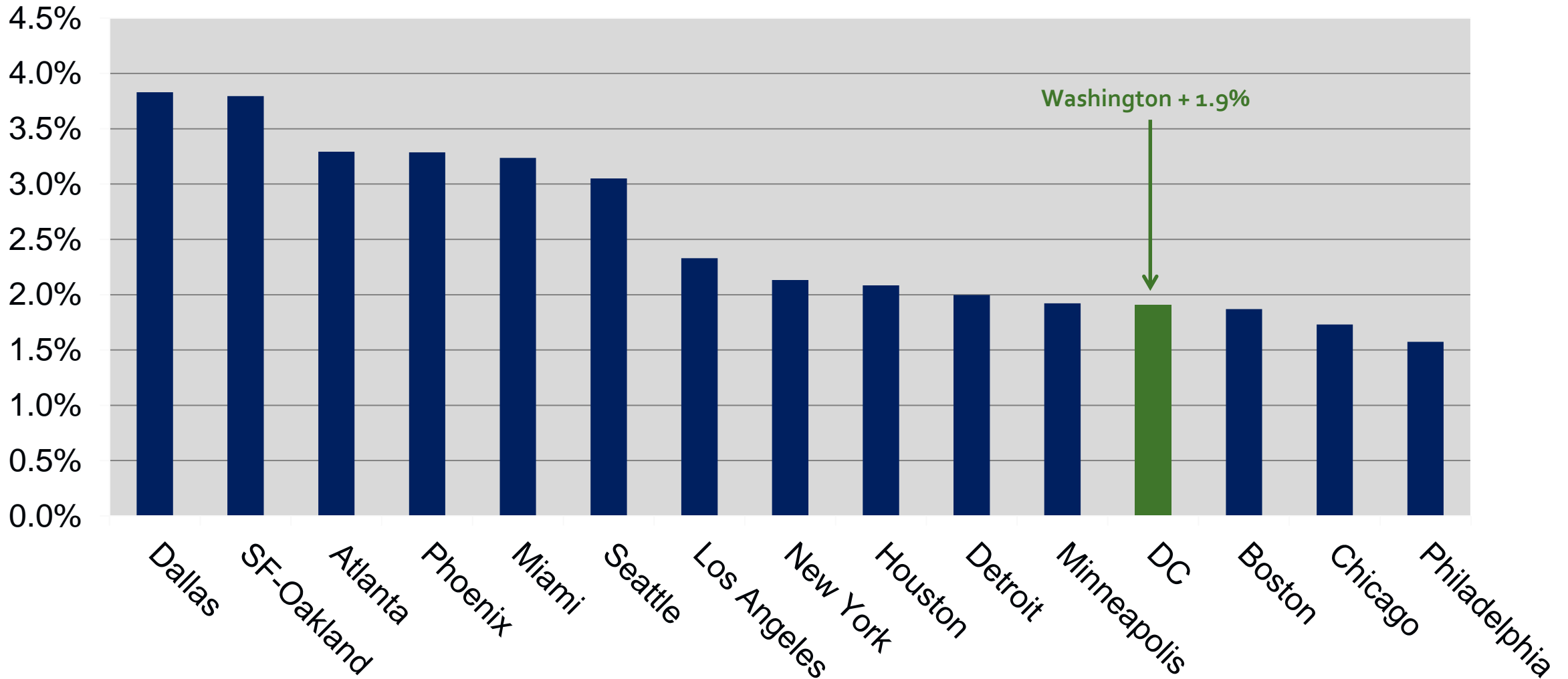
15 Largest Job Markets

Job Change: March 2016 – March 2017



15 Largest Job Markets

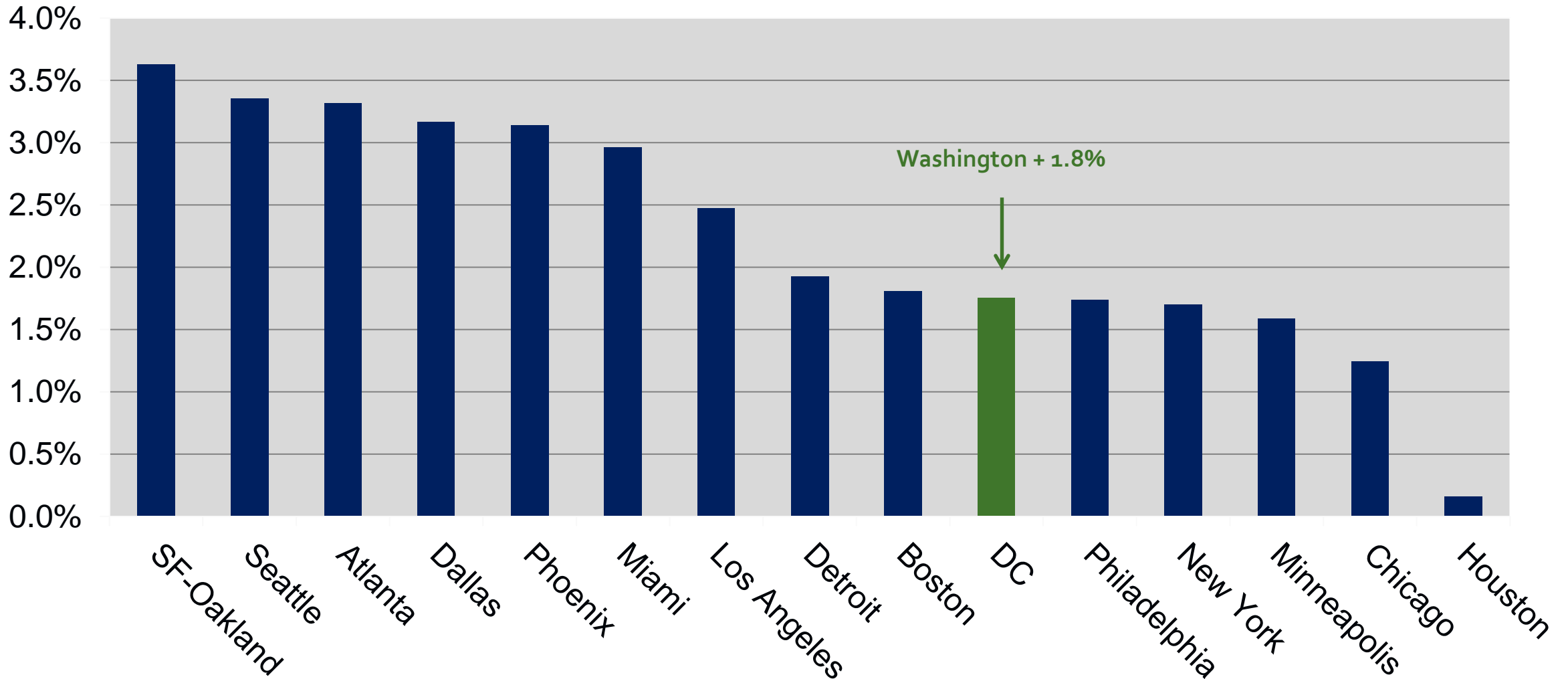
Job Change: 2014 – 2015



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

15 Largest Job Markets

Job Change: 2015 – 2016

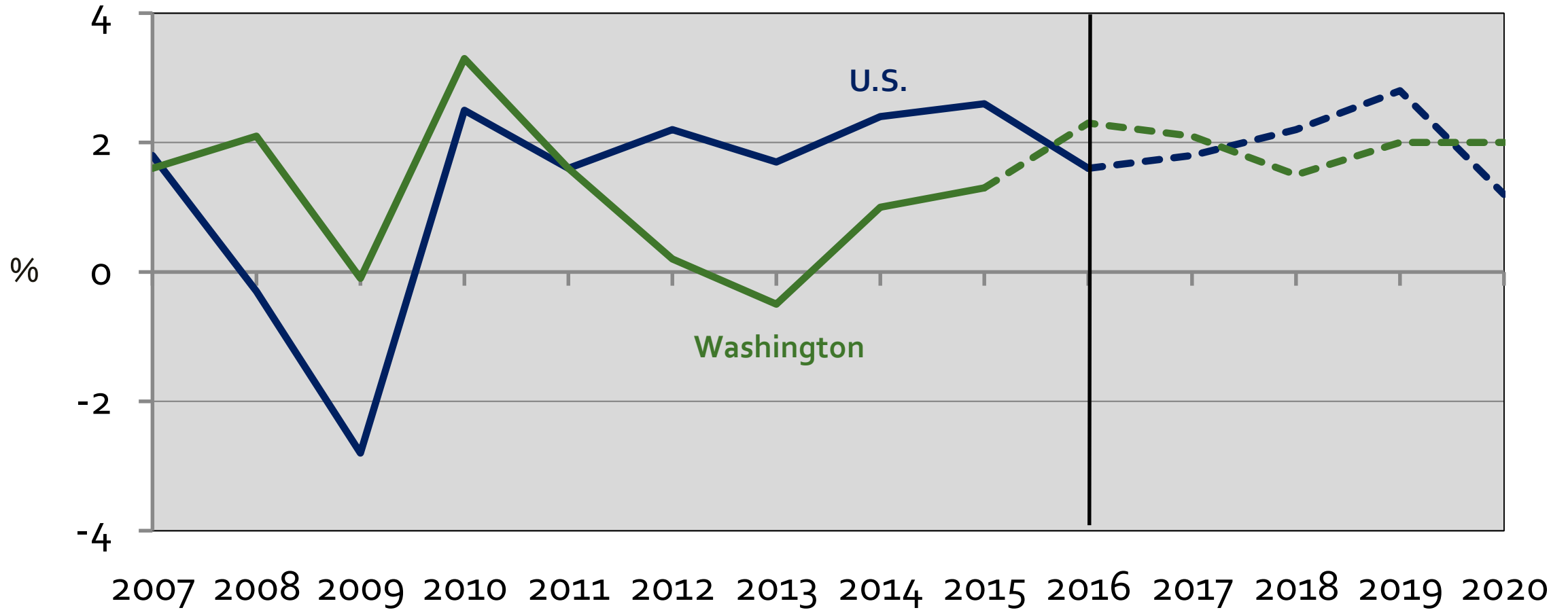


Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

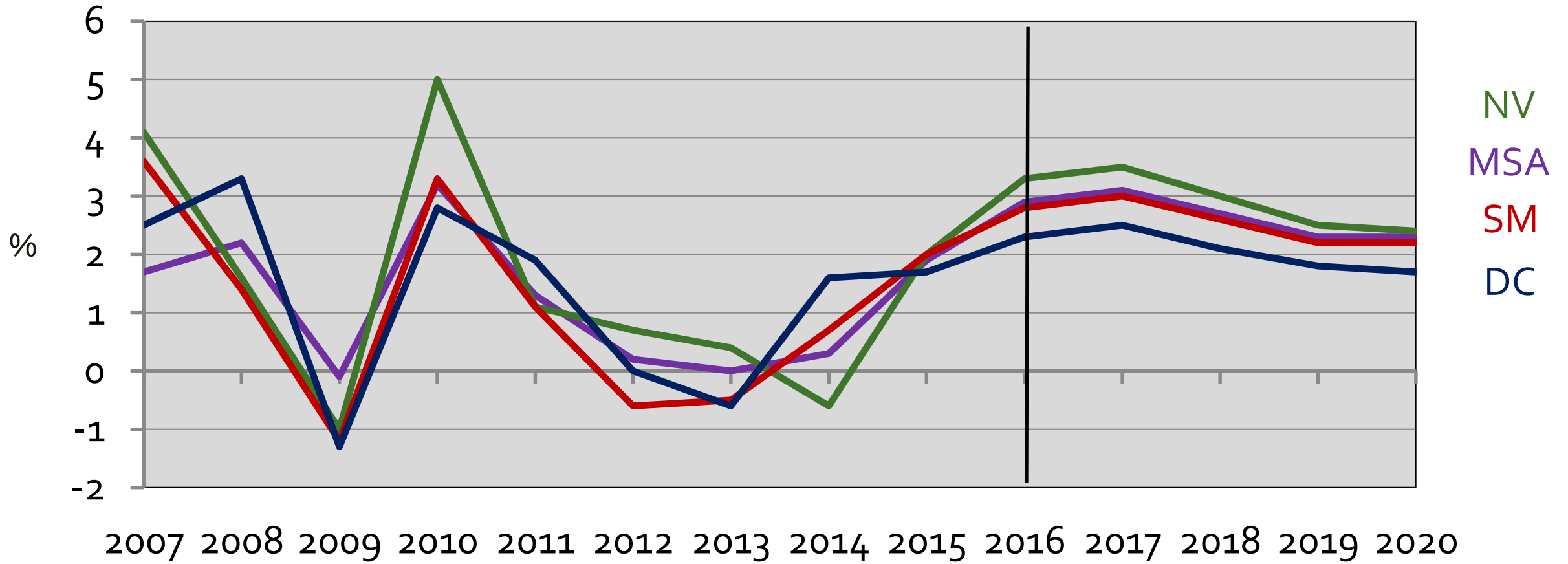
U.S. GDP and Washington Area GRP

2007 – 2016 – 2020

(Annual % Change)

