

Washington Building Congress

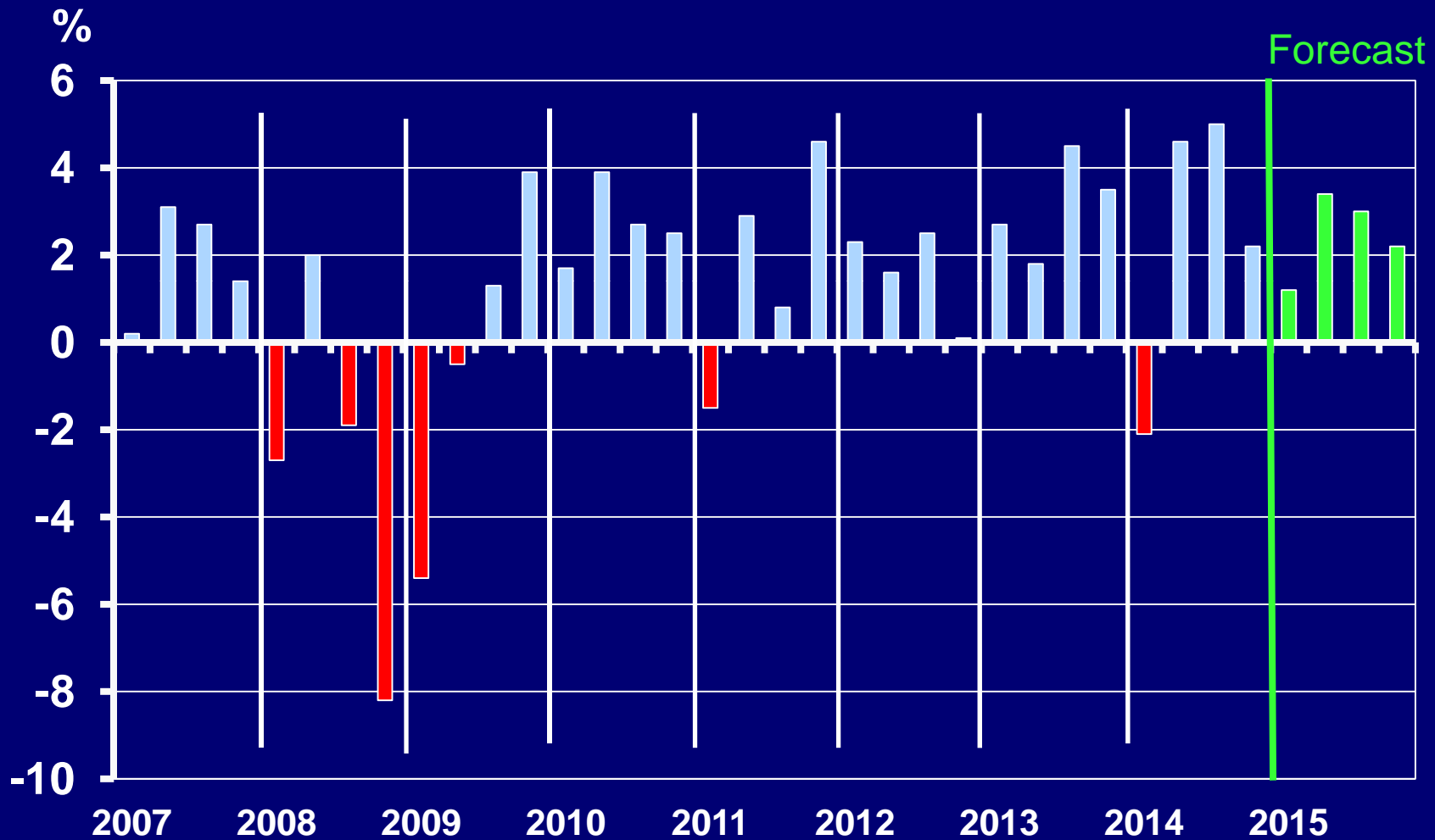
The U.S. and Washington Area Economic Performance and Outlook

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Director, Center for Regional Analysis
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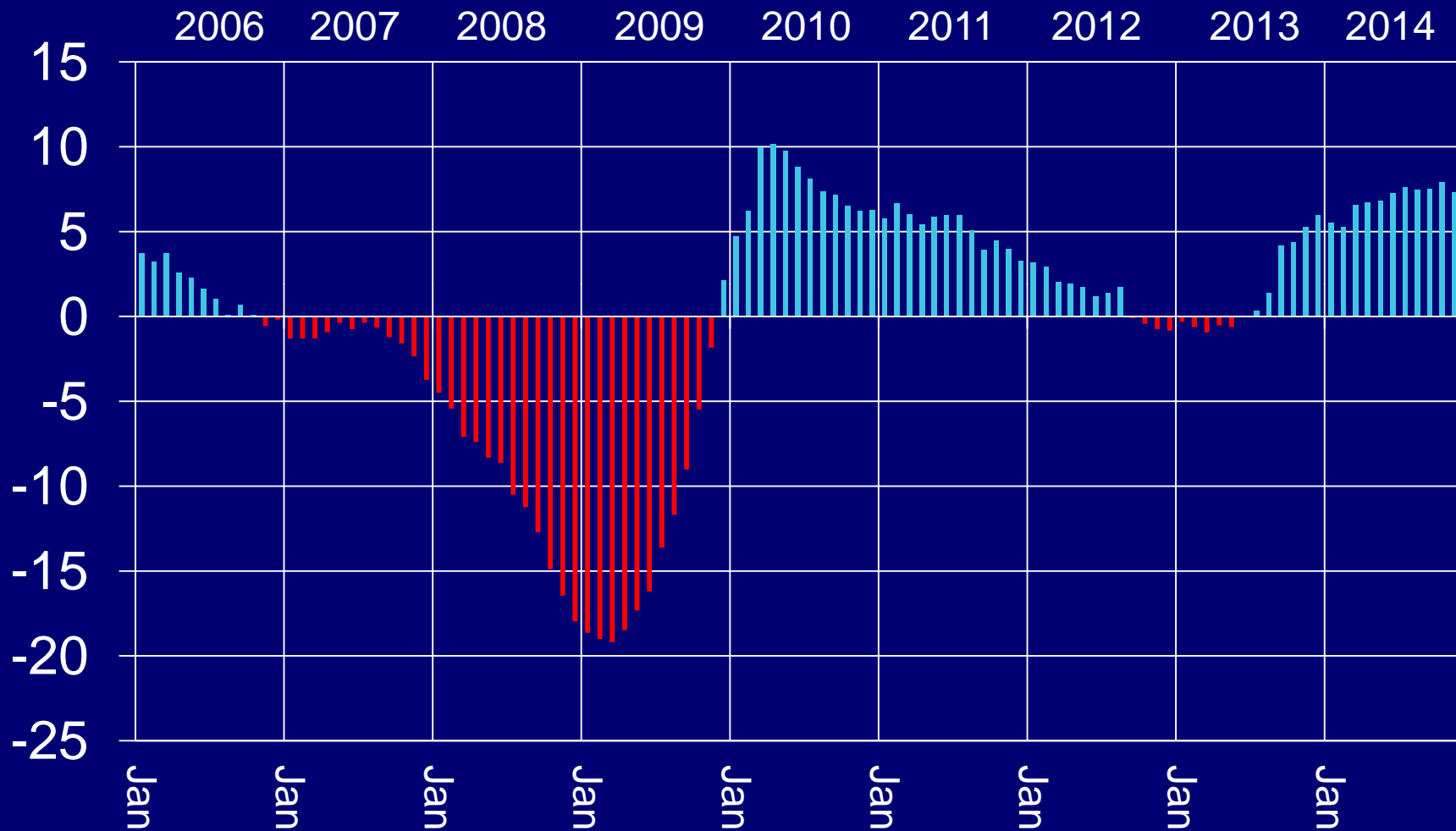
April 23, 2015

U.S. Gross Domestic Product Quarterly Change: 2007 – 2015



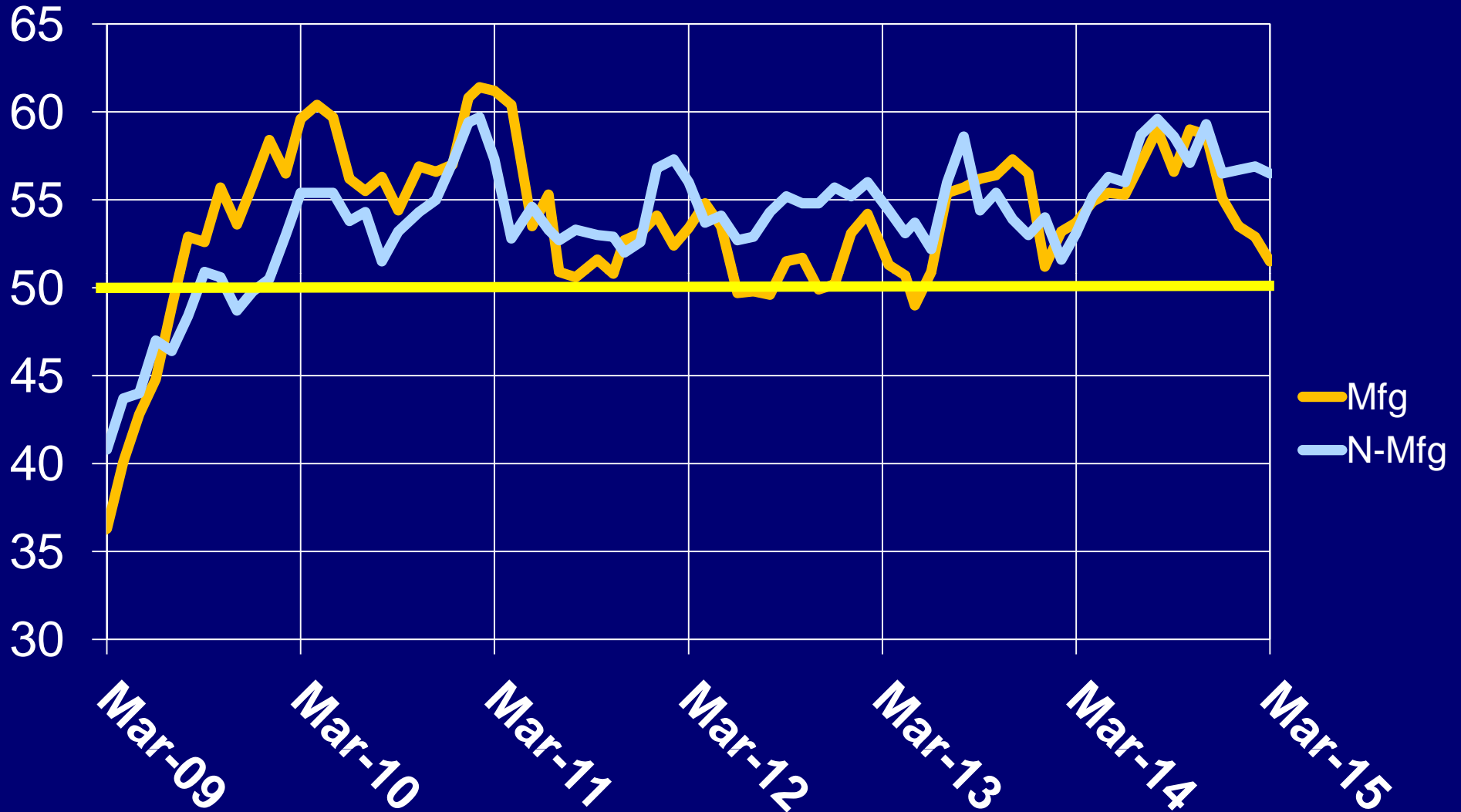
Source: Bureau of Economic Analysis, IHS Economics April 2015

U.S. Leading Index Month-Over-Year Percent Change



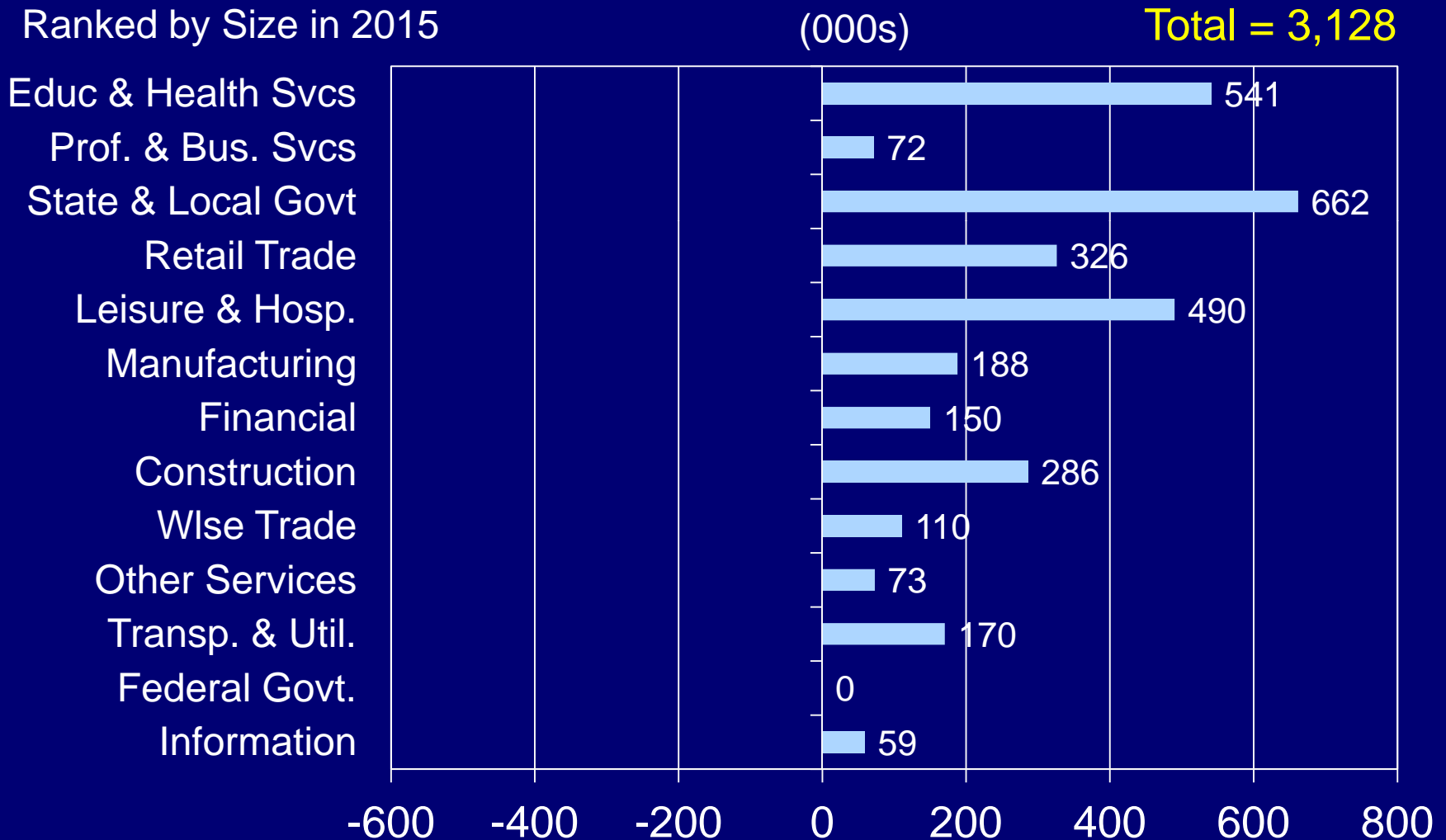
Source: The Conference Board, GMU Center for Regional Analysis

