NonProfit Speakers Series

The Economic Outlook for The Washington Metropolitan Area

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George Mason University

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U.S. Gross Domestic Product
Quarterly Change: 2007 – 2015

Source: Bureau of Economic Analysis, IHS Economics January 8, 2015
Annual Change in Payroll Jobs – US
Month-Over-Year

Dec = + 3.0M

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

U.S. Payroll Job Change by Sector
Dec 2013 – Dec 2014

Ranked by Size in 2014
Total = 2,951

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

Source: Bureau of Labor Statistics (Seasonally Adjusted), GMU Center for Regional Analysis
U.S. Payroll Job Change by Sector
Nov 2014 – Dec 2014

Ranked by Size in 2014

<table>
<thead>
<tr>
<th>Sector</th>
<th>(000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educ &amp; Health Svcs</td>
<td>48</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Svcs</td>
<td>52</td>
</tr>
<tr>
<td>State &amp; Local Govt</td>
<td>11</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>8</td>
</tr>
<tr>
<td>Leisure &amp; Hosp.</td>
<td>36</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>17</td>
</tr>
<tr>
<td>Financial</td>
<td>10</td>
</tr>
<tr>
<td>Construction</td>
<td>10</td>
</tr>
<tr>
<td>wholesale Trade</td>
<td>2</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Svcs</td>
<td>5</td>
</tr>
<tr>
<td>Educ &amp; Health Svcs</td>
<td>1</td>
</tr>
<tr>
<td>Information</td>
<td>2</td>
</tr>
</tbody>
</table>

Total = 252

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

U.S. Unemployment Rate

Dec = 5.6

<table>
<thead>
<tr>
<th>Year</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>6.2</td>
</tr>
<tr>
<td>2015</td>
<td>5.5</td>
</tr>
<tr>
<td>2016</td>
<td>5.3</td>
</tr>
<tr>
<td>2017</td>
<td>5.3</td>
</tr>
<tr>
<td>2018</td>
<td>5.3</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics (Seasonally Adjusted), IHS Economics January 8, 2015
Initial Claims for Unemployment
2011-Present  4-Week Moving Average

Source: Department of Labor

Oil Prices
$ per barrel

$/barrel

Source: IHS Economics January 8, 2015
Interest Rates 2001 - 2019

Source: IHS Economics January 8, 2015

U.S. Economic Performance

Source: Bureau of Economic Analysis, IHS Economics January 8, 2015
The Washington Economy: From Recession to Federal Cutbacks

Summary of Federal Spending Trends in the Washington Metropolitan Area, 2010-2014

• Federal Procurement Outlays declined $13.3 billion or 16.1% between FY 2010 and FY 2013.

• Federal employment has declined since peaking in July 2010, losing 21,800 jobs or 5.6%.

• Federal payroll declined by $2.4 billion or 5.7% between FY 2010 and FY 2014 and will continue to decline as the workforce shrinks and older workers retire and are replaced by younger workers.
WMSA Payroll Job Change: Private Sector
The Great Recession and Recovery
Total -178          Total 243

Prof. & Bus. Svs     44
Edum & Health Svs    49
Retail Trade         39
Leisure & Hosp.      58
Construction         25
Other Services       12
Financial            11
Information          11
Manufacturing        10
Trade                2
Transp. & Util.      4

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

The GRP* Effects of Private Sector Job Change
in the Washington Metropolitan Area
Aug 08-Nov. 14 (in billions of 2014 $s)

<table>
<thead>
<tr>
<th>Job Change</th>
<th>Total GRP Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>-177,700</td>
<td>- $28,467,350,000</td>
</tr>
<tr>
<td>+242,400</td>
<td>+ $27,483,800,000</td>
</tr>
<tr>
<td>+64,700</td>
<td>- $983,550,000</td>
</tr>
</tbody>
</table>

Source: GMU Center for Regional Analysis

*Gross Regional Product
1 $156,199 per job contribution to GRP
2 $113,382 per job contribution to GRP
Average Wage and Job Change
Washington Metro Area

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

Average Wages,
Washington Metro Area

Source: Bureau of Labor Statistics, GMU Center for Regional Analysis
The Household Income Effects of Structural Change in the Washington Metropolitan Area

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Median HH Income 2013*</th>
<th>Change from 2009*</th>
</tr>
</thead>
<tbody>
<tr>
<td>District (DC)</td>
<td>$67,575</td>
<td>$2,919</td>
</tr>
<tr>
<td>Frederick Cty</td>
<td>84,308</td>
<td>- $5,856</td>
</tr>
<tr>
<td>Montgomery Cty</td>
<td>98,326</td>
<td>- $4,552</td>
</tr>
<tr>
<td>Prince George’s Cty</td>
<td>72,052</td>
<td>- $4,060</td>
</tr>
<tr>
<td>Arlington County</td>
<td>102,501</td>
<td>- $1,675</td>
</tr>
<tr>
<td>Fairfax County</td>
<td>111,079</td>
<td>- $249</td>
</tr>
<tr>
<td>Loudoun County</td>
<td>116,768</td>
<td>- $7,283</td>
</tr>
<tr>
<td>Prince Wm County</td>
<td>95,268</td>
<td>- $2,234</td>
</tr>
<tr>
<td>Alexandria City</td>
<td>86,775</td>
<td>$2,985</td>
</tr>
<tr>
<td>Total Metro Area</td>
<td>$90,149</td>
<td>- $2,287</td>
</tr>
</tbody>
</table>

