Mapping new economic opportunities | REGIONAL — NATIONAL — GLOBAL

2017
National and Regional Economic Outlook

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U.S. Gross Domestic Product

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

Real GDP (Billions)

Quarterly Change

$13,500
$14,000
$14,500
$15,000
$15,500
$16,000
$16,500
$17,000

4Q16 +1.9%
US Payroll Jobs

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

Month-to-Month Change (000s) vs Total (Millions)
U.S. Unemployment

Dec-11 | Dec-12 | Dec-13 | Dec-14 | Dec-15 | Dec-16
---|---|---|---|---|---
U-6 | 15 | 10 | 9 | 9 | 8
UR | 6 | 5 | 4.7 | 4.7 | 4.7
LFPR | 65 | 64.5 | 63.7 | 63 | 62.7

Source: Bureau of Labor Statistics (Seasonally Adjusted)

Dec 9.2%
Dec 4.7%
Dec 62.7%
2016
U-6 -0.7%
UR -0.2%
Average Weekly Wages
Across all Industries

Source: Bureau of Labor Statistics, GMU Center for Regional Analysis
ISM Manufacturing and Non-Manufacturing Indices

Source: Institute for Supply Management

Dec 2016
Mfg = 54.7
N-Mfg = 57.2
Source: U.S. Census (New), National Association of Realtors (Existing)
Labor Productivity
Nonfarm business, seasonally adjusted

Source: U.S. Bureau of Labor Statistics

Base year (100) = 2009
U.S. Leading Index
Month-Over-Year Percent Change

Source: The Conference Board, GMU Center for Regional Analysis

Nov = 124.6
(2010 = 100.0)
Consumer Confidence

Source: The Conference Board, GMU Center for Regional Analysis
Determinants of Growth

- Corporate tax rates
  - When and how much

- Infrastructure
  - What, where, when, how

- Immigration
  - Impact on labor force availability

- Corporate investment
  - Repatriating profits does not mean spending. Global markets matter.

- Trade policy

- Inflation
  - When does the spending become inflationary?

- Spending vs. Revenue vs. Debt

- Interest rates
  - Fed action and market reaction

- Productivity
  - Will we prioritize productivity enhancing programs & spending

- Adaptability
  - Technology change is a given
U.S. GDP
2007 – 2016 – 2020
(Annual % Change)

Source: Bureau of Economic Analysis, GMU Center for Regional Analysis, Forecast: January, 2017
The Washington Economy
Annual Job Change - Washington MSA

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

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

Dec-16 Total: 374.3

2016
+2.0%
7,500
Federal Procurement in the Washington MSA
1980-2016 (Fiscal Years)

TOTAL = $1,409.7 Billion

Source: US Census, Consolidated Federal Funds Report and USAspending.gov
Professional & Business Services
Washington MSA

2016
+3.2%
2K

Dec-16 Total: 753.8K

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Dec 2015 – Dec 2016
Washington MSA
(ooos)
Total = 66,600

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Unemployment Rates in the WMSA By Sub-State Area, 2009-2016

Median House Sales Price
Washington MSA

Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis
U.S. GDP and Washington Area GRP
2007 – 2016 – 2020
(Annual % Change)

Source: Bureau of Economic Analysis, GMU Center for Regional Analysis, Forecast: January, 2017
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 1990-2012 = 36,500
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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