ISM Manufacturing and Non-Manufacturing Indices



Source: Institute for Supply Management

U.S. Payroll Job Change by Sector Mar 2014 – Mar 2015



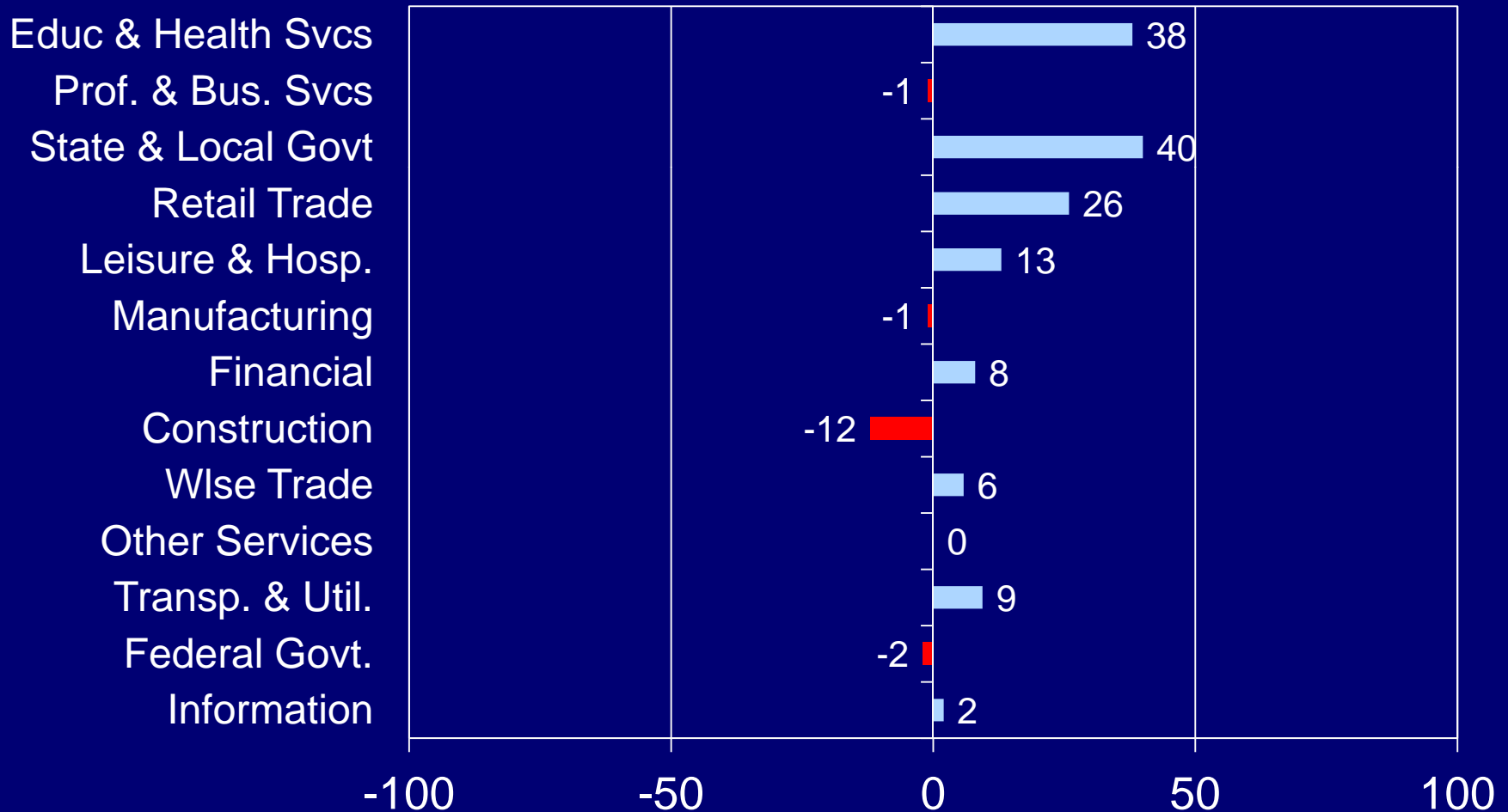
Source: Bureau of Labor Statistics (Seasonally Adjusted), GMU Center for Regional Analysis

U.S. Payroll Job Change by Sector Feb 2015 – Mar 2015

Ranked by Size in 2014

(000s)

Total = 126



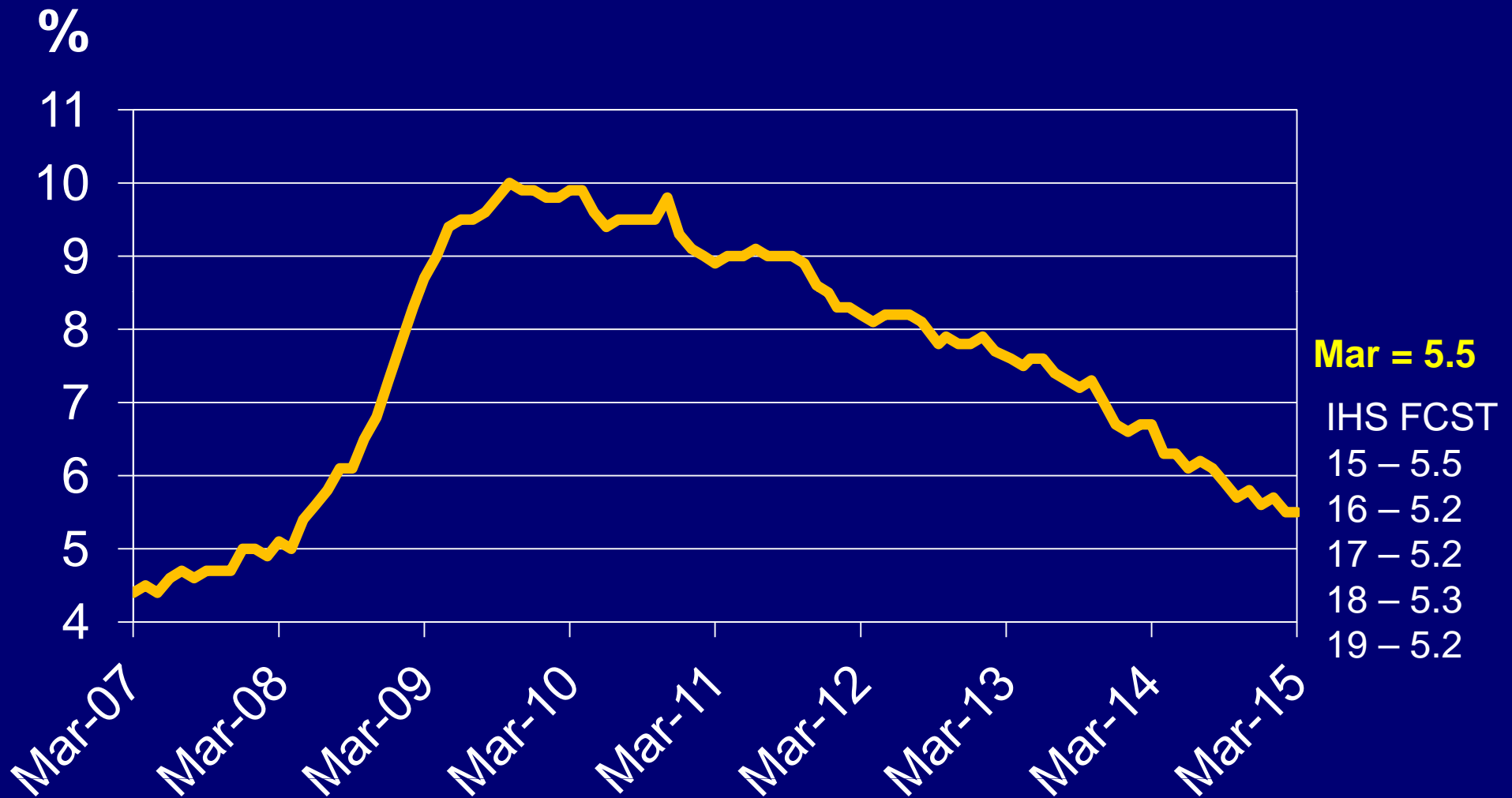
Source: Bureau of Labor Statistics (Seasonally Adjusted), GMU Center for Regional Analysis

Initial Claims for Unemployment 2011-Present 4-Week Moving Average



Source: Department of Labor

U.S. Unemployment Rate



Source: Bureau of Labor Statistics (Seasonally Adjusted), IHS Economics April 2015