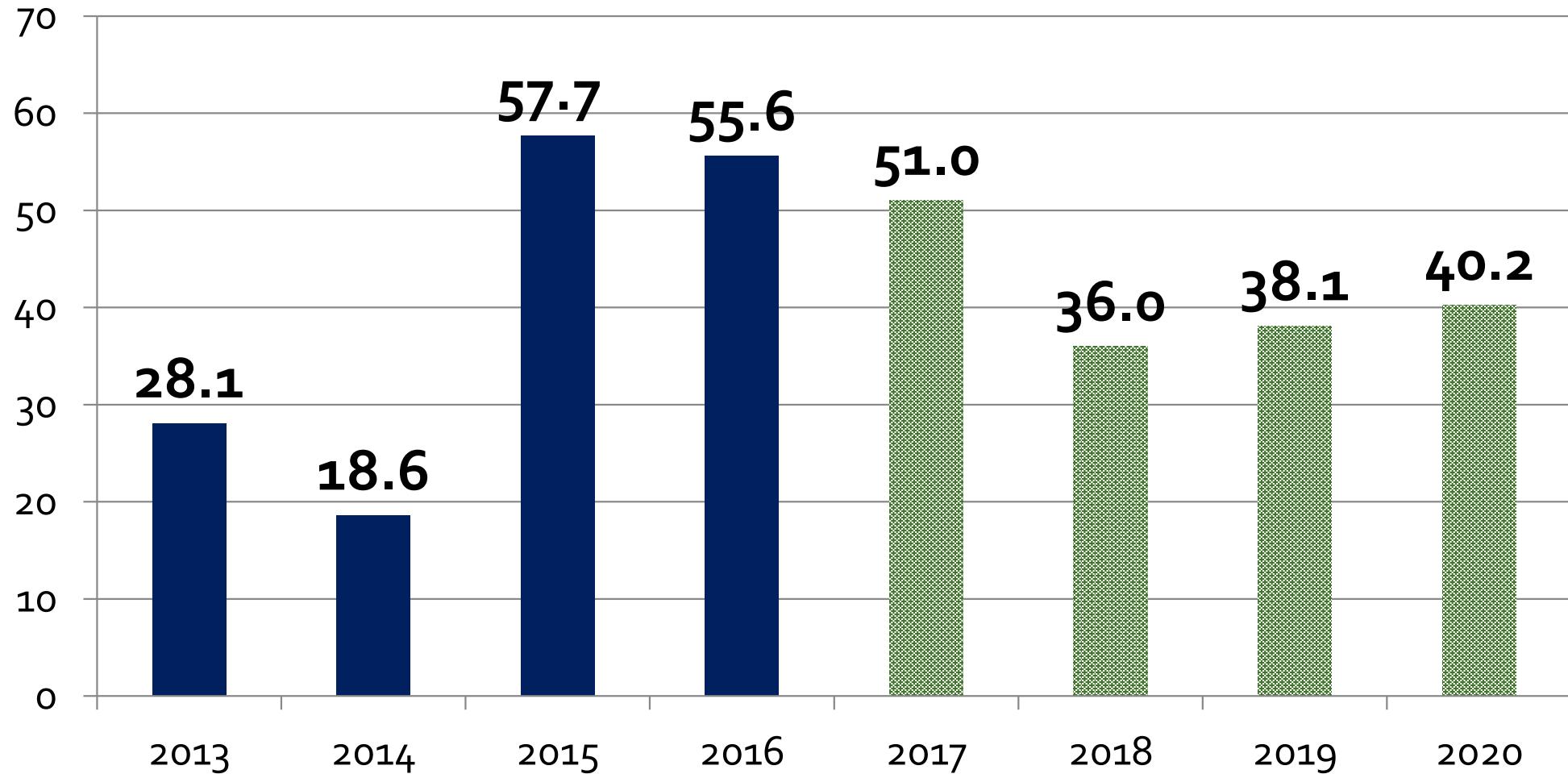


Economic Outlook (GRP), 2007-2020 Washington Area and Sub-State Areas (Annual % Change)



Source: GMU Center for Regional Analysis, Forecast: April 2016

Employment Change in the Washington MSA (Thousands of Jobs)



Source: BLS, GMU Center for Regional Analysis (January 2016)

NOTE: The regional totals do not include Jefferson, WV.

Average Annual Change 1990-2016 = 37,300

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

	2013	2014	2015	2016	2017	2018	2019	2020
D.C.	13.4	5.2	15.9	13.0	9.7	10.6	8.9	8.2
Sub. MD	7.2	10.2	12.5	14.4	17.7	14.1	12.0	11.0
No. VA	9.2	0.8	29.8	31.0	23.6	15.9	13.7	12.6
REGION	28.1	18.6	57.7	55.6	51.0	40.6	34.6	31.8

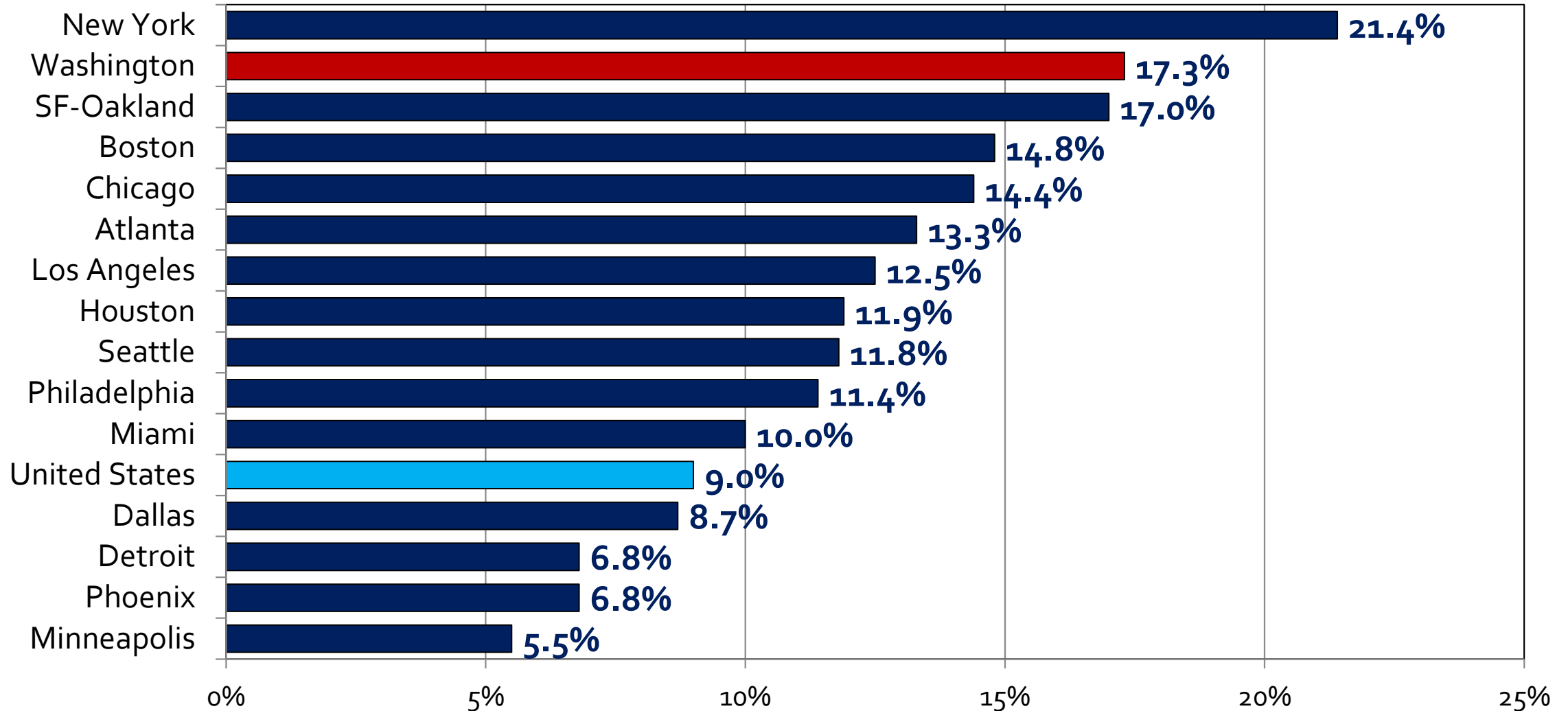
Source: BLS, IHS Economics, GMU Center for Regional Analysis (December 2016)

NOTE: The regional totals do not include Jefferson, WV.

