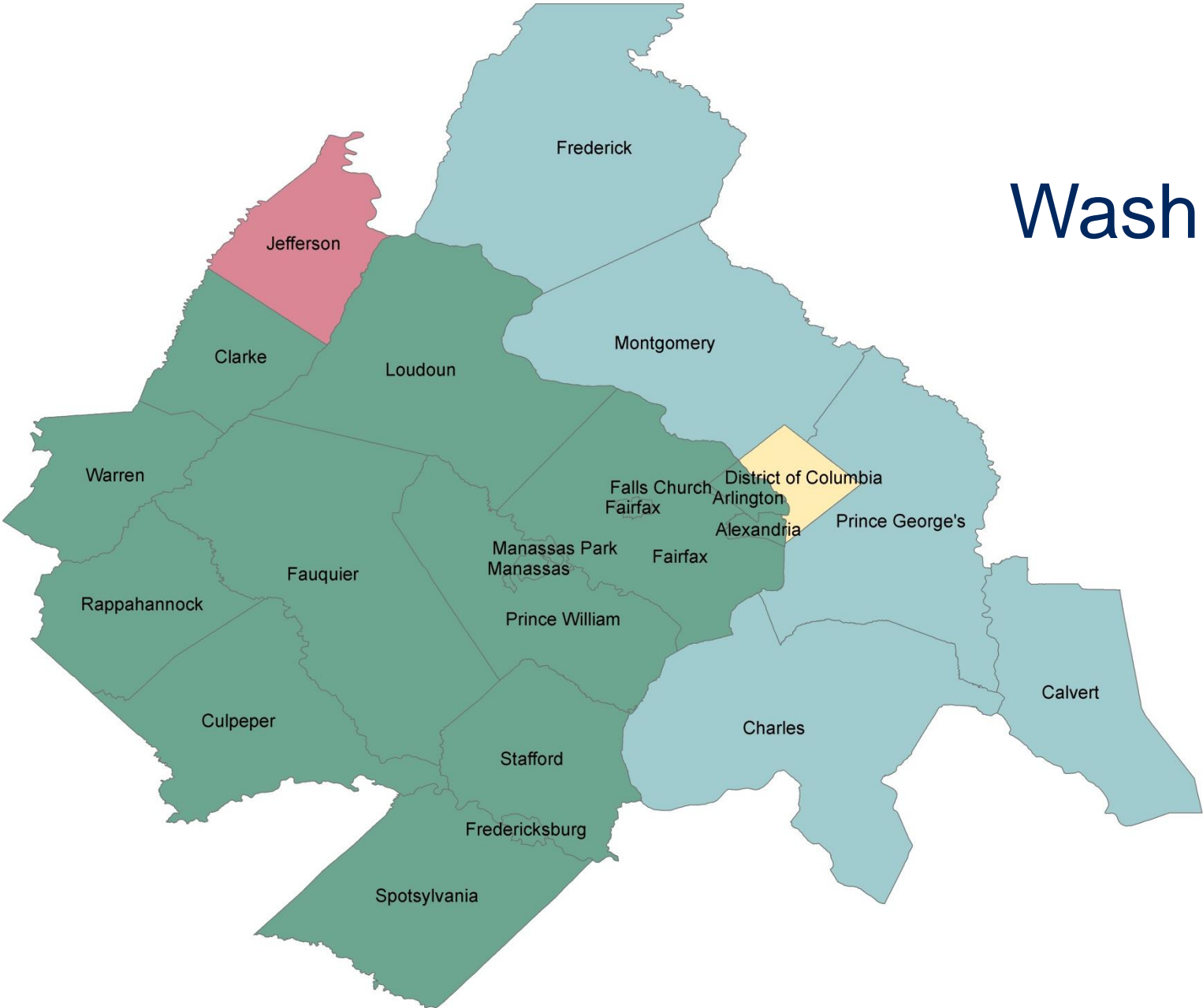*The Washington Region's Near-Term Trends: Reverting to the Mean?*

Jeannette Chapman
Deputy Director and Senior Research Associate
The Stephen S. Fuller Institute
Schar School of Policy and Government
George Mason University

October 10, 2017

Washington Region

The Washington Region's Five Key Economic Challenges

1. The Washington region is overly dependent on federal spending.

2. The region's advanced industrial clusters are underperforming.

3. The region's job growth and mix since 2010 has favored lower-value added, local-serving sectors.

4. The region's high cost of living has made it less competitive with its peers for attracting business investment and residents

5. The region's population is aging and growth is slowing.

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Economic Forecast and Trends in the Washington Region

Employment Change by Sub-State Area
Baseline Forecast (000s)

|	2014	2015	2016	2017	2018	2019	2020	2021
D.C.	5.2	15.9	13.0	10.4	9.2	8.1	6.2	5.5
Sub. MD	10.2	12.5	14.4	22.8	16.6	16.2	13.1	12.3
No. VA	0.8	29.8	31.0	19.8	20.4	20.8	15.1	13.0
REGION	18.6	57.7	55.6	53.0	46.2	45.1	34.4	30.8

Average Annual Change 1990-2010 = 36,300

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U.S. GDP and Washington MSA GRP
2007 – 2016 – 2021
(Baseline Forecast, Annual % Change)
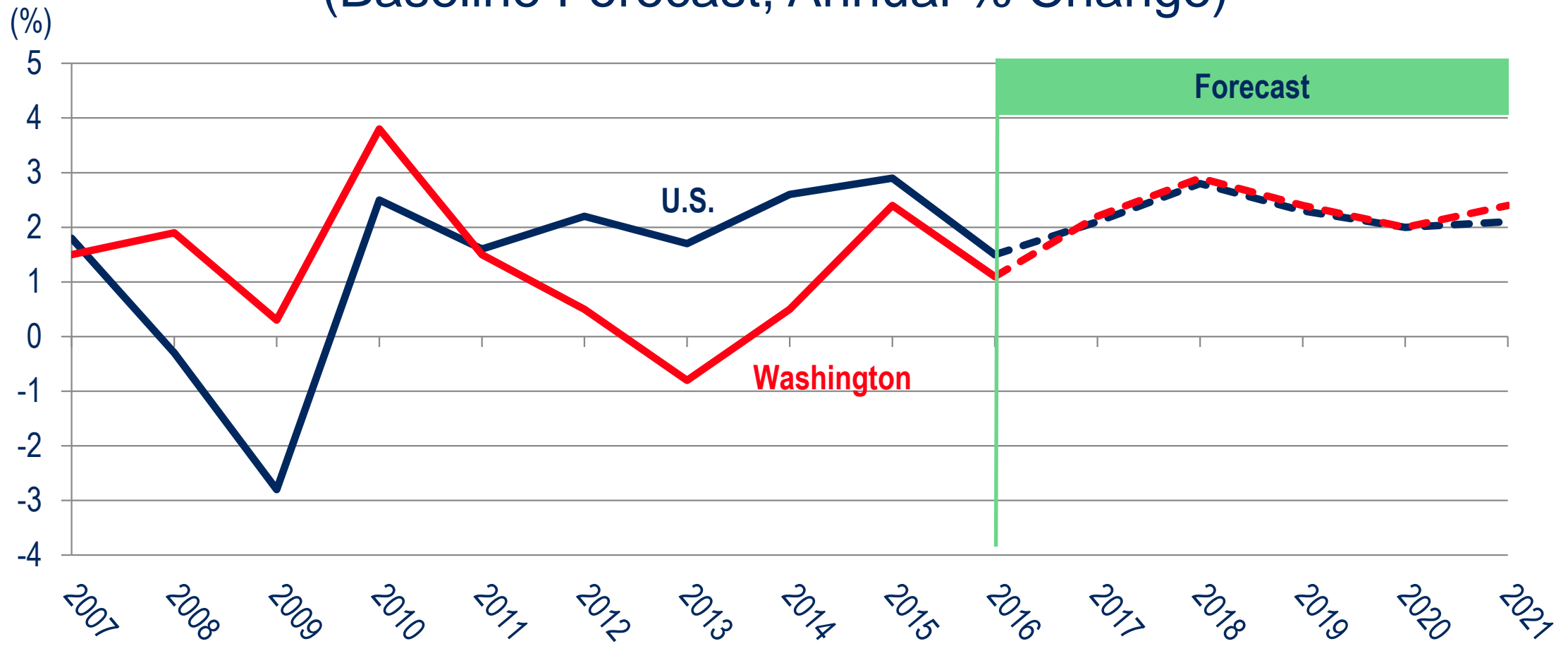
2017 Structure of the Washington Region Economy

