Roadmap for the Washington Region’s Economic Future

Status Report to the Research Sponsors

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Agenda for Today’s Roadmap Project
Presentation and Discussion

• Review Roadmap research findings Tasks 1-5;

• Identify the requirements and opportunities for accelerating the economic growth of the Washington region; and,

• Discuss implementing organizations and next steps.
Structure of the Greater Washington Economy

2010

- Non-Local Business: 12.0%
- Local Serving Activities: 34.8%
- Other Federal: 10.7%
- Fed Wages & Salaries: 10.0%
- Procurement: 19.1%
- Total Federal: 39.8%

2020

- Non-Local Business: 17.5%
- Local Serving Activities: 38.3%
- Other Federal: 7.7%
- Fed Wages & Salaries: 7.1%
- Procurement: 14.0%
- Infr. 4.0%
- Health: 2.6%
- Housing: 1.8%
- Retail: 0.6%
- Ed.: 0.2%
- Total Federal: 28.8%

Source: GMU Center for Regional Analysis

Road Map for the Washington Region’s Economic Future: Objectives and Scope

- Identify the region’s competitive advantages that can be the basis for accelerated economic growth;

- Identify the core non-federally dependent, advanced industrial clusters (high-value added) serving non-local markets for which the region has a competitive advantage;

- Identify the region’s competitive disadvantages acting to constrain the economic growth of these export-based, high-growth potential, high-value added advanced industrial clusters;
Identify state and local policies, initiatives, and investments that would contribute to accelerating the achievement of the region’s export-based, high-growth potential, high-value added economic growth potentials; and,

Recommend regional economic strategies to guide state and local economic development initiatives consistent with achieving the Washington region’s growth targets by 2020 and sustaining this growth trajectory going forward.
The Federal Government

Core
- Independent Agencies
- Federal Departments
- Congressional Offices
- U.S. Courts System

Mandated
- Federal Laboratories
- Embassies & Consulates
- National Associations
- Government Sponsored Enterprises (GSEs)

Dependent
- Federal Contractors
- Federally Funded Research & Development Centers (FFRDCs)
- Federally Funded R&D Centers (FFRDCs)
- Fed. Funded R&D Centers (FFRDCs)

Spillovers
- Private R&D
- Universities
- Investment Trusts
- Federal Credit Banks
- Teaching & Research Hospitals
- Paten System
- National Media Outlets
- Grant Making Organizations
- Philanthropic Organizations
- Non-Government Organizations
- Grant Making Organizations

Locational Assets: Funding & Influence
- Federal funds spent regionally
- Financial services of the Government
- High-tech R&D investment
- Political & Diplomatic Influence
- Business – Government relations
- Cultural Influence & Attraction

Locational Assets: Knowledge & Networks
- Diverse knowledge production activities
- Density of knowledge spillovers
- Collaborations across multiple actors
- Regional networks of stakeholders
### The Washington Region’s Advanced Industrial Clusters: 2014 Employment

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Jobs</th>
<th>%Change</th>
<th>LQ</th>
<th>Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advocacy Services</td>
<td>115,731</td>
<td>19.0</td>
<td>3.5</td>
<td>1.7</td>
</tr>
<tr>
<td>Info &amp; Comm. Tech</td>
<td>204,489</td>
<td>5.5</td>
<td>2.7</td>
<td>1.4</td>
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<tr>
<td>Sci &amp; Security Tech</td>
<td>123,785</td>
<td>18.6</td>
<td>1.8</td>
<td>1.6</td>
</tr>
<tr>
<td>Bio &amp; Health Tech</td>
<td>55,396</td>
<td>25.1</td>
<td>2.0</td>
<td>1.6</td>
</tr>
<tr>
<td>Business &amp; Fin. Serv.</td>
<td>190,128</td>
<td>38.9</td>
<td>1.8</td>
<td>1.6</td>
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<tr>
<td>Media &amp; Info Services</td>
<td>35,745</td>
<td>-20.1</td>
<td>1.5</td>
<td>1.7</td>
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<tr>
<td>Leisure &amp; Business T.</td>
<td>85,919</td>
<td>-1.3</td>
<td>1.1</td>
<td>1.3</td>
</tr>
<tr>
<td>All Clusters</td>
<td>811,193</td>
<td>14.5*</td>
<td>2.0</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Sources: U.S. Bureau of Labor Statistics, JobsEQ, University of MD’s Inforum

1: 2003-2014 Percent Change; 2: WMSA/US wage ratio; *total job change for WMSA, 9.3%;

