

# *Washington Area Economy: Performance and Outlook*

Presentation to:

Arlington Economic Development Commission

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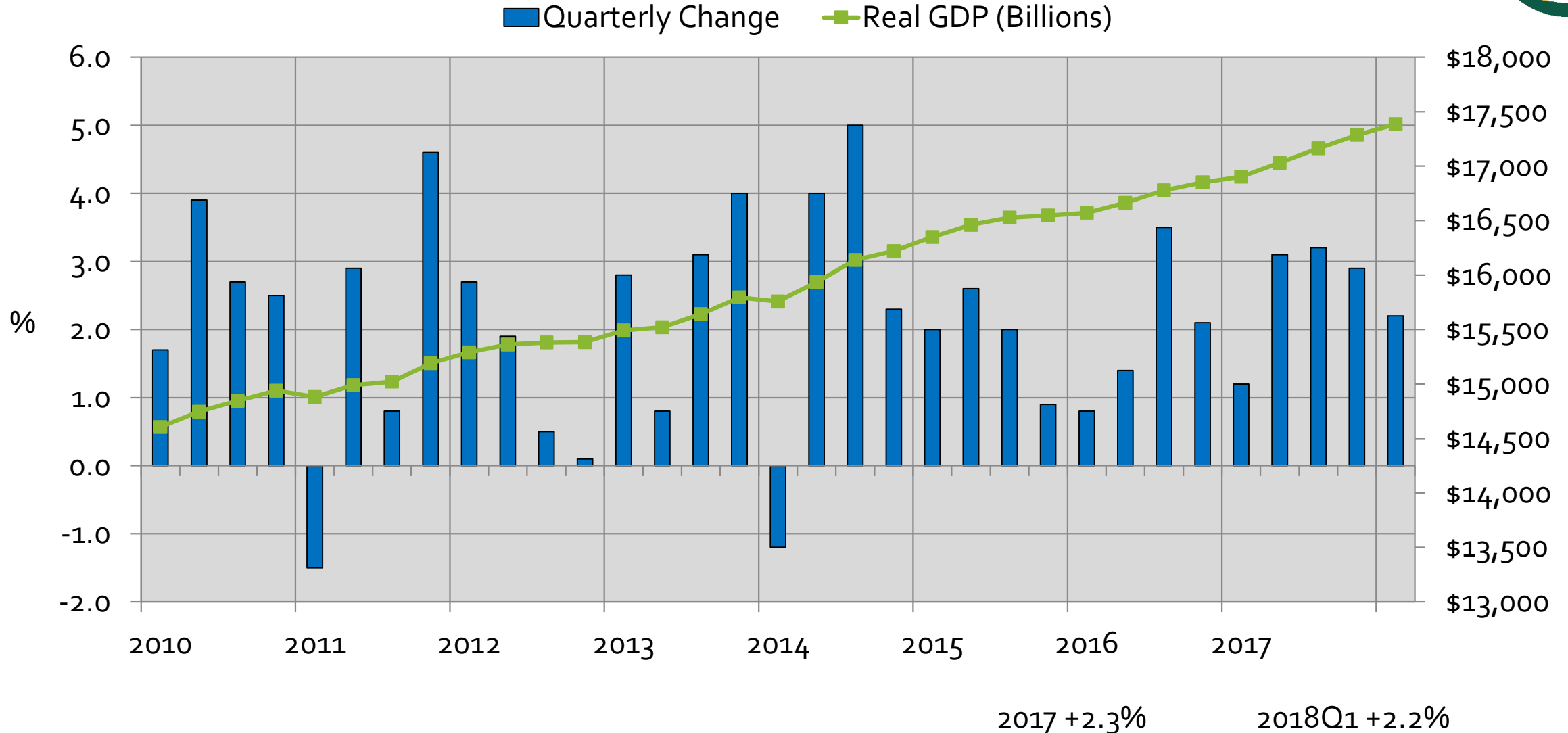
George Mason University

June 12, 2018

# Agenda

- US economic trends
- The Washington regional economy
- The continued influence of the federal government
- Additional ongoing challenges
- The contributions of foreign-born, non-citizen workers to the regional workforce
- Looking ahead

