Washington Area Economy: Performance and Outlook

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

February 5, 2021
U. S. Gross Domestic Product

Source: Bureau of Economic Analysis (Seasonally Adjusted, Chained 2012 Dollars)

Quarterly Change  Real GDP (Billions)

Q4 2019-Q4 2020  -2.5%

Source: Bureau of Economic Analysis (Seasonally Adjusted, Chained 2012 Dollars)
Annual Change in U. S. Payroll Jobs
Month-Over-Year

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
US Payroll Job Change
Month-to-Month

Source: Bureau of Labor Statistics (Seasonally Adjusted), GMU Center for Regional Analysis
U.S. Payroll Jobs

1-mo. change (in thousands)

Since 2010 (Jan 2010) +12.8M
Since 2020 (12-mo. Δ) -9.6M
Dec 20 – Jan 21 (1 mo. Δ) +49K

Source: Bureau of Labor Statistics (Seasonally Adjusted), GMU Center for Regional Analysis
U.S. Payroll Job Change by Sector
12-Month Net Change (Jan 2021)

<table>
<thead>
<tr>
<th>Sector</th>
<th>12-Month Net Change (Jan 2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure &amp; Hosp.</td>
<td>-3,823 (000s)</td>
</tr>
<tr>
<td>Financial</td>
<td>-1,273 (000s)</td>
</tr>
<tr>
<td>Construction</td>
<td>-793 (000s)</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>-1,294 (000s)</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>-378 (000s)</td>
</tr>
<tr>
<td>Manufacting</td>
<td>-575 (000s)</td>
</tr>
<tr>
<td>Other Services</td>
<td>-223 (000s)</td>
</tr>
<tr>
<td>Transp. &amp; Util.</td>
<td>-269 (000s)</td>
</tr>
<tr>
<td>Information</td>
<td>-456 (000s)</td>
</tr>
<tr>
<td>State &amp; Local Govt.</td>
<td>-139 (000s)</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Svcs</td>
<td>-238 (000s)</td>
</tr>
<tr>
<td>Educ &amp; Health Svcs</td>
<td>13 (000s)</td>
</tr>
<tr>
<td>Federal Govt.</td>
<td>-9.6M (000s)</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics (Seasonally Adjusted), GMU Center for Regional Analysis
U.S. Payroll Job Change by Sector
1-Month Net Change (Jan 2021)

Ranked by Size in 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>Net Change (000s)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educ &amp; Health Svcs</td>
<td>-61</td>
<td>97</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Svcs</td>
<td>-38</td>
<td></td>
</tr>
<tr>
<td>State &amp; Local Govt</td>
<td>-10</td>
<td></td>
</tr>
<tr>
<td>Leisure &amp; Hosp.</td>
<td>-28</td>
<td></td>
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<tr>
<td>Retail Trade</td>
<td>-24</td>
<td></td>
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<tr>
<td>Manufacturing</td>
<td>8</td>
<td></td>
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<tr>
<td>Financial</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Other Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transp. &amp; Util.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Govt.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics (Seasonally Adjusted), GMU Center for Regional Analysis
U.S. Unemployment Rate

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

Source: Bureau of Labor Statistics (Seasonally Adjusted), GMU Center for Regional Analysis
Initial Claims for Unemployment
4-Week Moving Average (2007-2021)

Source: Department of Labor (Seasonally Adjusted), GMU Center for Regional Analysis
Initial Claims for Unemployment
4-Week Moving Average (2011-2021)

Source: Department of Labor (Seasonally Adjusted), GMU Center for Regional Analysis
Average Weekly Earnings
U. S., Total Private, Across all Industries

12-month % change (MOTYC)
Dec 2020

Avg Hourly Wages
+5.1%

Avg Weekly Earnings
+6.3%

Real Avg Weekly Earnings
+4.9%

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

Nonfarm business, seasonally adjusted

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

Source: The Conference Board, GMU Center for Regional Analysis

Jan 2021
Pres. = 84.4
Exp. = 92.5
(1985 = 100)
Annual Consumer Prices 2001-2020
Year over Year % Change

Source: Bureau of Labor Statistics, GMU Center for Regional Analysis
Monthly Consumer Prices
2001 – 2020

Source: Bureau of Labor Statistics, GMU Center for Regional Analysis
Interest Rates
2001 - 2020

Source: Federal Reserve Bank of St. Louis, GMU Center for Regional Analysis
10-year/1-year Treasury Yield
Constant Maturity Rate Yield Spread (1953-Present)

Not Seasonally Adjusted

Source: Federal Reserve Economic Data (FRED), Federal Reserve Bank of St. Louis

Note: horizontal axis “tick marks” reflect June 1 of each year
U.S. Home Sales
New and Existing (2013-Present)