Consumer Confidence

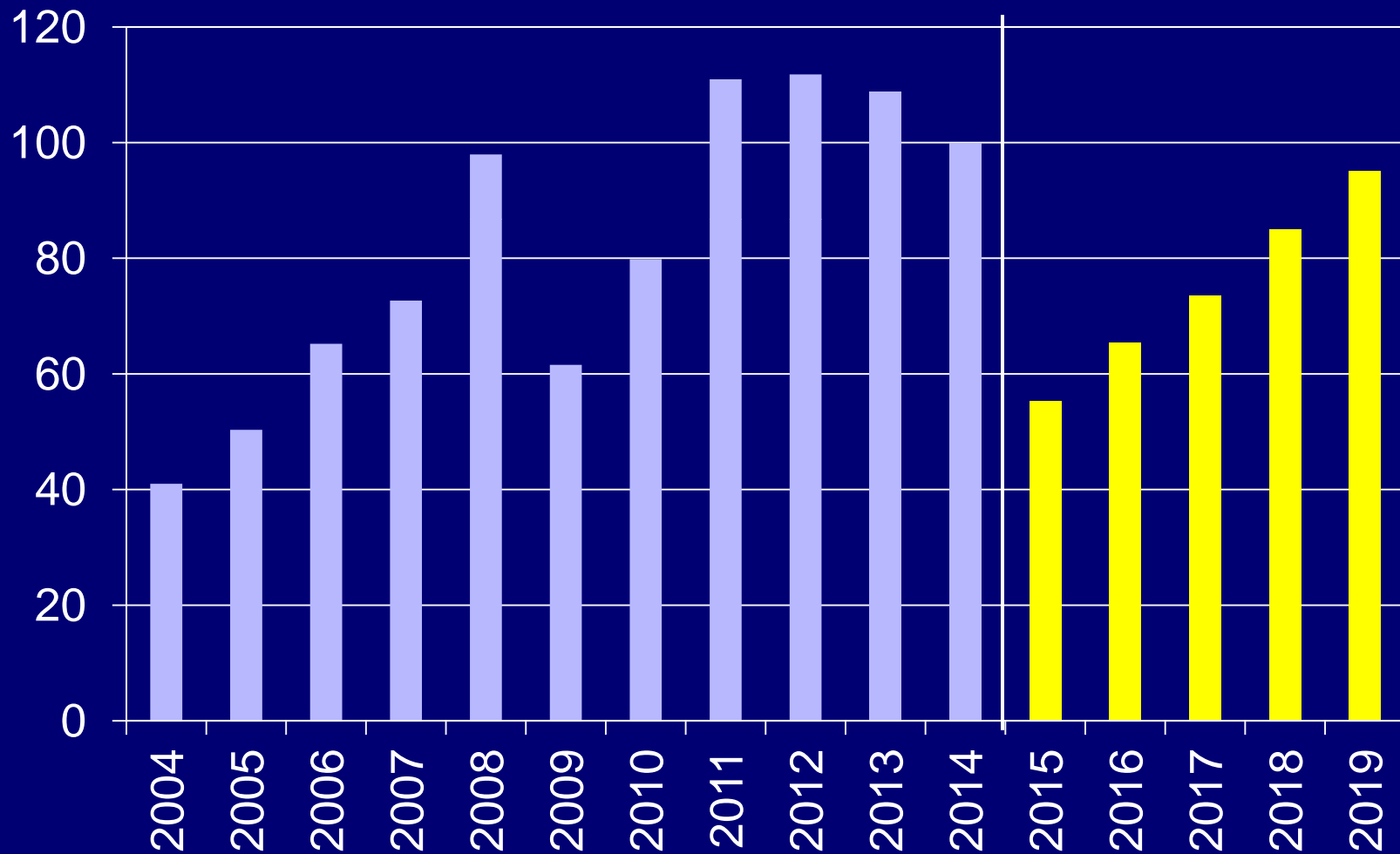


Source: The Conference Board, GMU Center for Regional Analysis

Oil Prices \$ per barrel

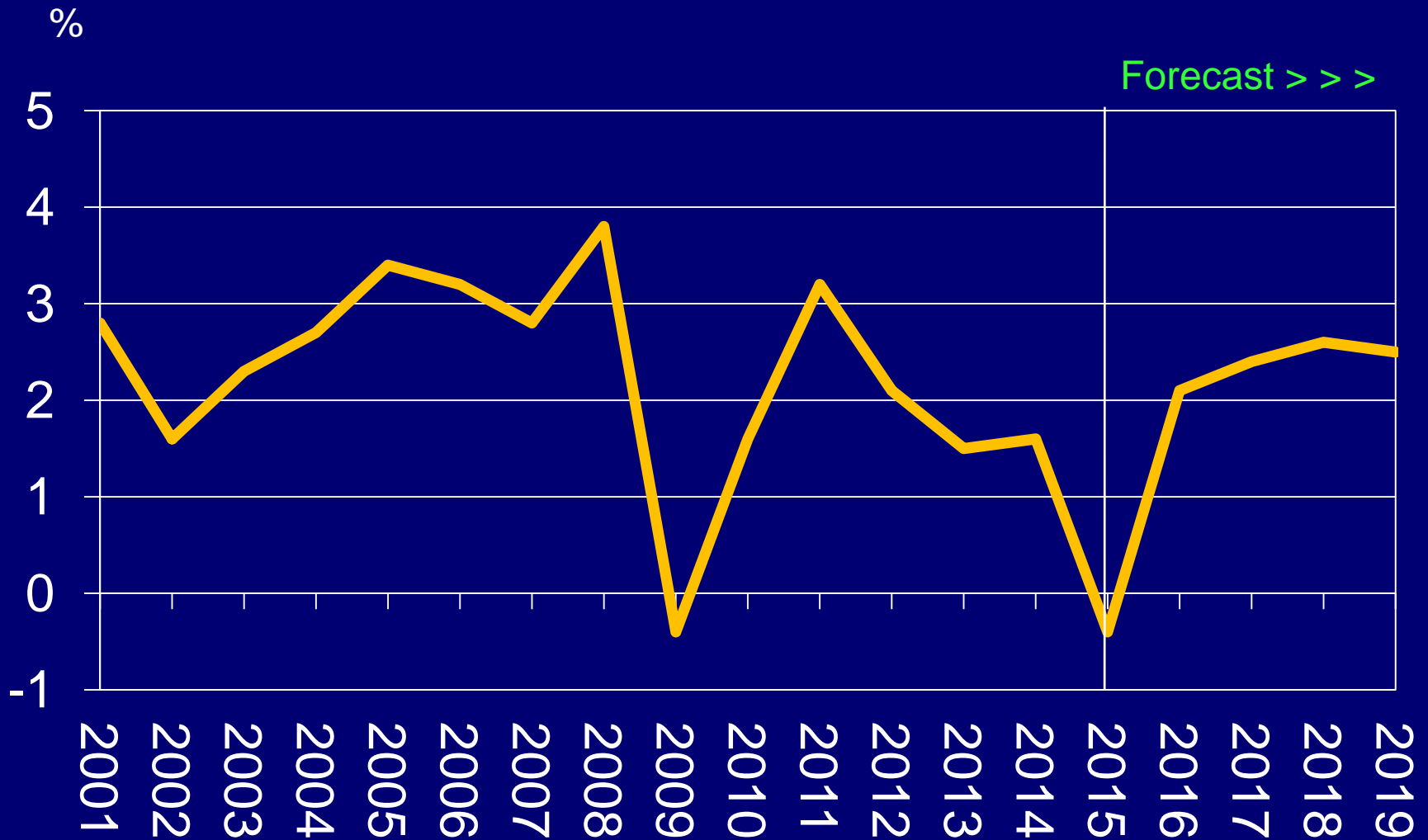
\$/barrel

Forecast >>>>



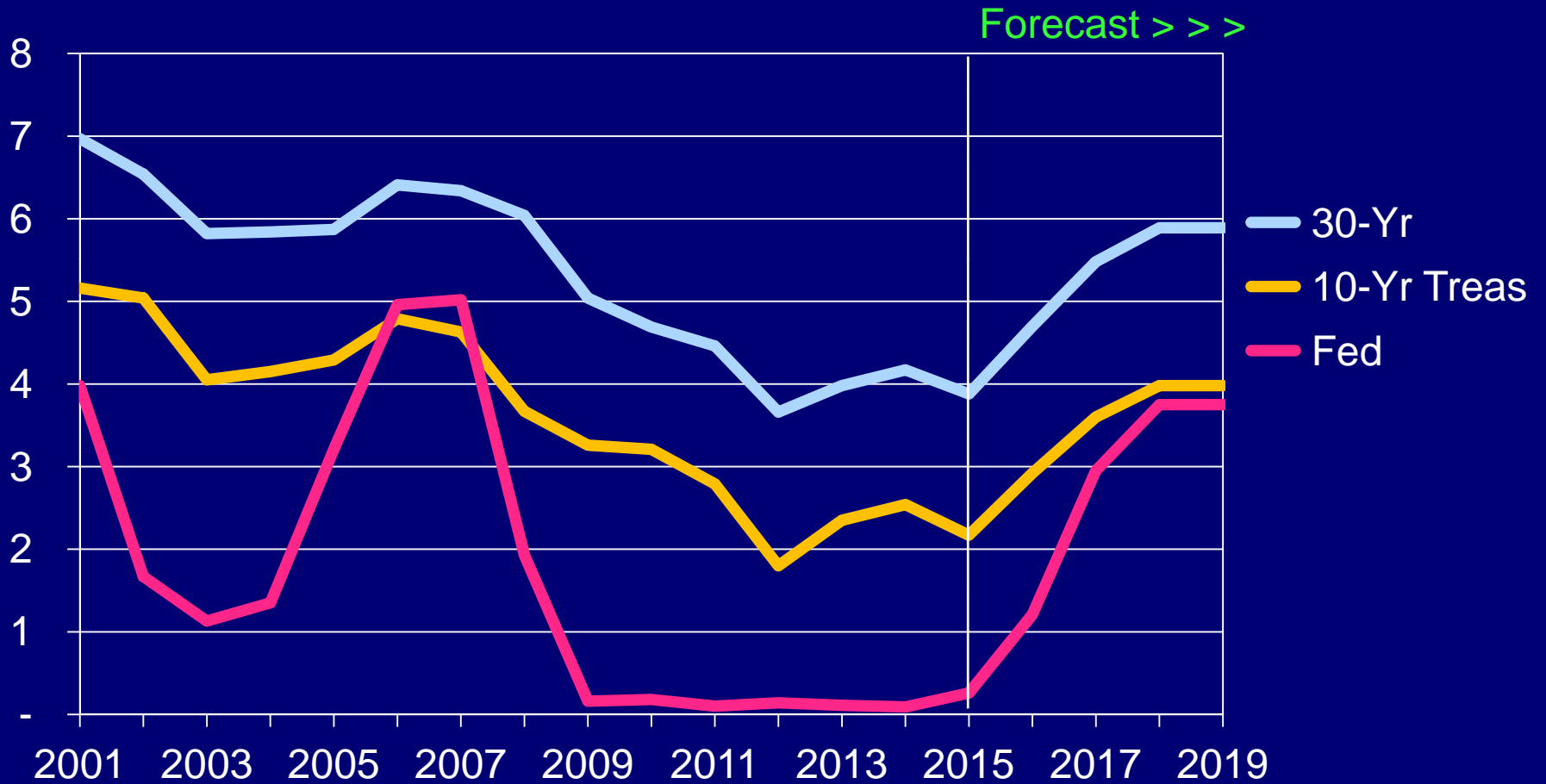
Source: IHS Economics April 2015

Consumer Prices 2001 - 2019



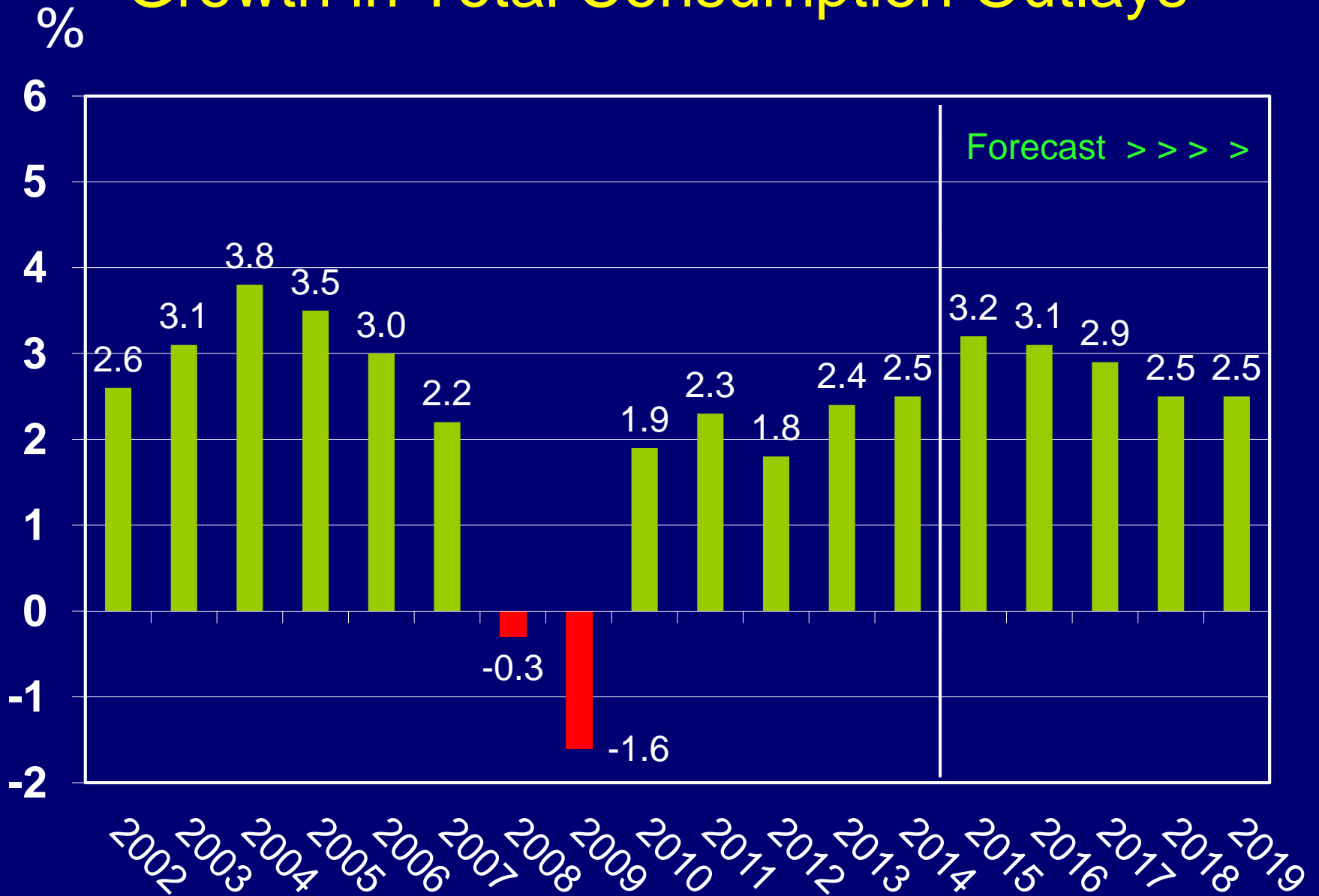
Source: Bureau of Labor Statistics, IHS Economics April 2015

Interest Rates 2001 - 2019



Source: IHS Economics April 2015

Growth in Total Consumption Outlays



Source: Bureau of Economic Analysis, IHS Economics April 2015

From the Recession to the Federal Sequester and Shutdown

WMSA Payroll Job Change: Private Sector

The Great Recession and Recovery

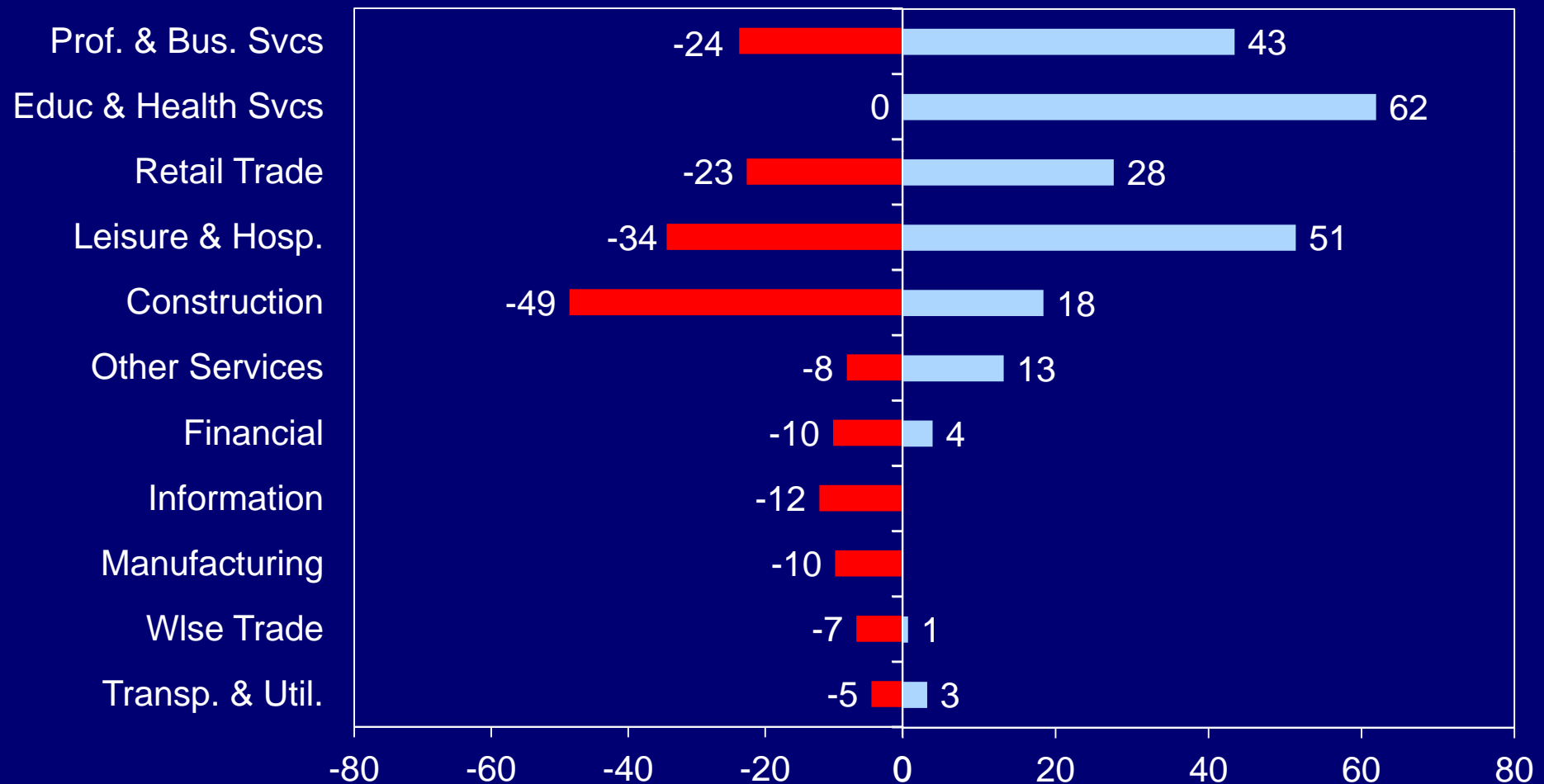
Aug 2008-Feb 2010

Feb 2010-Mar 2015

Total -181

(000s)

Total 224



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

The GRP* Effects of Private Sector Job Change in the Washington Metropolitan Area Aug 2008-March 2015 (in 2014 \$s)

<u>Job Change</u>	<u>Total GRP Value</u>
- 181,300	- \$29,044,064,000 ¹
<u>+ 223,700</u>	<u>+ \$22,175,100,000²</u>
+ 42,400	- \$6,868,964,000