Source: The Stephen S. Fuller Institute at the Schar School, GMU

The Stephen S. Fuller Institute for Research on the Washington Region's Economic Future
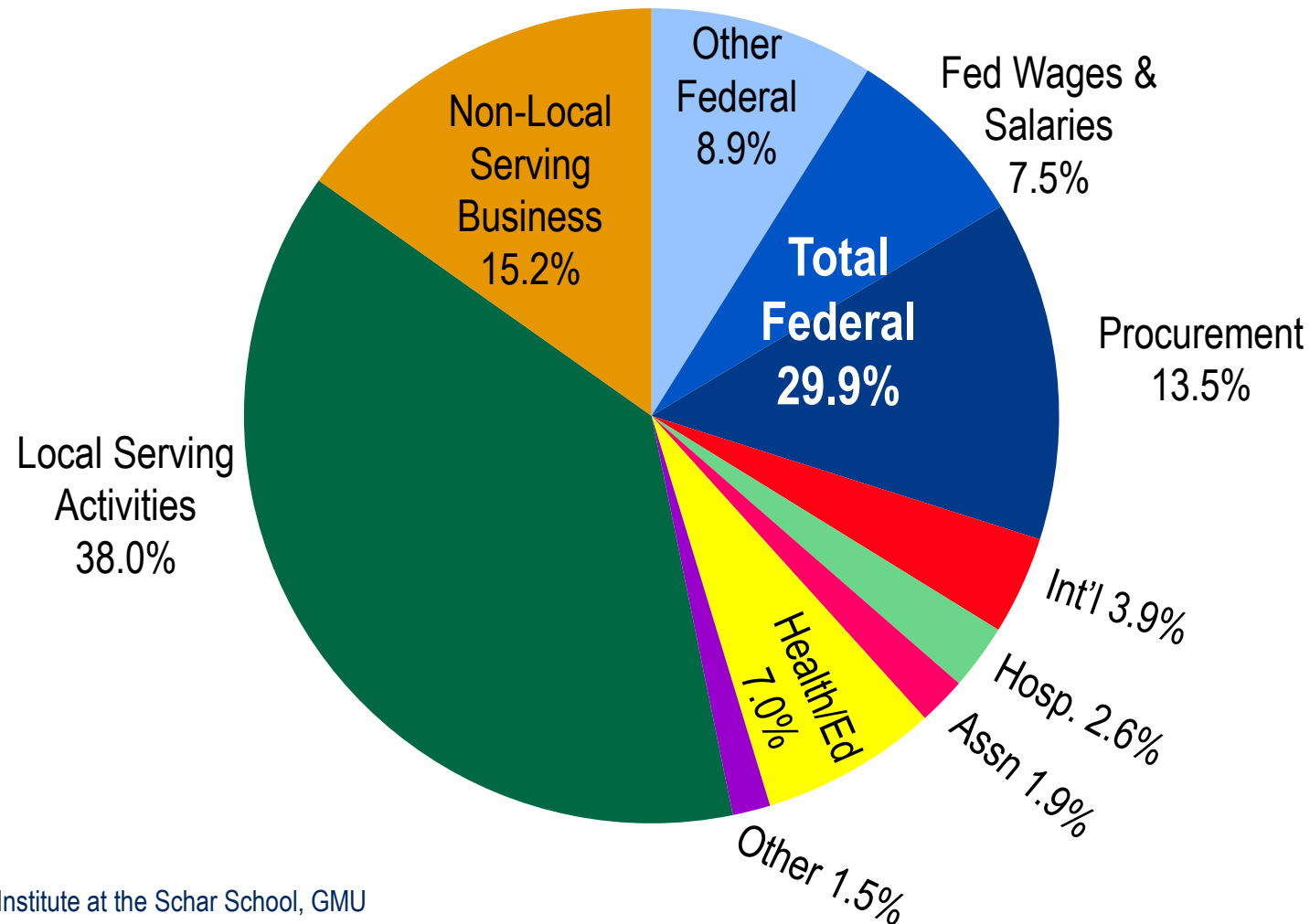
Federal Procurement in the Washington Region, 1980-2016
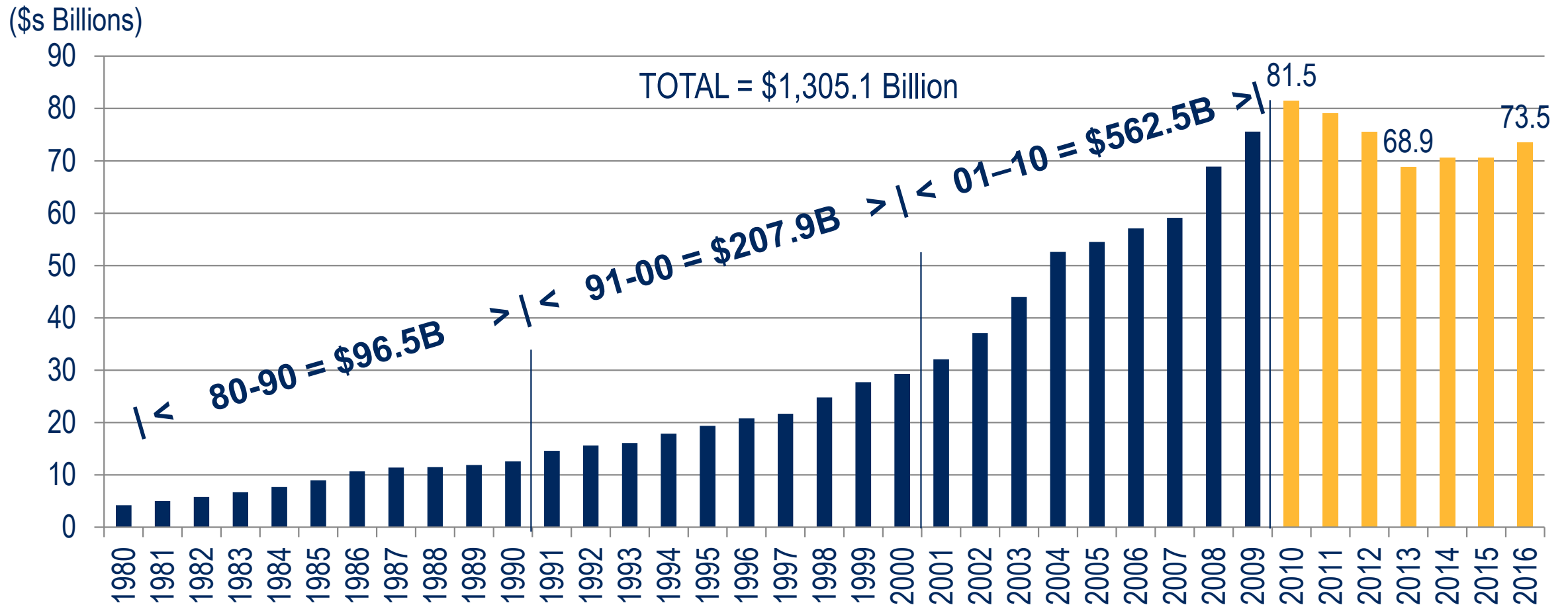
($s Billions)