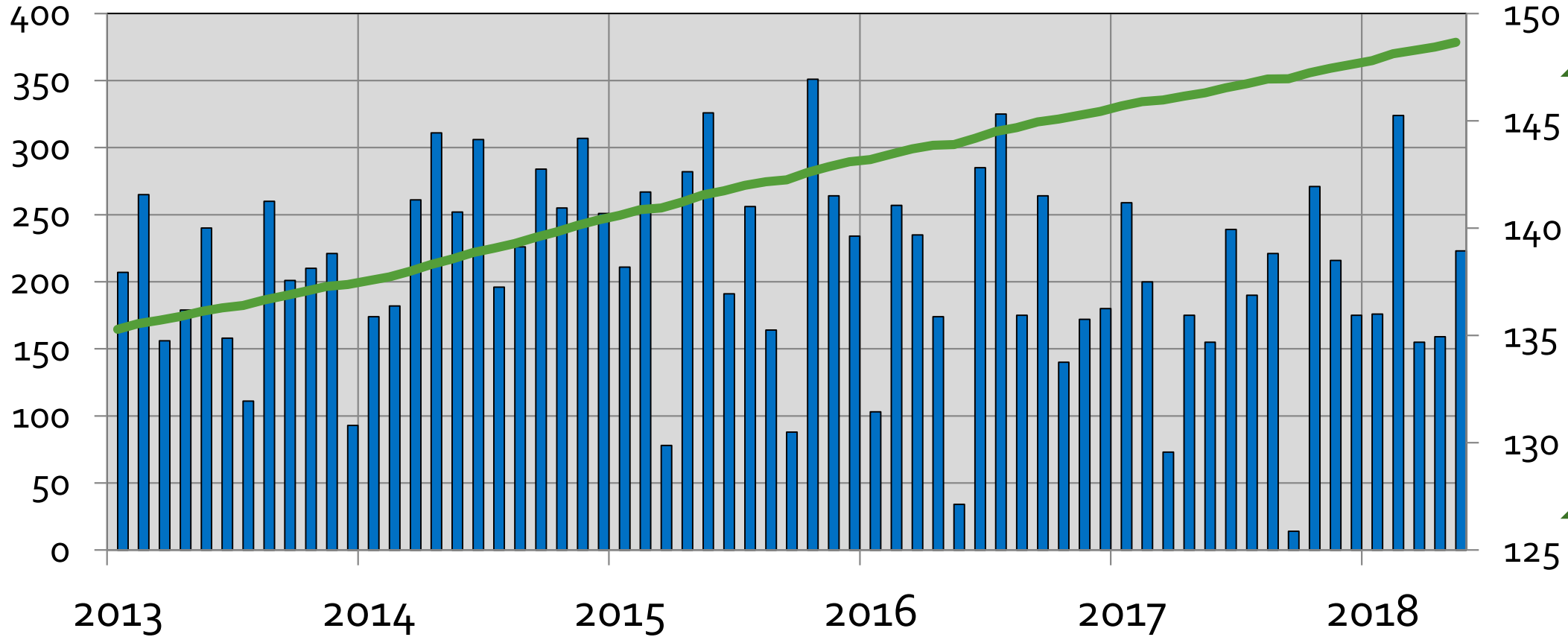
# U.S. Gross Domestic Product



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

# US Payroll Jobs

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



**2016-**

**2017**

**2.36M**

**May**

**+223K**

**Since**

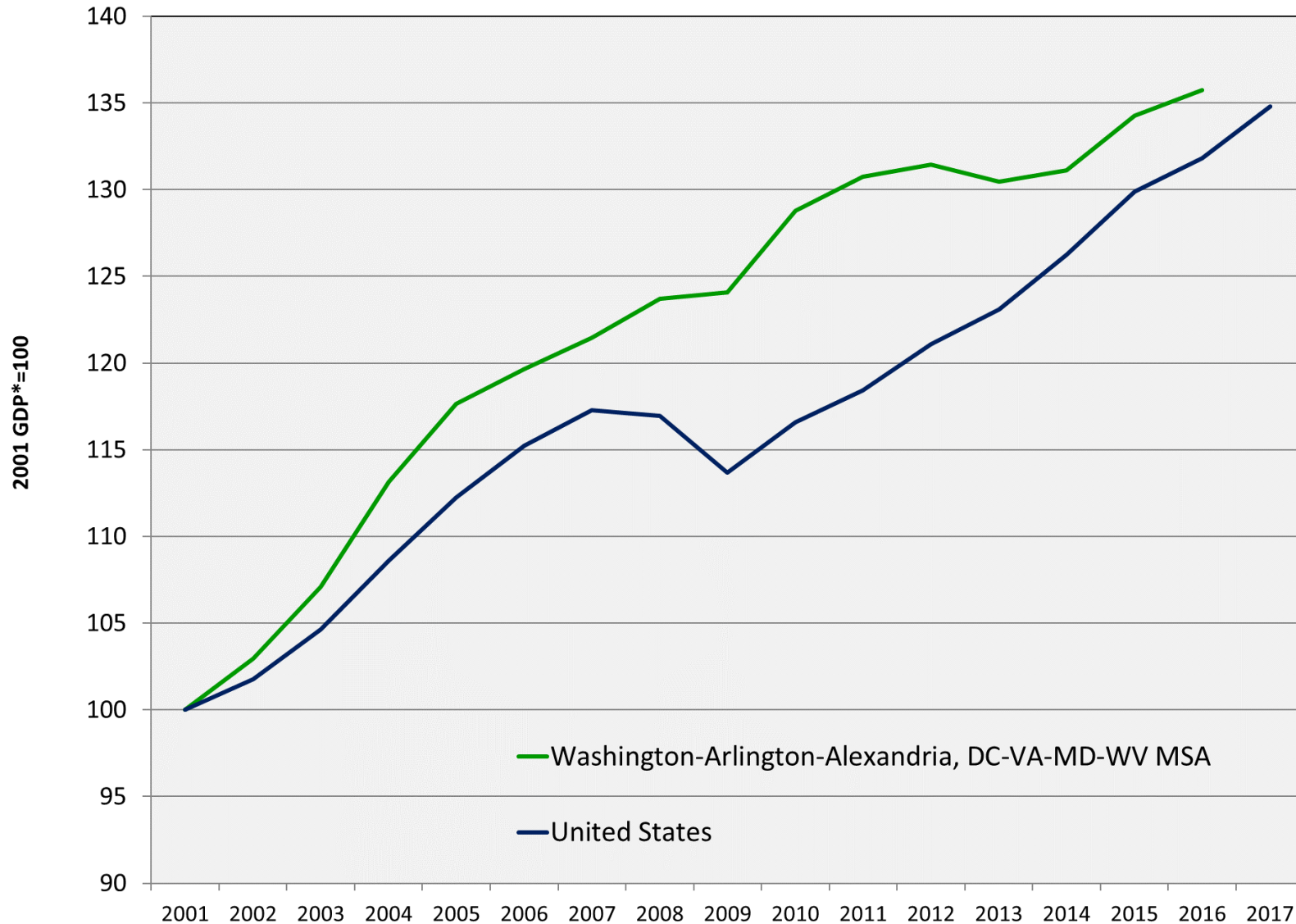
**2010**

**+18.9**

**M**

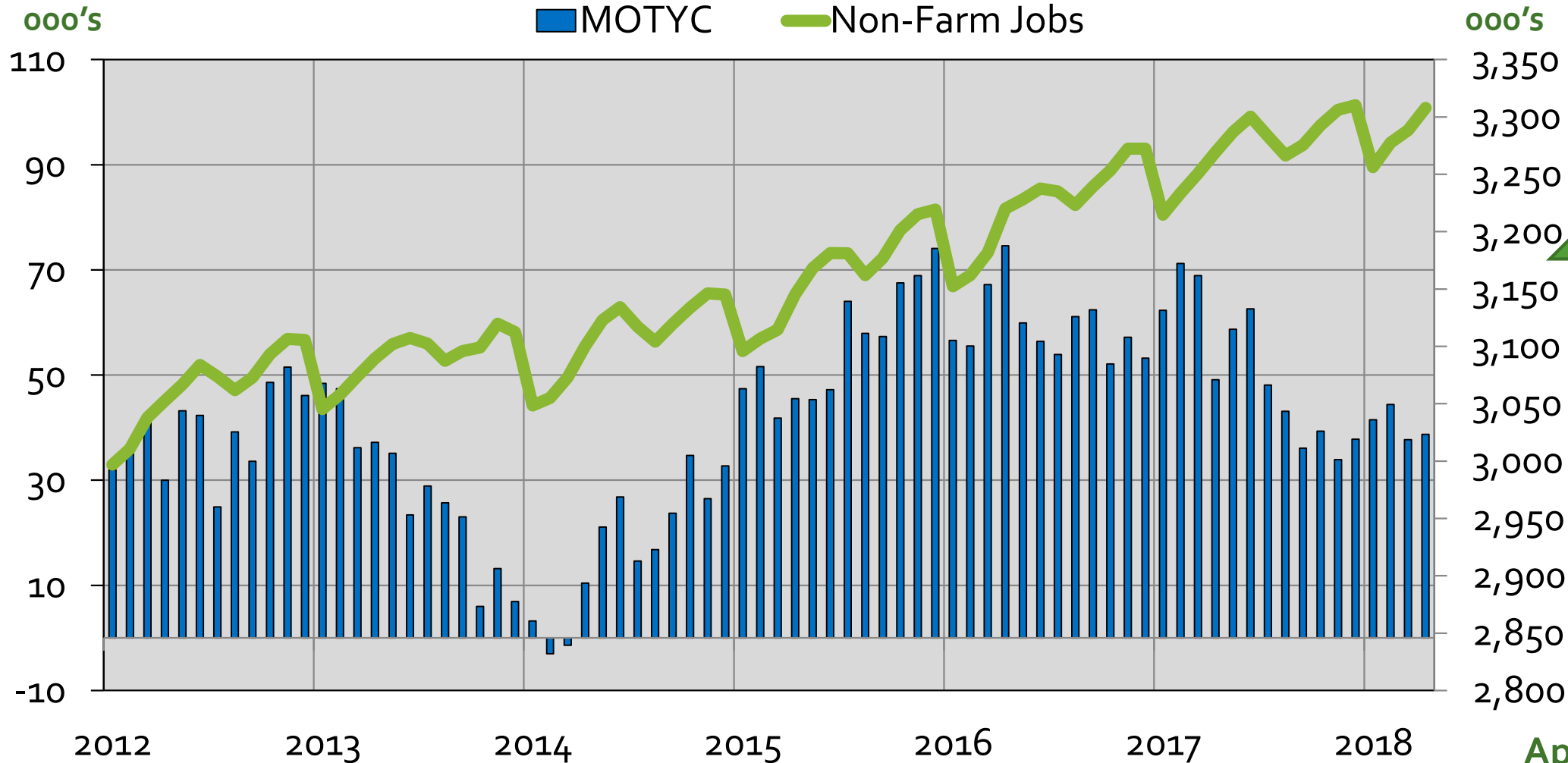
# The Washington Regional Economy

# GDP Trends since 2001



Source: US Bureau of Economic Analysis, \*2009 Chained Dollars

# Annual Job Change - Washington MSA

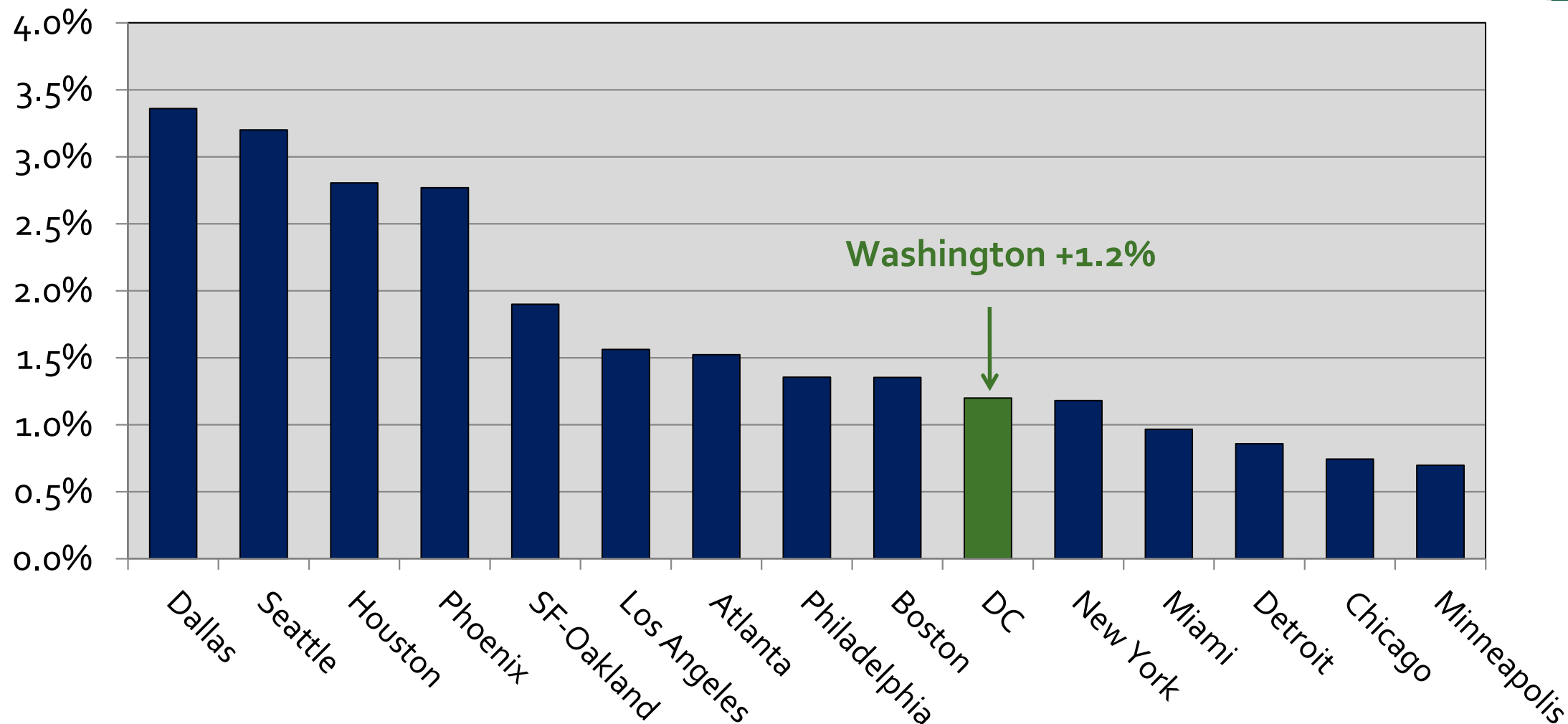


**Apr 17-  
Apr 18  
+38.7 K**

