The Washington Area Economy: Sub-State Patterns of Performance

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The Washington Metropolitan Area Is Different

It has the 4th largest economy but only ranks 7th in number of residents and is 2nd in the square footage of office space.
15 Largest Metro Areas 2010 GRP

Source: BEA, GMU Center for Regional Analysis
15 Largest Metro Areas
GRP Percent Change 2007-10

Source: BEA, GMU Center for Regional Analysis
Population in the Washington MSA
By Sub-State Area, 1900 - 2010

Source: US Census and GMU Center for Regional Analysis
Growth in Jobs, 1980 - 2010

- District of Columbia: 99
- Suburban Maryland: 394
- Northern Virginia: 830

Source: BLS, IHS Global Insight, GMU Center for Regional Analysis
Share of Washington Area Economy 1970-2010
How Has the Post-Recession Washington Area Economy Changed?
Wash MSA Payroll Job Change by Sector
The Great Recession and Recovery To October 2012

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Wash MSA Payroll Job: Private Sector
The Great Recession and Recovery To October 2012

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
## Job Change by Sector, 2008-2012 (Sep) (000s)

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>Washington Metro Area</th>
<th>D.C.</th>
<th>Suburban MD</th>
<th>Northern Virginia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional, Business Services</td>
<td>22.2</td>
<td>-4.2</td>
<td>2.8</td>
<td>23.6</td>
</tr>
<tr>
<td>Government</td>
<td>40.5</td>
<td>9.2</td>
<td>11.0</td>
<td>20.3</td>
</tr>
<tr>
<td>Health, Educ. Svcs.</td>
<td>49.8</td>
<td>21.7</td>
<td>10.8</td>
<td>17.3</td>
</tr>
<tr>
<td>Other Services</td>
<td>2.5</td>
<td>4.4</td>
<td>-1.6</td>
<td>-0.3</td>
</tr>
<tr>
<td>Hospitality</td>
<td>16.4</td>
<td>5.7</td>
<td>1.3</td>
<td>9.4</td>
</tr>
<tr>
<td>All Other</td>
<td>-69.2</td>
<td>-4.1</td>
<td>-39.4</td>
<td>-25.7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>62.2</td>
<td>32.7</td>
<td>-15.1</td>
<td>44.6</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Sector Shift in Job Gains
Washington MSA

Source: Bureau of Labor Statistics, Center for Regional Analysis
Wage and Salary Trends in the Washington Metropolitan Area

Average Annual Pay (in 2011 dollars)

Source: Bureau of Labor Statistics, Center for Regional Analysis
Early Signs of Income Compression
Washington MSA

Source: Bureau of Economic Analysis, Center for Regional Analysis
## The Contribution To the Economy Per Job By Sector in the Washington Area

(in 2005 dollars)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2010</th>
<th>2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof. &amp; Bus. Services</td>
<td>$128,896</td>
<td>$166,756</td>
<td>29.4%</td>
</tr>
<tr>
<td>Federal</td>
<td>134,956</td>
<td>144,292</td>
<td>4.7</td>
</tr>
<tr>
<td>Education/Health</td>
<td>61,771</td>
<td>57,211</td>
<td>- 7.4</td>
</tr>
<tr>
<td>Hospitality</td>
<td>42,290</td>
<td>43,572</td>
<td>3.0</td>
</tr>
<tr>
<td>State/Local Government</td>
<td>62,382</td>
<td>56,265</td>
<td>- 9.8</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>60,954</td>
<td>64,788</td>
<td>6.3</td>
</tr>
<tr>
<td>Construction</td>
<td>101,863</td>
<td>80,114</td>
<td>- 21.4</td>
</tr>
<tr>
<td>Financial Services</td>
<td>565,809</td>
<td>613,433</td>
<td>8.4</td>
</tr>
<tr>
<td>Other Services</td>
<td>70,780</td>
<td>70,818</td>
<td>0.0</td>
</tr>
<tr>
<td>GRP/Jobs</td>
<td>$127,312</td>
<td>$141,535</td>
<td>11.1</td>
</tr>
</tbody>
</table>