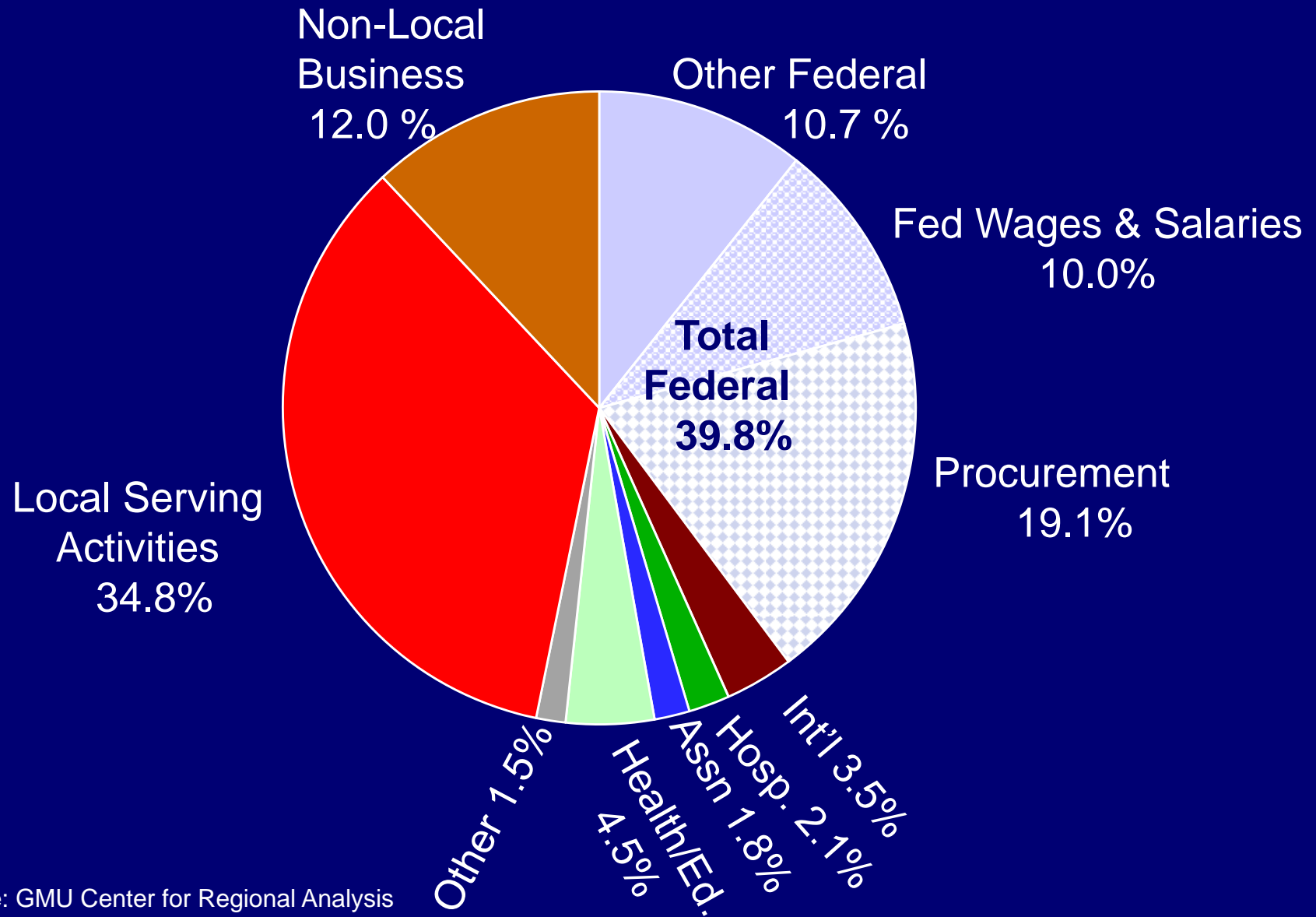
Source: GMU Center for Regional Analysis

*Gross Regional Product

¹ \$160,200 per job contribution to GRP

² \$99,130 per job contribution to GRP

2010 Structure of the Greater Washington Economy



Source: GMU Center for Regional Analysis

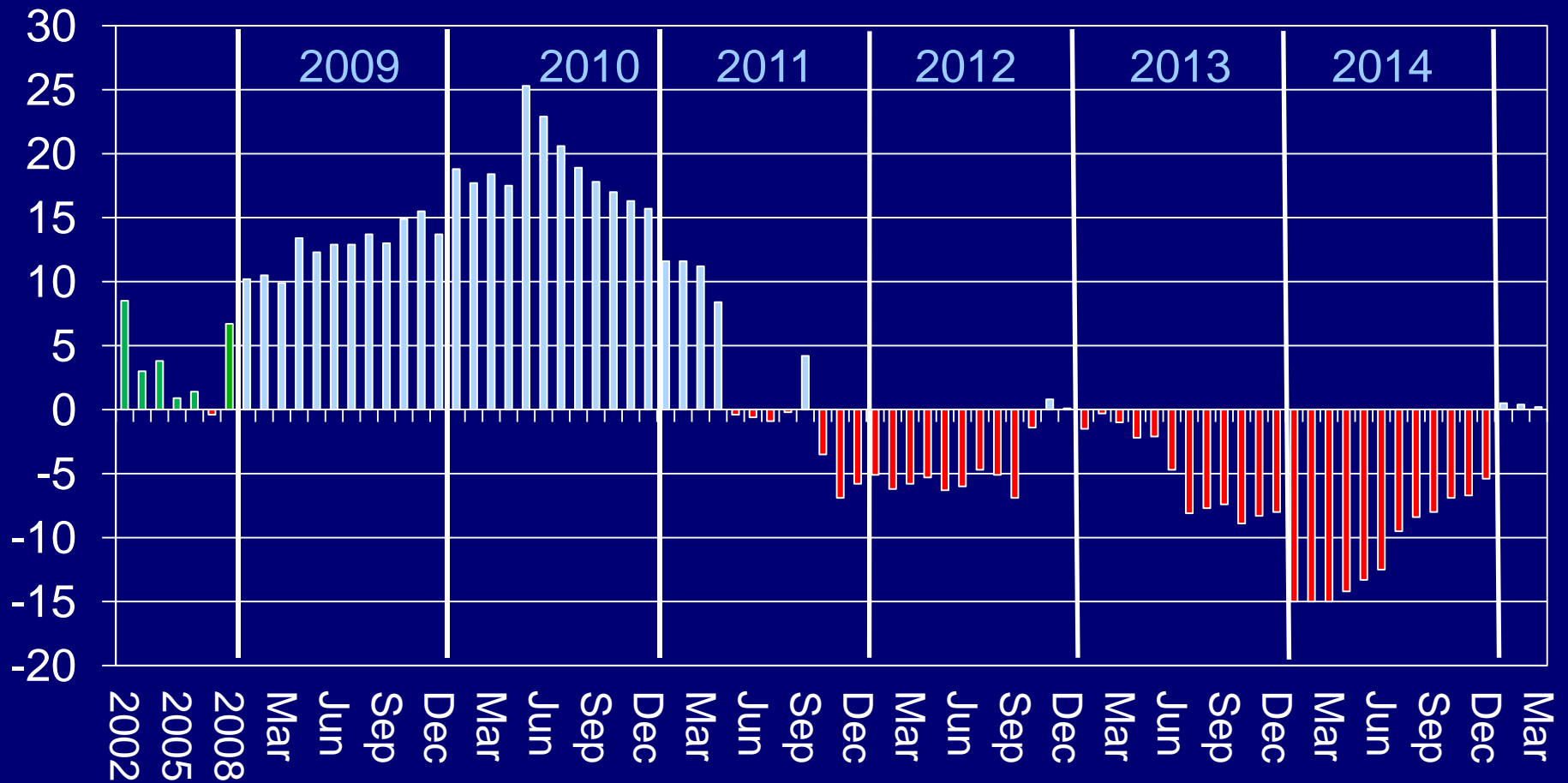
Summary of Federal Spending Trends in the Washington Metropolitan Area, 2010-2013

- Federal Procurement Outlays declined \$13.3 billion or 16.1% between FY 2010 and FY 2013.
- Federal employment has declined since peaking in July 2010, losing 21,800 jobs or 5.6%.
- Federal payroll declined by \$2.4 billion or 5.7% between FY 2010 and FY 2014 and will continue to decline as the workforce shrinks and older workers retire and are replaced by younger workers.