**April-18  
Total: 3,308 K**

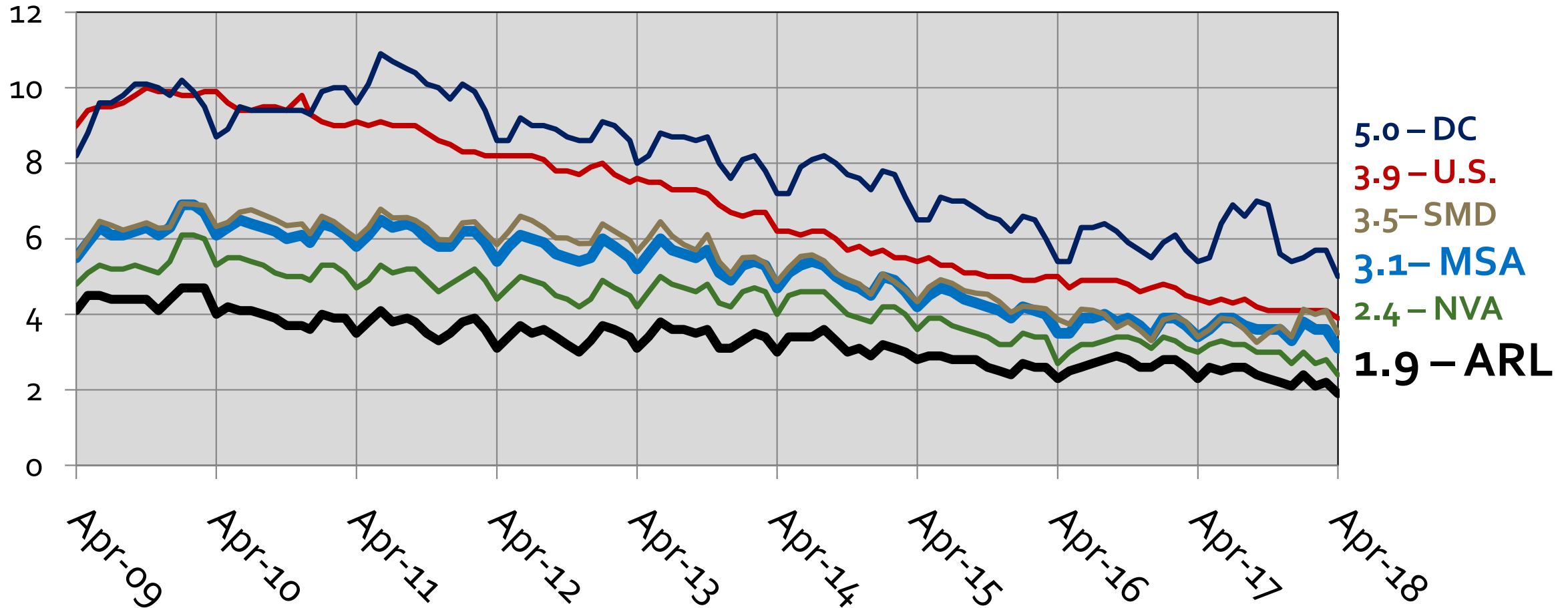
# 15 Largest Job Markets

## Job Change: April 2017 – April 2018



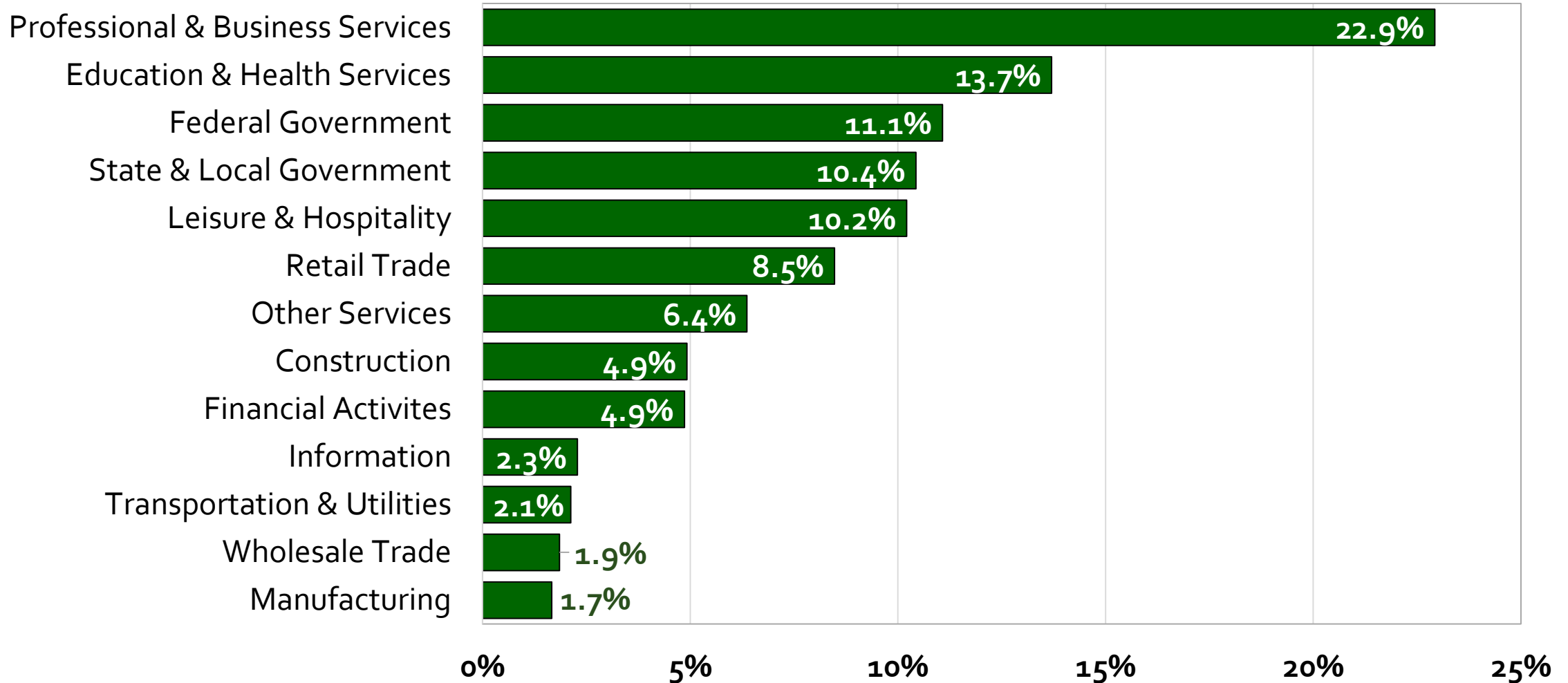


# Unemployment Rates in the WMSA By Sub-State Area



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

# Professional & Business Services drive the regional economy – April 2018



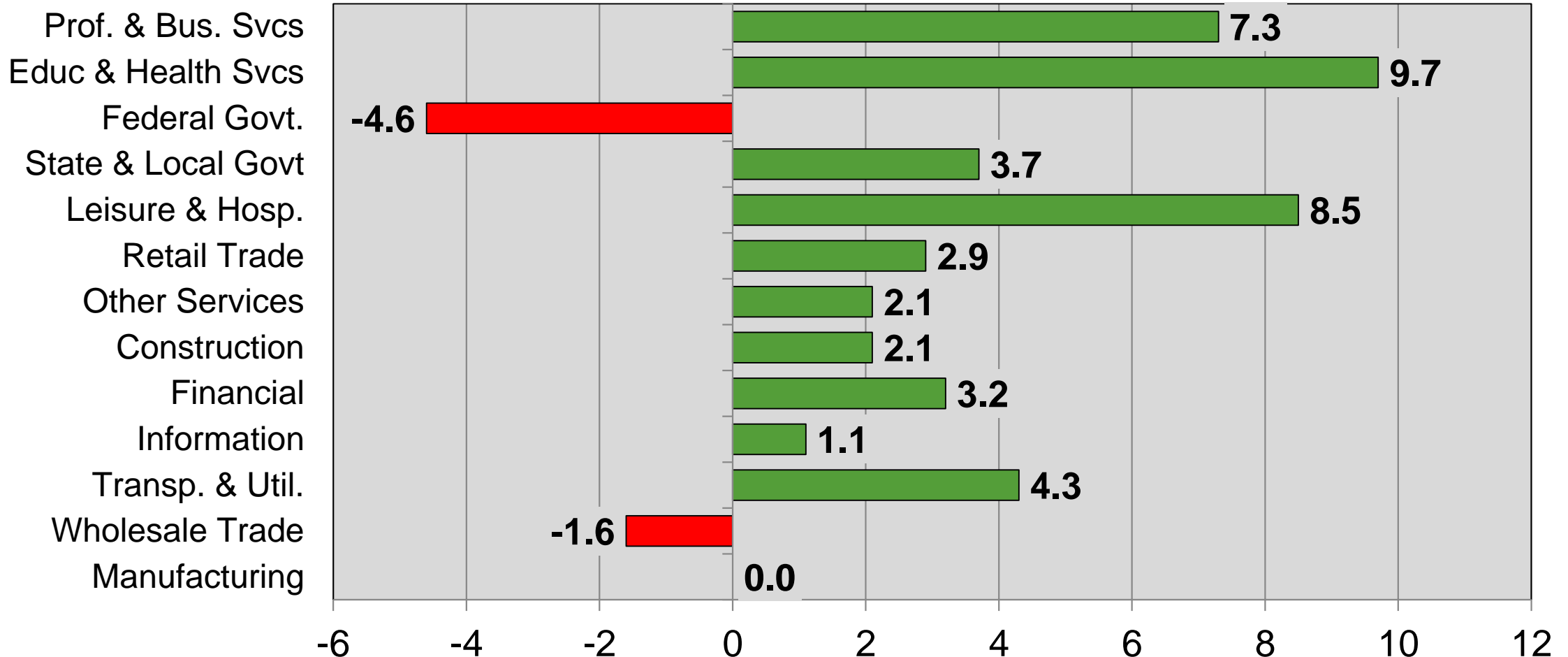
Source: US Bureau of Labor Statistics, Current Employment Statistics

# Job Change by Sector April 2017 – April 2018 Washington MSA

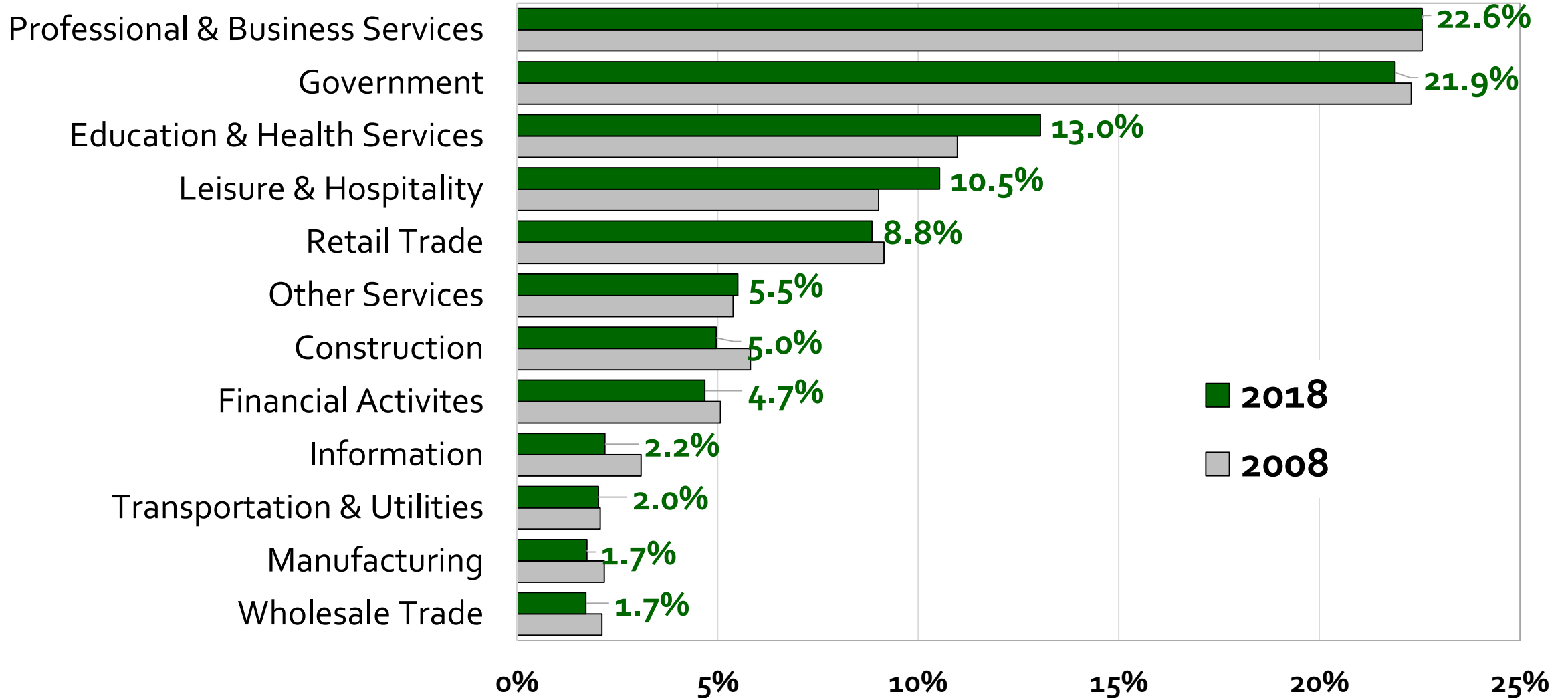
(Ranked by Size in 2017)

(000s)