Average Annual Change 1990-2016 = 37,300

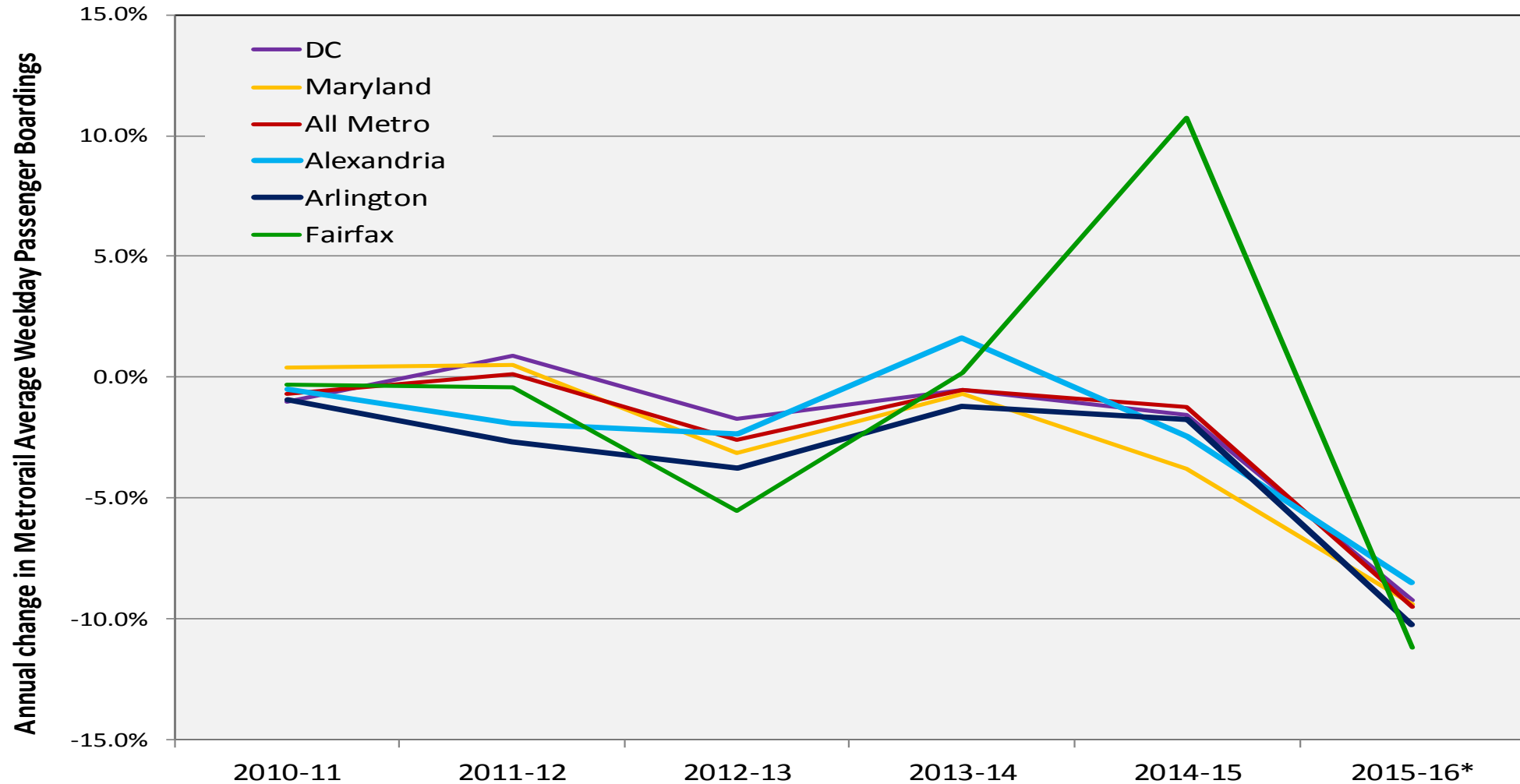
Long commutes diminish quality of life

Proportion of workers with travel time to work of 60 or more minutes

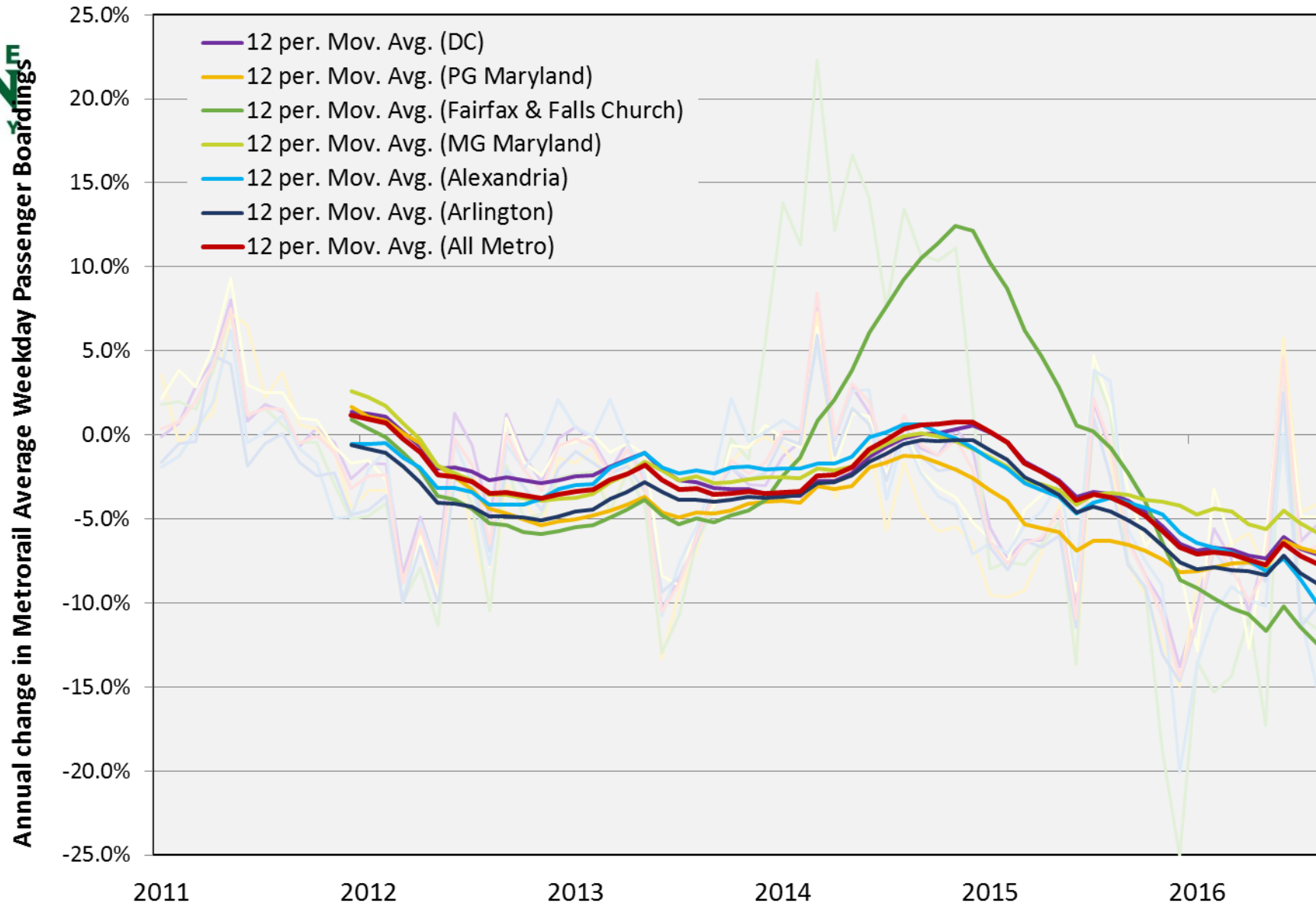


Source: US Census Bureau. 2015 American Community Survey. Table S0802

Metrorail ridership is in decline



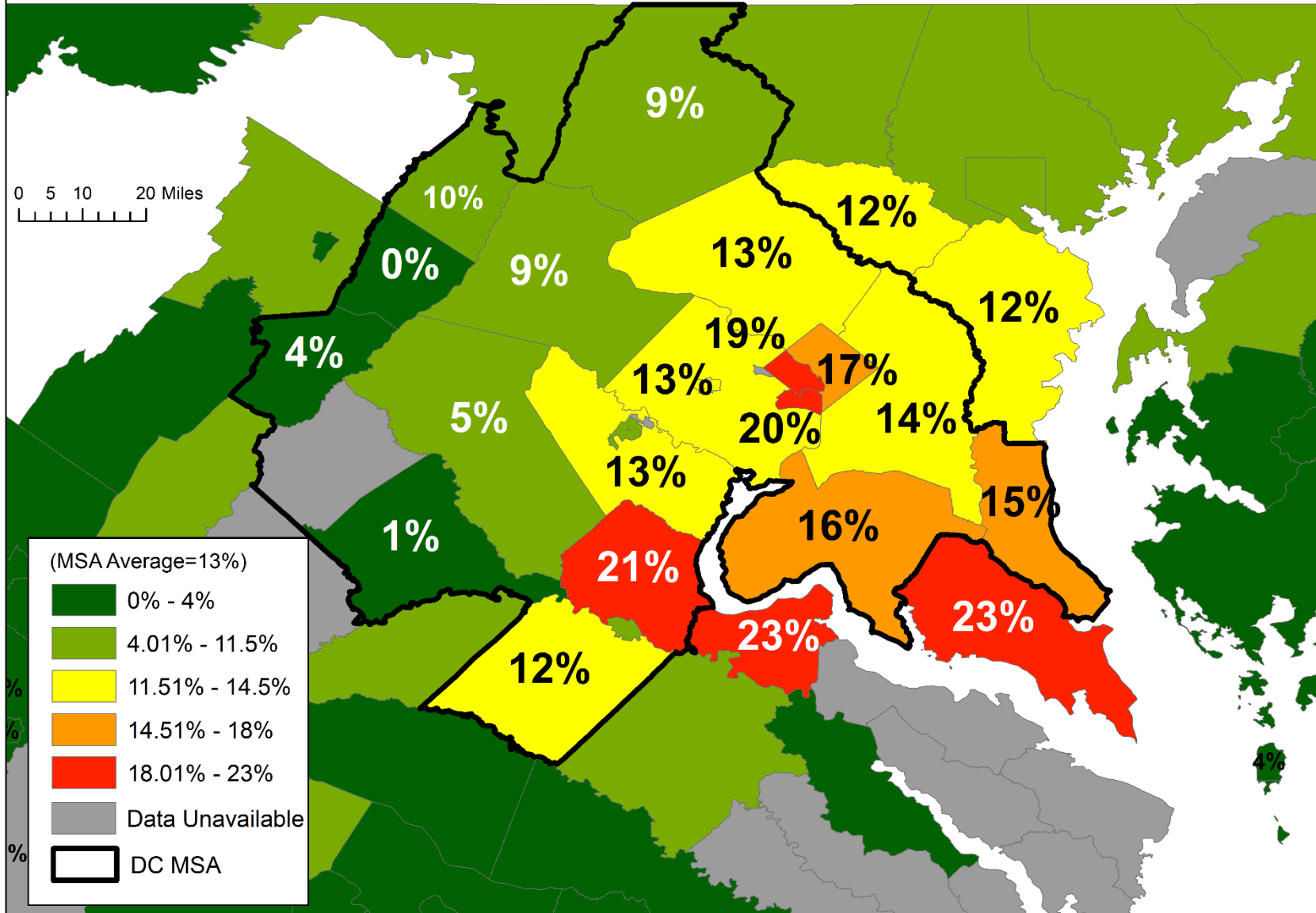
Source: Washington Metropolitan Area Transit Authority (WMATA)

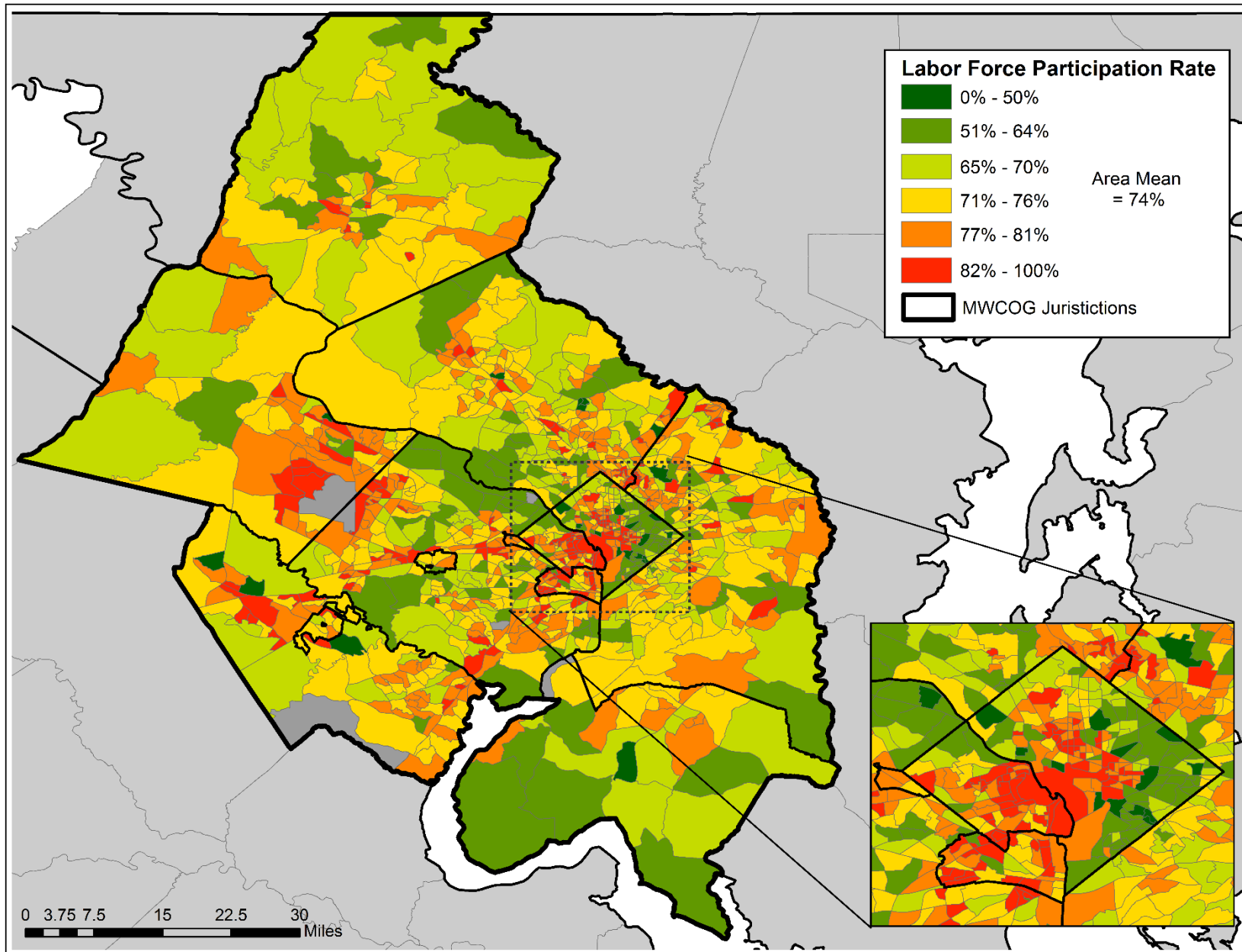


Source: Washington Metropolitan Area Transit Authority (WMATA)

Workforce Concentration of Federal Employees

(Federal Employees as a percentage of the total workforce by place of residence)