Sources: IHS Global Insight, GMU Center for Regional Analysis
The Washington Area’s Current Economic Performance
Metro Comparisons
Job Change 2011-2012 (Sep)
15 Largest Metro Areas

New York: 119
Houston: 106
Los Angeles: 71
Dallas: 69
Chicago: 66
Seattle: 60
SF-Oakland: 58
Phoenix: 56
Boston: 54
Washington: 42
Detroit: 37
Minneapolis: 34
Atlanta: 33
Philadelphia: 11
Miami: 0

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
15 Largest Job Markets
Job Change: Nov 2011 – Nov 2012

Washington + 34,300

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

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Nov 2011 – Nov 2012
Washington MSA

Prof. & Bus. Svcs: -4
Federal Govt.: -1
Educ & Health Svcs: -1
State & Local Govt: 1
Retail Trade: 1
Leisure & Hosp.: 0
Construction: -1
Other Services: -1
Financial: 0
Information: 4
Manufacturing: 0
Wlse Trade: 3
Transp. & Util.: 0

Total = 34,300

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

(000s) Annual Data

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Nov 2011 – Nov 2012
District of Columbia

Prof. & Bus. Svcs: -3
Federal Govt.: -3
Educ & Health Svcs: 4
State & Local Govt: 0
Retail Trade: 0
Leisure & Hosp.: -1
Construction: 0
Other Services: 1
Financial: 0
Information: 0
Manufacturing: 0
Whse Trade: 0
Transp. & Util.: 0

Total: -2,300

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

Annual Data

Annual Month over Year

2002 2007 Apr Sep Feb Jul Dec May Oct Mar Aug

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Nov 2011 – Nov 2012
Suburban Maryland

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

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Nov 2011 – Nov 2012
Northern Virginia

Prof. & Bus. Svcs: 8
Federal Govt.: 0
Educ & Health Svcs: 4
State & Local Govt: 9
Retail Trade: 6
Leisure & Hosp.: 3
Construction: -3
Other Services: 1
Financial: 5
Information: 0
Manufacturing: 0
Wlse Trade: 0
Transp. & Util: 0

Total 30,700

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

What Explains the Region’s Differential Regional Growth Pattern and What are the Economy’s Vulnerabilities?
Federal Spending Trends in DC, Maryland and Virginia, 2000-2010
(in billions of dollars)

<table>
<thead>
<tr>
<th>Area</th>
<th>2000</th>
<th>2010</th>
<th>%Change</th>
<th>% Total</th>
<th>**</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$1,637.2</td>
<td>$3,276.4</td>
<td>100.1</td>
<td>100.0</td>
<td>**</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>28.2</td>
<td>61.9</td>
<td>119.2</td>
<td>1.9</td>
<td>0.2</td>
</tr>
<tr>
<td>Maryland</td>
<td>45.1</td>
<td>96.3</td>
<td>113.5</td>
<td>2.9</td>
<td>1.9</td>
</tr>
<tr>
<td>Virginia</td>
<td>62.7</td>
<td>136.1</td>
<td>117.0</td>
<td>4.2</td>
<td>2.6</td>
</tr>
<tr>
<td>Total Area</td>
<td>$136.0</td>
<td>$294.3</td>
<td>116.4</td>
<td>9.0</td>
<td>4.7</td>
</tr>
</tbody>
</table>

Source: Consolidated Federal Funds Report, 2010

** state population as a percent of US
Federal Procurement
Washington Metro Area

TOTAL = $862 Billion

Source: Census Consolidated Federal Funds Report
2010 Federal Procurement
Top 10 States

Source: Census: Consolidated Federal Funds Reports, GMU Center for Regional Analysis
Federal Employment
Washington Metro Area

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
2010 Federal Wages & Salaries
Top 10 States

Source: Census: Consolidated Federal Funds Reports, 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

Tot 2011 = 383,600
The Relative Importance of Federal Spending in the Maryland-DC-Virginia Region