Total = 38,700

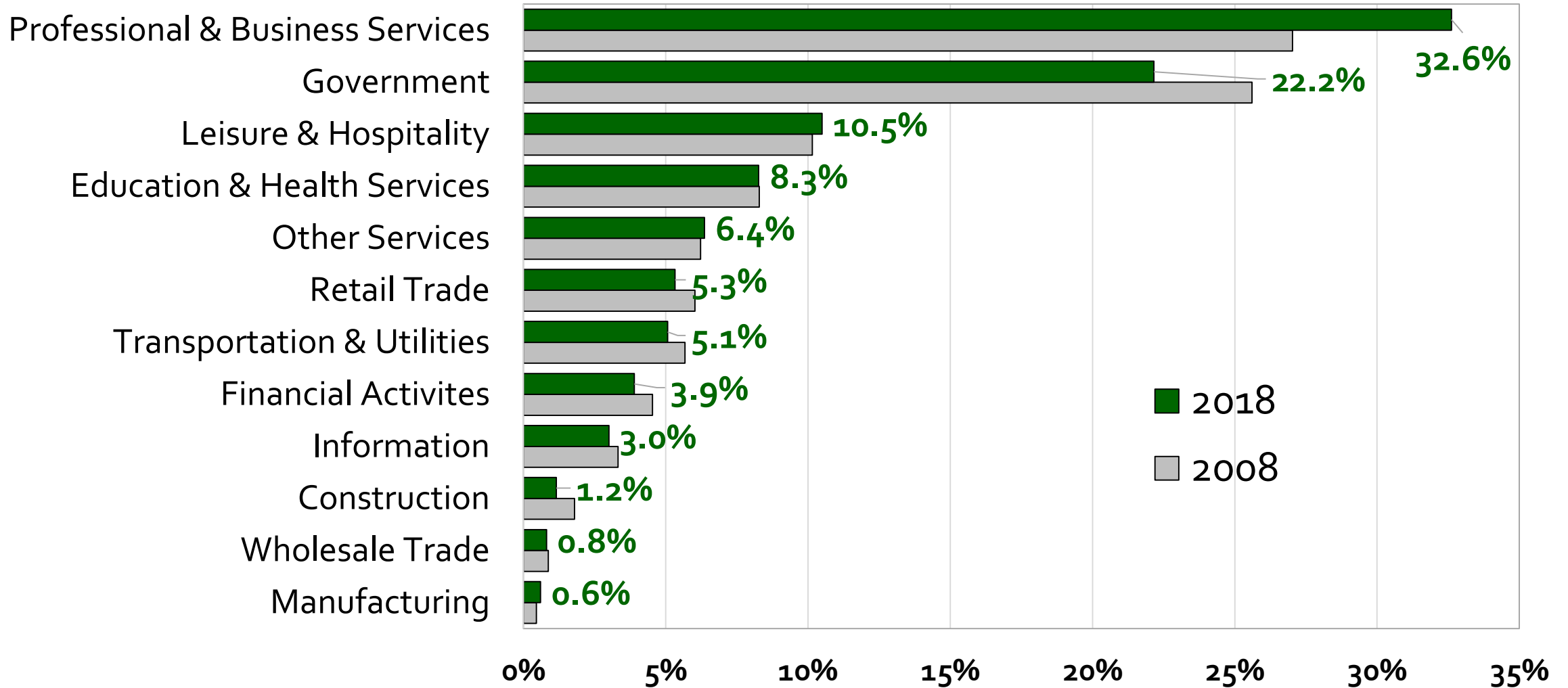


# Covered Employment in Washington MSA



Source: EMSI

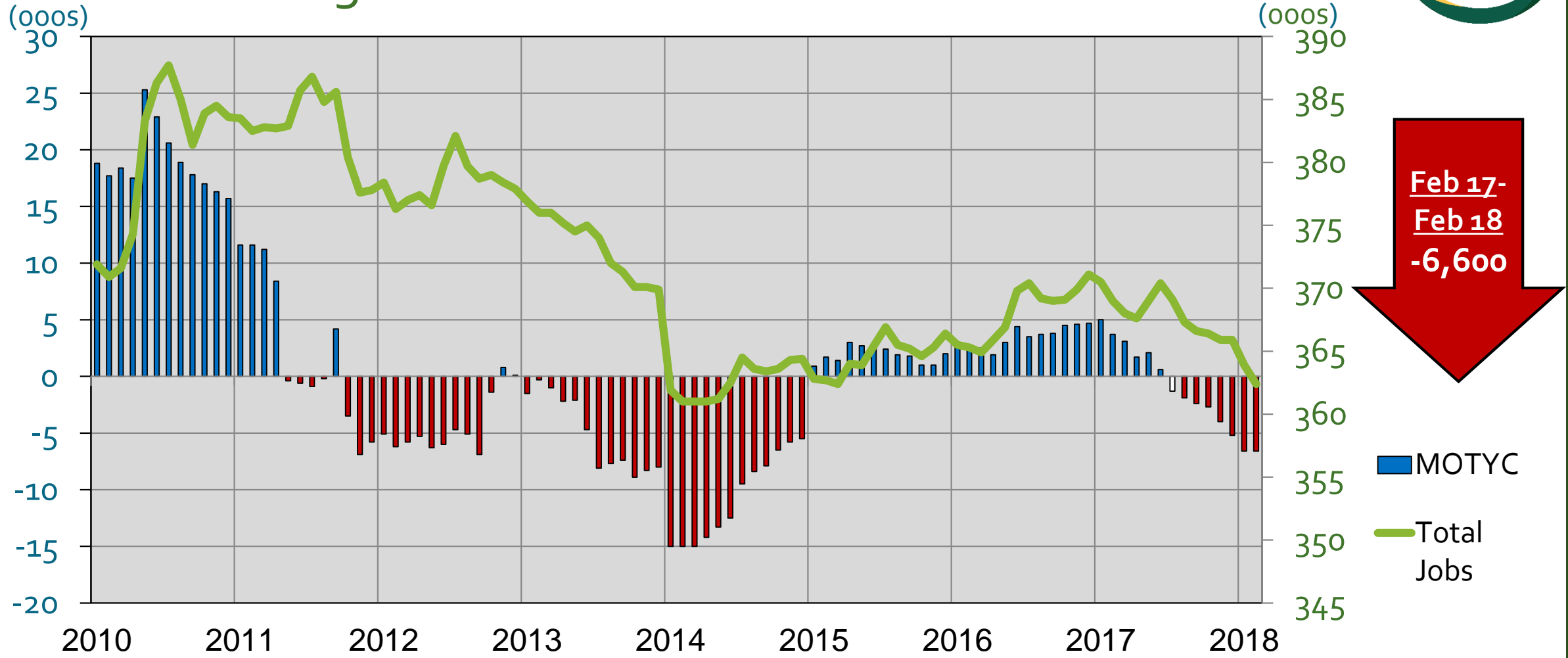
# Covered Employment in Arlington



Source: EMSI

# The Economic Influence of the Federal Government

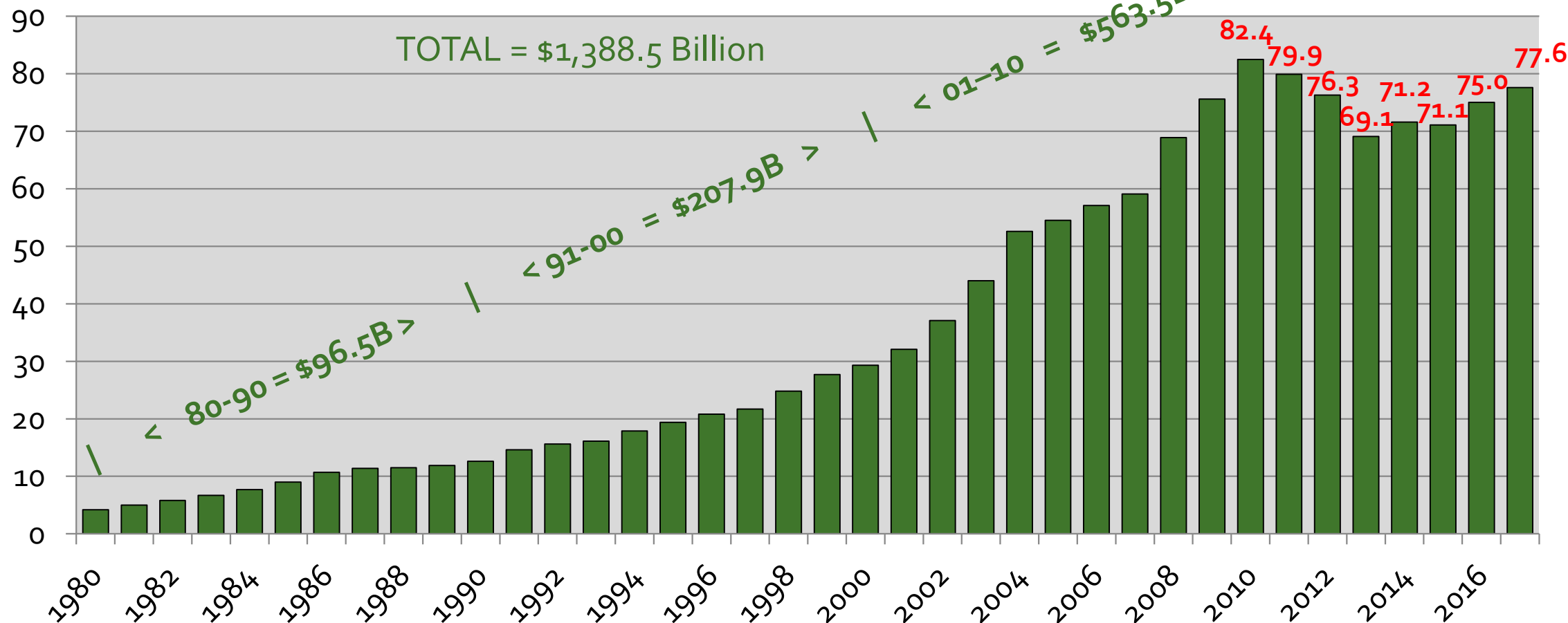
# Federal Government Washington MSA



# Federal Procurement in the Washington MSA

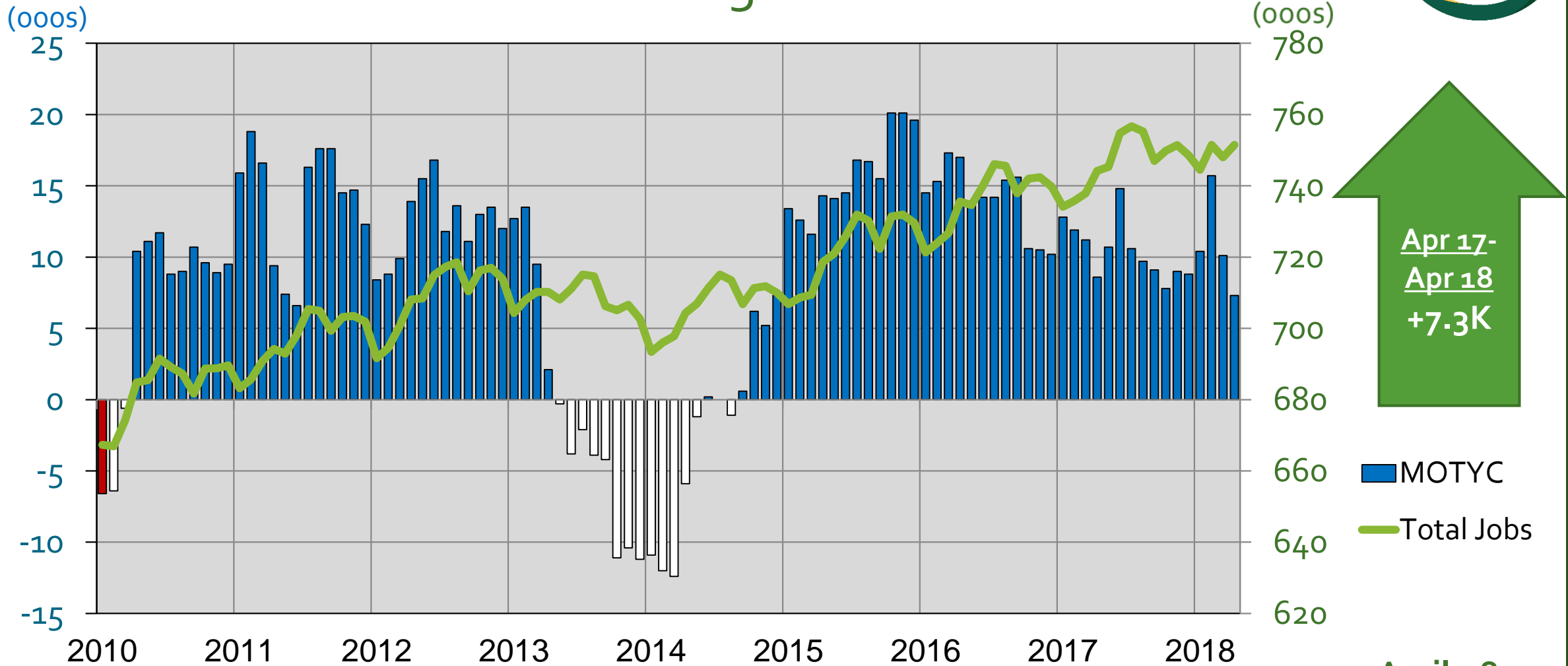
1980-2017 (Fiscal Years)

\$ Billions





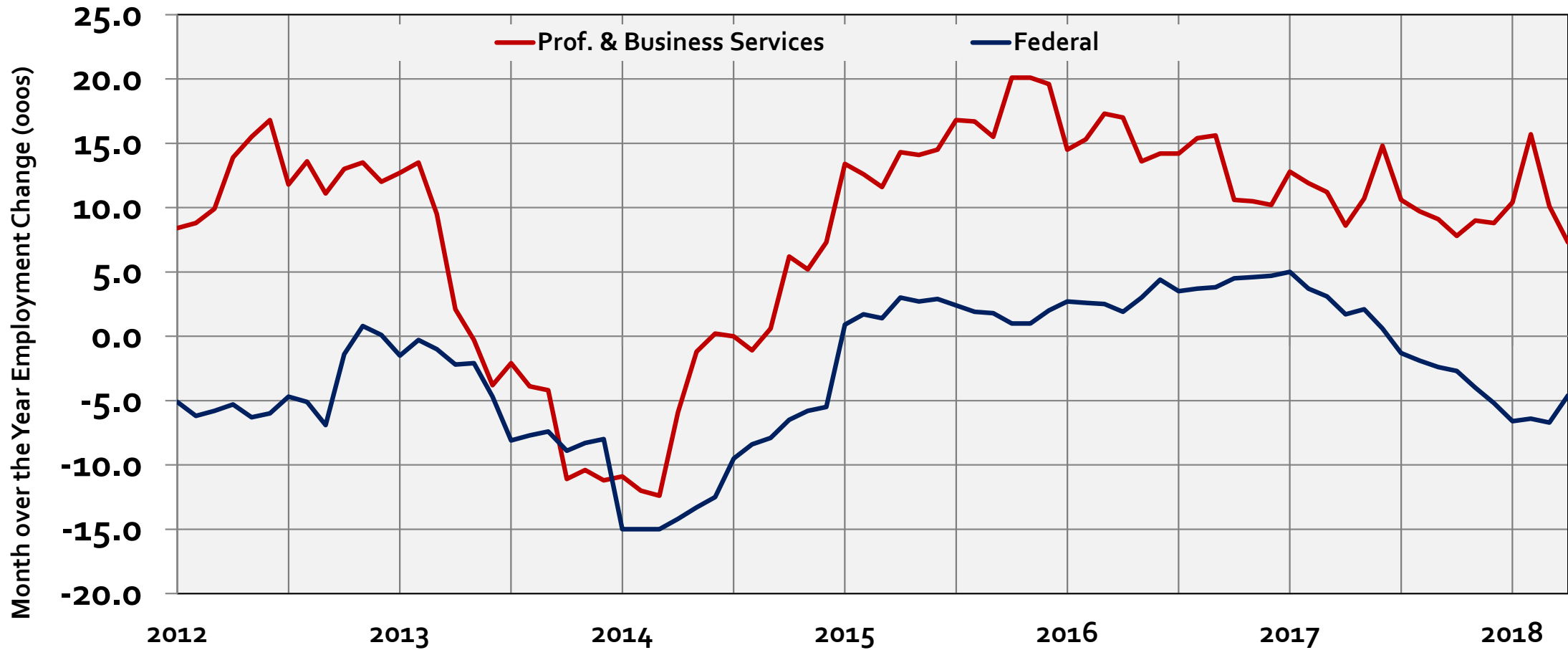
# Professional & Business Services Washington MSA