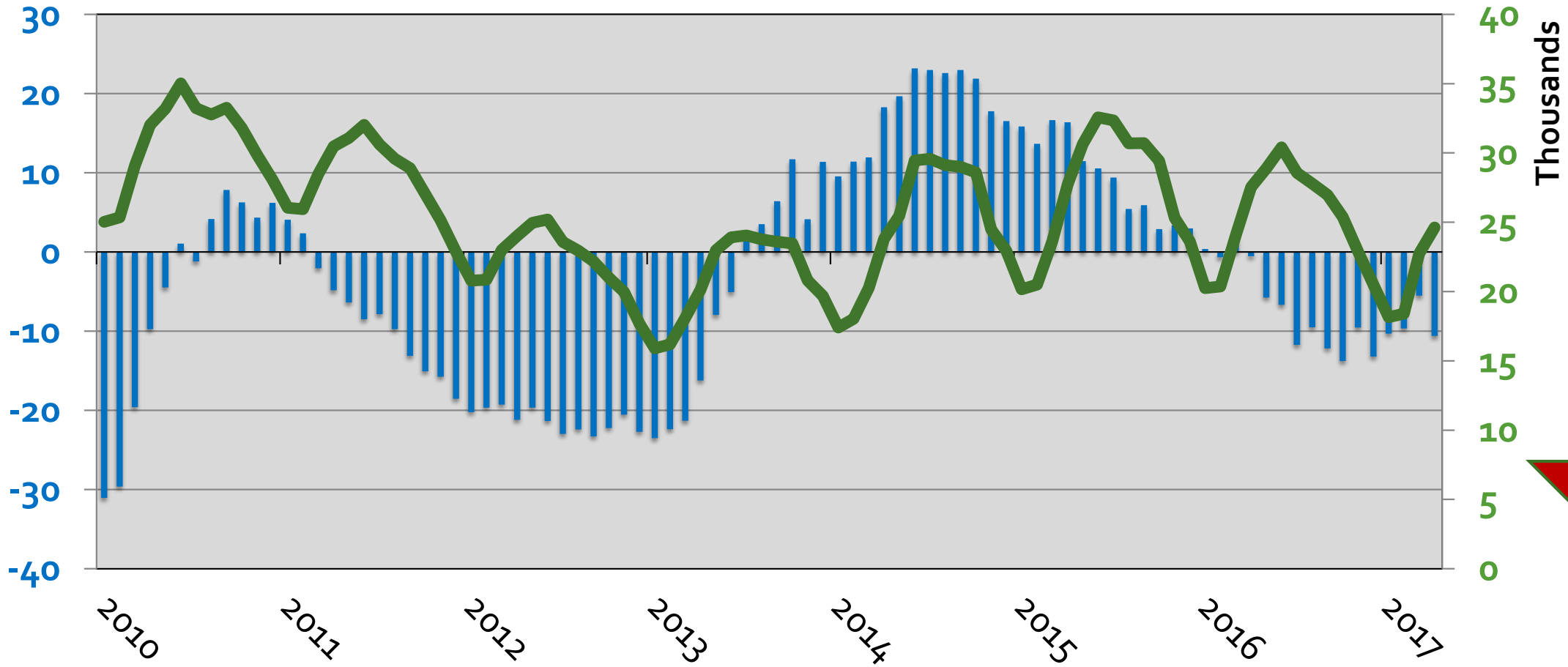


Housing Market Trends

Inventories of Existing Homes

Month-Over-Year 2000 – 2017, MSA

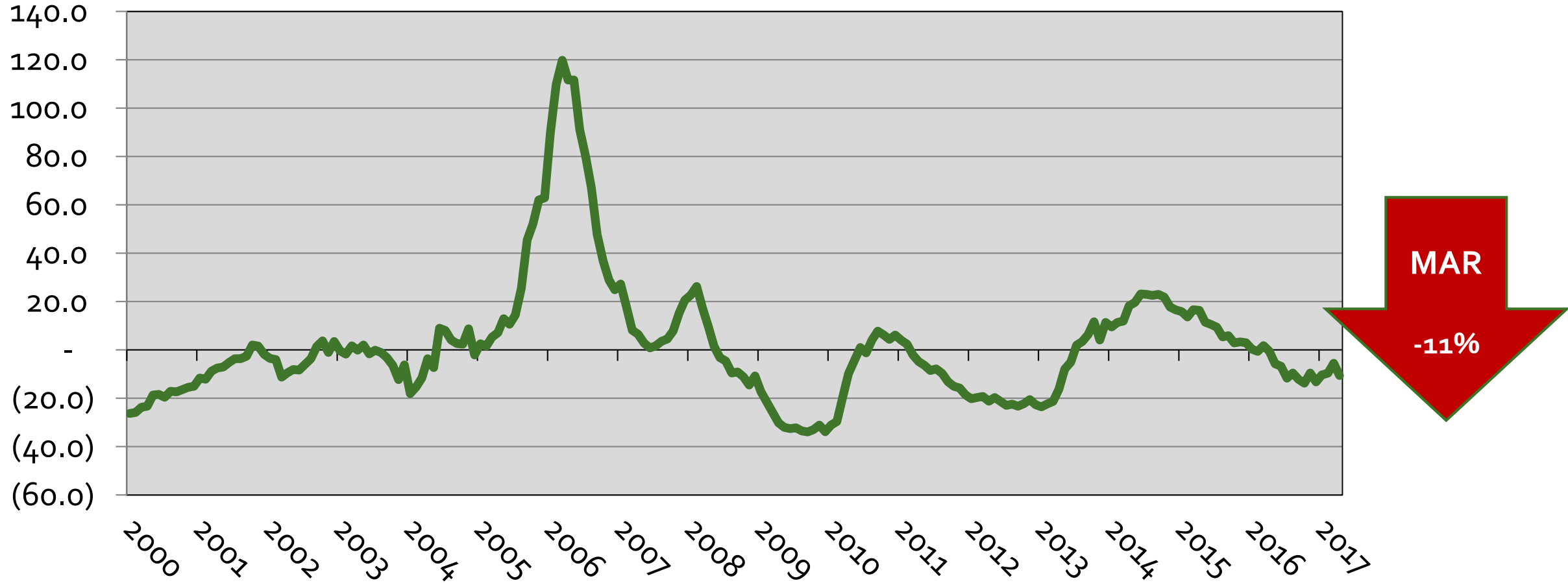
■ % Chg Inv — Inventory



APR
-11%

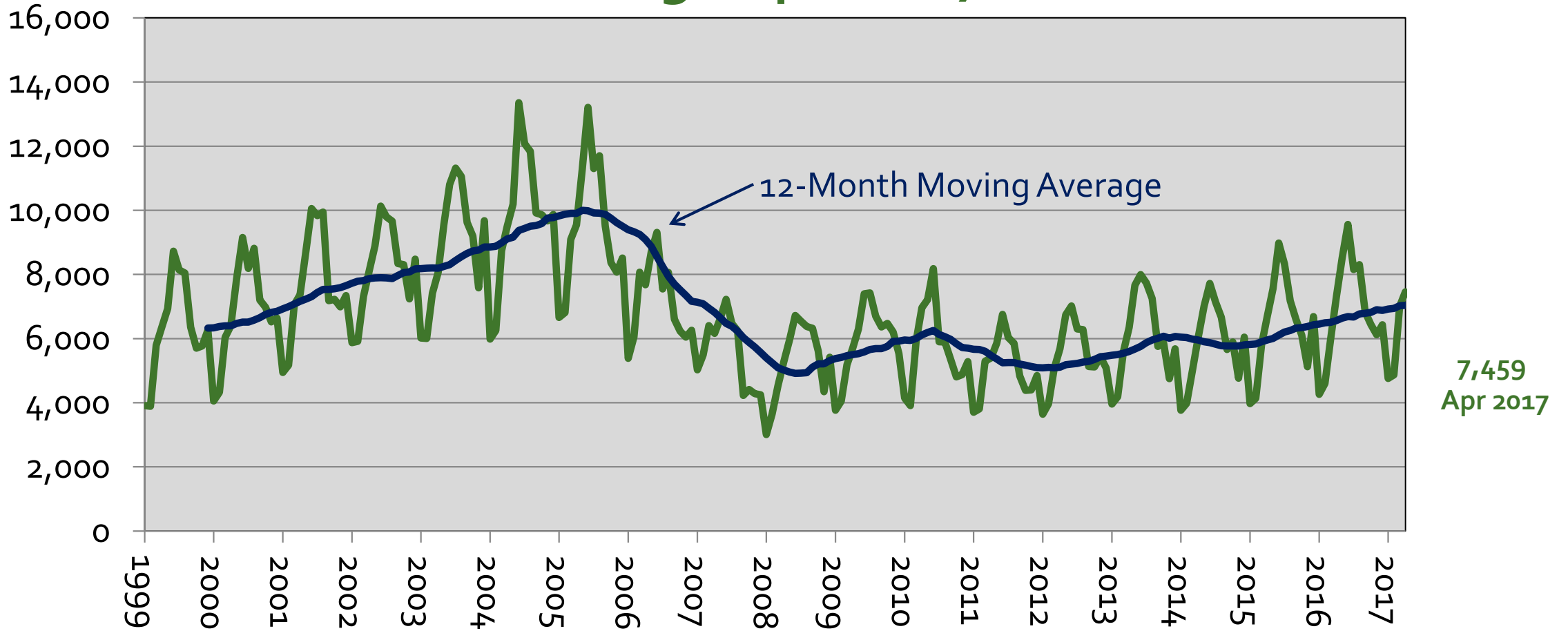
Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis. Total monthly inventory includes listings active at the end of the month plus sales during the month.

Percent Change in Inventories of Existing Homes Month-Over-Year 2000 – 2017, MSA

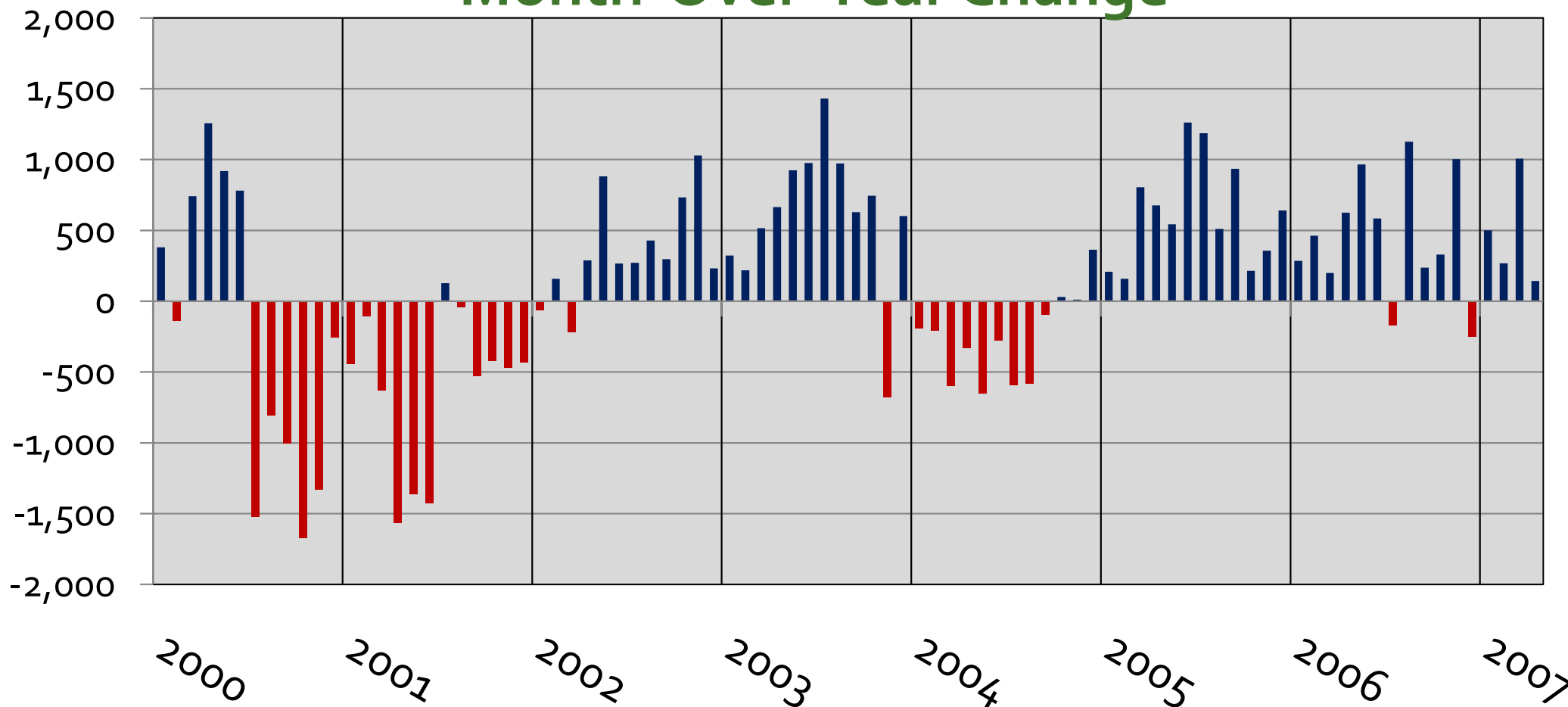


Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis. Total monthly inventory includes listings active at the end of the month plus sales during the month.