- The Region’s Share of U.S. Population: 4.7%
- The Region’s Share of All Federal $s: 9.0%
- The Region’s Share of All DOD $s: 15.0%
- The Region’s Share of Federal Payroll and Federal Procurement $s at Risk of Cutbacks Under Sequestration: 21.0%
- Federal Spending as a Percent of the Region’s GRP in 2010: 39.8%
The Washington Region’s Economic Forecast (post fiscal cliff)
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>D.C.</td>
<td>10.1</td>
<td>-2.2</td>
<td>9.5</td>
<td>11.2</td>
<td>8.1</td>
<td>7.3</td>
<td>8.7</td>
<td>9.7</td>
</tr>
<tr>
<td>Sub. MD</td>
<td>-3.3</td>
<td>-25.1</td>
<td>-5.9</td>
<td>4.0</td>
<td>6.4</td>
<td>13.6</td>
<td>16.8</td>
<td>20.7</td>
</tr>
<tr>
<td>No. VA</td>
<td>6.1</td>
<td>-23.0</td>
<td>8.7</td>
<td>17.4</td>
<td>22.7</td>
<td>24.5</td>
<td>30.5</td>
<td>39.1</td>
</tr>
<tr>
<td>REGION</td>
<td>12.9</td>
<td>-50.3</td>
<td>11.3</td>
<td>32.6</td>
<td>37.2</td>
<td>45.4</td>
<td>56.0</td>
<td>69.5</td>
</tr>
</tbody>
</table>

Average Annual Change 1990-2010 = 36,000

Source: BLS, GMU Center for Regional Analysis, 2009-2015 based on 2012 Benchmark data from BLS, Revised 5/1/2012
NOTE: 2011 Total is the sum of sub-regions and does not agree with the Mar 13, 2012 published MSA total.
# Job Growth in the DC: By Sector, 2010-2020

(in thousands)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2010</th>
<th>2020</th>
<th>Change</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>210.64</td>
<td>198.70</td>
<td>-11.94</td>
<td>-5.7</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Ser.</td>
<td>147.69</td>
<td>198.14</td>
<td>50.45</td>
<td>34.2</td>
</tr>
<tr>
<td>Education/Health</td>
<td>107.92</td>
<td>127.32</td>
<td>19.40</td>
<td>18.0</td>
</tr>
<tr>
<td>Hospitality</td>
<td>59.70</td>
<td>66.05</td>
<td>6.35</td>
<td>10.6</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>18.47</td>
<td>19.54</td>
<td>1.07</td>
<td>5.8</td>
</tr>
<tr>
<td>Construction</td>
<td>10.59</td>
<td>18.33</td>
<td>7.74</td>
<td>73.1</td>
</tr>
<tr>
<td>Other Services</td>
<td>65.41</td>
<td>69.65</td>
<td>4.24</td>
<td>6.5</td>
</tr>
<tr>
<td>Other Sectors</td>
<td>91.31</td>
<td>97.55</td>
<td>6.24</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>Total Jobs</strong></td>
<td>711.73</td>
<td>795.28</td>
<td>83.55</td>
<td>11.7</td>
</tr>
</tbody>
</table>

Sources: IHS Global Insight; GMU Center for Regional Analysis
### Economic Growth: U.S., WMSA, D.C.
(Annual Rate 2011-2017)

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S.</th>
<th>WMSA</th>
<th>D.C.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1.8</td>
<td>2.6</td>
<td>1.8</td>
</tr>
<tr>
<td>2012</td>
<td>2.2</td>
<td>2.4</td>
<td>1.7</td>
</tr>
<tr>
<td>2013</td>
<td>1.9</td>
<td>2.2</td>
<td>1.5</td>
</tr>
<tr>
<td>2014</td>
<td>2.7</td>
<td>2.9</td>
<td>1.9</td>
</tr>
<tr>
<td>2015</td>
<td>3.2</td>
<td>3.6</td>
<td>2.7</td>
</tr>
<tr>
<td>2016</td>
<td>3.0</td>
<td>3.3</td>
<td>2.3</td>
</tr>
<tr>
<td>2017</td>
<td>2.8</td>
<td>3.2</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Sources: IHS Global Insight; GMU Center for Regional Analysis
cra.gmu.edu

GMU/Cardinal Bank 21st Annual Economic Forecasting Conference
McLean Hilton, Tysons Corner
January 11, 2013