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

**April-18  
Total: 751.5K**

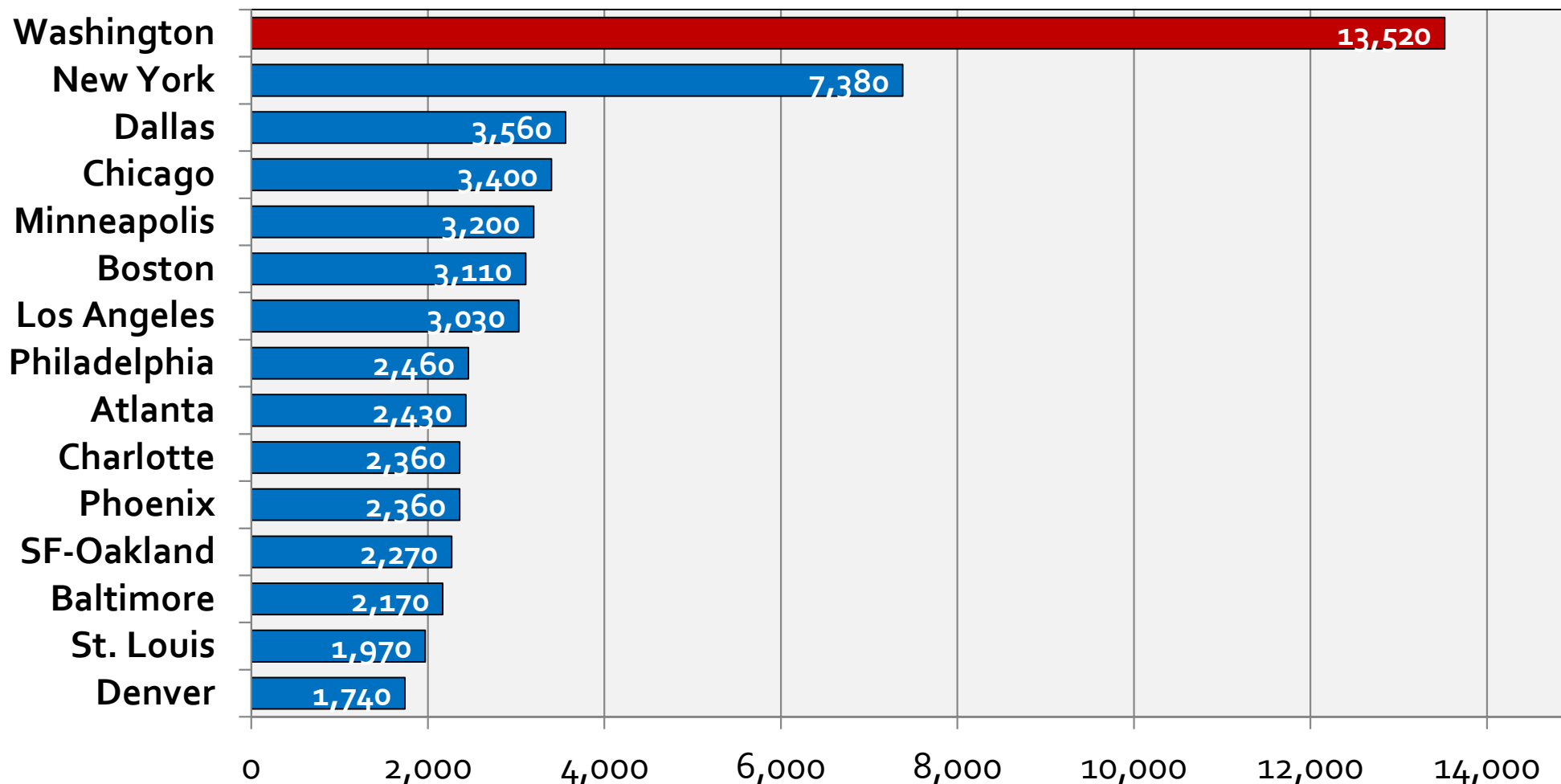
# Professional and Business Services Employment and Federal Employment in Washington, DC Metro Area Compared to the Previous Year, 2012-2018



Source: US Bureau of Labor Statistics, Current Employment Statistics

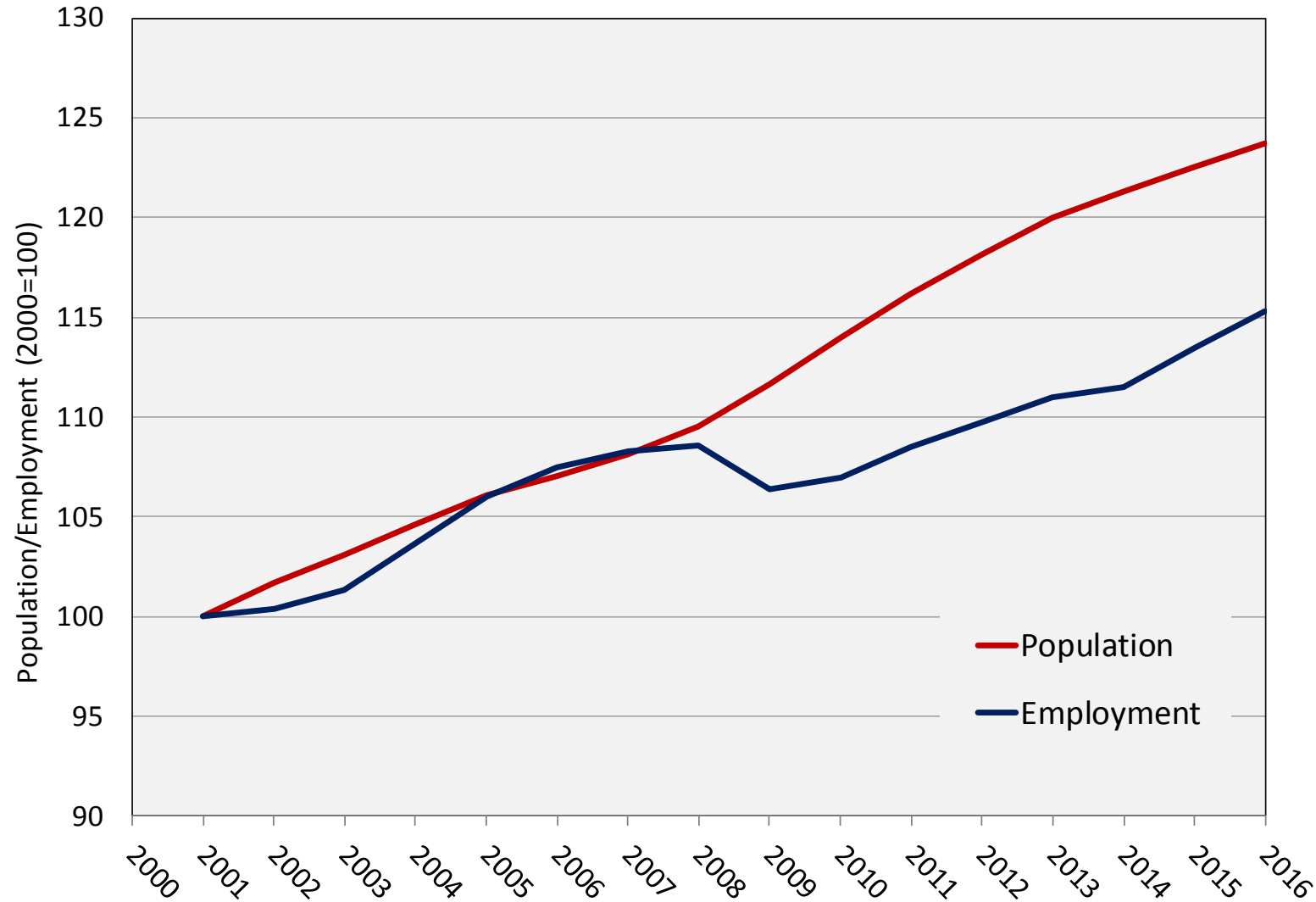
# The DC Metro is a leader in Cyber-security

Information Security Analysts (SOC 15-1122) by metro area, 2017



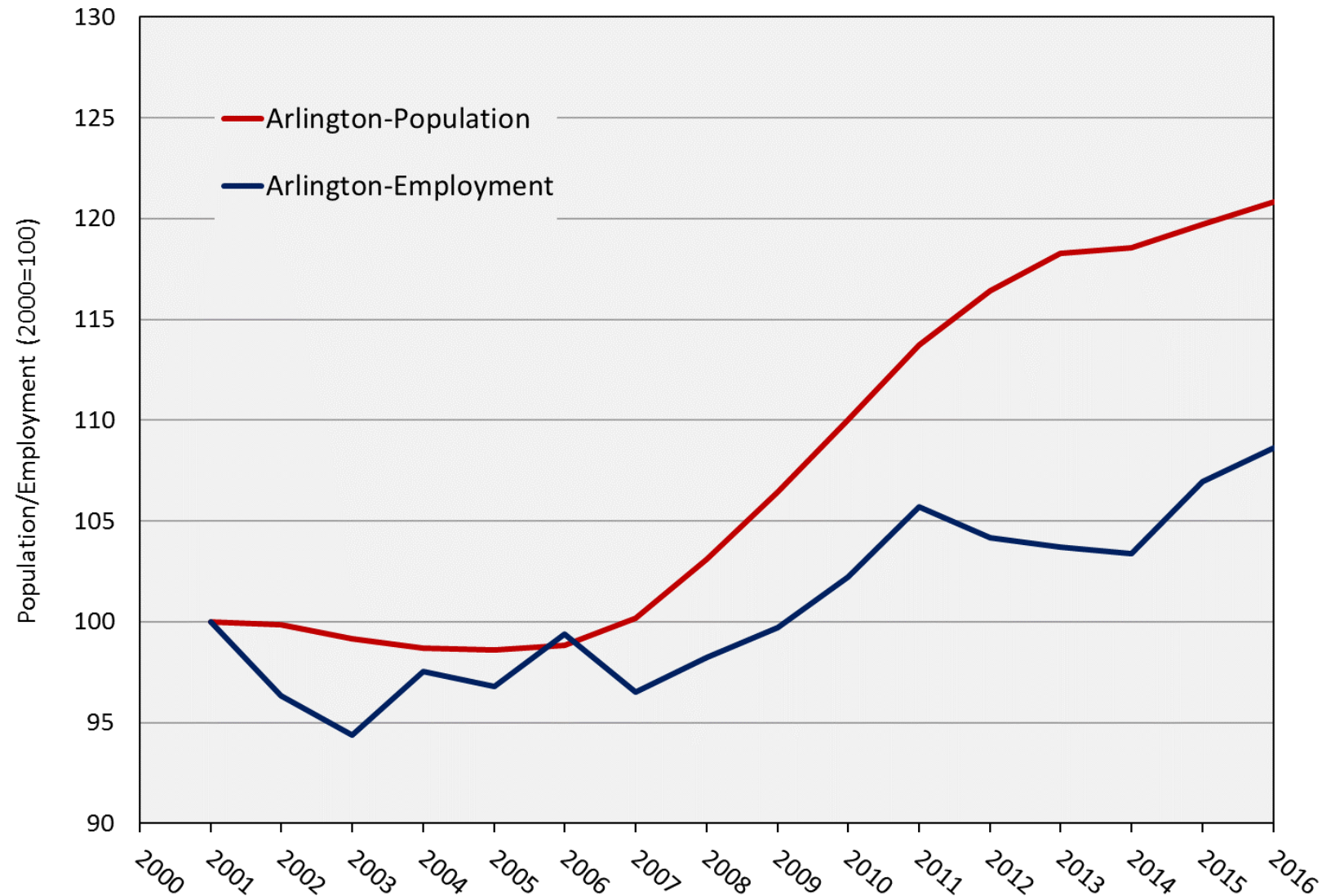
# Additional ongoing challenges

# Population and employment trends in the Washington Metro Area



Source: US Census Bureau Population Estimates, US Bureau of Labor Statistics Quarterly Census of Employment and Wages