Federal Government Washington MSA

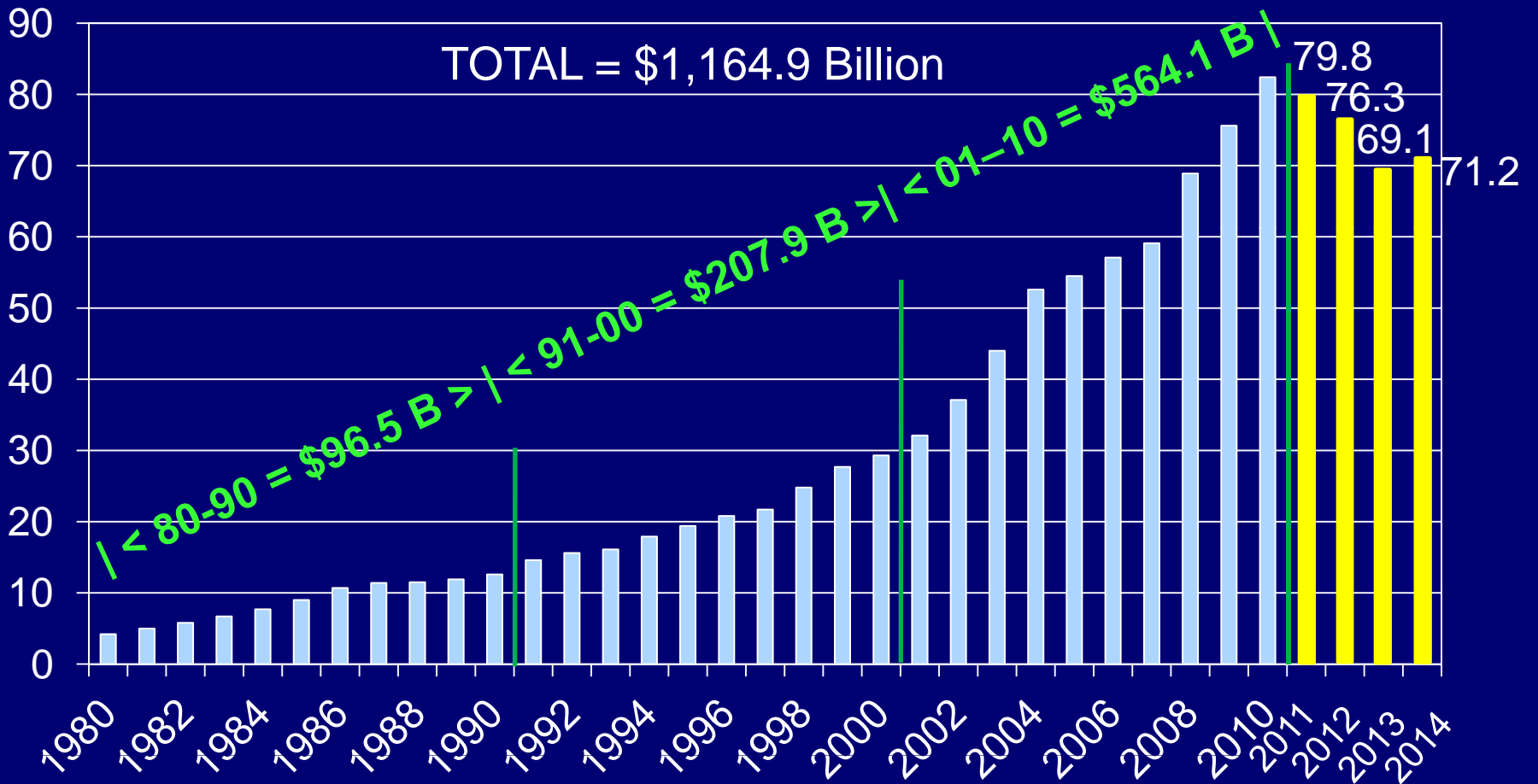
(000s) Annual Data

Annual Month over Year



Federal Procurement in the Washington Metro Area, FY 1980-2014

\$ Billions

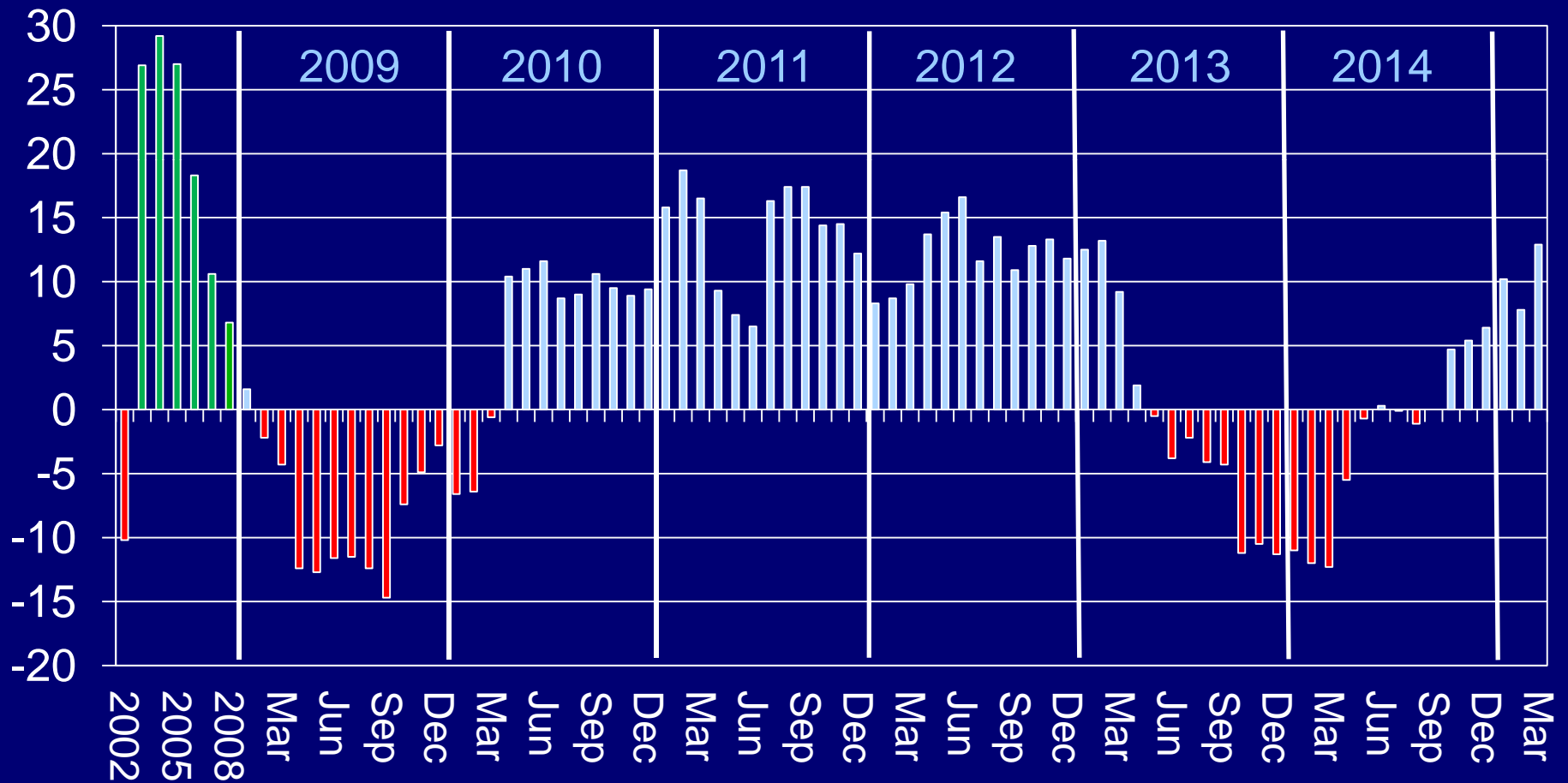


Source: US Census, Consolidated Federal Funds Report and USAspending.gov

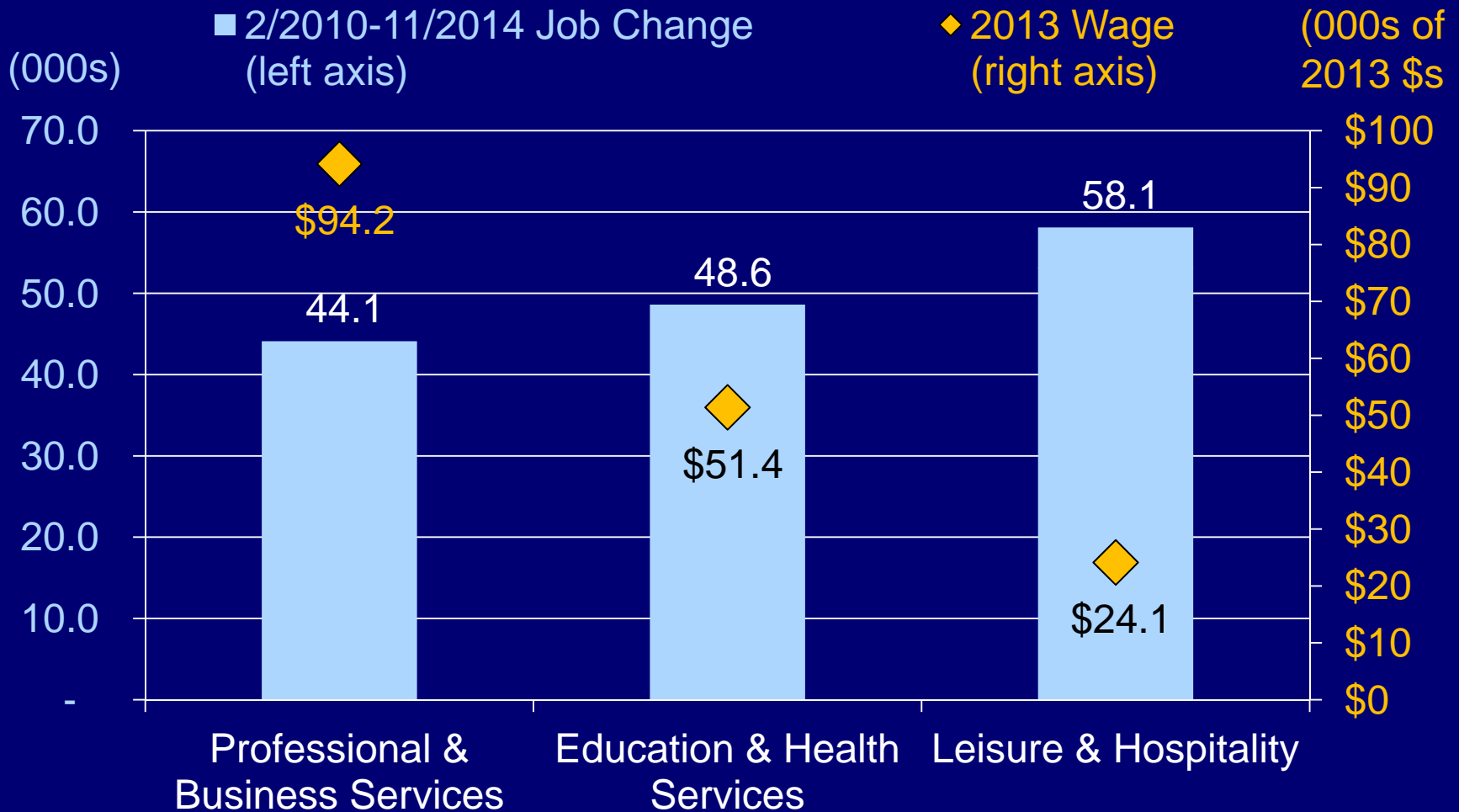
Professional & Business Services Washington MSA

(000s) Annual Data

Annual Month over Year



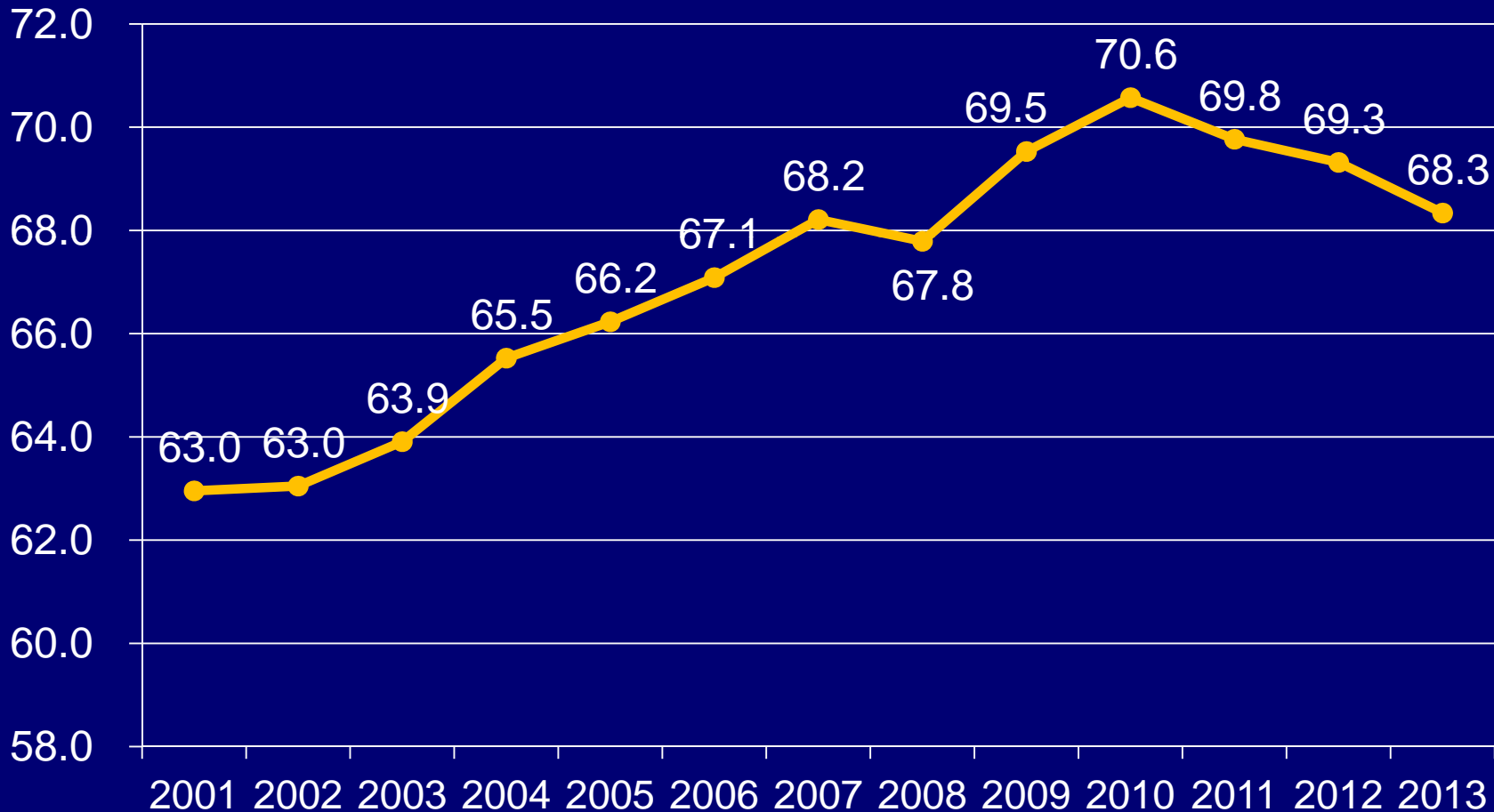
Average Wage and Job Change Washington Metro Area



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

Average Wages in the Washington Metro Area, 2001-2013

(000s of 2013 \$s)

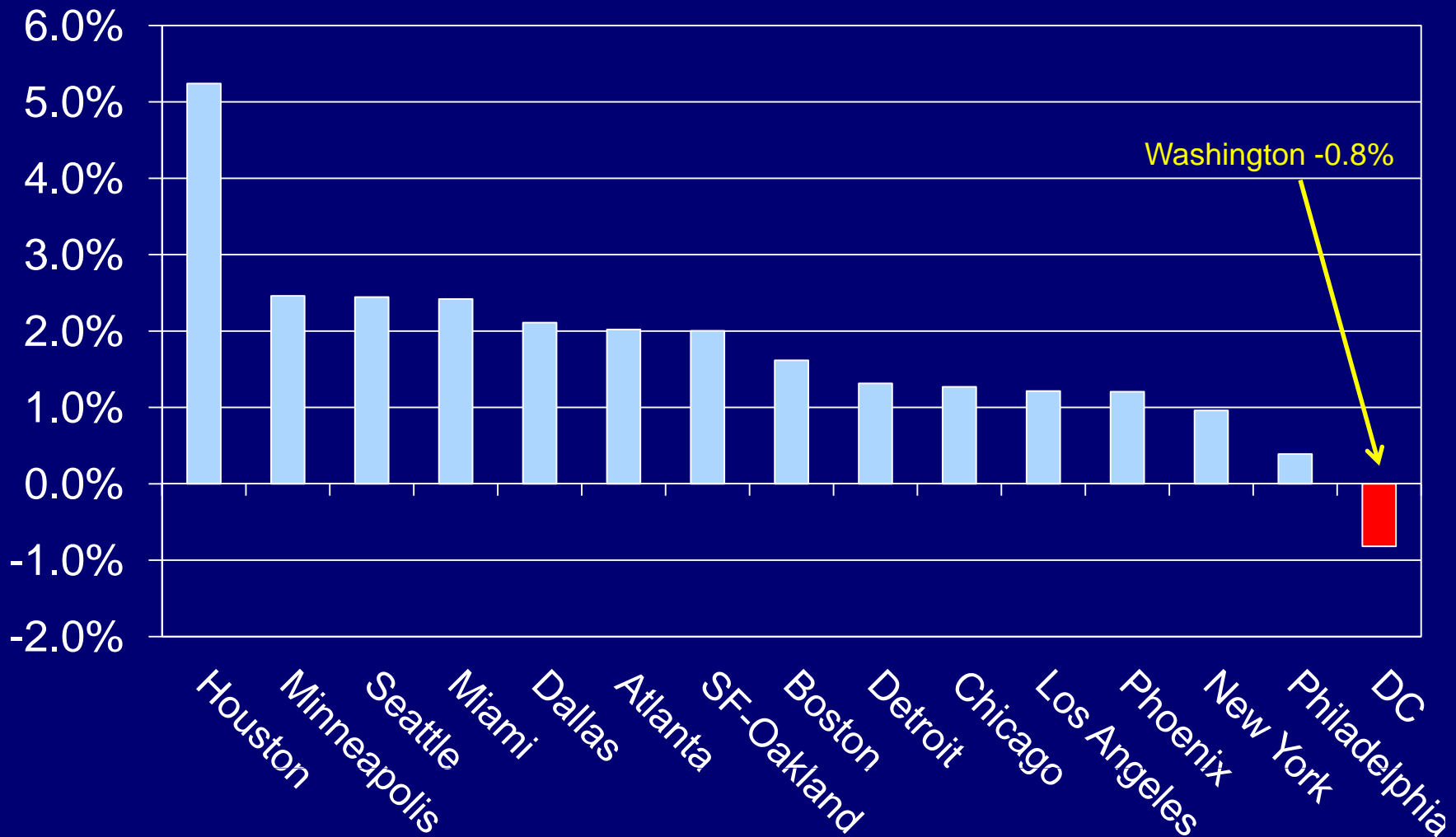


Source: Bureau of Labor Statistics, GMU Center for Regional Analysis

The Household Income Effects of Structural Change in the Washington Metropolitan Area

<u>Jurisdiction</u>	<u>Median HH Income 2013*</u>	<u>Change from 2009*</u>
District (DC)	\$67,575	\$2,919
Frederick Cty	84,308	- \$5,856
Montgomery Cty	98,326	- \$4,552
Prince George's Cty	72,052	- \$4,060
Arlington County	102,501	- \$1,675
Fairfax County	111,079	- \$249
Loudoun County	116,768	- \$7,283
Prince Wm County	95,268	- \$2,234
Alexandria City	86,775	\$2,985
Total Metro Area	\$90,149	- \$2,287

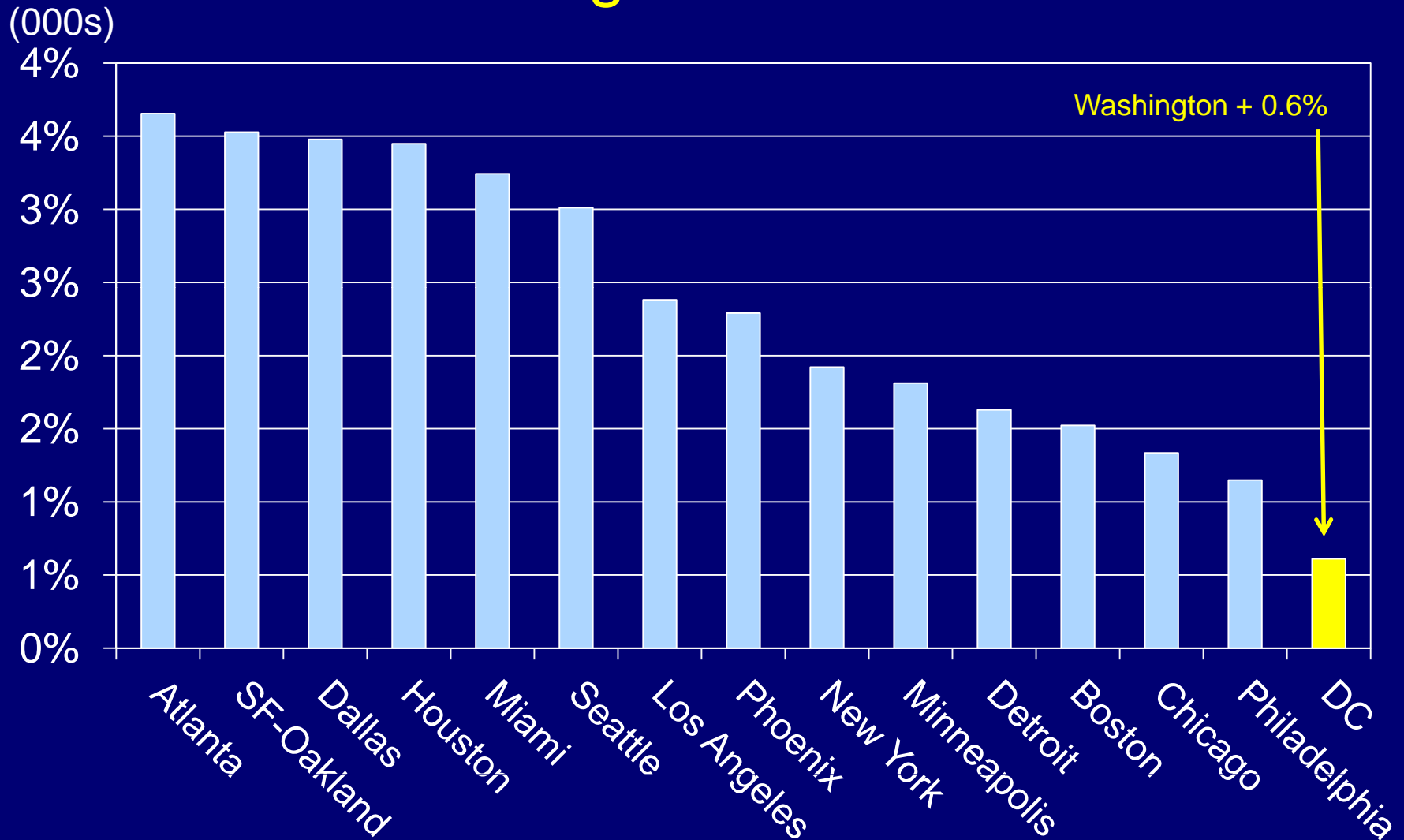
15 Largest Metro Area Job Markets GRP Percent Change: 2012 – 2013