TOTAL = $1,305.1 Billion

| < 80-90 = $96.5B > | < 91-00 = $207.9B > | < 01–10 = $562.5B > |

81.5

68.9

73.5

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Annual Job Change, 2002-2017
Washington Region
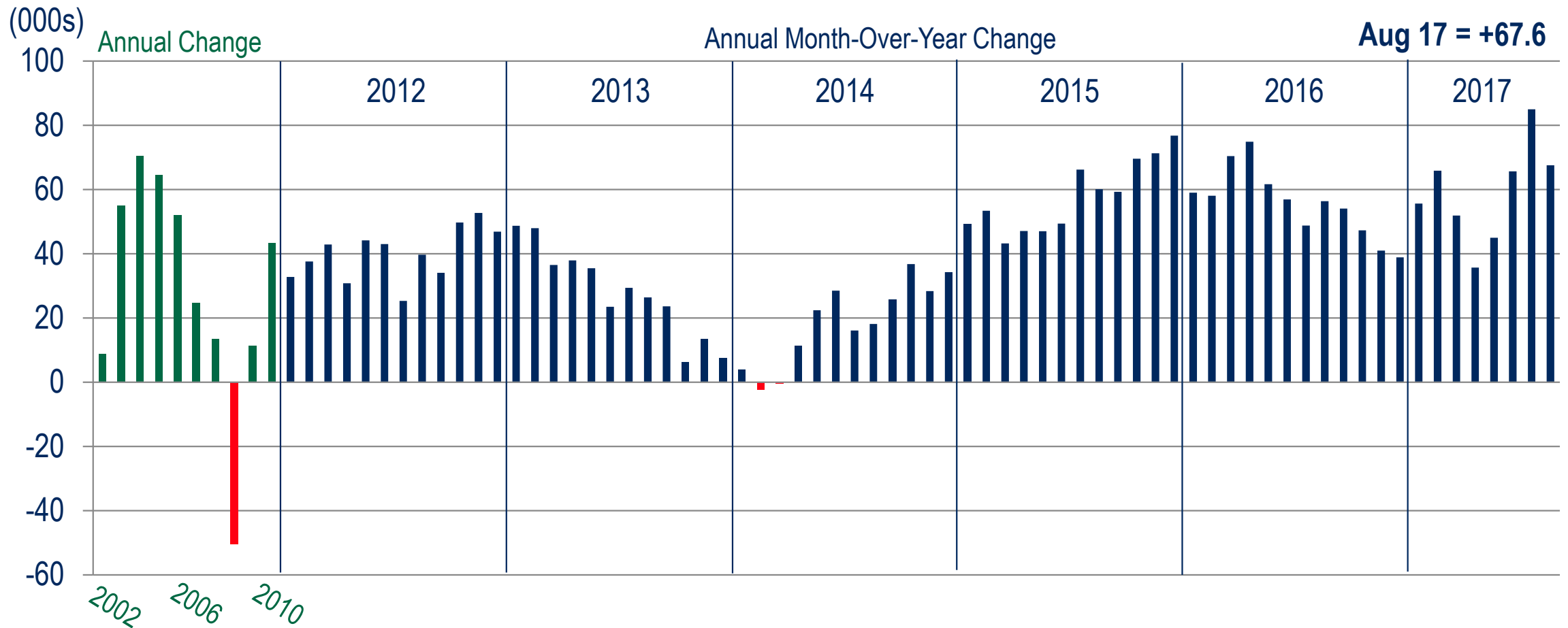
(000s)