Existing Home Sales Washington MSA Through April 2017



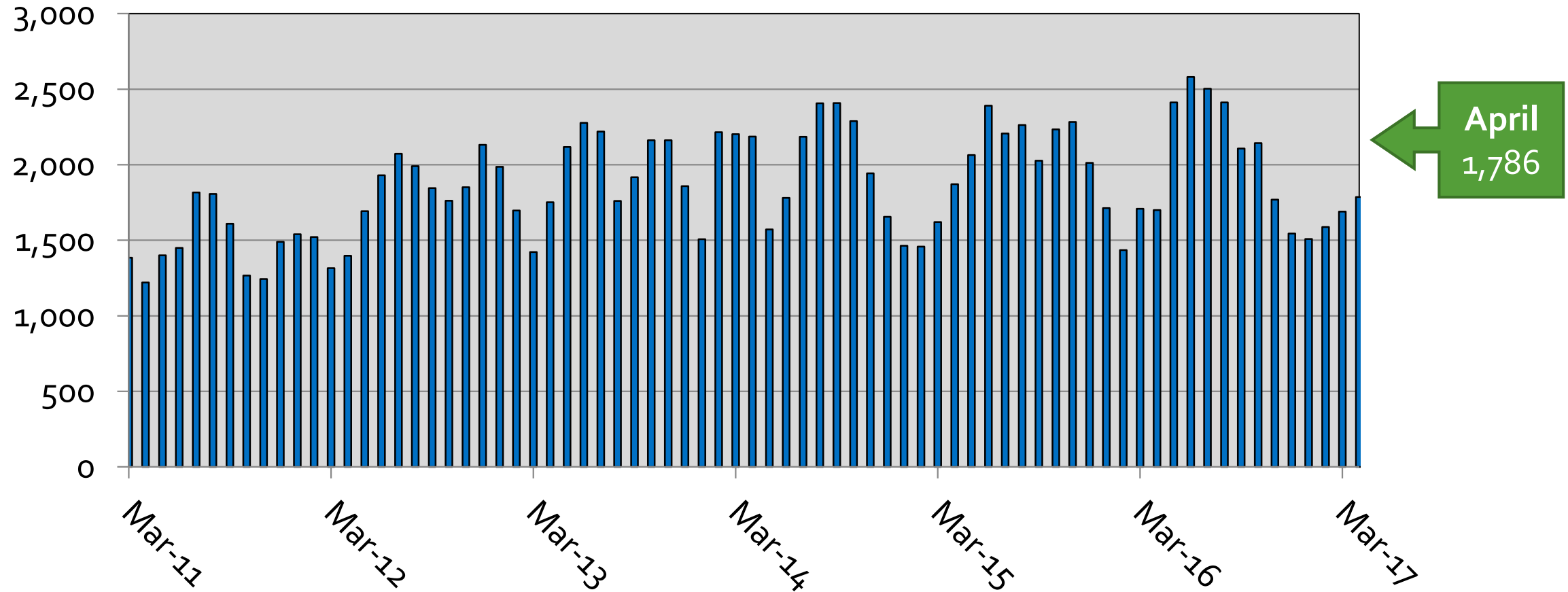
Existing Home Sales Washington MSA Month-Over-Year Change



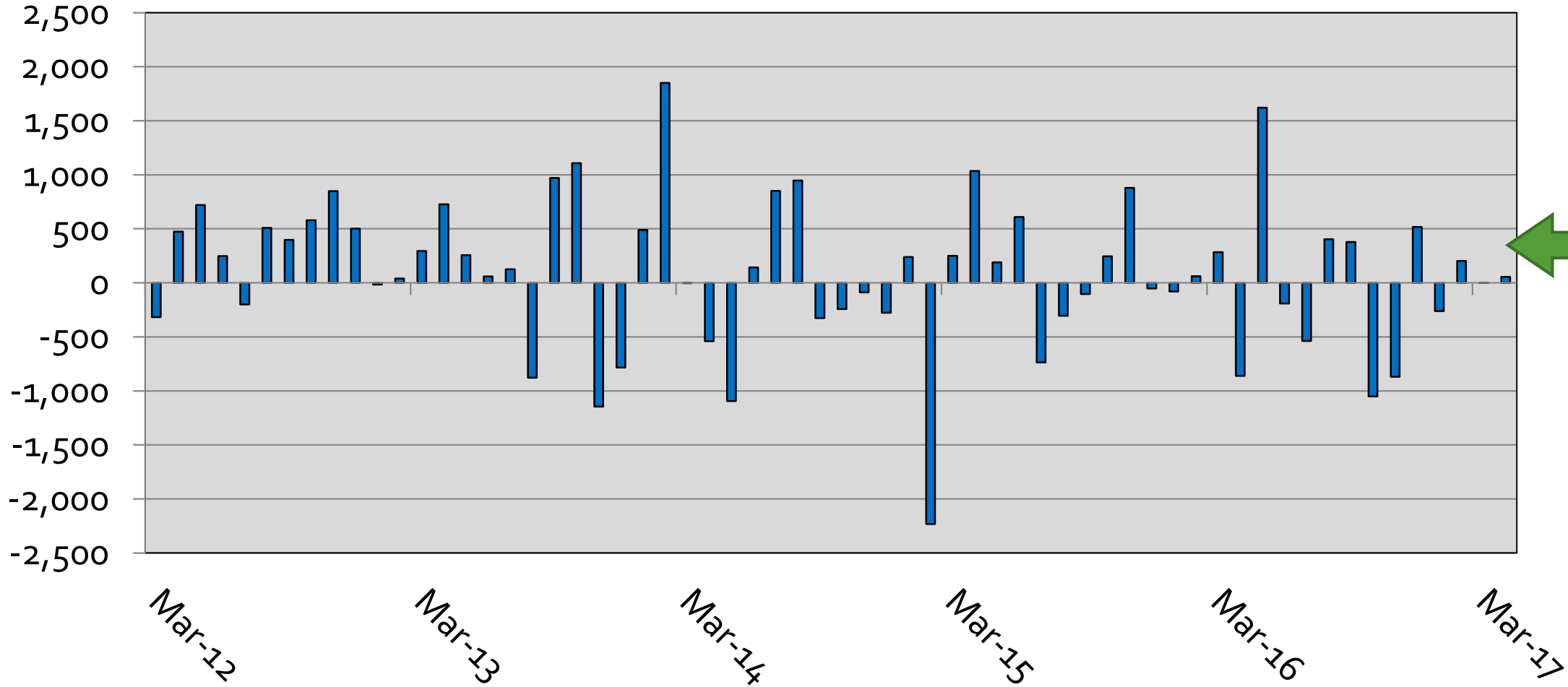
+ 1,007
Apr 2017

Washington MSA Building Permits

2011 – 2017, 3-Month Moving Avg



Building Permit Change (MOTYC) Washington MSA

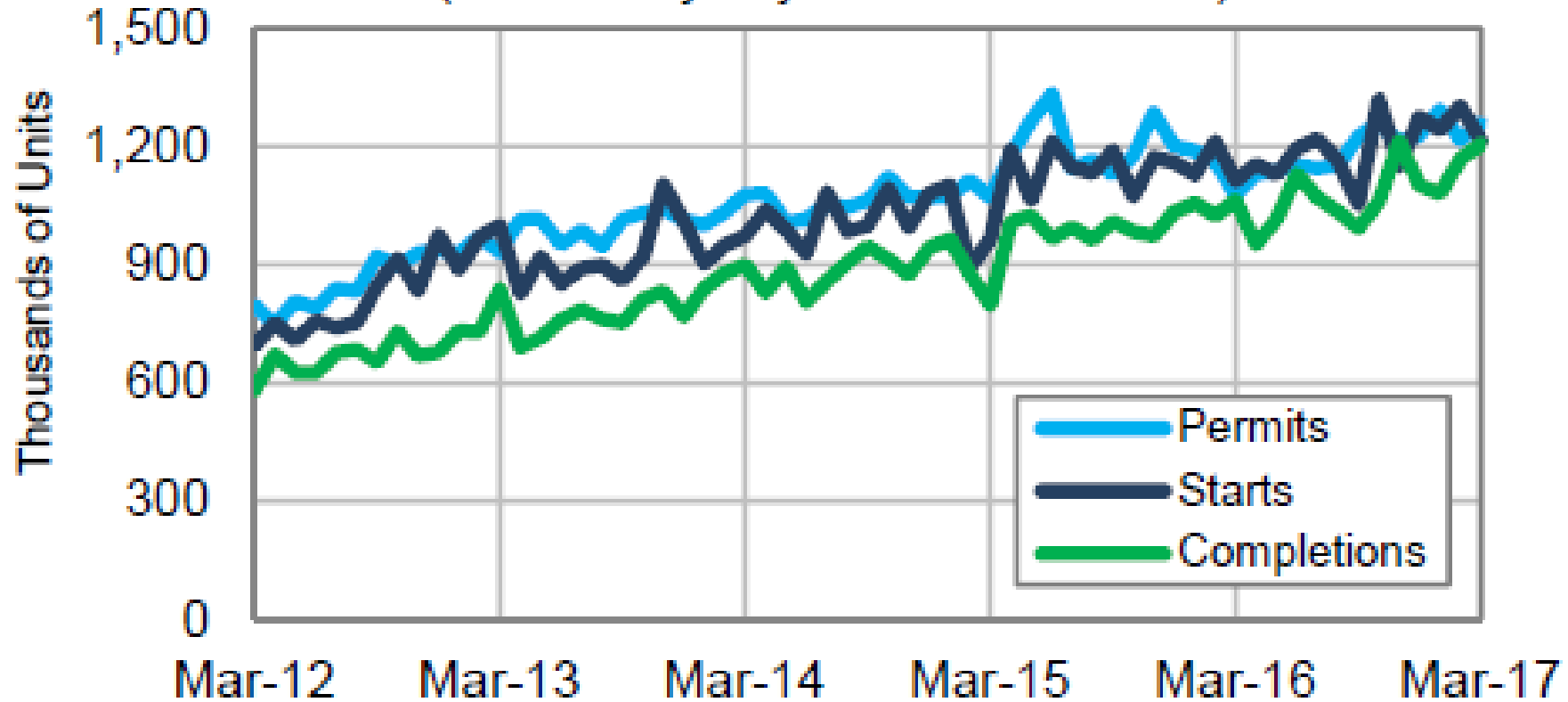


Mar
+56

Source: Census Bureau, GMU Center for Regional Analysis

U.S. Construction

New Residential Construction (Seasonally Adjusted Annual Rate)