### The Washington Region’s Advanced Industrial Clusters: Job Growth Forecast

<table>
<thead>
<tr>
<th>Cluster</th>
<th>2014-2025 Job Forecast</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
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<tr>
<td>Advocacy Services</td>
<td>122,303</td>
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<tr>
<td>Info &amp; Comm. Tech</td>
<td>213,621</td>
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<tr>
<td>Sci &amp; Security Tech</td>
<td>135,707</td>
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<tr>
<td>Bio &amp; Health Tech</td>
<td>58,388</td>
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<tr>
<td>Business &amp; Fin. Serv.</td>
<td>218,851</td>
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<tr>
<td>Media &amp; Info Services</td>
<td>36,292</td>
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<tr>
<td>Leisure &amp; Business T.</td>
<td>87,807</td>
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<tr>
<td>All Clusters</td>
<td>872,969</td>
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<tr>
<td>All Jobs in WMA</td>
<td>3,092,270</td>
</tr>
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</table>

The Washington Region’s Advanced Industrial Clusters: Job Growth Forecast
The Washington Region’s Advanced Industrial Clusters: State Policy Foci

<table>
<thead>
<tr>
<th>Cluster</th>
<th>DC</th>
<th>MD</th>
<th>VA</th>
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</thead>
<tbody>
<tr>
<td>Advocacy Services</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Info &amp; Comm. Tech</td>
<td>18%</td>
<td>10%</td>
<td>20%</td>
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<tr>
<td>Sci &amp; Security Tech</td>
<td>9%</td>
<td>14%</td>
<td>24%</td>
</tr>
<tr>
<td>Bio &amp; Health Tech</td>
<td>9%</td>
<td>19%</td>
<td>23%</td>
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<tr>
<td>Business &amp; Fin. Serv.</td>
<td>0%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Media &amp; Info Services</td>
<td>5%</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Leisure &amp; Business T.</td>
<td>18%</td>
<td>8%</td>
<td>3%</td>
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<tr>
<td>Non-Cluster Focus</td>
<td>41%</td>
<td>39%</td>
<td>20%</td>
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</table>

Source: American University Metropolitan Policy Center

Eight Themes/Two Categories

1. What businesses need to grow—supporting our people:
   - Talent attraction and retention
   - More flexible transportation and work options
   - Access to capital
   - Entrepreneurial culture
Eight Themes/Two Categories

2. Constraints to business growth based on the nature of our region and challenges in our region that affect growth potential:

• Lack of (or negative) image of region as a place to do business

• (Ine-)quality-of-life across the region

• Regional competition

• Inefficiencies among multiple governments

Attract and Retain Talent: Considerations and Approaches

• Quality of life—affordable housing and excellent K-12

• Career pathways
  Early career—apprenticeships and internships
  Mid-Career—ongoing education, career path mgt
  Late-Career—encore workers, new skills enabling career shifts
  Opportunities for business/education collaboration at all stages

• Policy responses to adapt to changing nature of work/implications of flexible workforce apply to all
Flexible Transportation for Workday and Business Requirements: Considerations and Approaches

- Establish regional transportation planning authority;
- Implement dedicated regionwide financing source for transit operations and maintenance; and,
- Consider full range of options/alternatives for improving transportation services
  -- bring together technology and transportation providers to enable improved work-day mobility
  -- build on and expand existing local transportation demand management initiatives with employers

Regional Branding: Considerations and Approaches

- Develop business brand for the Greater Washington region;
- Market the Greater Washington region nationally and internationally;
- Support/leverage the proposed regional branding initiative under development by the biotech industry; &
- Tell our story better—improve Washington area business/economics reporting in local and national media.
Identifying and Prioritizing Strategies and Implementing Actions

- Strategy is doable in 3-5 years;
- Address problems for business in export-based, high-value added advanced industrial clusters for which the Washington region has a competitive advantage;
- Regional outcomes—not jurisdiction-specific;
- Not being addressed effectively already; and,
- Actors are in place to implement.

Strategies, Implementing Organizations and Next Steps

- Increase supply of affordable housing;
- Establish a university/business partnership to provide the talent required for future workforce;
- Meet transportation requirements of the region’s workforce and businesses;
- Develop a national and global business brand for Greater Washington;
- Seek regional collaboration across area’s local jurisdictions and states in their economic development initiatives; and,
- Foster dialogue between region’s public, business and not-for-profit leaders to address challenges to growth.
Further Discussion
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