Annual Change

Annual Month-Over-Year Change

Aug 17 = +67.6

2012 2013 2014 2015 2016 2017

2002 2006 2010

Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU

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Washington MSA
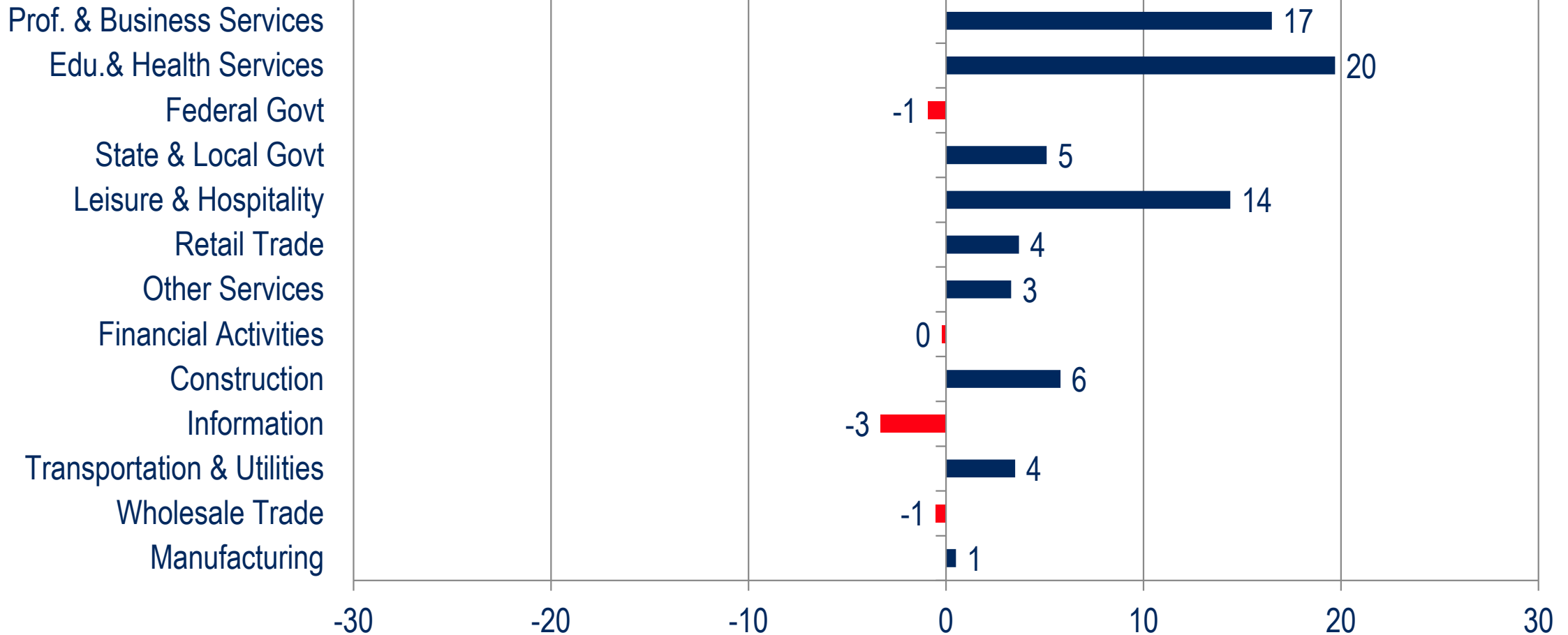# Annual Job Change, 2002-2017
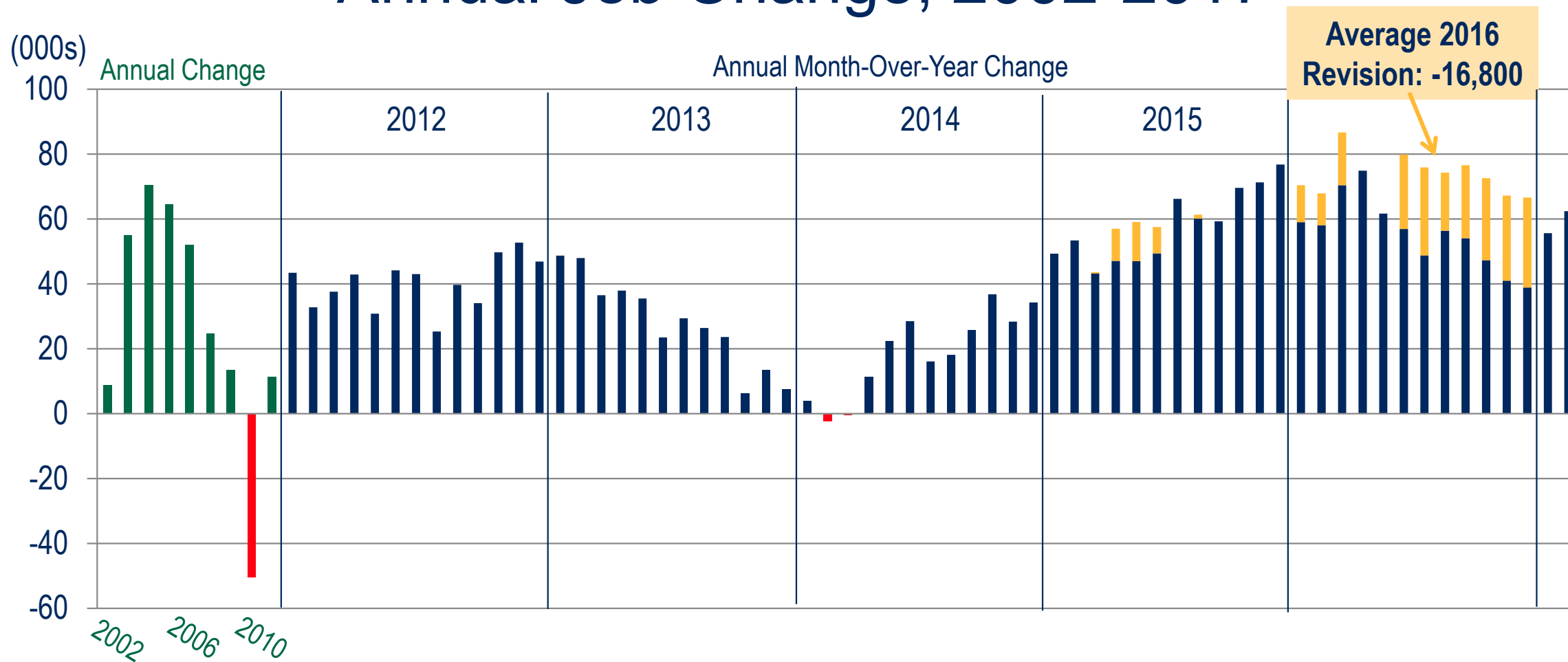
Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU

Washington MSA Job Change by Sector
## August 2016 – August 2017

Total = 67,600

Ranked by Size in 2016

(000s)

Sector	Change
Prof. & Business Services	17
Edu.& Health Services	20
Federal Govt	-1
State & Local Govt	5
Leisure & Hospitality	14
Retail Trade	4
Other Services	3
Financial Activities	0
Construction	6
Information	-3
Transportation & Utilities	4
Wholesale Trade	-1
Manufacturing	1