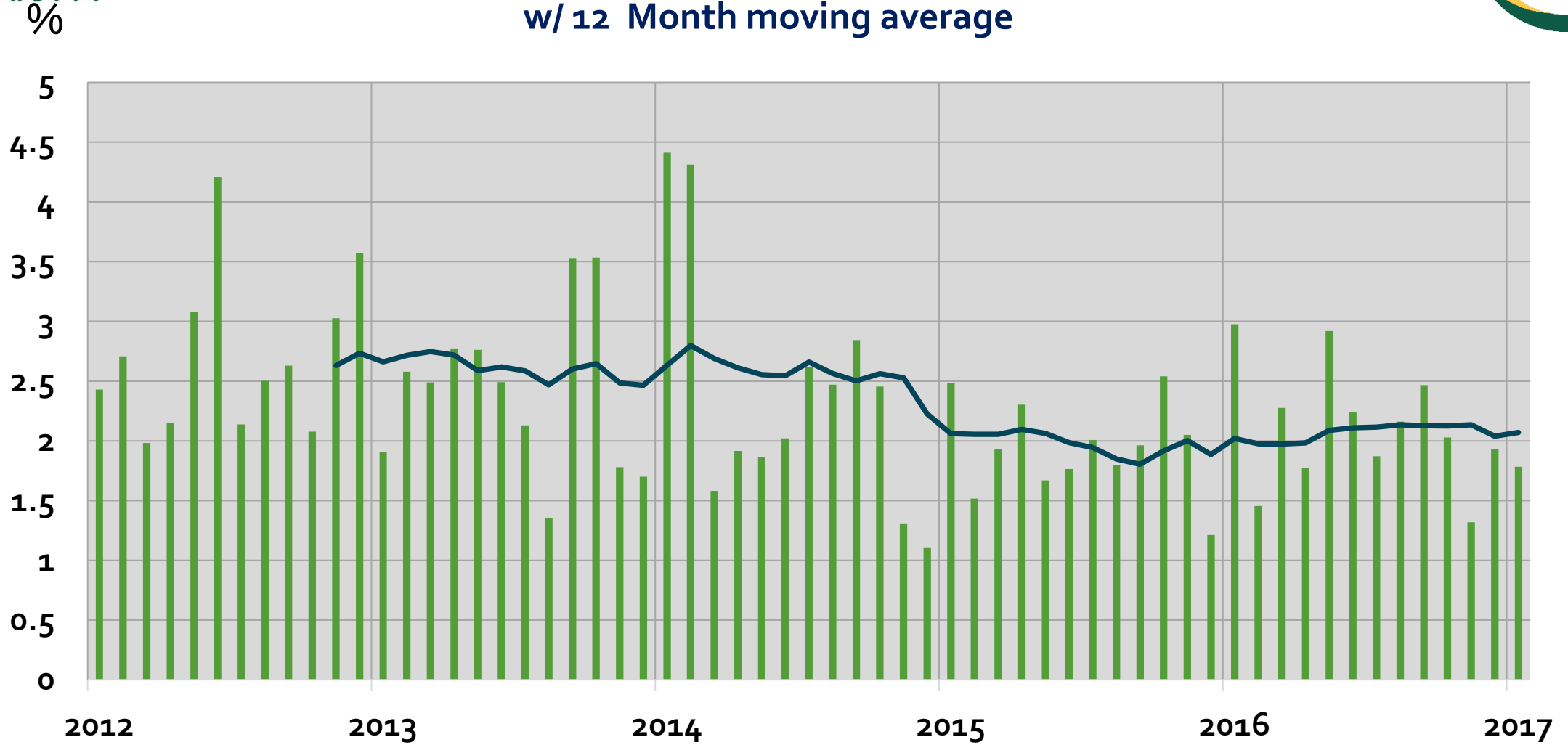


Source: U.S. Census Bureau, HUD, April 18, 2017

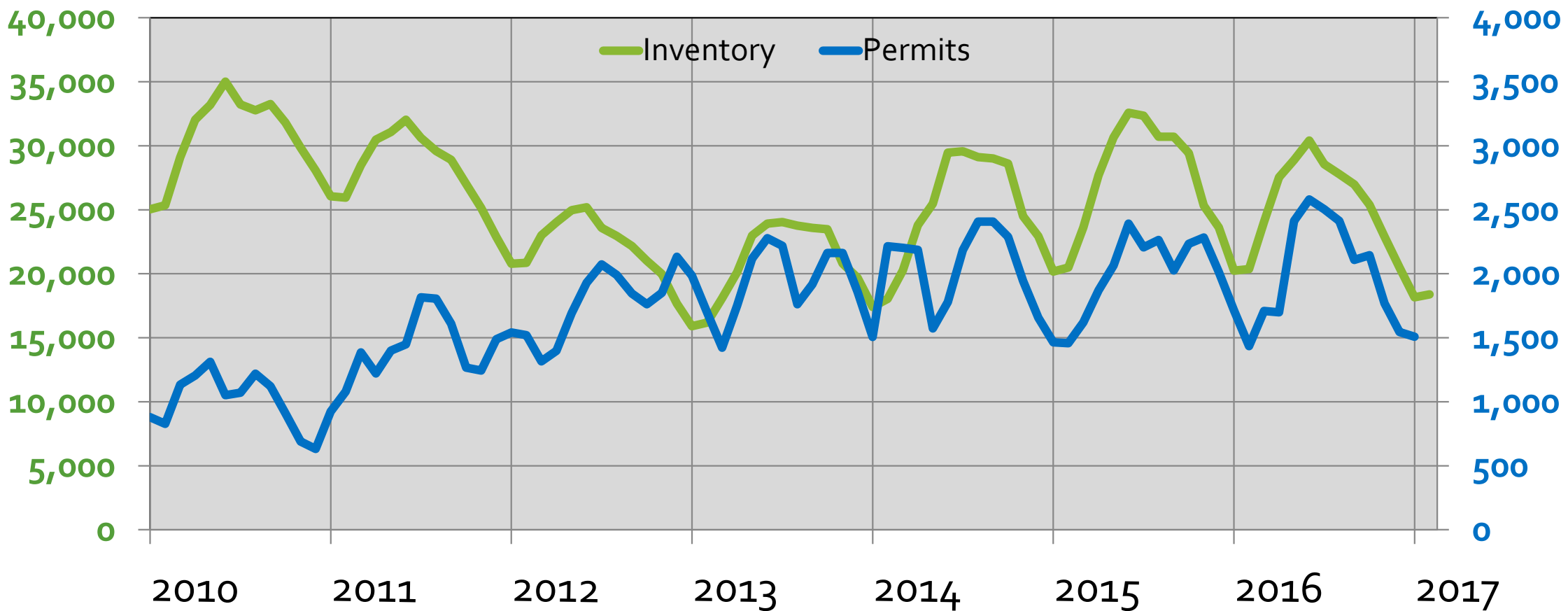
Building Permits

Washington MSA as a Percent of US

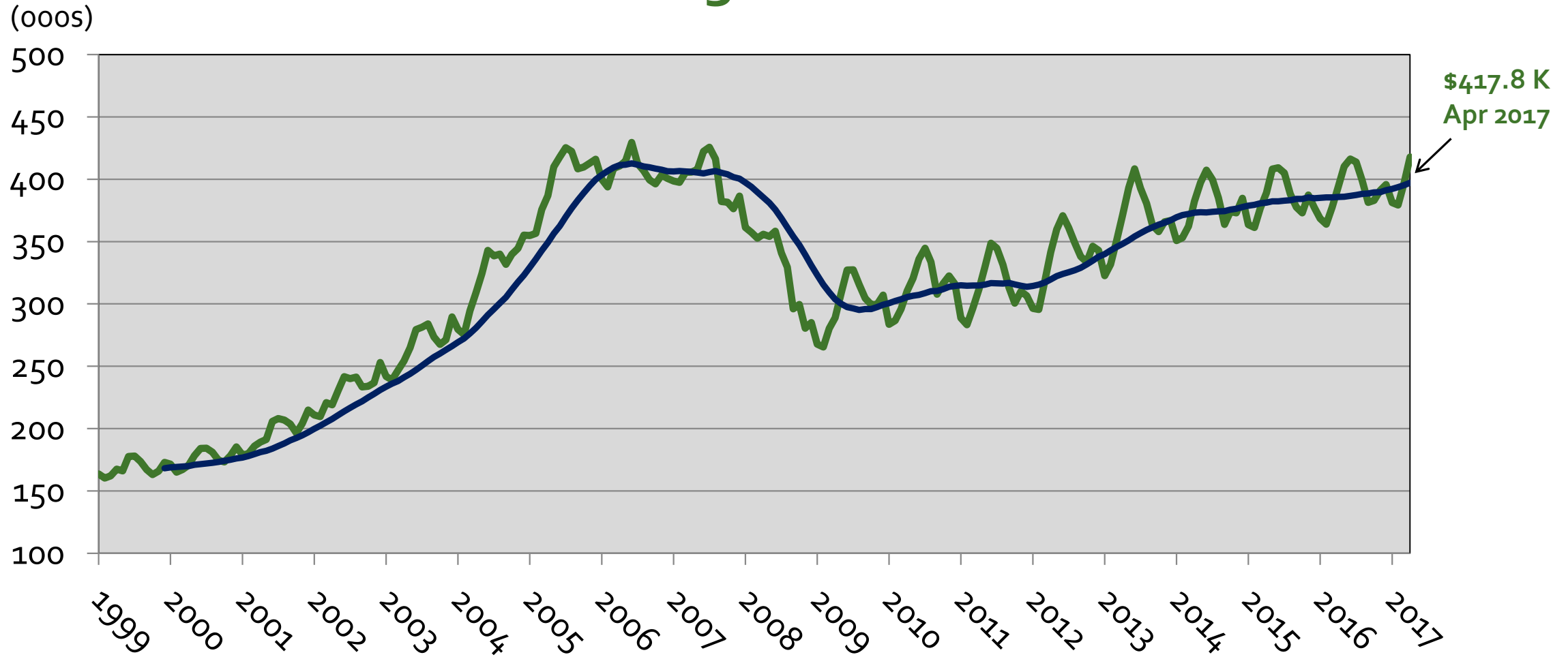
w/ 12 Month moving average



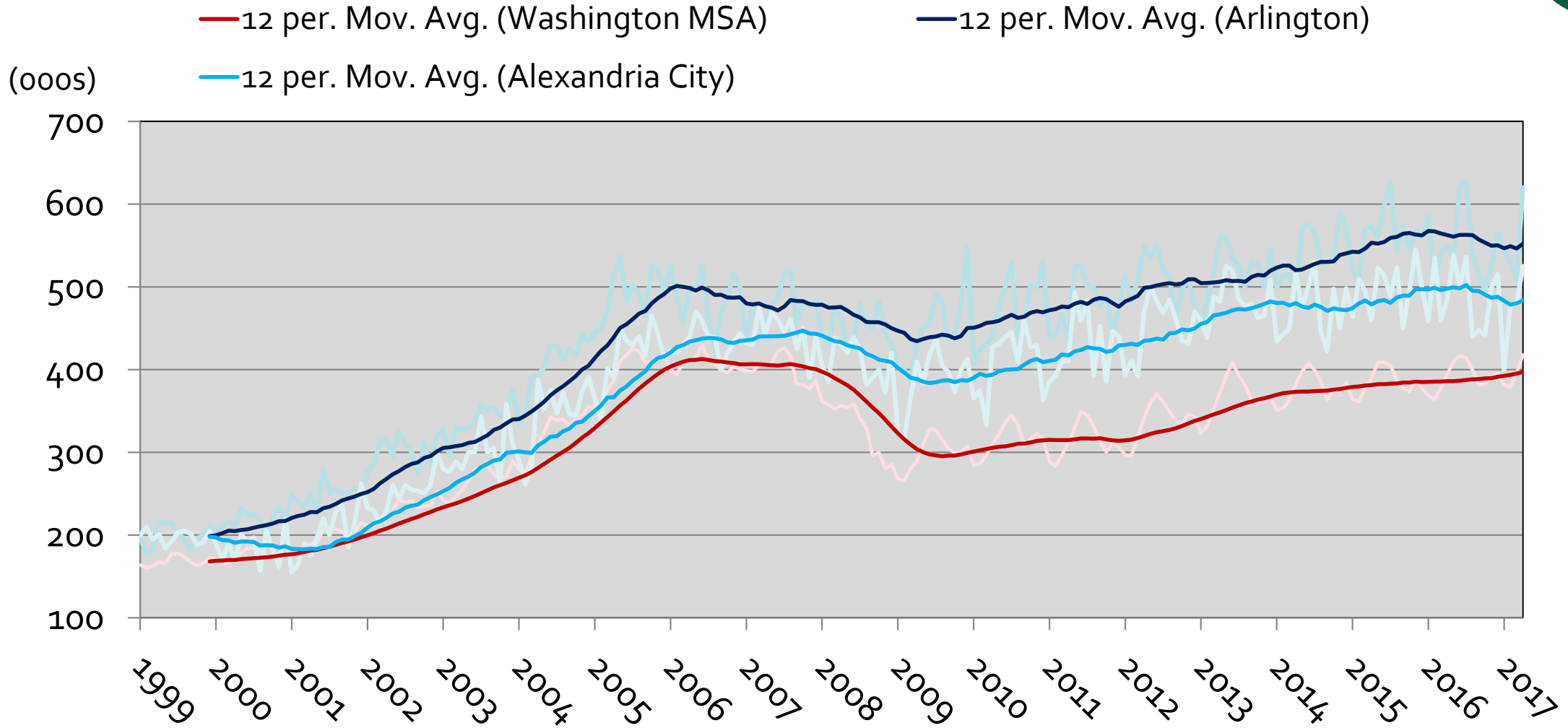
Inventory and Permits Washington MSA



Median House Sales Price Washington MSA

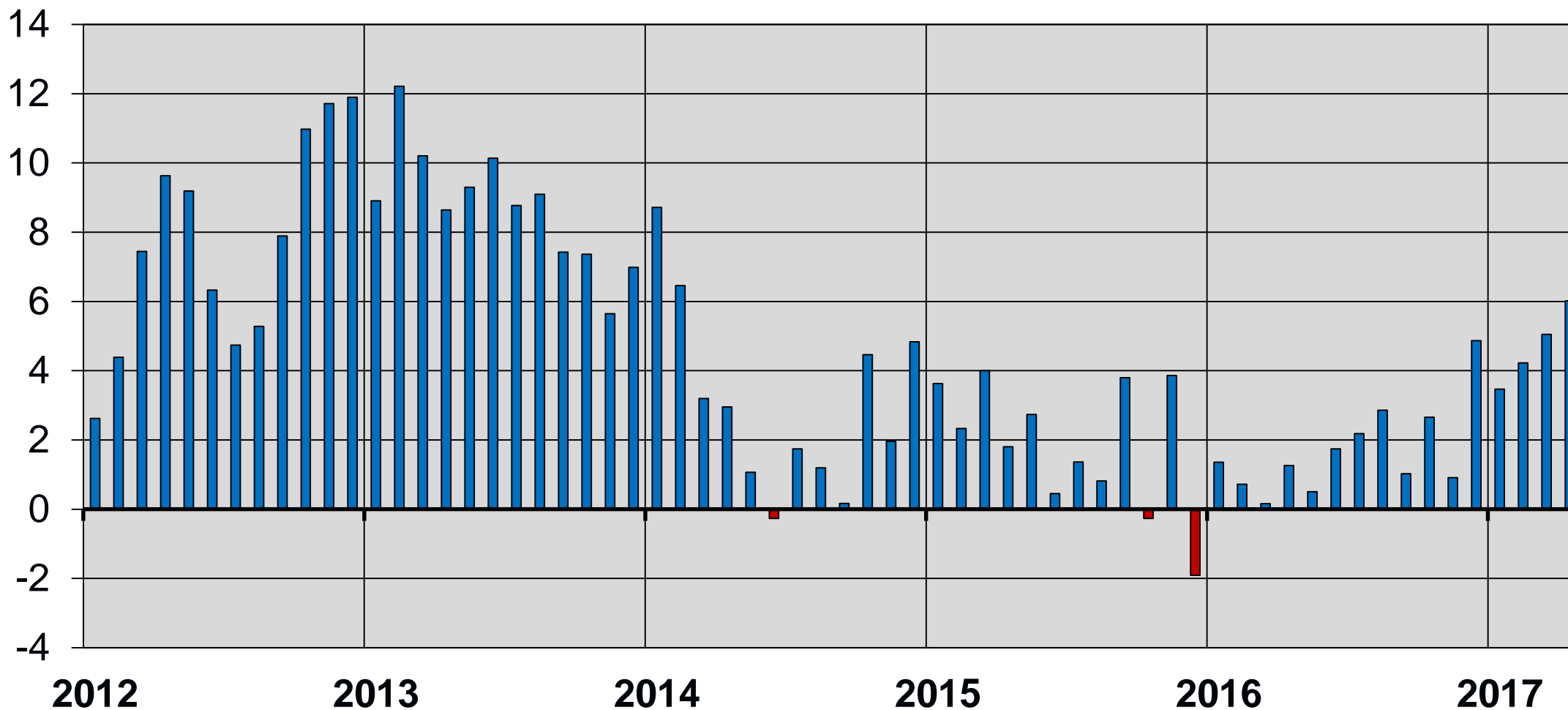


Median House Sales Price



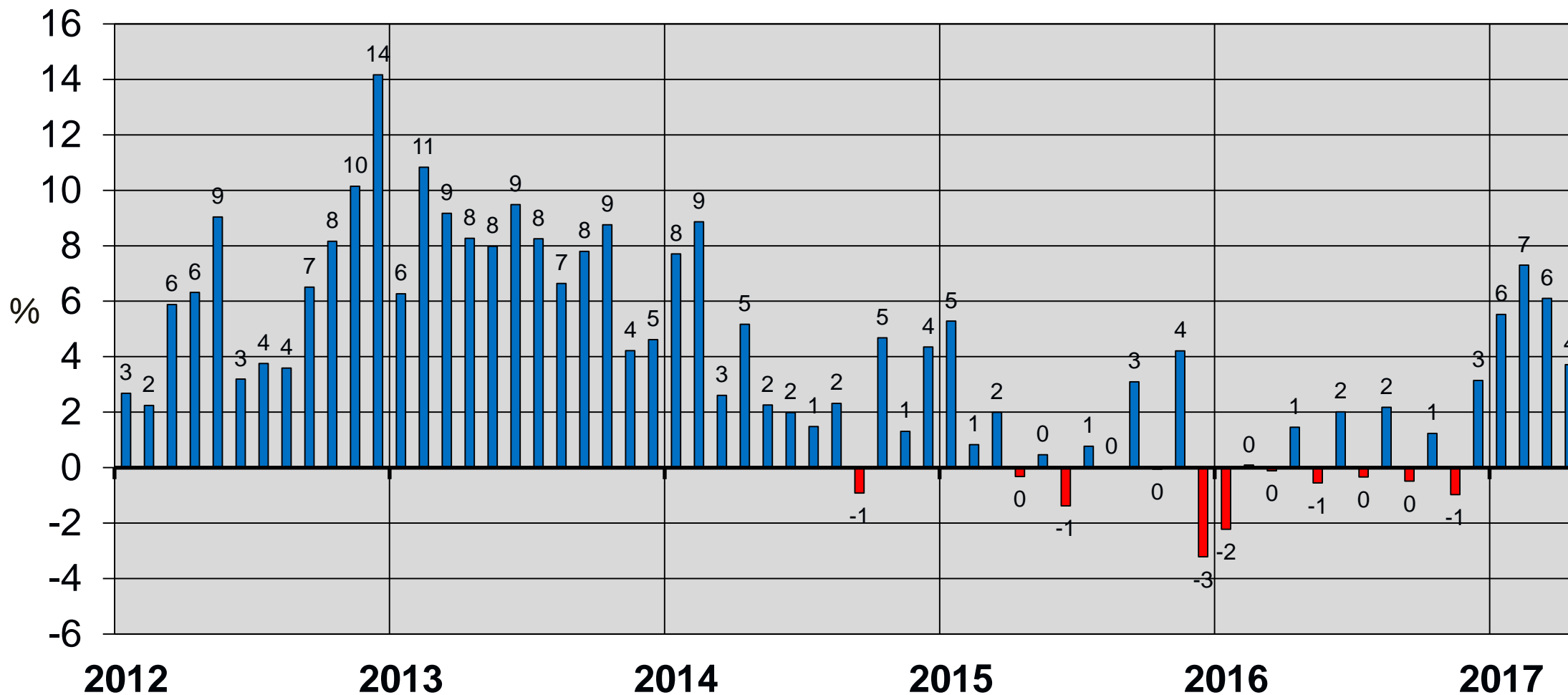
Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis

Median Sales Price Percent Change (MOTYC) Washington MSA



Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis

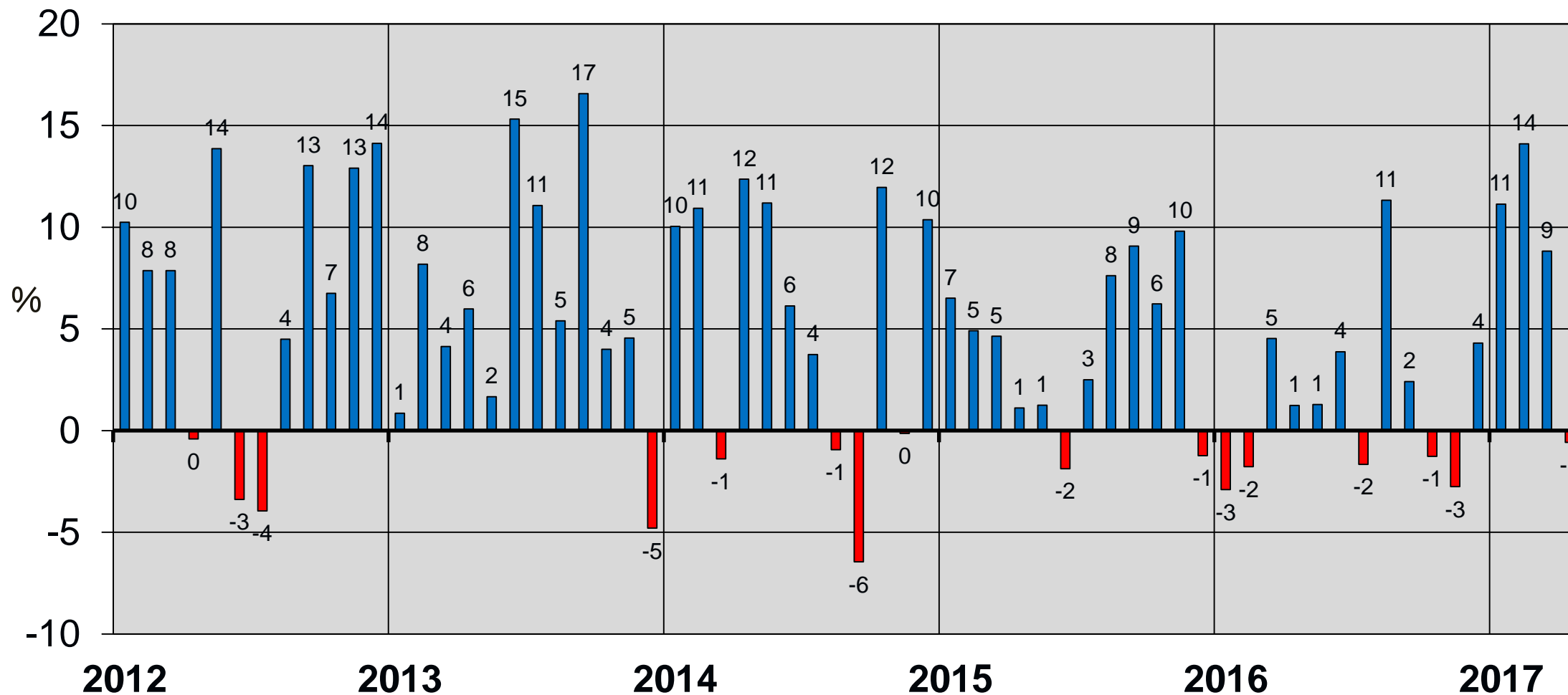
Average Sales Price Percent Change (MOTYC) Washington MSA



Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis

Apr = \$467K

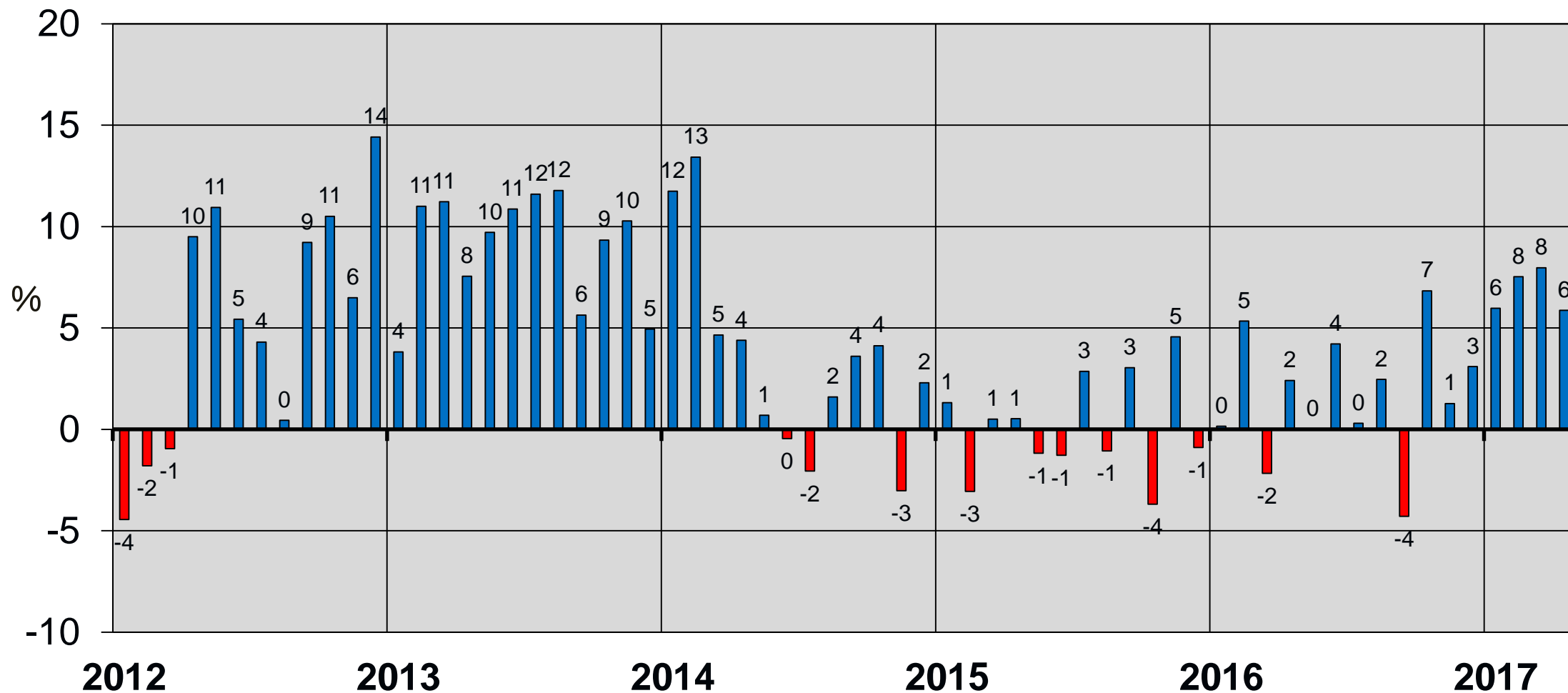
Average Sales Price Percent Change (MOTYC) District of Columbia



Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis

Apr = \$628K

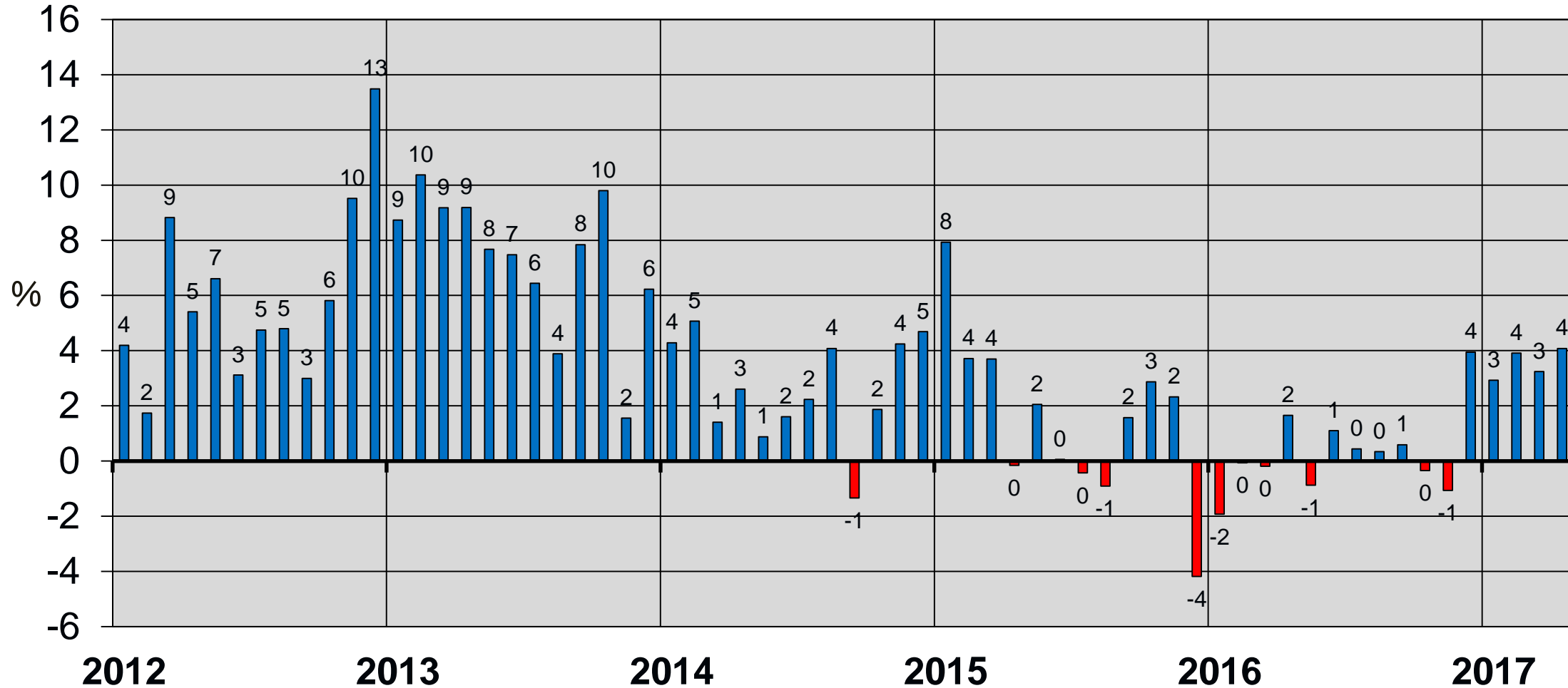
Average Sales Price Percent Change (MOTYC) Suburban Maryland



Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis

Apr = \$400K

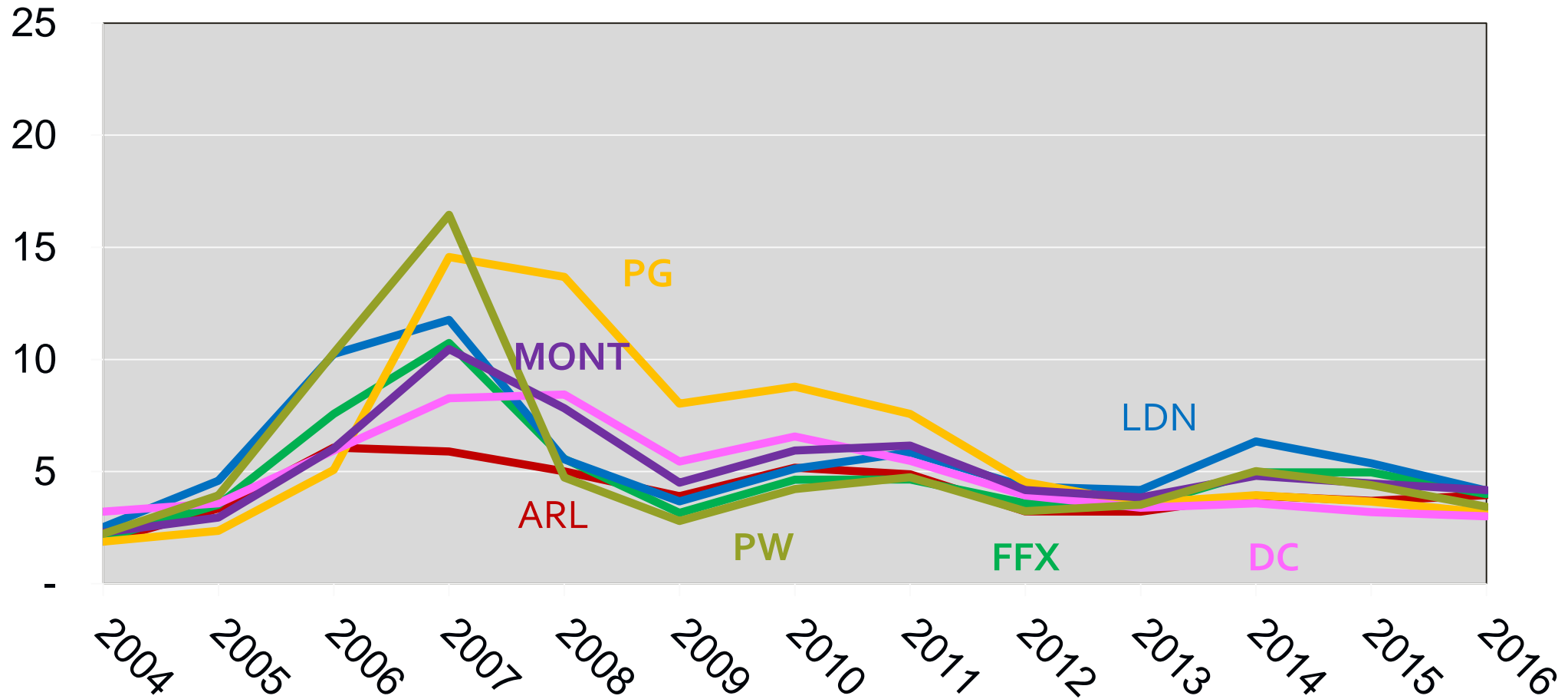
Average Home Sales Price Percent Change (MOTYC) Northern Virginia



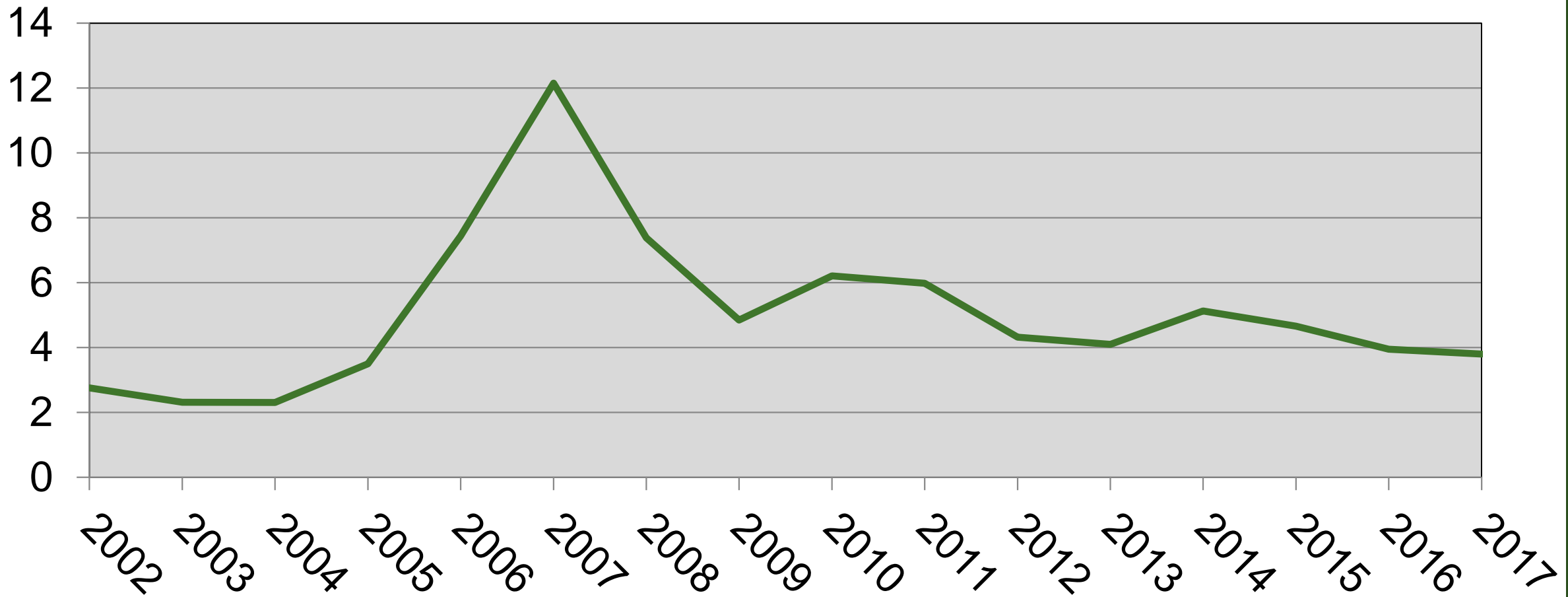
Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis

Apr = \$486K

Total Listings Per Sale Sep Each Year



Total Active Listings Per Sale February Each Year – Metro Area



Where are we?

- We are growing:

- Some diversification
- Some catch-up
- Recent job growth across all wage levels
- Growth will continue in 2017, but at a moderating pace

- Advantages

- Government Center
- International Institutions
- Connectivity to the World
- Concentration of Leaders
- Access to capital
- High Quality-of-Life
- Diverse Population
- Higher Education
- Educated Work Force
- Advanced Occupational Specializations

- Challenges

- Drain the swamp/Sequester
- Further market shifts needed
- Cost of living/doing business
- Mobility
- Access to capital
- Regional branding / cooperation
- Globally competitive?
- Understanding changing nature of jobs
- Productivity

Thank You Questions

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