Economic Challenges:
Montgomery County and Greater Washington

Presentation to
Montgomery County 25th Annual Business Advisory Panel

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Schar School of Policy and Government
George Mason University

February 23, 2024
Annual Job Change
Washington MSA (2012-2023)

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Federal Procurement Spending in the Washington MSA
Fiscal Years 2008-2023

Source: USAspending.gov
Professional & Business Services
Washington MSA

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Professional, Scientific and Tech. Services
Washington MSA and USA
Index (February 2020)

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

Dec 2023
Total: 369.6k

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Federal Employment Index (Feb. 2020)
Washington MSA and USA

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

Dec 2023
DC 4.8
US 3.7
SMD 2.0
MSA 2.5
NVA 2.4

## Labor Force Index
Jan 2013/Oct 2023

<table>
<thead>
<tr>
<th>Metro</th>
<th>LFI</th>
<th>Metro</th>
<th>LFI</th>
<th>Metro</th>
<th>LFI</th>
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</thead>
<tbody>
<tr>
<td>Austin</td>
<td>1.46</td>
<td>Charleston</td>
<td>1.27</td>
<td>Boston</td>
<td>1.08</td>
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<tr>
<td>Dallas</td>
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<td>Charlotte</td>
<td>1.23</td>
<td><strong>DC</strong></td>
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Source: BLS, CRA
Annual Job Change
Suburban Maryland (2012-2023)

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Annual Job Change
Northern Virginia (2012-2023)

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Share of Regional Labor Force in NOVA
January 2013 to May 2023

Source: Bureau of Labor Statistics
Real GRP Change by Jurisdiction
2017-2022

Source: BEA, Stephen S. Fuller Institute. 2017 Chained Dollars. (1) Prince William, Manassas + Manassas Park, VA*; (2) Spotsylvania + Fredericksburg, VA*; (3) Fairfax, Fairfax City + Falls Church, VA*
<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Overall</th>
<th>Economic Strength</th>
<th>Core Econ Indicators</th>
<th>Job Growth</th>
<th>Prime Workforce</th>
<th>Wage Growth</th>
<th>Workforce Readiness</th>
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<td>31</td>
<td>22</td>
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<td>2</td>
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<td>124</td>
<td>12</td>
<td>10</td>
<td>35</td>
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<td>Washington DC</td>
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<td>251</td>
<td>259</td>
<td>225</td>
<td>338</td>
<td>334</td>
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</table>

https://www.areadevelopment.com/

Total Metro Areas: 384
## Elements of Population Change
### Washington MSA

<table>
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<tr>
<th>Year</th>
<th>Natural Increase</th>
<th>Net International Migration</th>
<th>Net Domestic Migration</th>
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<tr>
<td>2010-11</td>
<td>24,663</td>
<td>6,441</td>
<td>2,885</td>
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<tr>
<td>2011-12</td>
<td>31,147</td>
<td>41,809</td>
<td>34,500</td>
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<td>2012-13</td>
<td>48,997</td>
<td>48,635</td>
<td>47,770</td>
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<td>2013-14</td>
<td>42,824</td>
<td>47,101</td>
<td>40,486</td>
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<td>2014-15</td>
<td>40,284</td>
<td>25,154</td>
<td>30,731</td>
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<tr>
<td>2015-16</td>
<td>30,731</td>
<td>23,895</td>
<td>34,171</td>
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<td>2016-17</td>
<td>23,895</td>
<td>16,965</td>
<td>29,999</td>
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<td>2017-18</td>
<td>32,494</td>
<td>44,680</td>
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<tr>
<td>2018-19</td>
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<td>-32,494</td>
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<td>2019-20</td>
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<td>2020-21</td>
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<td>2021-22</td>
<td>-30,953</td>
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Source: U. S. Census Bureau, Population Estimates Program
Domestic Migration % of Total Population
July 2021 – June 2022, Counties 1+ Million Population

- Fairfax, VA
- Montgomery, MD
- Cook, IL
- Collin, TX
- Philadelphia
- Alameda, CA
- Santa Clara, CA
- Kings, NY
- Queens, NY
- Bronx, NY

Source: Census Bureau
Domestic Migration by Jurisdiction

Domestic Migration in the Washington Region July 2021 - June 2022

Source: Census Bureau

Source document available at: https://sfullerinstitute.gmu.edu
Migration of LinkedIn Members
(rate per 10,000 members)

Top 10 to DC Metro

Top 10 From DC Metro

Bar graph showing the migration rates per 10,000 members from various cities to and from the DC Metro area.
Washington, DC Metro
Montgomery County Outlook

• Federal Spending past peak
  • Still robust

• Consumer spending
  • Retail on downward trend

• Congress is functional (?)
  • Federal shutdown
  • Sub regional effects of spending priorities
  • A year of CRs?

• Housing rents stabilized
  • Home ownership out of reach for most

• Talented workforce
  • Many are moving out
  • Biggest impediment to growth is labor availability

• Local government finances
  • WMATA Fiscal Cliff
  • Office space/valuations

• Business lending

• Return to office has stalled
  • Homeownership in distant lands

DC Metro
• GRP +0.9%
• Job Growth
  • Net 20k-30k
• The Path to Mediocrity?

Montgomery
• +3-4K jobs
• GRP almost flat
• Better than DC
Thank You

cra.gmu.edu