Sources: U.S. Bureau of Labor Statistics (Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU
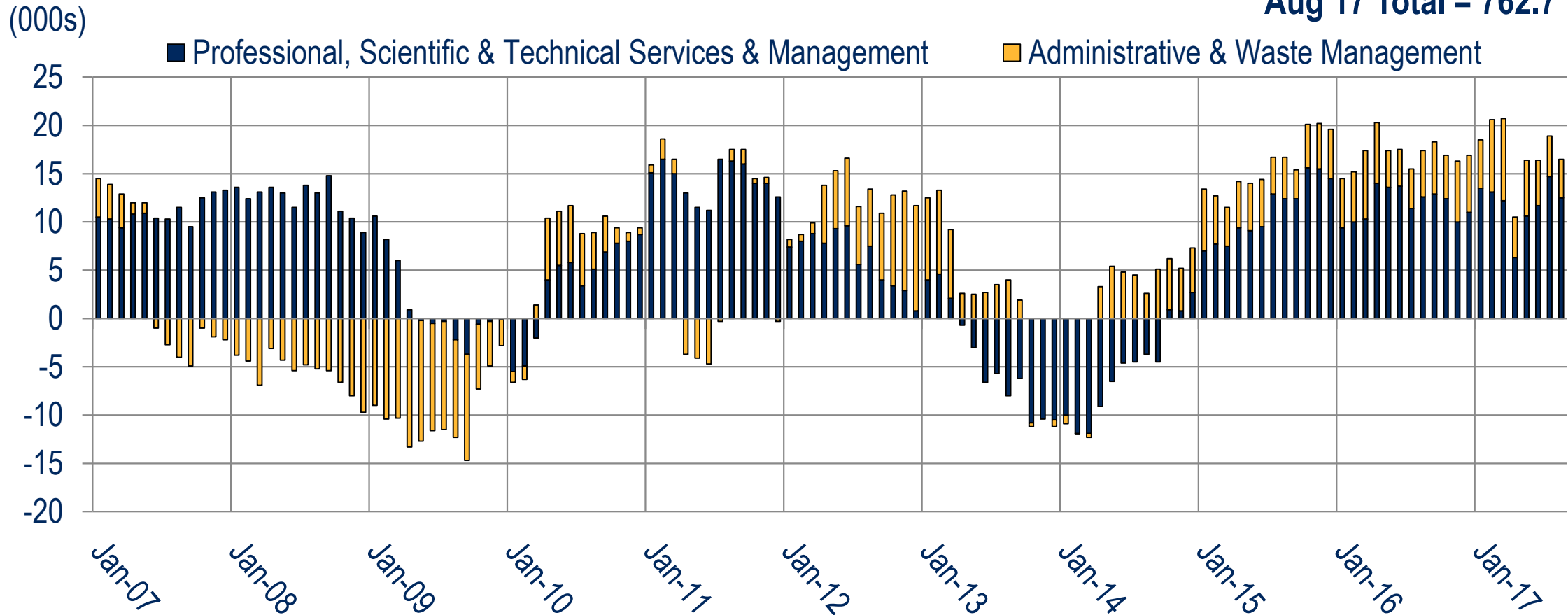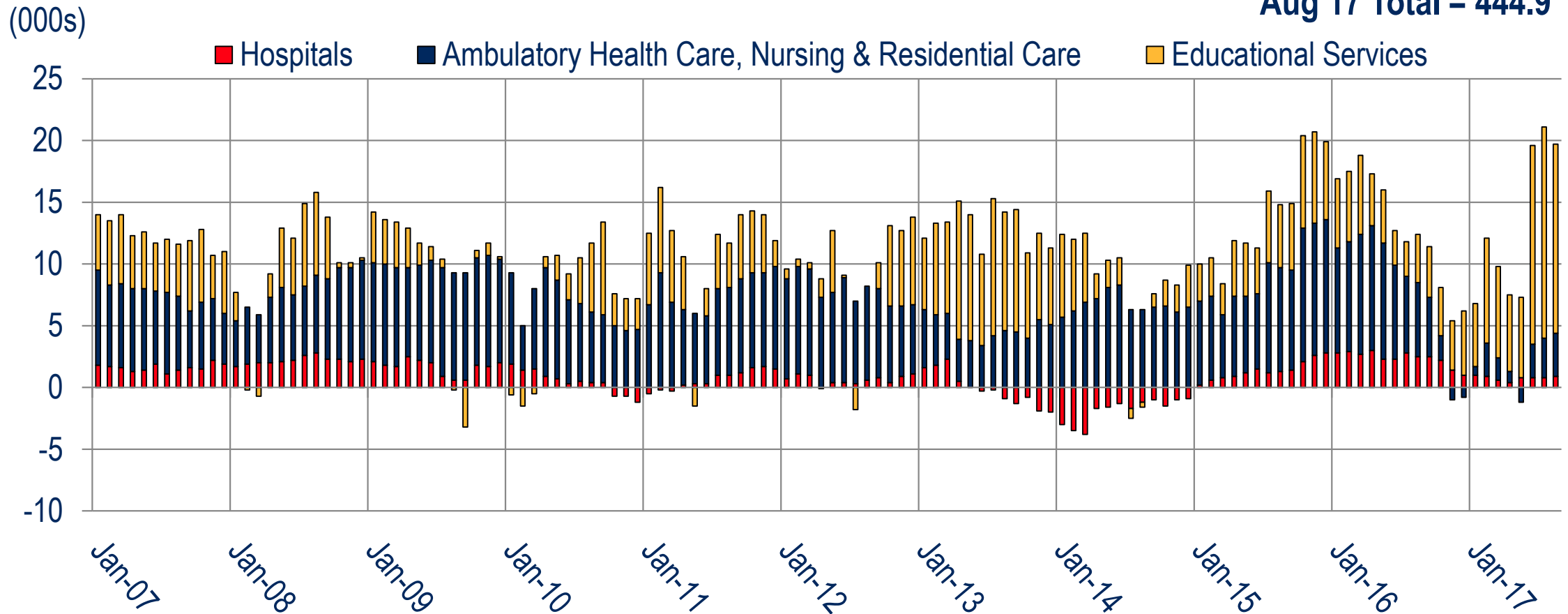
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GRP Per Worker in the Washington Region Annual Percent Change (Real GRP)
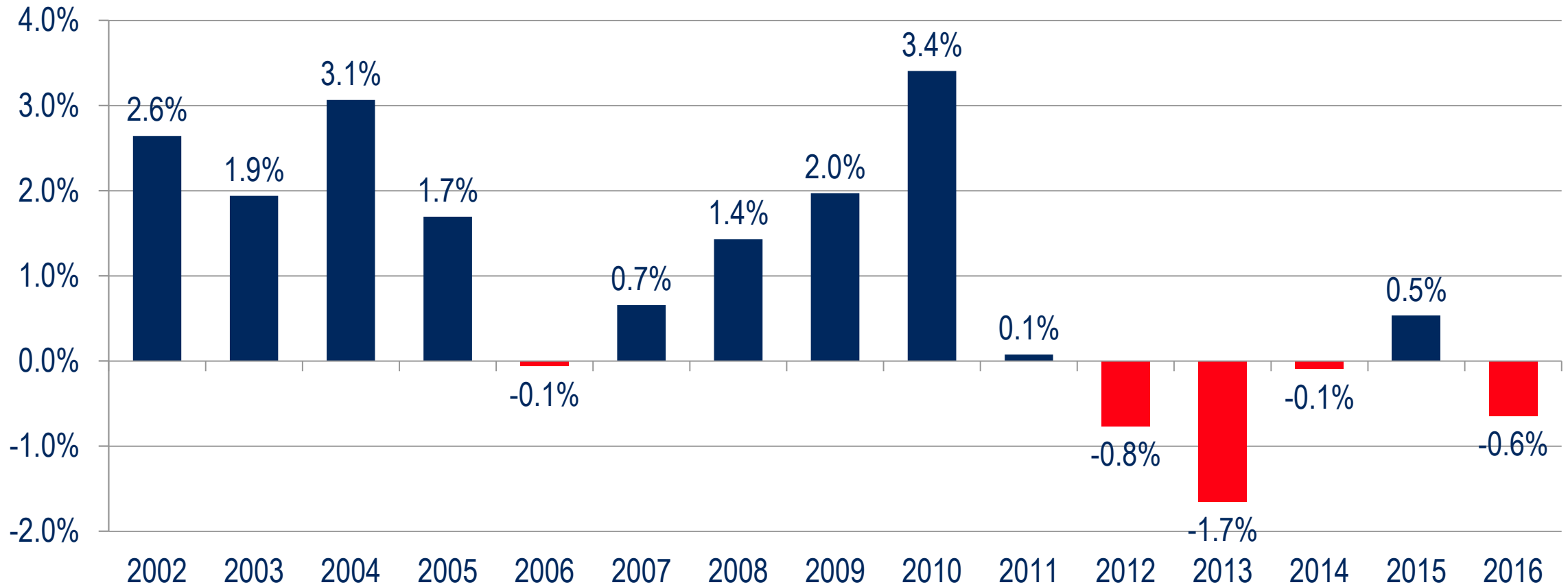
Professional and Business Services Jobs
Washington MSA
Annual Month Over-the-Year

Aug 17 Total = 762.7

(000s)

■ Professional, Scientific & Technical Services & Management   □ Administrative & Waste Management

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Education and Health Services Jobs Washington MSA
Annual Month Over-the-Year

Aug 17 Total = 444.9

(000s)

■ Hospitals ■ Ambulatory Health Care, Nursing & Residential Care ■ Educational Services

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Leisure and Hospitality Services Jobs
Washington MSA
Annual Month Over-the-Year