Source: Bureau of Economic Analysis, GMU Center for Regional Analysis

15 Largest Job Markets

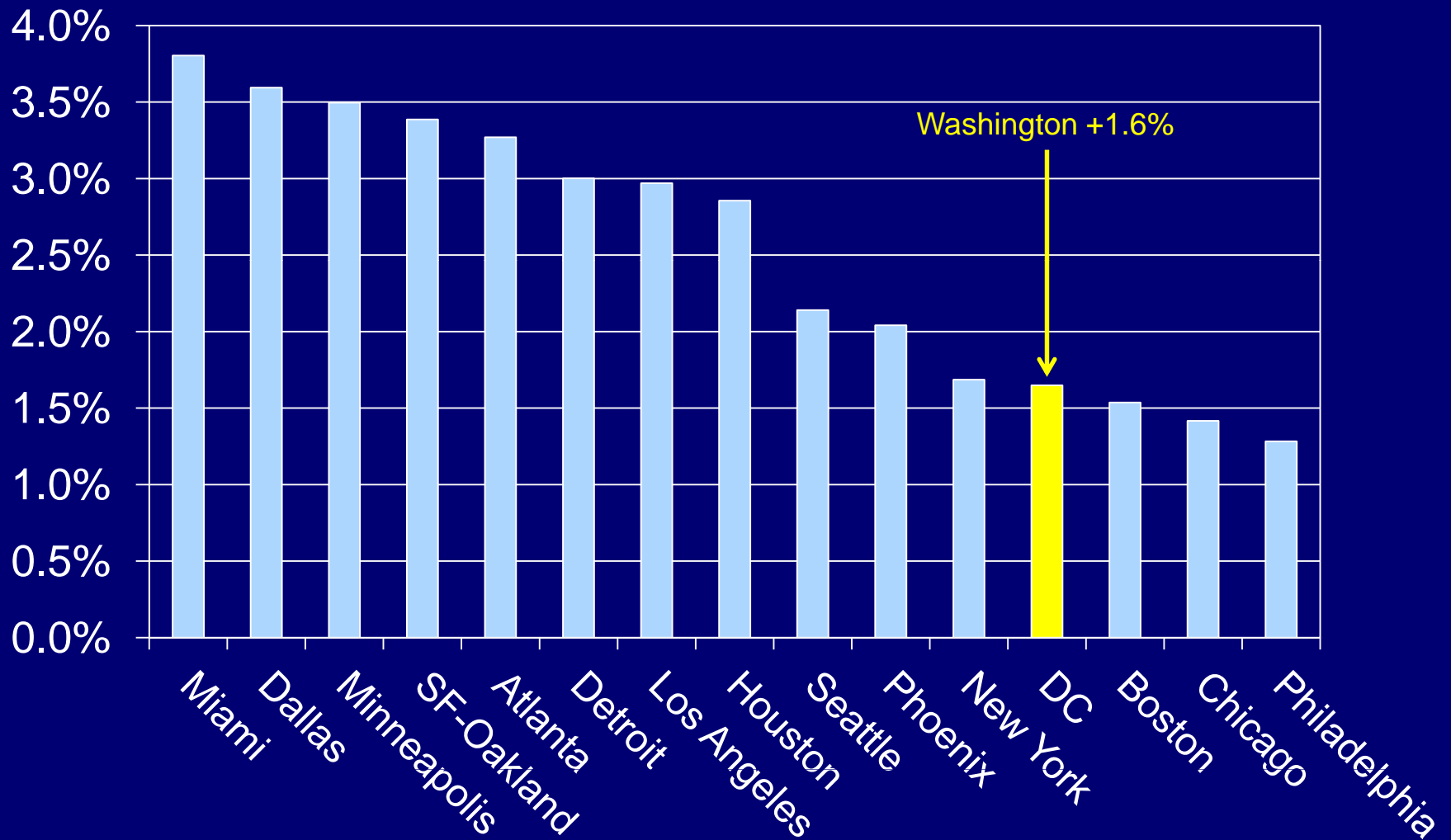
Job Change: 2013 – 2014



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

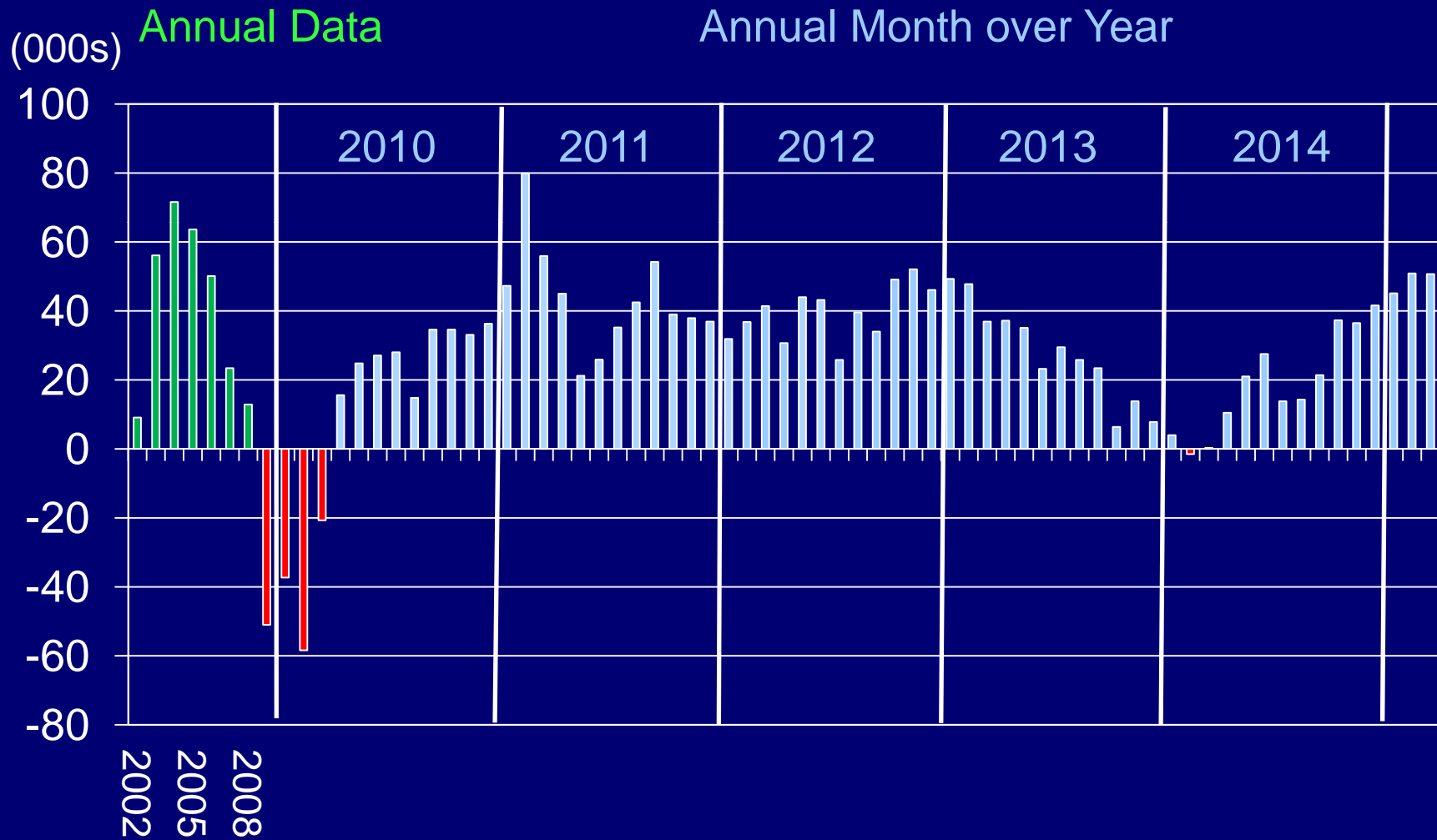
15 Largest Job Markets

Job Change: Mar 2014 – Mar 2015



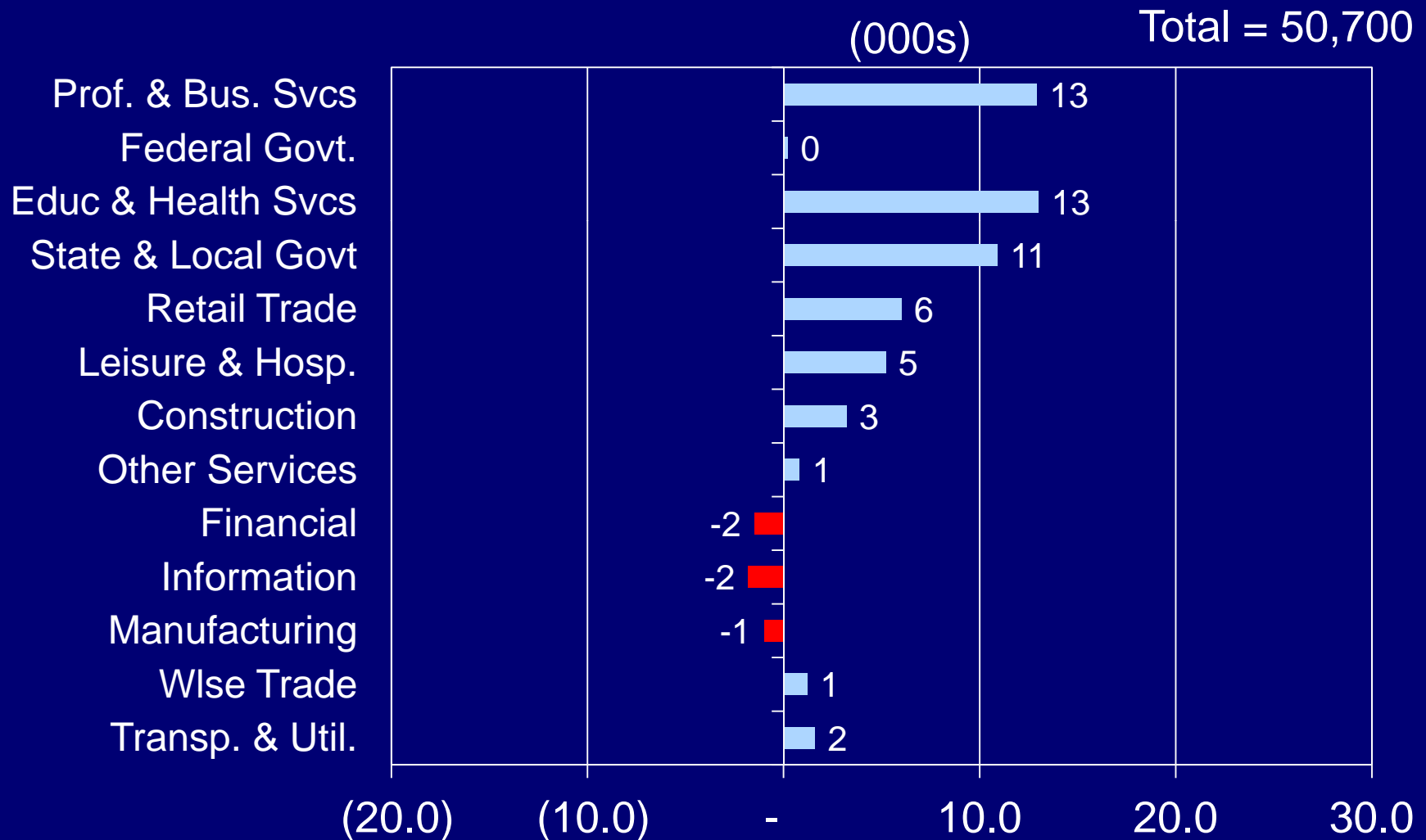
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Annual Job Change Washington MSA, 2002-2015



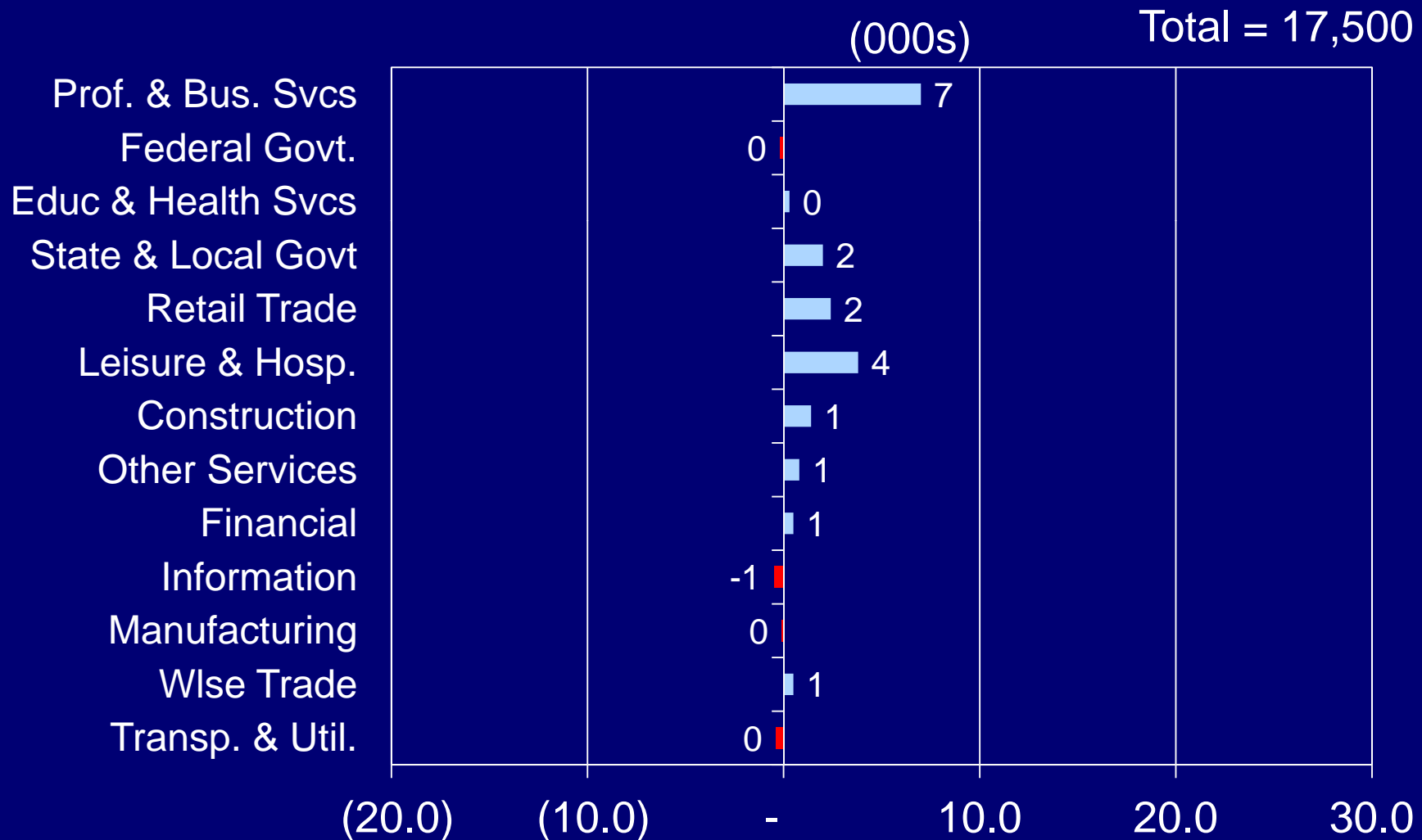
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Job Change by Sector Mar 2014 – Mar 2015 Washington MSA