# Population and employment trends in Arlington



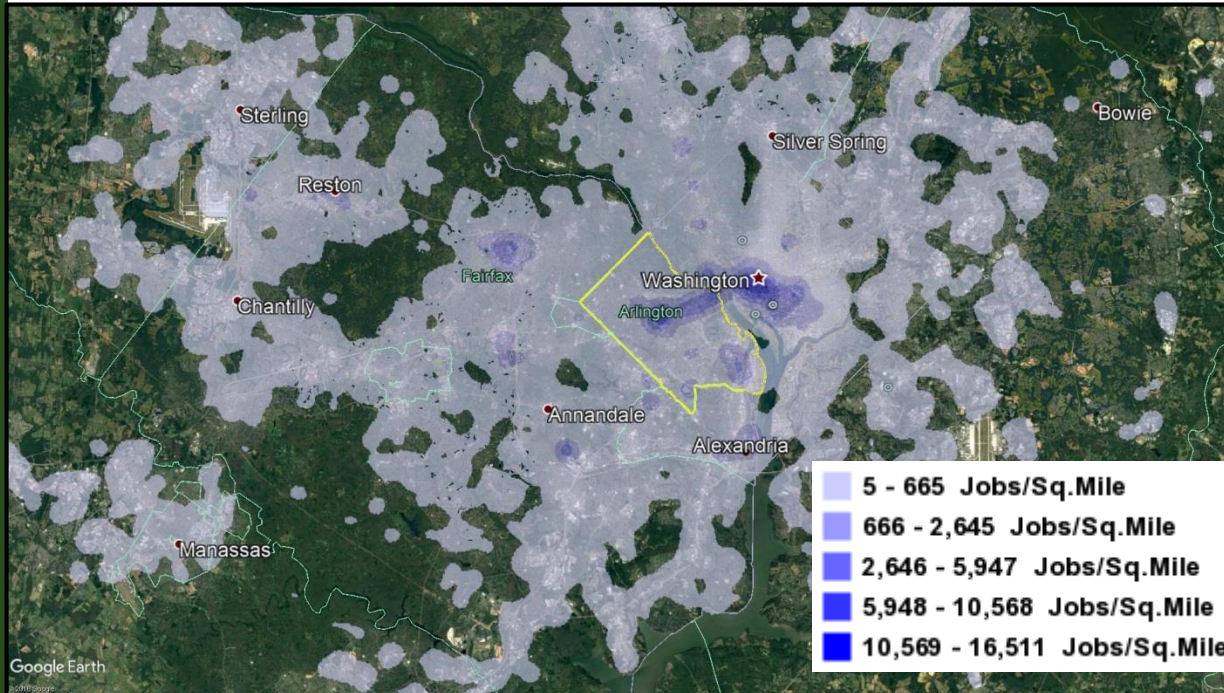
Source: US Census Bureau Population Estimates, US Bureau of Labor Statistics Quarterly Census of Employment and Wages



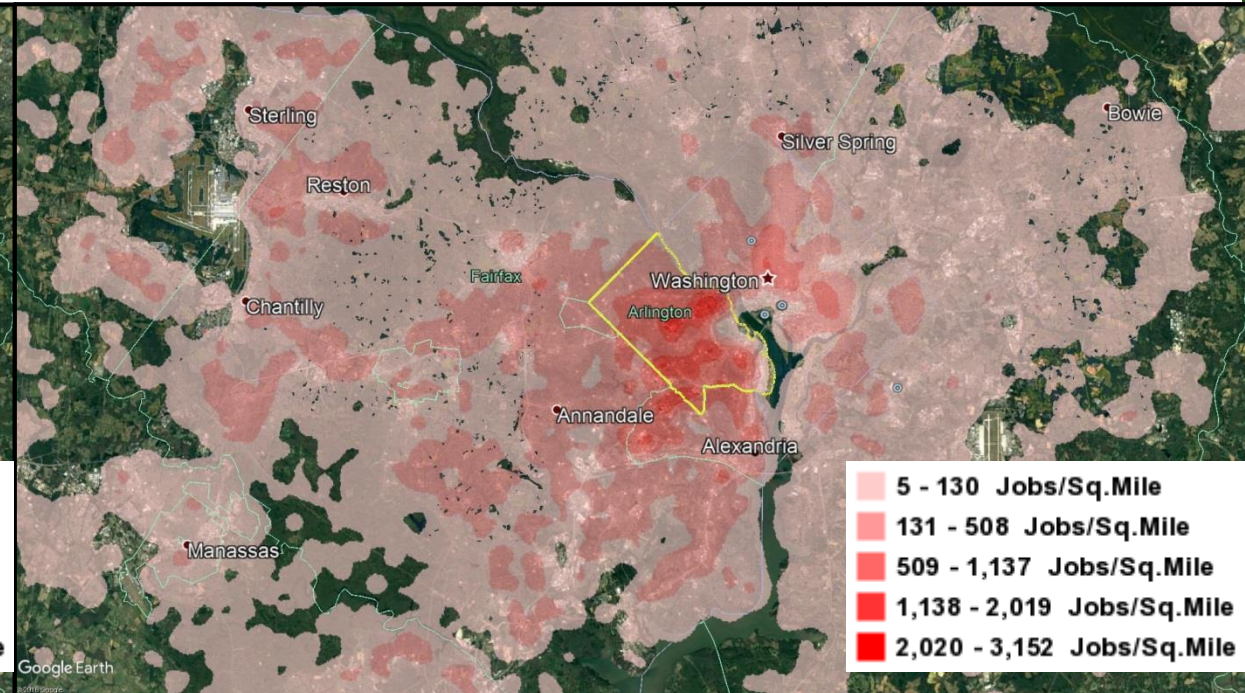
# Arlington is fully immersed within the broader regional workforce

**Where Arlington residents work  
(2015)**

**Where Arlington workers live  
(2015)**

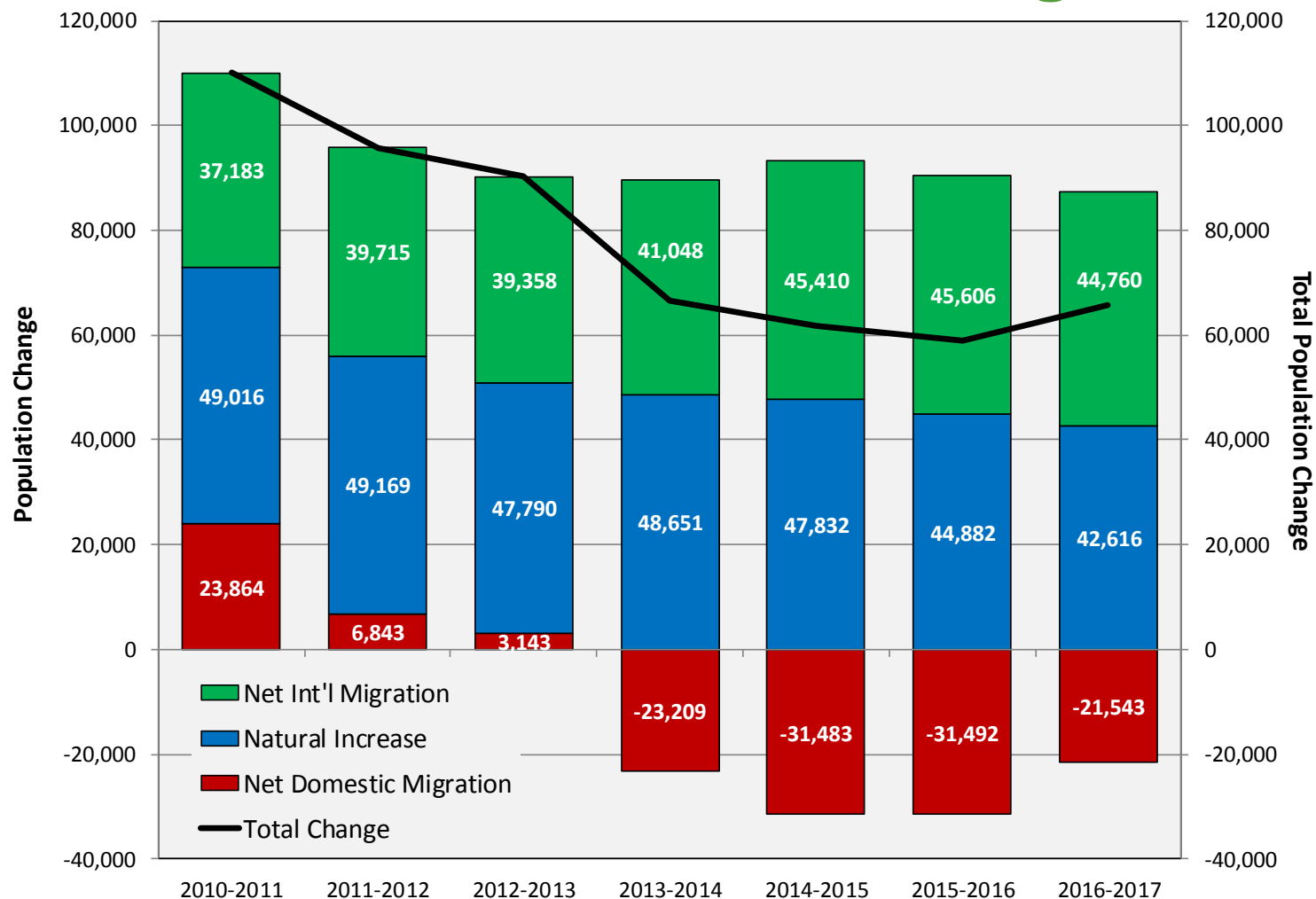


\*19.5 percent of workers living in Arlington, also work in Arlington



\*15.4 percent of workers working in Arlington, also live in Arlington

# The region has experienced net domestic out-migration since 2013

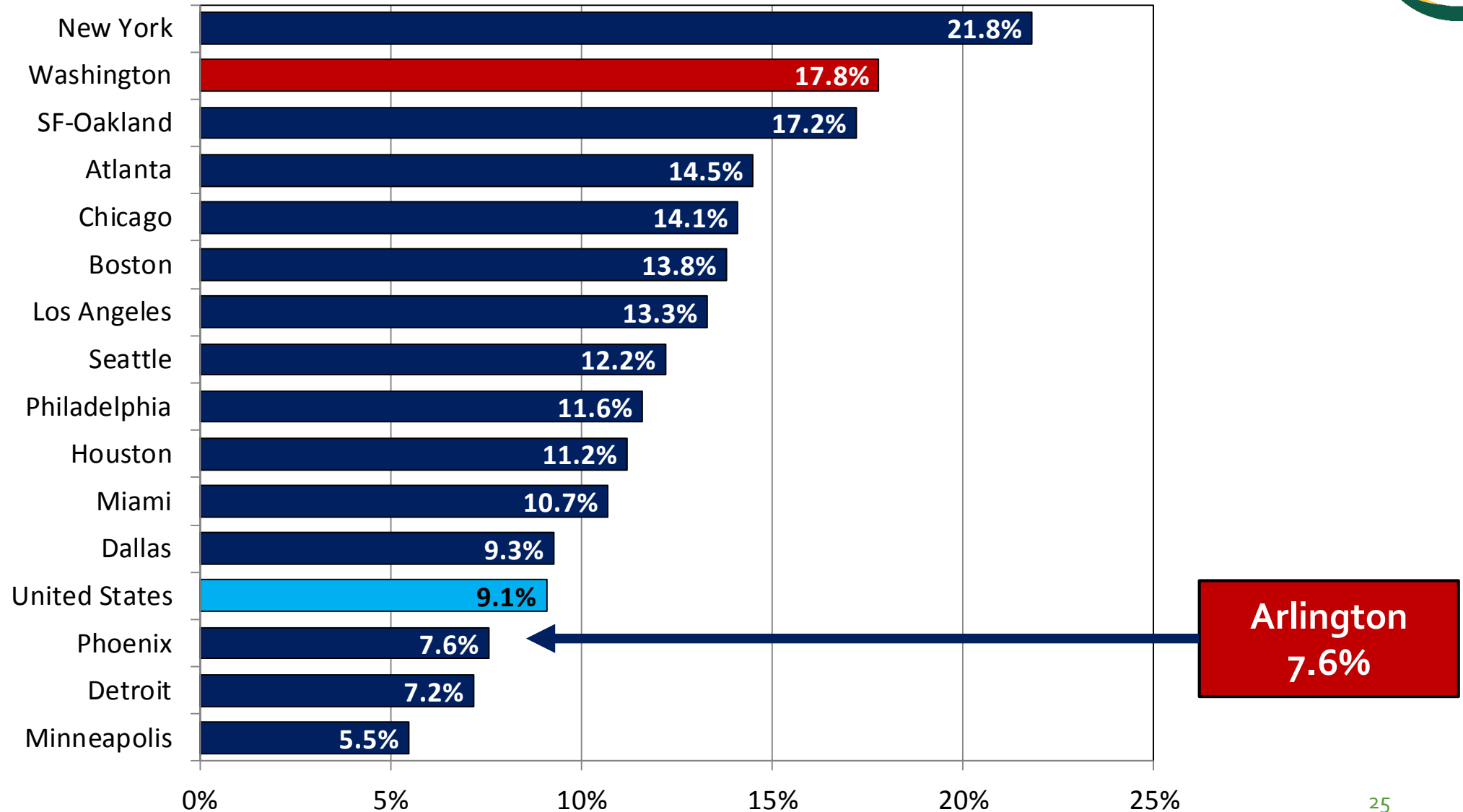


- This trend started sooner in places like Arlington-Alexandria and suburban Maryland.
- People move here for jobs, then choose a place to live in the region.
  - Many factors cause them to consider other metro areas
- Note the continued importance of Int'l migration to the region's continued growth