Aug 17 Total = 346.4
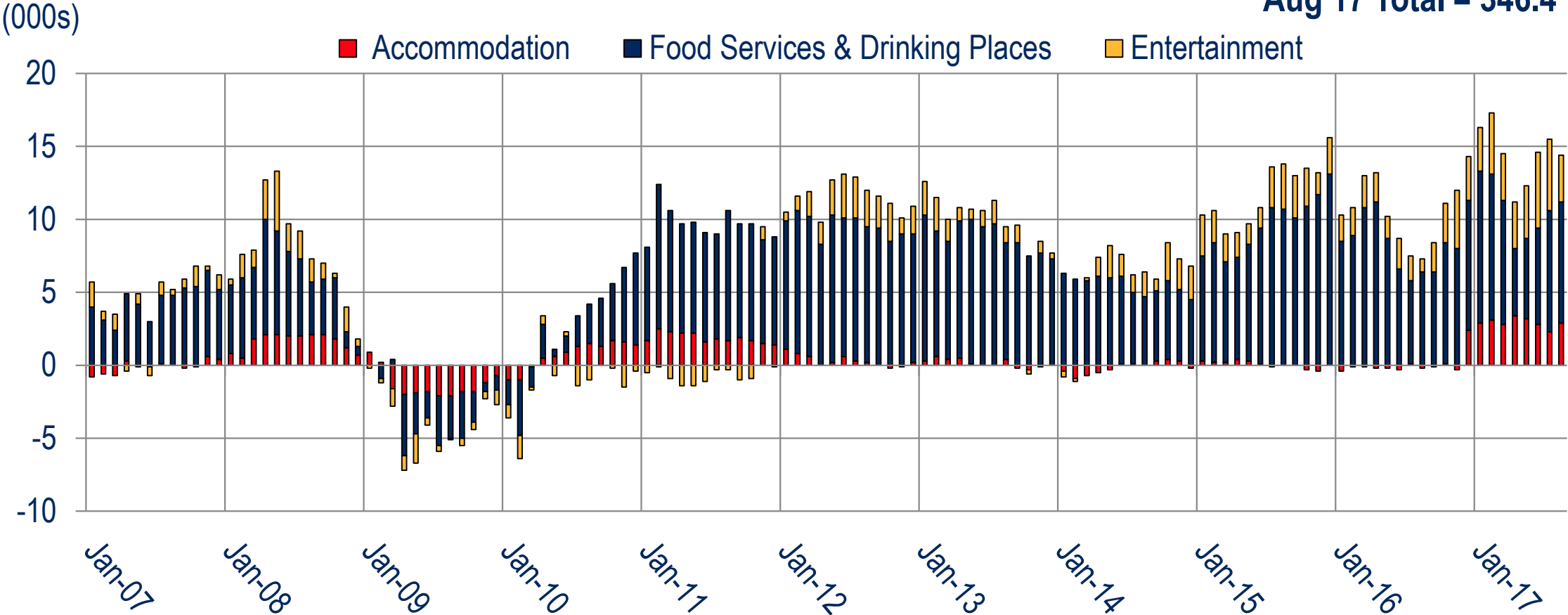
(000s)

Legend: ■ Accommodation ■ Food Services & Drinking Places ■ Entertainment
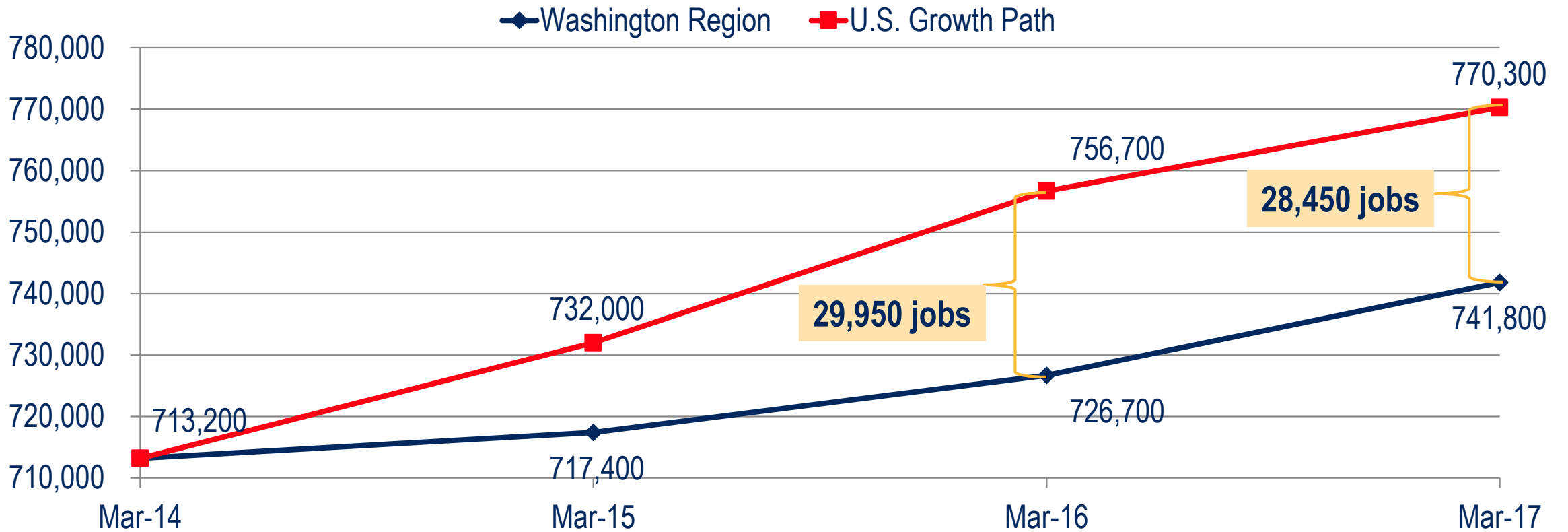
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Growth Rates of the Washington Region's Advanced Industrial Clusters
March 2014 to March 2017, Annualized Growth
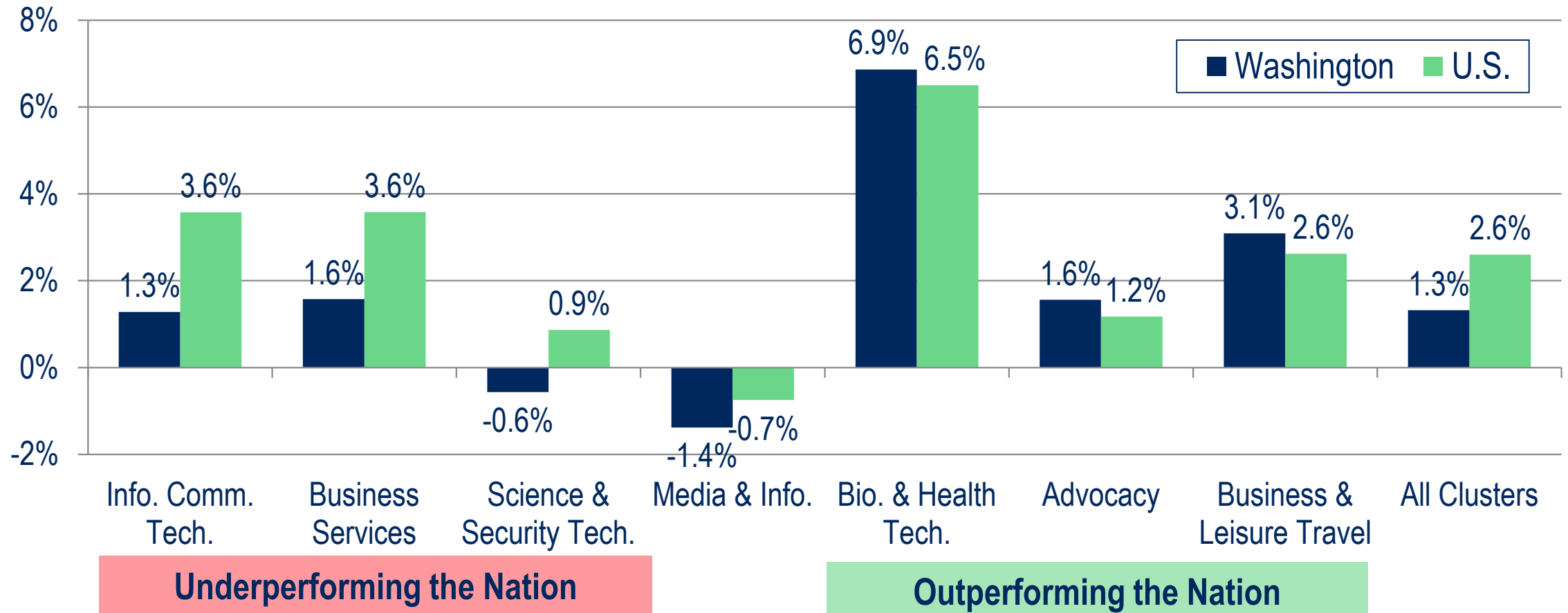
Legend: Washington (dark blue), U.S. (green)