Source: U.S. Census, ACS 1-Year; GMU Center for Regional Analysis *in 2013 dollars

15 Largest Metro Area Job Markets

GRP Percent Change: 2012 – 2013

Source: Bureau of Economic Analysis, GMU Center for Regional Analysis
15 Largest Job Markets
Job Change: Nov 2013 – Nov 2014

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

15 Largest Job Markets
Job Change: Nov 2013 – Nov 2014

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Annual Job Change
Washington MSA, 2002-2014

Annual Data

Annual Month over Year

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

Job Change by Sector
Nov 2013 – Nov 2014
Washington MSA

Total = 18,900

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Oct 2014 – Nov 2014
Washington MSA

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

Total = 18,600

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

Professional & Business Services
Washington MSA

(000s)

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

(000s)

Annual Data

Annual Month over Year

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

Nov-14 Total: 365.7

Job Change by Sector
Nov 2013 – Nov 2014
District of Columbia

(000s)

Prof. & Bus. Svcs 6
Federal Govt. 1
Educ & Health Svcs 2
State & Local Govt 3
Retail Trade 1
Leisure & Hosp. 1
Construction 0
Other Services 0
Financial 0
Information 0
Manufacturing 0
Wise Trade 0
Transp. & Util. 0

(20.0) (10.0) - 10.0 20.0 30.0

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

GMU Center for Regional Analysis 15
Job Change by Sector
Oct 2014 – Nov 2014
Suburban Maryland

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

Total 3,800

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

Job Change by Sector
Nov 2013 – Nov 2014
Northern Virginia

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

Total 6,500

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

<table>
<thead>
<tr>
<th>Sector</th>
<th>000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof. &amp; Bus. Svcs</td>
<td>3</td>
</tr>
<tr>
<td>Federal Govt.</td>
<td>1</td>
</tr>
<tr>
<td>Educ &amp; Health Svcs</td>
<td>2</td>
</tr>
<tr>
<td>State &amp; Local Govt</td>
<td></td>
</tr>
<tr>
<td>Retail Trade</td>
<td></td>
</tr>
<tr>
<td>Leisure &amp; Hosp.</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
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<tr>
<td>Other Services</td>
<td></td>
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<tr>
<td>Financial</td>
<td></td>
</tr>
<tr>
<td>Information</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>7</td>
</tr>
<tr>
<td>Wise Trade</td>
<td></td>
</tr>
<tr>
<td>Transp. &amp; Util.</td>
<td></td>
</tr>
<tr>
<td>Total 13,600</td>
<td></td>
</tr>
</tbody>
</table>

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

Unemployment Rates in the WMSA
By Sub-State Area, 2007-2014

7.0 – DC
5.8 – U.S.
4.7 – SMD
4.5 – MSA
3.7 - NVA

Housing Market Trends in the Washington Metro Area

Percent Change in Inventories of Existing Homes
Month-Over-Year 2000 – 2014, MSA

Dec = +16.4%

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
Dec Each Year

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

Median House Sales Price
Washington MSA

Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis
Average Sales Price Percent Change
Washington MSA
All Housing Types

<table>
<thead>
<tr>
<th>Annual Change</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis</td>
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</tbody>
</table>

Average Sales Price Percent Change
Metro Area – Single Family Detached

<table>
<thead>
<tr>
<th>Annual Change</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Comparison of YoY Change in Closed Sales and Listings
Nov 2014

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 September

GRP and Jobs Forecast for Washington Metropolitan Area: 2014-2019
Economic Outlook (GRP), 2007-2019
Washington Area and Sub-State Areas
(Annual % Change)

Source: GMU Center for Regional Analysis, Forecast: January 2015

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

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>D.C.</td>
<td>8.5</td>
<td>9.3</td>
<td>6.6</td>
<td>7.9</td>
<td>9.1</td>
<td>11.0</td>
<td>12.7</td>
<td>11.7</td>
</tr>
<tr>
<td>Sub. MD</td>
<td>3.8</td>
<td>5.6</td>
<td>8.1</td>
<td>12.5</td>
<td>17.0</td>
<td>20.1</td>
<td>16.9</td>
<td>15.8</td>
</tr>
<tr>
<td>No. VA</td>
<td>23.3</td>
<td>10.7</td>
<td>4.6</td>
<td>15.6</td>
<td>22.8</td>
<td>26.7</td>
<td>19.0</td>
<td>17.9</td>
</tr>
<tr>
<td>REGION</td>
<td>35.6</td>
<td>25.6</td>
<td>19.3</td>
<td>36.0</td>
<td>48.9</td>
<td>58.0</td>
<td>48.6</td>
<td>45.4</td>
</tr>
</tbody>
</table>

Average Annual Change 1990-2010 = 30,700

*average through 11 months; rebenchmarked jobs data available in March 2015

Source: BLS, IHS Economics, GMU Center for Regional Analysis (January 2015)
NOTE: The regional totals do not include Jefferson, WV.
Thank You & Questions
cra.gmu.edu