# Long commutes diminish quality of life

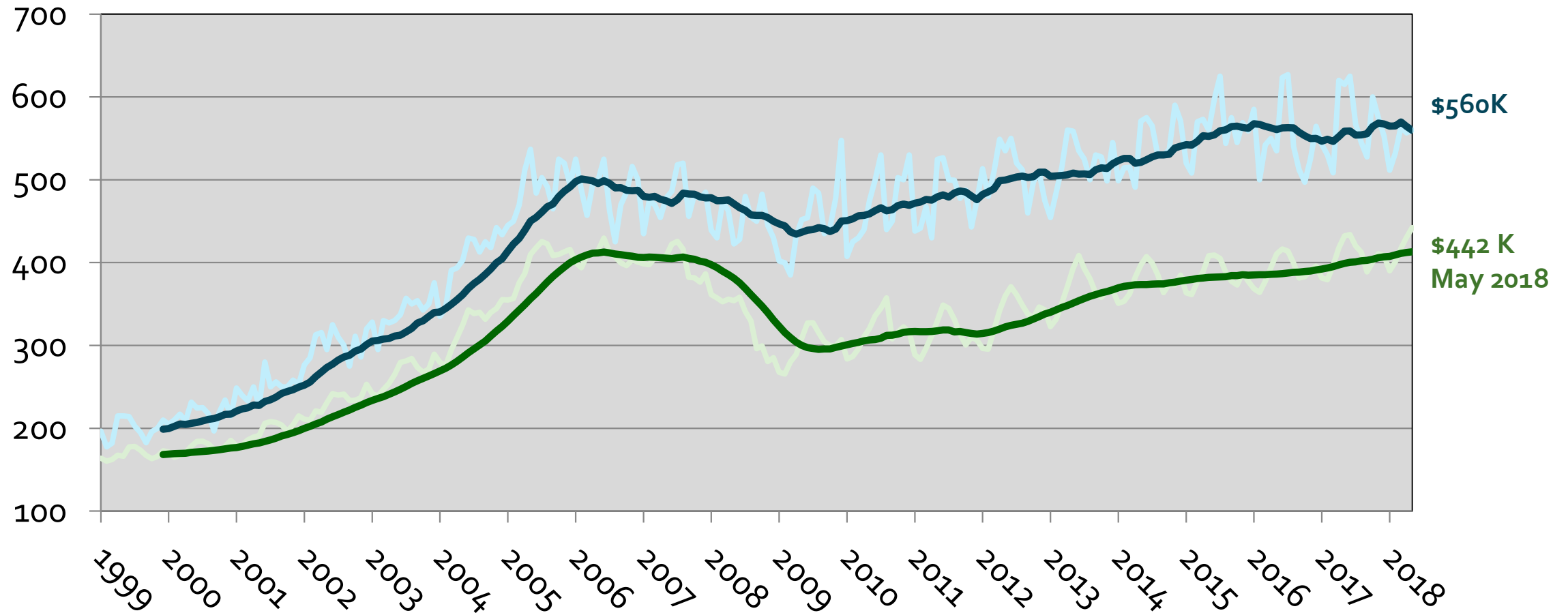
Proportion of workers with travel time to work of 60 or more minutes



Source: US Census  
Bureau, 2016  
American  
Community Survey,  
Table So802

# Median House Sales Price

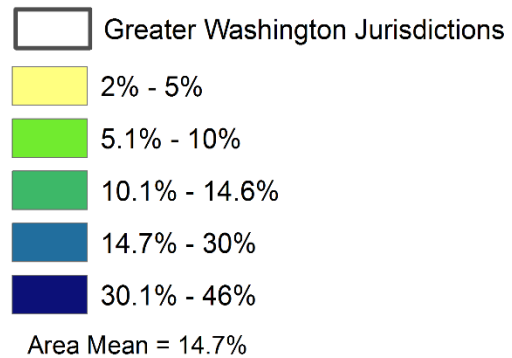
— Washington MSA  
— Arlington



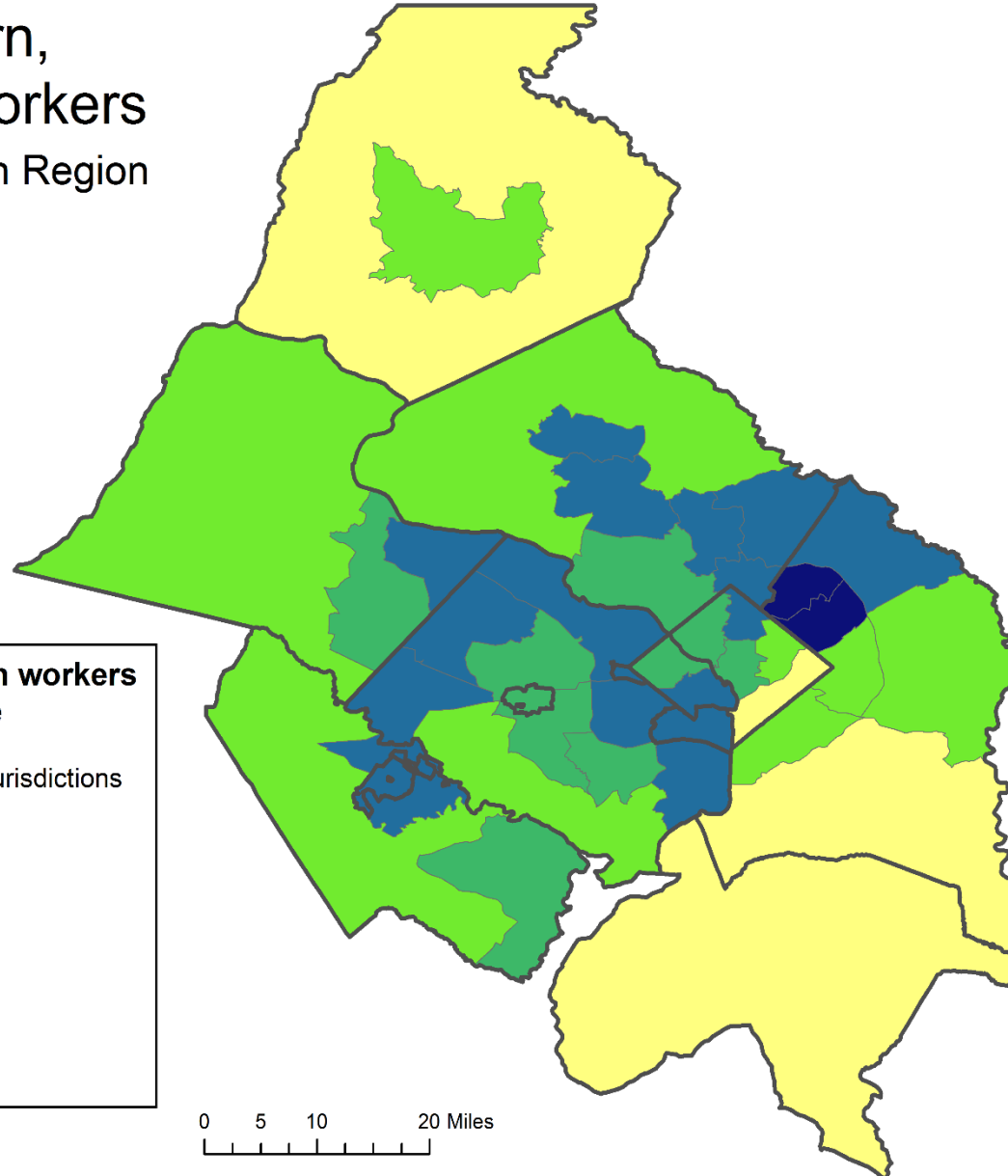
# The contributions of foreign-born, non-citizen workers to the Washington region's workforce

## Foreign Born, Non-Citizen Workers Greater Washington Region

### Foreign born, non-citizen workers as a % of total workforce

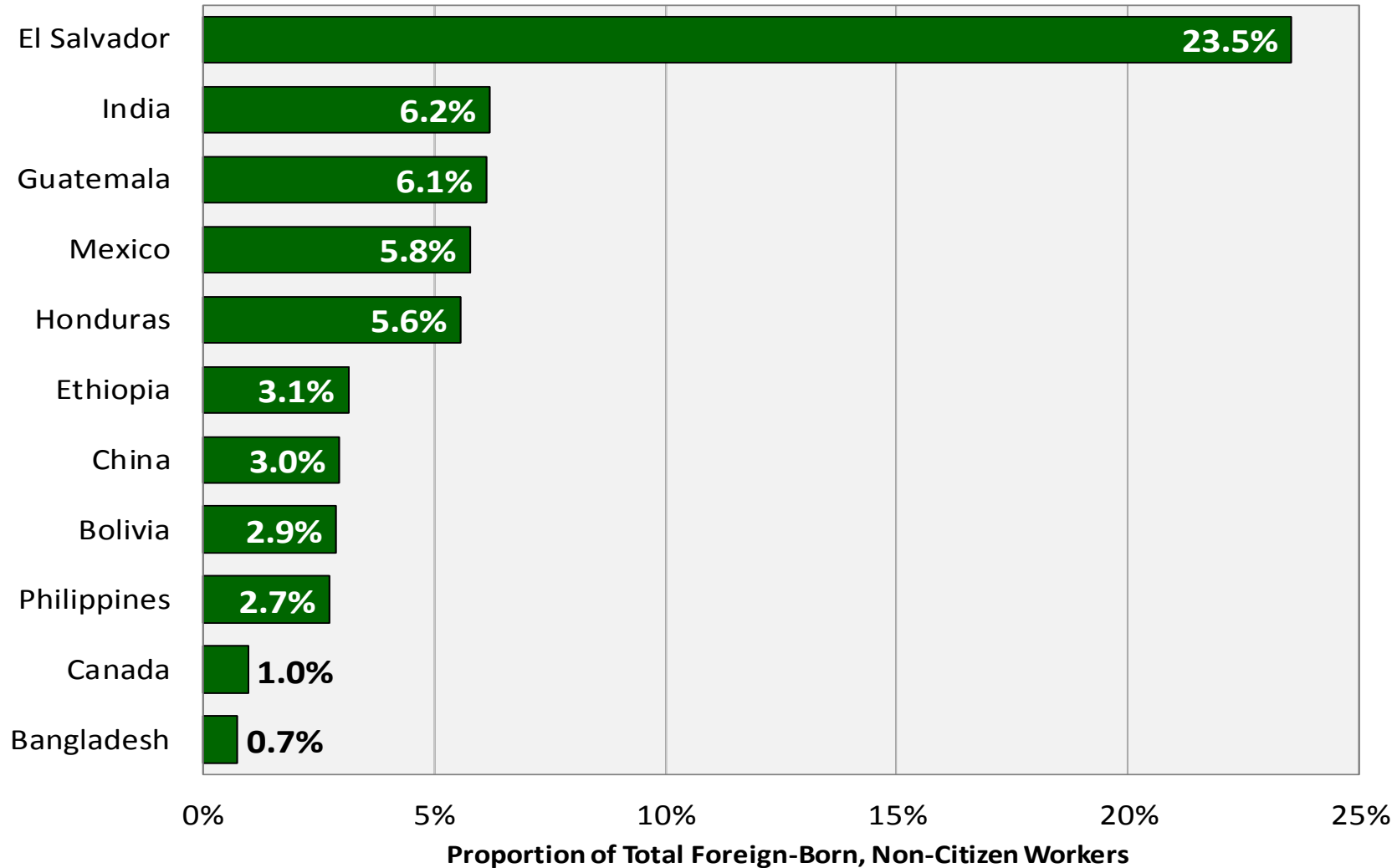


0 5 10 20 Miles



Source: 2016 American  
Community Survey,  
Public Use Microdata  
Sample (PUMS) files