Cluster	Washington	U.S.
Info. Comm. Tech.	1.3%	3.6%
Business Services	1.6%	3.6%
Science & Security Tech.	-0.6%	0.9%
Media & Info.	-1.4%	-0.7%
Bio. & Health Tech.	6.9%	6.5%
Advocacy	1.6%	1.2%
Business & Leisure Travel	3.1%	2.6%
All Clusters	1.3%	2.6%

Underperforming the Nation

Outperforming the Nation

Sources: U.S. Bureau of Labor Statistics (QCEW), The Stephen S. Fuller Institute at the Schar School, GMU

The STEPHEN S. FULLER INSTITUTE
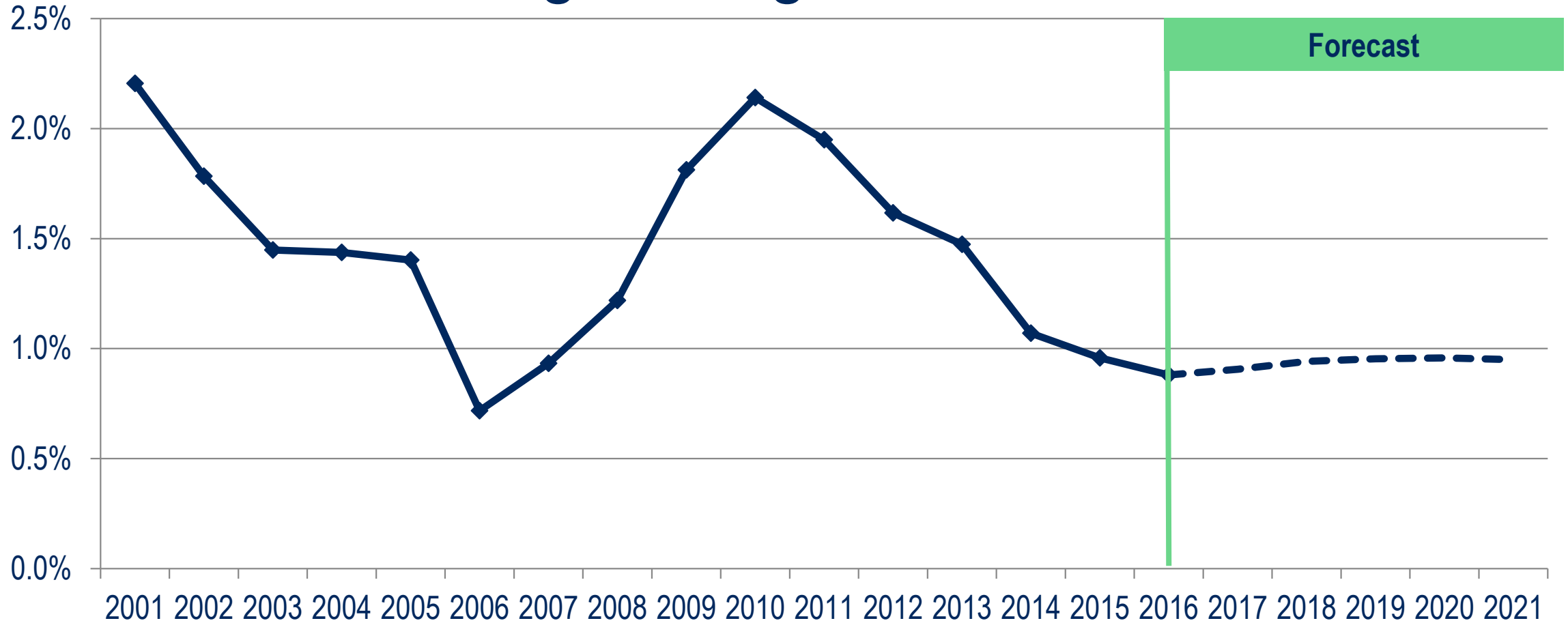for Research on the Washington Region's Economic Future

Comparative Cluster Performances: Washington Region and the U.S.

Sources: U.S. Bureau of Labor Statistics (QCEW), The Stephen S. Fuller Institute at the Schar School, GMU
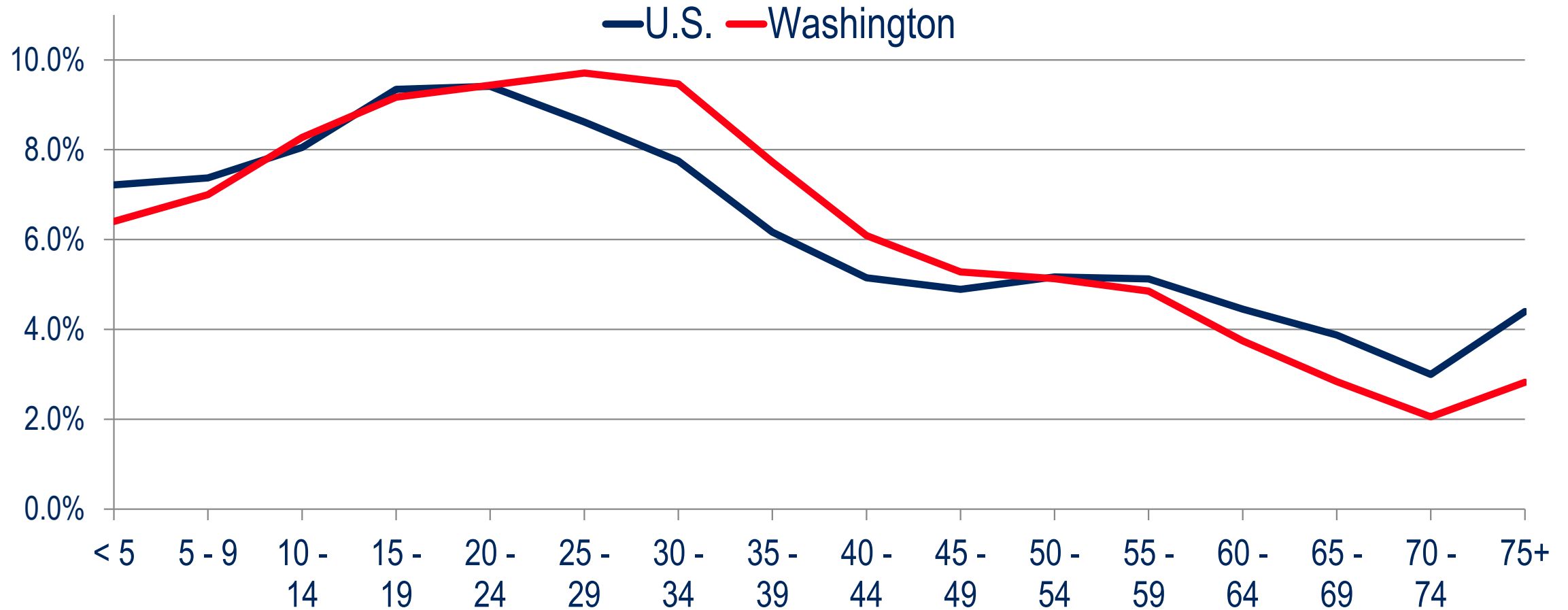
Population Trends
in the Washington Region