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

Job Change by Sector Feb 2015 – Mar 2015 Washington MSA

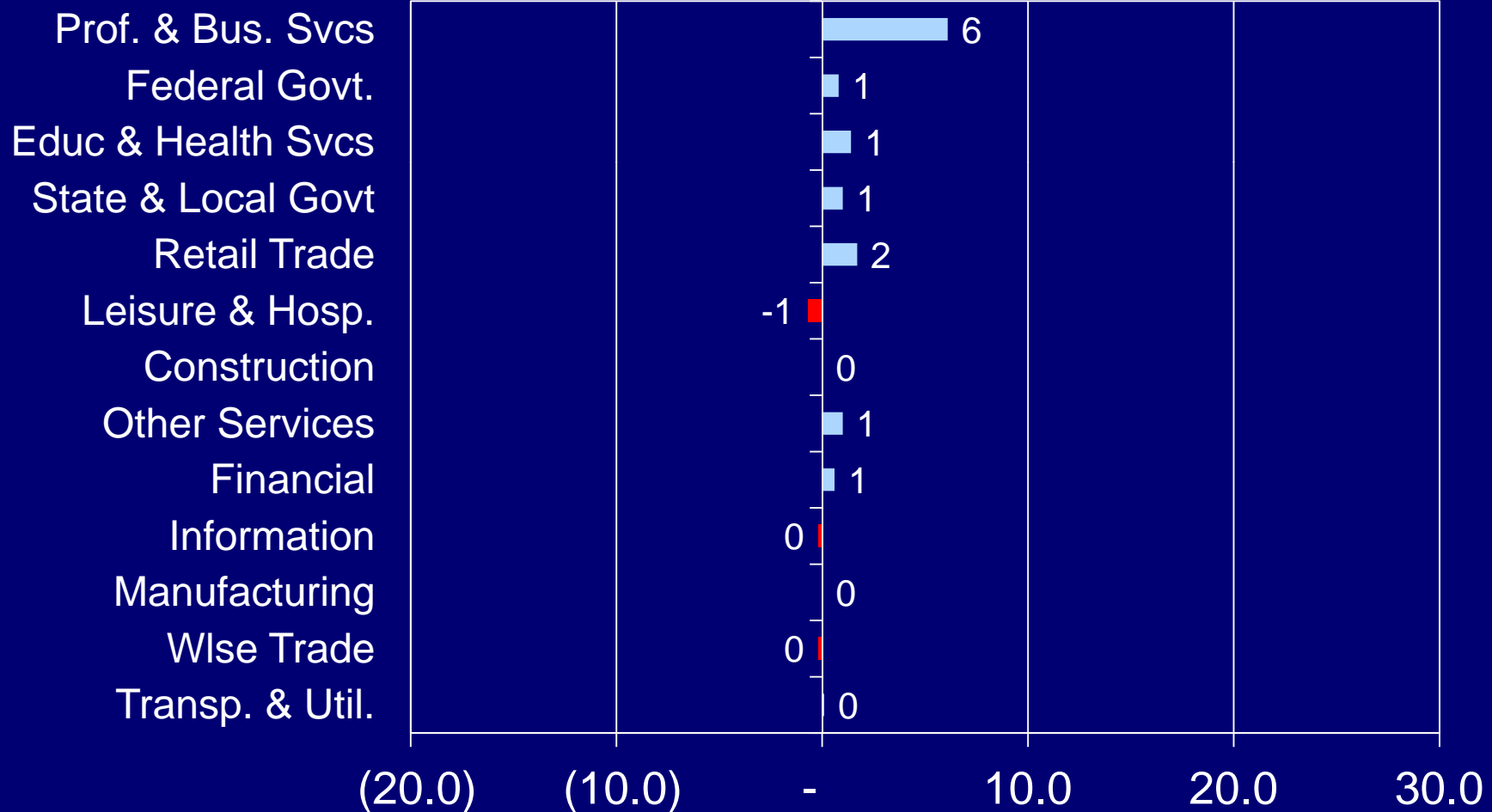


Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Job Change by Sector Mar 2014 – Mar 2015 District of Columbia

(000s)

Total 11,600



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

Job Change by Sector Mar 2014 – Mar 2015 Suburban Maryland

Total 19,200

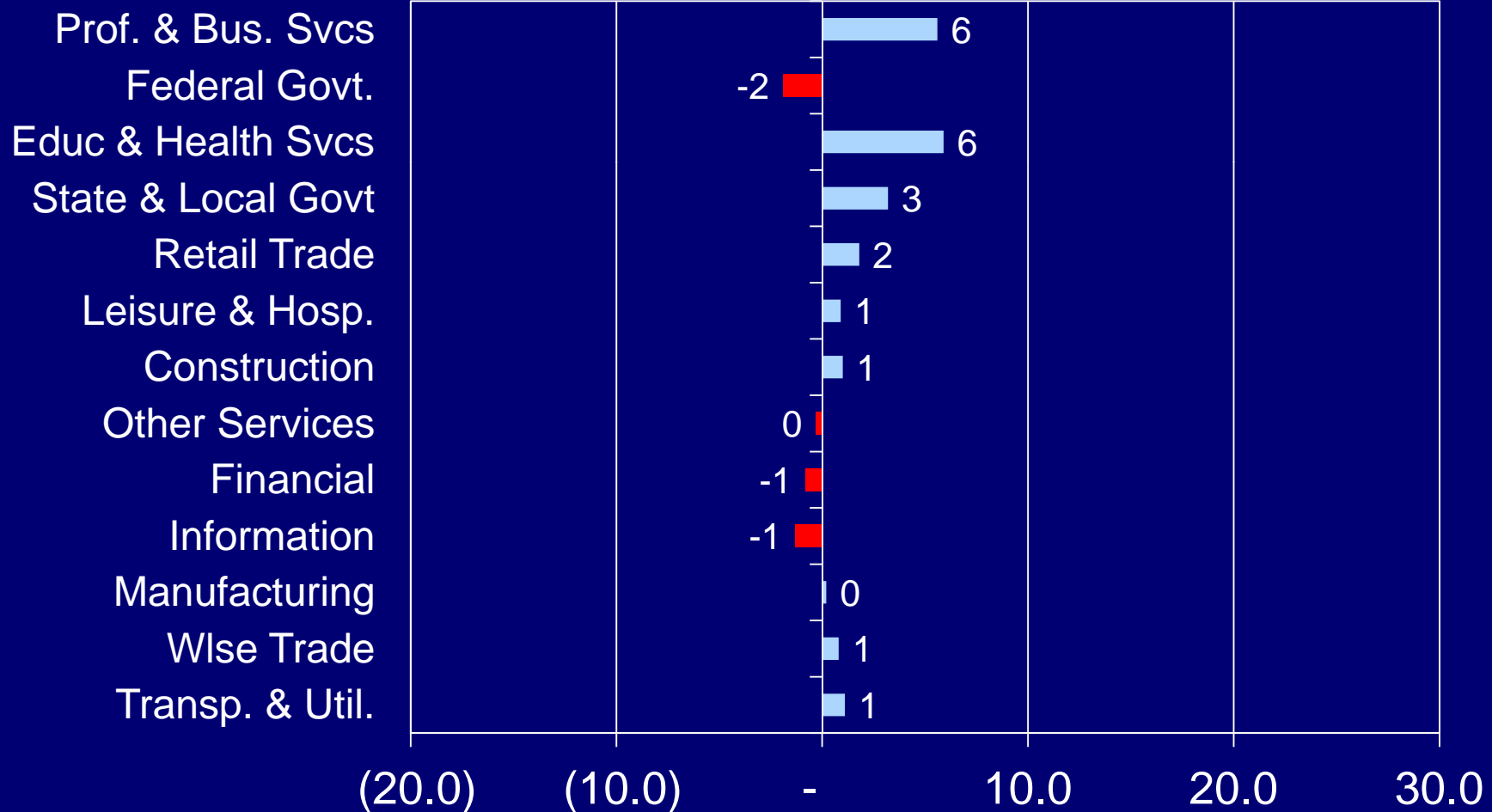


Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Job Change by Sector Mar 2014 – Mar 2015 Northern Virginia

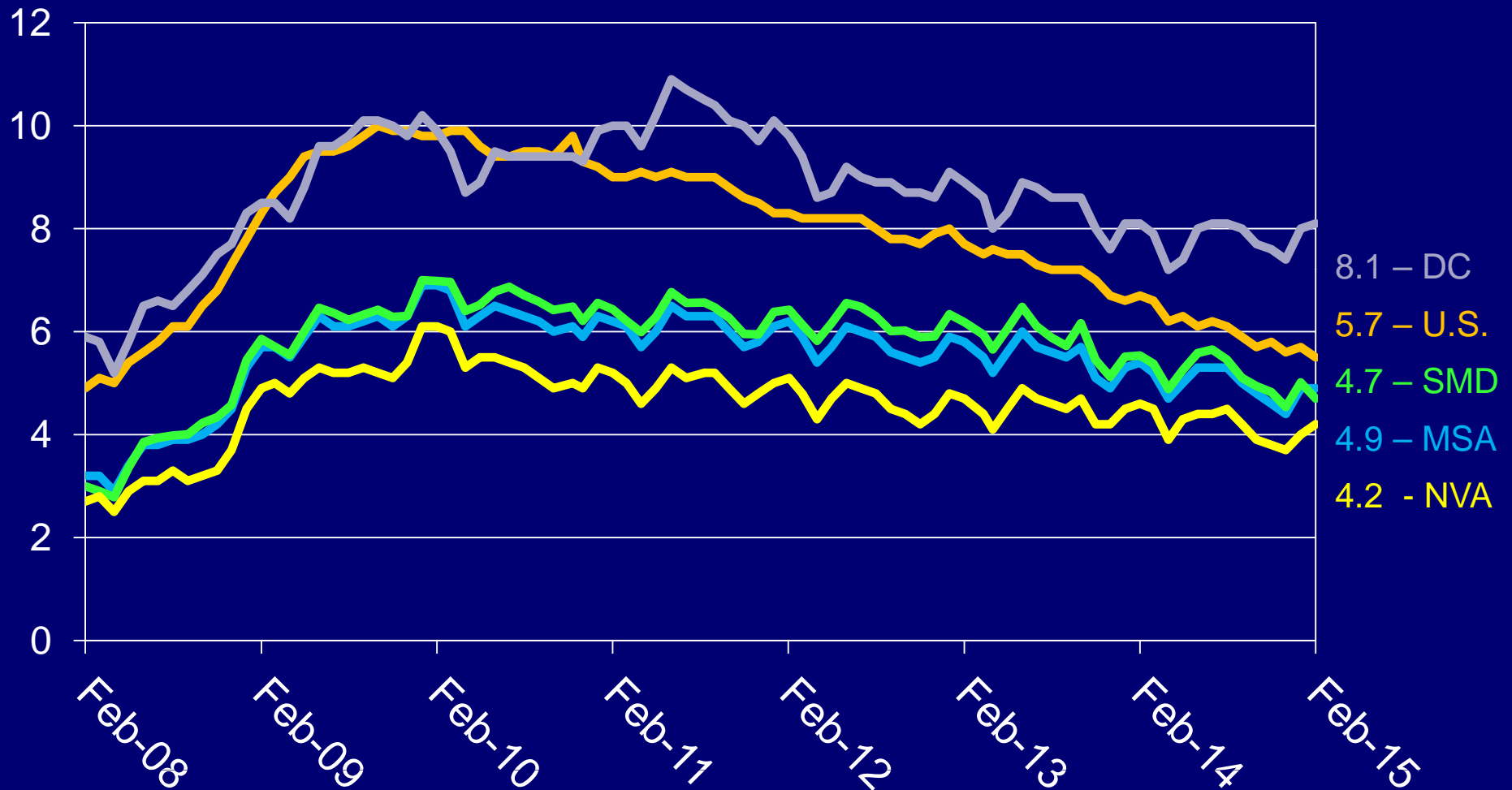
(000s)

Total 16,200



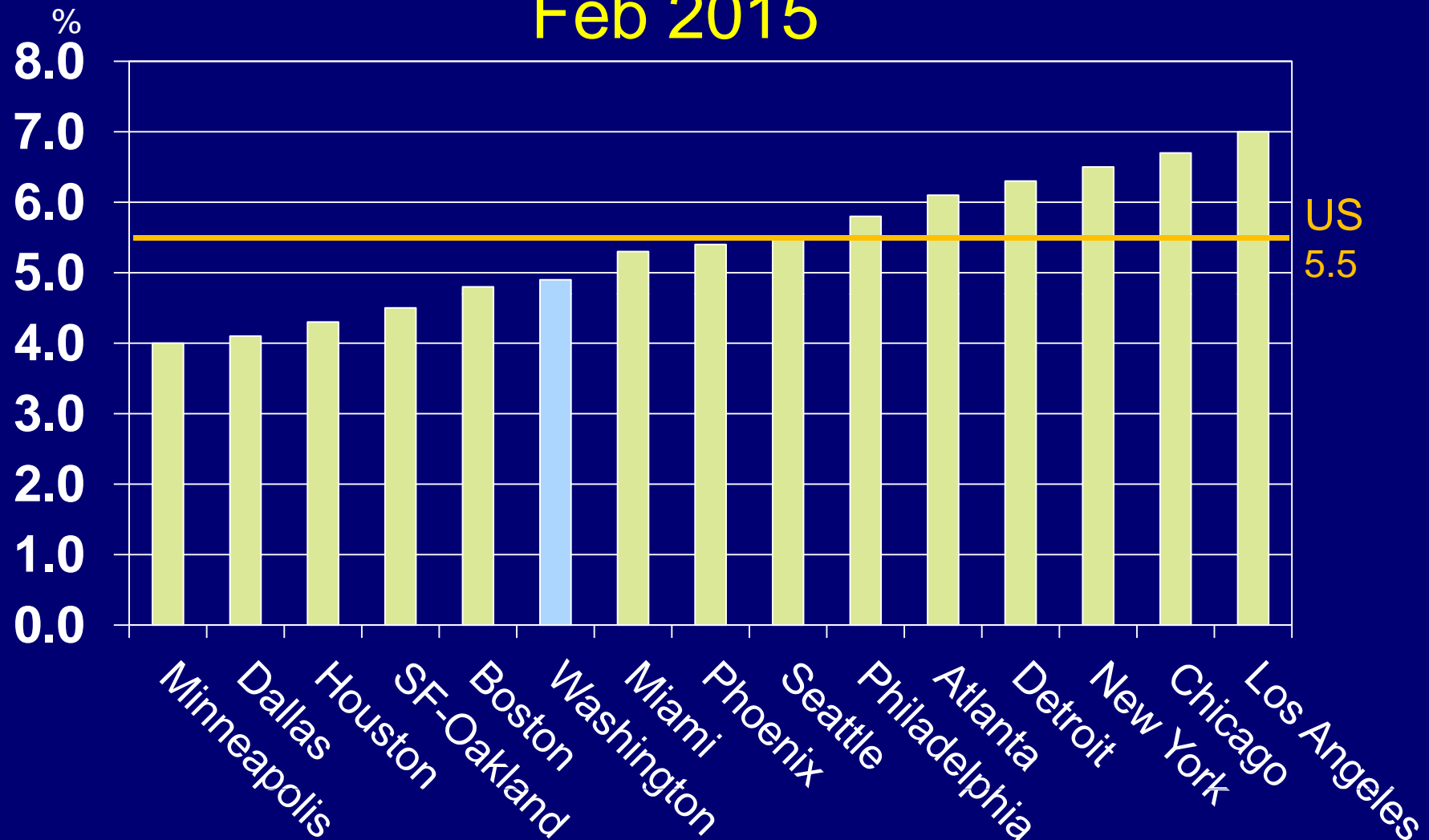
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Unemployment Rates in the WMSA By Sub-State Area, 2008-2015