# Most Foreign Born, Non-Citizens originate from Latin America



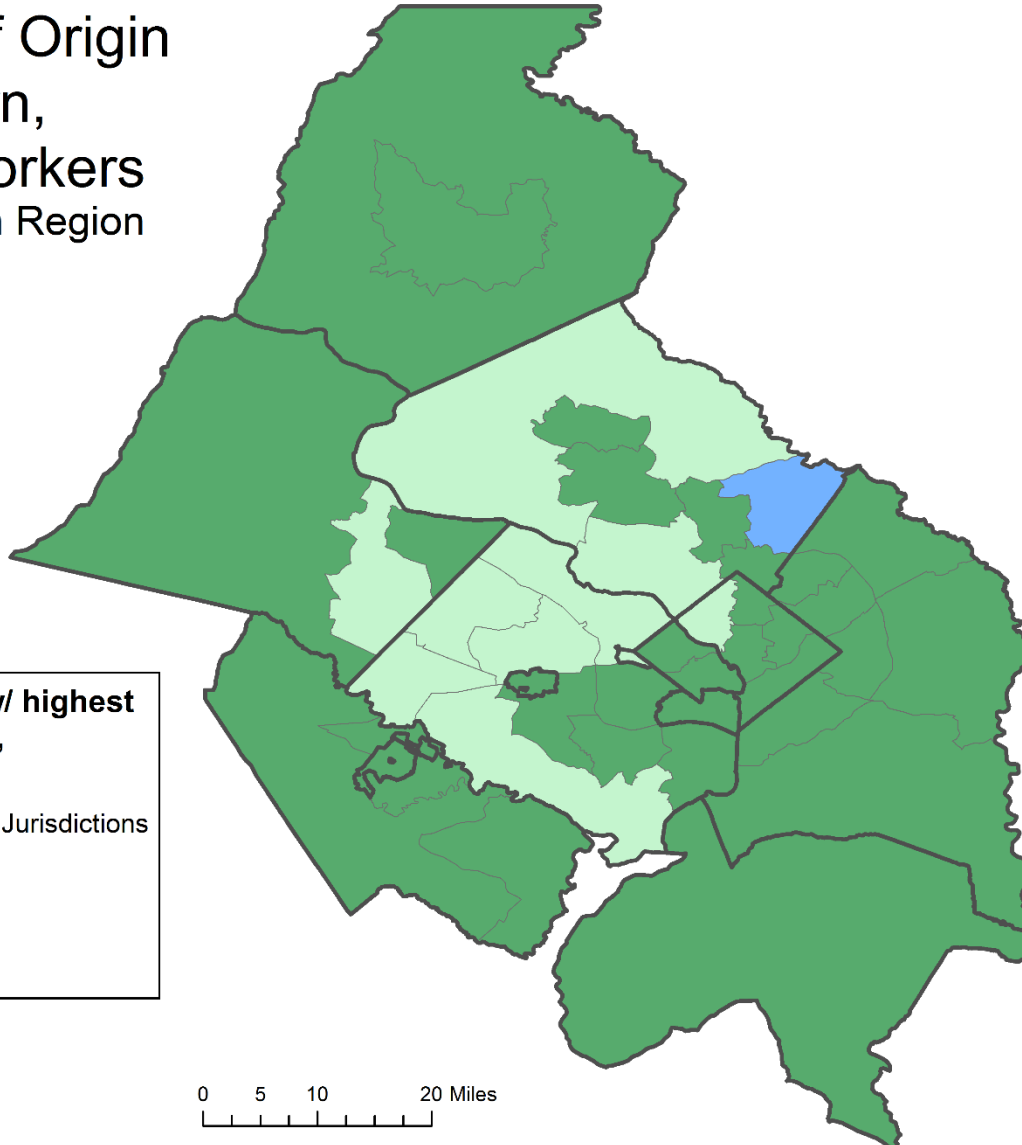
Source: US Census Bureau ACS 2016, GMU Center for Regional Analysis

## World Region of Origin Foreign Born, Non-Citizen Workers Greater Washington Region

**World region of origin w/ highest  
% of total foreign born,  
non-citizen workers**

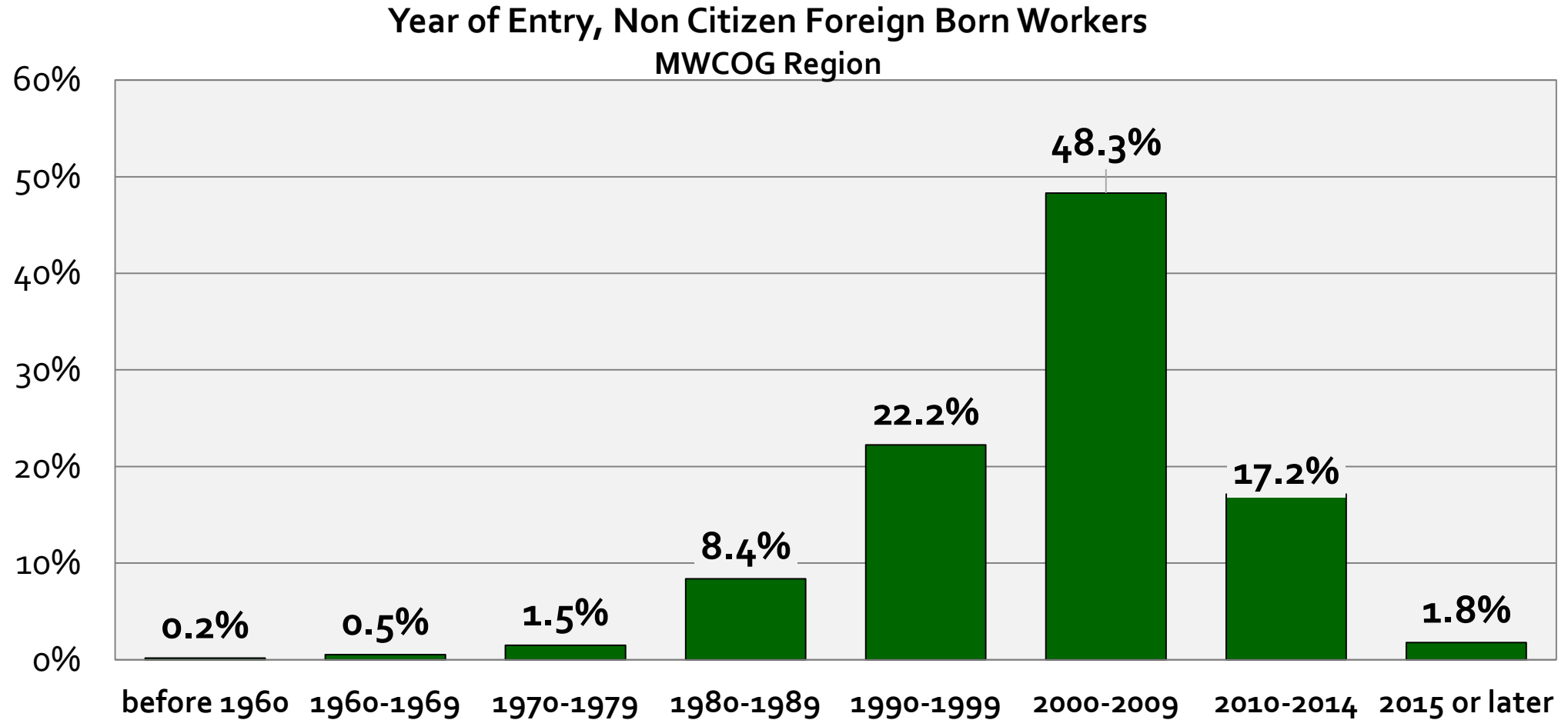
-  Greater Washington Jurisdictions
-  Africa
-  Asia
-  Latin America

0 5 10 20 Miles



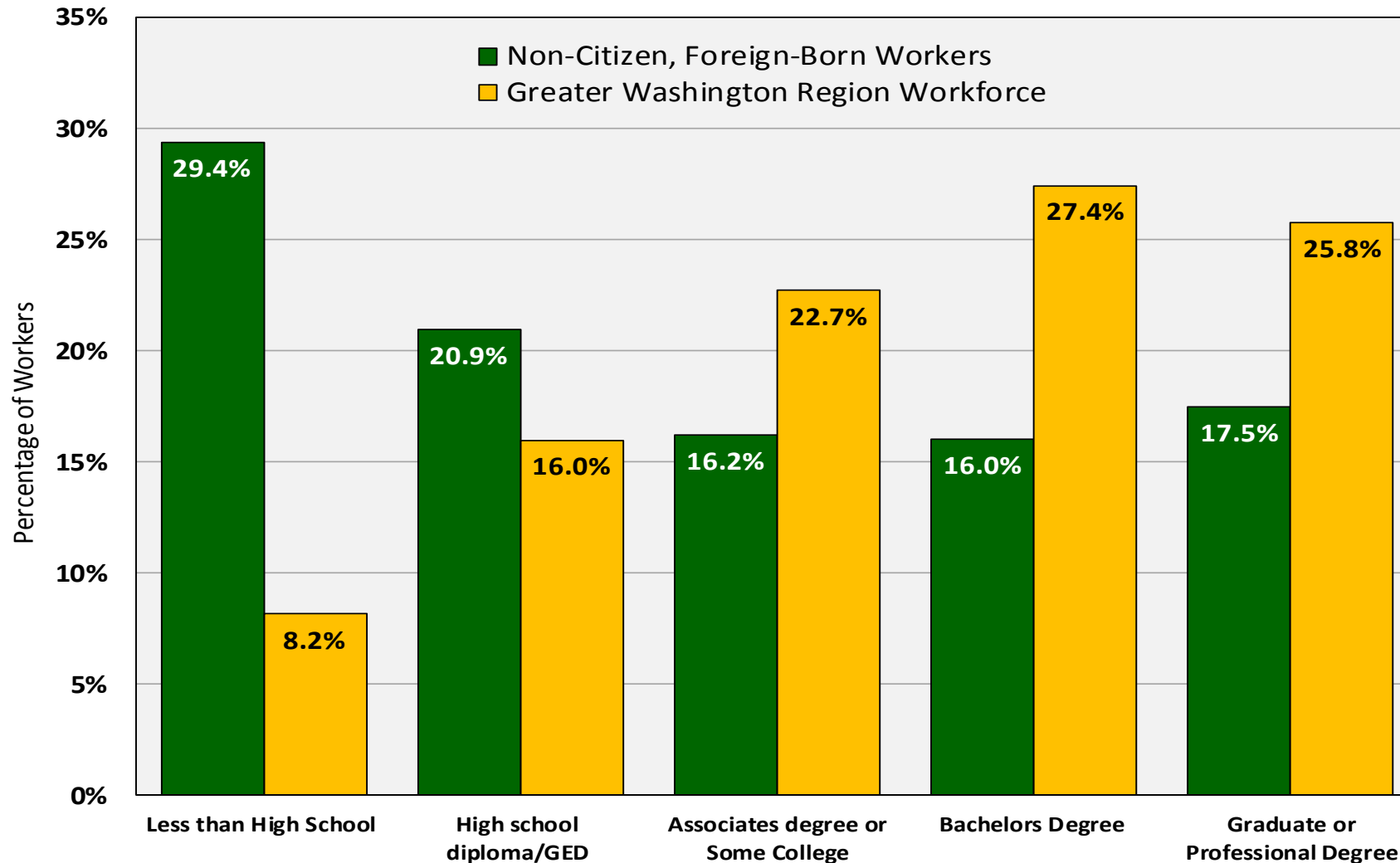
*Source: 2016 American  
Community Survey,  
Public Use Microdata  
Sample (PUMS) files*

# Majority of foreign-born, non-citizen workers have been here 10 years or more



Source: US Census Bureau ACS 2016, GMU Center for Regional Analysis

# Foreign-born, non-citizen workers are about as likely to have a post-secondary degree as all workers nationwide



Source: US Census Bureau ACS 2016, GMU Center for Regional Analysis



# Several occupational groups rely heavily on foreign-born, non-citizen workers

Occupation Group	Foreign-Born, Non-Citizen Workers	% of Total Occupation Workforce
Construction & extraction	65,940	52.4%
Cleaning & maintenance	52,750	48.6%
Farming, fishing, & forestry	1,150	38.0%
Food preparation & serving	43,770	32.6%
Production	14,220	28.0%
Healthcare support	10,300	21.6%
Personal care & service	21,160	21.3%
Transportation & material moving	22,870	20.7%
Life, physical, & social science	10,890	18.1%
Installation, maintenance, & repair	9,190	16.6%
Sales	33,990	14.1%
Computer & mathematical	21,520	10.1%

# Looking ahead

- Now/This Year:

- On a roll
- Apple/Amazon
- Federal Budget (We have one!)
- Job growth constrained by labor availability
- Building permits not booming
- Lack of housing inventory, lack of affordable housing

- Looking Forward

- Economic Development = Talent Attraction
- Quality of Life is key
- Net effects of new tax laws on worker take home
- Increasing debate about 1099 work versus employment
- Immigration
- Construction costs
- AI

# Thank You Questions

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