- Existing Home Sales
- New Home Sales

Source: U.S. Census (New Home Sales) [Seasonally Adjusted Annual Rate], National Association of Realtors (Existing Home Sales)
Change in U. S. Personal Consumption Expenditures

Source: Bureau of Economic Analysis
U. S. GDP Annual % Change
2007 – 2020

Source: Bureau of Economic Analysis, GMU Center for Regional Analysis
The Washington Economy
Elements of Population Change
Washington MSA

Source: U. S. Census Bureau, Population Estimates Program (2018 estimates)
Annual Job Change

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Annual Job Change
Washington MSA (2012-2020)

12-month net change

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Annual Job Change
Washington MSA, DC-SMD-NoVA (2012-2020)

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Annual Job Change
District of Columbia (2012-2020)

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Annual Job Change
Suburban Maryland (1991-2020)

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Annual Job Change
Suburban Maryland (2012-2020)

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Annual Job Change
Northern Virginia (1991-2020)

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Annual Job Change
Northern Virginia (2012-2020)

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Employment Composition by Sector
Washington MSA Dec 2020

- Professional & Business Services: 24.1%
- Education & Health Services: 13.1%
- Federal Government: 11.7%
- State & Local Government: 10.2%
- Retail Trade: 8.6%
- Leisure & Hospitality: 7.8%
- Other Services: 6.3%
- Construction: 5.2%
- Financial Activities: 4.9%
- Information: 2.3%
- Transportation & Utilities: 2.2%
- Wholesale Trade: 2.0%
- Manufacturing: 1.7%
Job Change by Sector
Washington MSA
Dec 2019 – Dec 2020

(000s)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure &amp; Hosp.</td>
<td>-83.5</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>-10.5</td>
</tr>
<tr>
<td>Other Services</td>
<td>-6.6</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-8.8</td>
</tr>
<tr>
<td>Transport/Utilities</td>
<td>-4.5</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>-4.8</td>
</tr>
<tr>
<td>Professional Services</td>
<td>-6.6</td>
</tr>
<tr>
<td>Financial Services</td>
<td>-11.1</td>
</tr>
<tr>
<td>Information</td>
<td>-3.4</td>
</tr>
<tr>
<td>Construction</td>
<td>-26.8</td>
</tr>
<tr>
<td>State &amp; Local Govt</td>
<td>-8.8</td>
</tr>
<tr>
<td>Federal Govt</td>
<td>-31.2</td>
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<tr>
<td>Wholesale Trade</td>
<td>3.0</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>9.2</td>
</tr>
<tr>
<td>Leisure &amp; Hosp.</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-177.8</td>
</tr>
</tbody>
</table>

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

(Ranked by Size in 2019)
Job Change by Sector
Washington MSA
Nov 2020 – Dec 2020
(Ranked by Size in 2019) (000s)
Prof/Business Svc. 2.5
Educ & Health Svc. 2.0
Federal Govt -0.2
State & Local Govt 6.2
Leisure & Hosp. -9.3
Retail Trade -8.1
Other Services -0.6
Construction -0.7
Financial -0.4
Information -0.7
Transport/Utilities 2.1
Wholesale Trade 0.0
Manufacturing 0.3
Total = -6.9k
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Professional & Business Services
Washington MSA

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Professional & Business Services
Washington MSA

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Professional & Business Services
Northern Virginia

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 2020 total: 376k

Dec 2019 – Dec 2020
+9.2k

Dec 2020 total: 376k
Federal Spending in the Washington MSA
Fiscal Years 1980-2020

Total = $1,457 Billion

Source: USAspending.gov
Job Change by Sector
District of Columbia
Dec 2019 – Dec 2020

(Ranked by Size in 2019)

Manufacturing
Wholesale Trade
Transport & Utility
Construction
Information
Retail Trade
State & Local Government
Financial
Other Services
Education & Health Services
Professional & Business Services
Federal Government

(000s)

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Suburban Maryland
Dec 2019 – Dec 2020

(Ranked by Size in 2019) (000s)

Prof. & Bus. Svcs -5.8
Educ & Health Svcs -6.2
State & Local Govt -13.0
Retail Trade -13.3
Leisure & Hosp. -5.7
Federal Govt. -3.9
Construction -2.5
Other Services -1.7
Financial -0.1
Manufacturing
Transport. & Util. 0.5
Wholesale Trade 2.5
Information 2.7

Total: -49k

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Suburban Maryland
Nov 2020 – Dec 2020

(Ranked by Size in 2019)

(000s)

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

Total: +0k

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Northern Virginia
Dec 2019 – Dec 2020

(Ranked by Size in 2019)

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

(000s)

-33.3 -18.2 -10.6 0.8
-30.0 -20.0 -10.0 0.0
-20.0 -10.0 0.0 10.0

Total -67.8k

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Northern Virginia
Nov 2020 – Dec 2020

(000s)