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

15 Largest Job Markets Ranked by Unemployment Rate Feb 2015



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

Economic Outlook for the Washington Metropolitan Area: 2014-2019

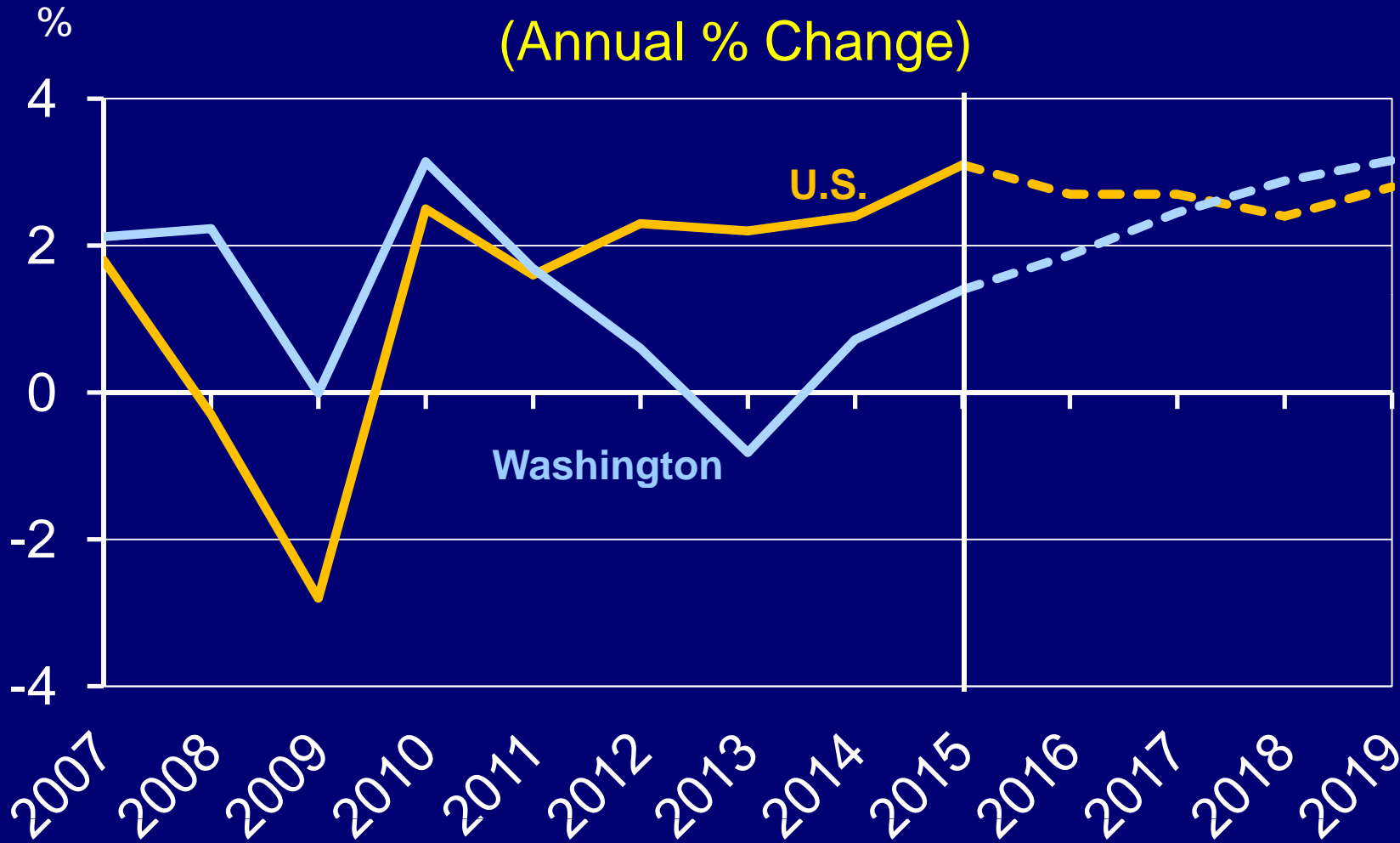
Washington Metropolitan Area and U.S. Economic Growth 2012-2019

(annual percent real change)

<u>Year</u>	<u>U.S.</u>	<u>WMSA</u>
2013	2.2	- 0.8
2014	2.4	0.7
2015	2.8	1.4
2016	2.7	1.9
2017	2.7	2.4
2018	2.4	2.9
2019	2.7	3.2

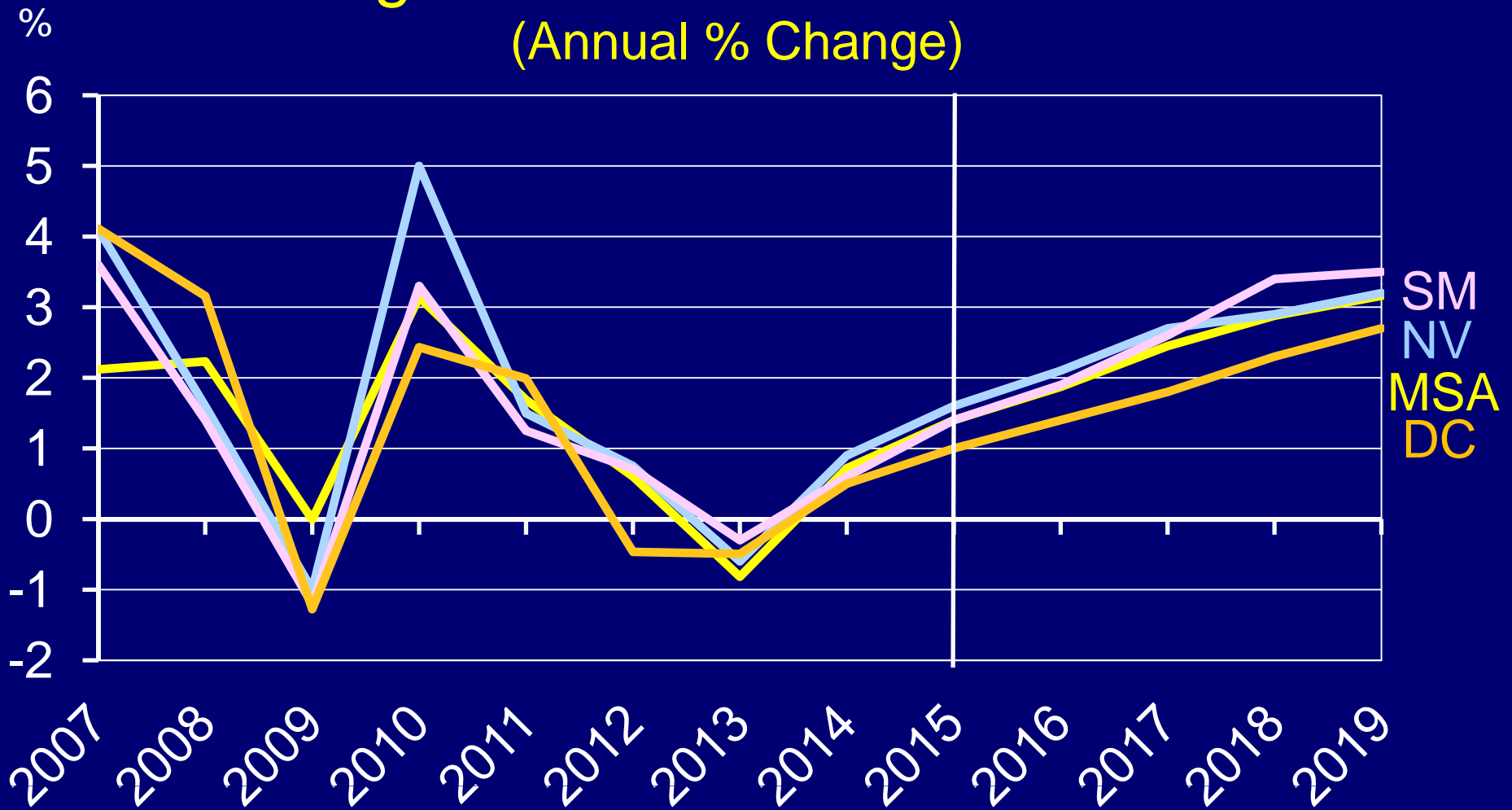
Sources: IHS Economics, Inc. April 2015 ; GMU Center for Regional Analysis

U.S. GDP and Washington Area GRP 2007 – 2015 – 2019 (Annual % Change)



Source: IHS Economics, GMU Center for Regional Analysis, Forecast: January 2015

Economic Outlook (GRP), 2007-2019 Washington Area and Sub-State Areas (Annual % Change)



Source: GMU Center for Regional Analysis, Forecast: January 2015

Employment Change in the WMSA by Sub-State Area (000s)

	2012	2013	2014*	2015	2016	2017	2018	2019
D.C.	9.2	13.0	6.5	7.9	9.1	11.0	12.7	11.7
Sub. MD	4.0	6.1	11.1	12.5	17.0	20.1	16.9	15.8
No. VA	26.4	8.9	1.3	15.6	22.8	26.7	19.0	17.9
REGION	39.6	28.0	18.9	36.0	48.9	58.0	48.6	45.4

Average Annual Change 1990-2010 = 35,980

Source: BLS, IHS Economics, GMU Center for Regional Analysis (January 2015)

NOTE: The regional totals do not include Jefferson, WV.

Principal Sources of Job and GRP Growth in the Washington Area, 2014-2019

(in thousands)

<u>Growth Sectors</u>	<u>Job Change</u>	<u>% of Total Job Change</u>	<u>Average Value Added per Job*</u>
Prof. & Bus. Ser.	114.4	48.3	\$157,969
Construction	48.8	20.5	\$111,992
Education/Health	28.7	12.1	\$72,162
Hospitality Services	27.1	11.4	\$51,110
State and Local	20.2	8.5	\$81,736
Sub-Total	239.2	100.8	\$119,749
Overall Total	236.9	100.0	\$154,131

Sources: IHS Global Insight; GMU Center for Regional Analysis

*in 2014\$s

Job and GRP Gains and Losses for the Washington Area's Other Sectors, 2014-2019

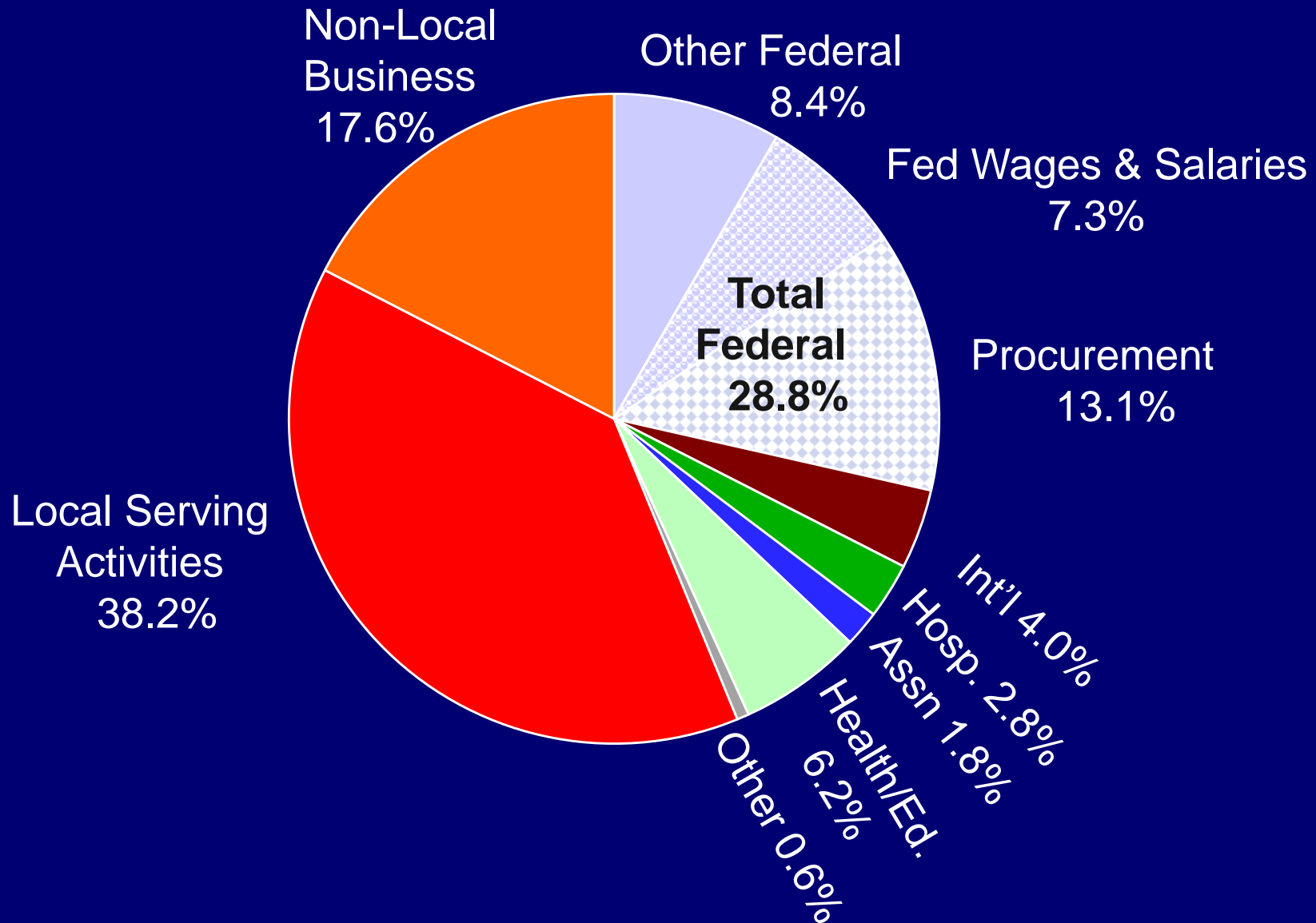
(in thousands)

	<u>Job Change</u>	<u>% of Total Job Change</u>	<u>Average Value Added per Job*</u>
Federal Gov't	- 22.3	- 9.4	\$185,804
Retail Trade	0.5	0.2	\$64,478
Other Services	2.6	1.1	\$86,150
Financial Services	- 0.1	0.0	\$620,922
Information Services	2.0	0.9	\$410,371
Manufacturing	0.0	0.0	\$249,934
Transportation	8.8	3.7	\$203,015
Wholesale Trade	6.2	2.6	\$215,783
Sub-Totals	- 2.3	- 0.9	\$197,811
Overall Total	236.9	100.0	\$154,131

Sources: IHS Economics, Inc.; GMU Center for Regional Analysis

*in 2014 \$s

2019 Structure of the Greater Washington Economy



Thank You Questions

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