Manufacturing -6.9
Wholesale Trade -3.0
Information -0.8
Transp. & Util. -0.3
Financial -0.3
Other Services 0.0
State & Local Govt 0.4
Prof. & Bus. Svcs 0.3
Federal Govt. 0.2
Construction 1.5
Leisure & Hosp. 3.5
Retail Trade 1.6
Retail Trade 3.8k

Total -3.8k

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

15 Largest Job Markets Job Change
Dec 2019 – Dec 2020

Washington -5.2%

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
U.S. GDP and Washington MSA GRP
Annual % Change 2008 – 2019

Source: Bureau of Economic Analysis, GMU Center for Regional Analysis. Chained Dollars
Long commutes diminish quality of life
Proportion of workers with travel time to work of 60 or more minutes

Source: US Census Bureau, 2018 American Community Survey (Table S0802)
Average Travel Time to Work in the United States by Metro Area

Note: Metropolitan statistical areas reflect boundaries as of August 15, 2017. Source: 2016 American Community Survey 1-year estimates. census.gov/acs
Average Weekday Metrorail Ridership
12-month % change (2006-2019)

Source: Washington Metropolitan Area Transit Authority (WMATA); Center for Regional Analysis
Paid Employees Who Worked At Home Due To The Coronavirus Pandemic in the United States

Dec 2020
Total employed 149.6M

Nov 20 – Dec 20 +2.8M

Housing Market Trends
Inventories of Existing Homes
Washington MSA MOTYC (2011-2020)

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)

Note: End of month inventory includes:
(1) All Pending Listings and (2) Active Listings.
12-Month Percent Change in Inventories of Existing Homes
Washington MSA MOTYC (2000 – 2020)

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Existing Home Sales
Washington MSA (DC Metro Region)
Jan 1999 – Dec 2020

Source: GMU Center for Regional Analysis (CRA); Real Estate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Existing Home Sales
Washington MSA (DC Metro Region)
Month-Over-Year Change
Feb 2011 – Dec 2020

Source: GMU Center for Regional Analysis (CRA); Real Estate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Washington MSA Building Permits
2012-2020, Three-Month Moving Average

Source: U. S. Census Bureau, GMU Center for Regional Analysis
Permits and Inventories
Washington MSA (2010-2020)

Source: GMU Center for Regional Analysis (CRA); Real Estate Business Intelligence (RBI) SmartCharts (using Bright MLS data); U.S. Census Bureau
Existing Home Sales and Permits
12-month moving average of MOTYC % change
Washington MSA

Source: GMU Center for Regional Analysis (CRA); Real Estate Business Intelligence (RBI) SmartCharts (using Bright MLS data); U.S. Census Bureau
Median Home Sales Price
Washington MSA

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Median Home Sales Price
Arlington, Alexandria City, and Washington MSA

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Median Home Sales Price

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Median Home Sales Price
Arlington, Fairfax and Loudoun counties
12-month moving averages | Feb 2011 – Dec 2020

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Closed Home Sales
Arlington, Fairfax and Loudoun counties
12-month moving averages | Jan 2009 – Dec 2020

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Median Sales Price
Washington MSA
Month-Over-Year % Change | Jan 2011 – Dec 2020

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Average Sales Price
Month-Over-Year % Change
Washington MSA

Dec 2020
AVERAGE sales price
$545,256

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Average Sales Price
Month-Over-Year % Change
District of Columbia

Dec 2020 AVERAGE sales price $783,815

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Average Sales Price
Month-Over-Year % Change
Suburban Maryland

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Average Sales Price
Month-Over-Year % Change
Northern Virginia

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Active Listings to Closed Sales Ratio

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Active Listings to Closed Sales Ratio
Greater Washington DC Area

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Average Home Sales Price:
Single Family Detached
Northern Virginia (2011-2020)

MOTYC
16.0%
13.0%
10.0%
7.0%
4.0%
1.0%
-2.0%
-5.0%

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Average Home Sales Price: Single Family Attached: Townhomes
Northern Virginia (2011-2020)

Dec 2020
$508k avg SP
+5.2% MOTYC

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)

Dec 2020
$393k avg SP
+10.7% MOTYC

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Average Home Sales Price:
Single Family Detached
District of Columbia (2011-2020)

MOTYC

Dec 2020
$1.26M avg SP
+16.5% MOTYC

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Average Home Sales Price:
Single Family Attached: Townhomes
District of Columbia (2011-2020)

Dec 2020
$893k avg SP
+4.7% MOTYC

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)
Thank You

cra.gmu.edu
NOTICE

Due to the COVID-19 Pandemic, we are suspending our Outlook for the remainder of 2020 at this time. As economic data become available and we understand better when personal and business activities can begin to move towards normal, we will update projections for national and regional economic performance.

In the meantime, please visit the CRA website for updated information on local housing market performance and other key economic data at:

https://cra.gmu.edu/covid19/

Be Well! Be Safe!

We hope to see you soon.