# Population Growth
Washington Region, 2001-2021

Forecast

Sources: IHS Economics; The Stephen S. Fuller Institute at the Schar School, GMU

The STEPHEN S. FULLER INSTITUTE
for Research on the Washington Region's Economic Future

Population Distribution by Age
Washington Region, 1980

Sources: U.S. Census Bureau (1980 Census and v2016 Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU

Population Distribution by Age
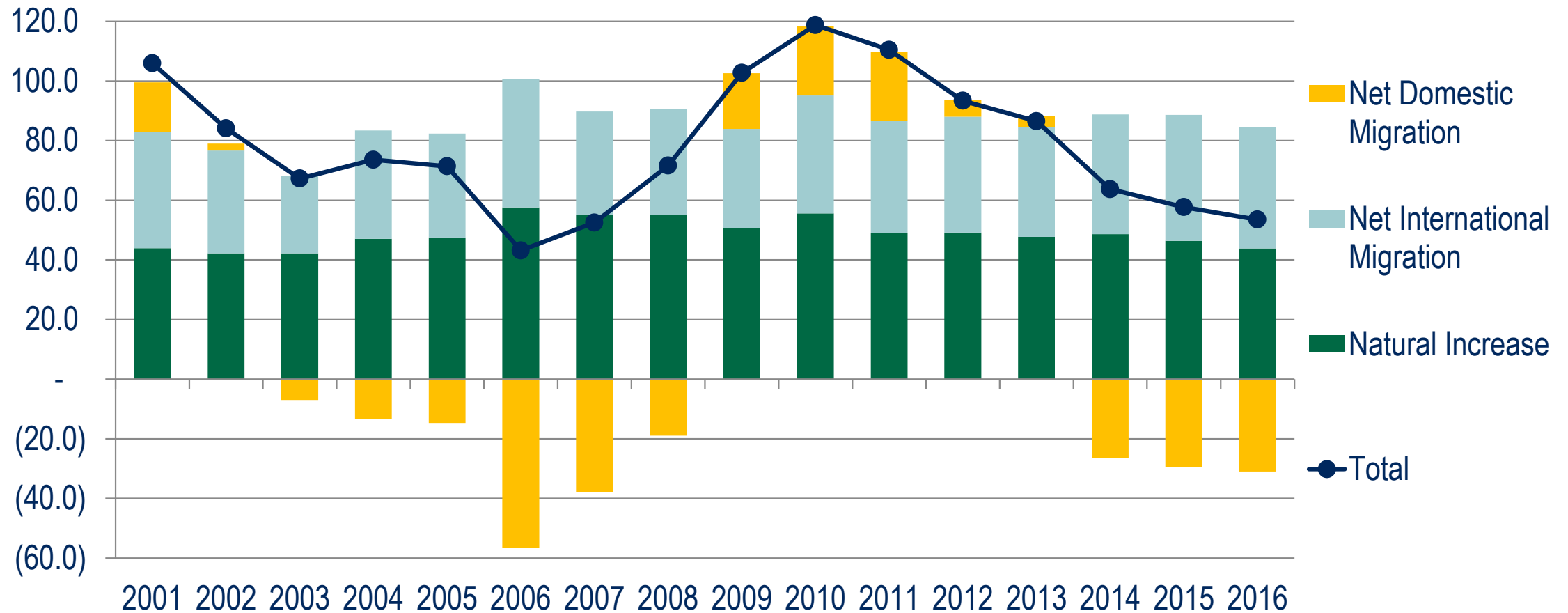# Washington Region, 2016
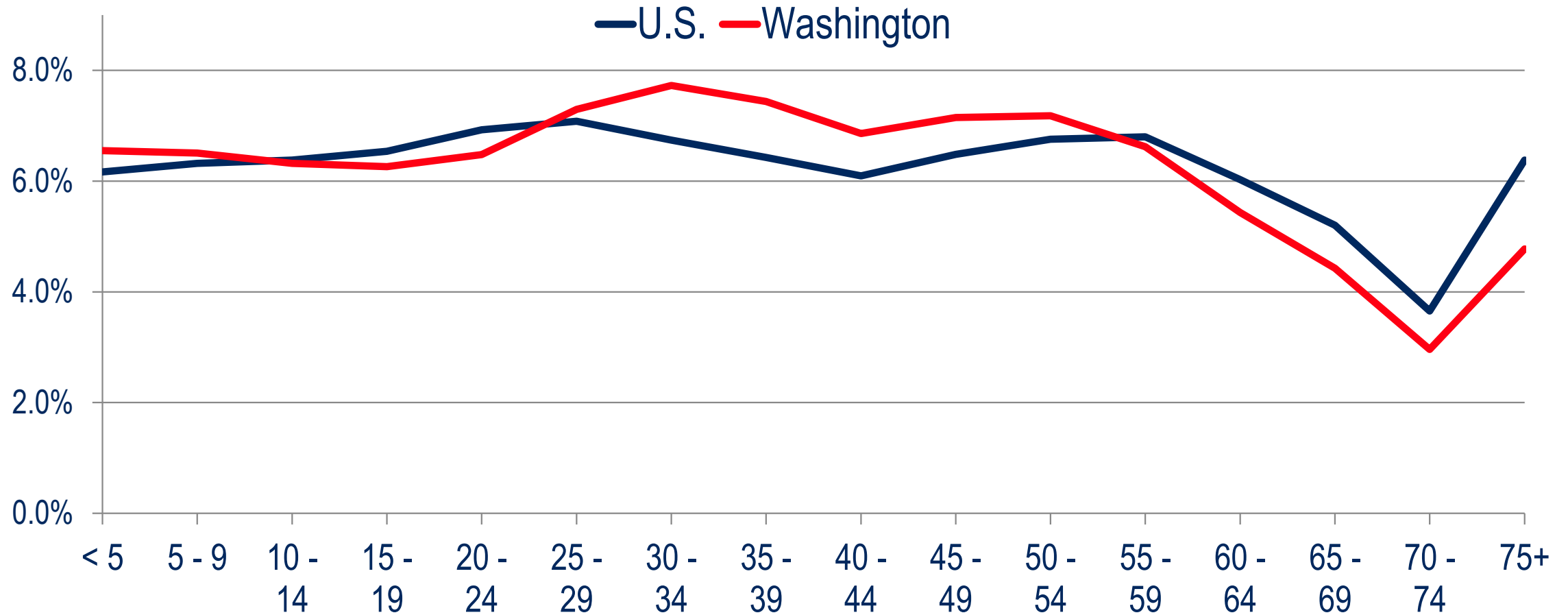
Legend: —U.S. —Washington

Sources: U.S. Census Bureau (1980 Census and v2016 Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU

Washington Region's Population as a % of Nation's 1980 and 2016

	Washington as % of U.S.		Relative Concentration	
	1980	**2016**	**1980**	**2016**
15-24	1.50%	1.80%	0.99	0.95
25-34	1.77%	2.06%	1.17	1.09
15-34, Total	1.63%	1.93%	1.08	1.02
Total Population	**1.51%**	**1.90%**	**1.00**	**1.00**

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Population Growth By Component Change Washington Region (in 000s)
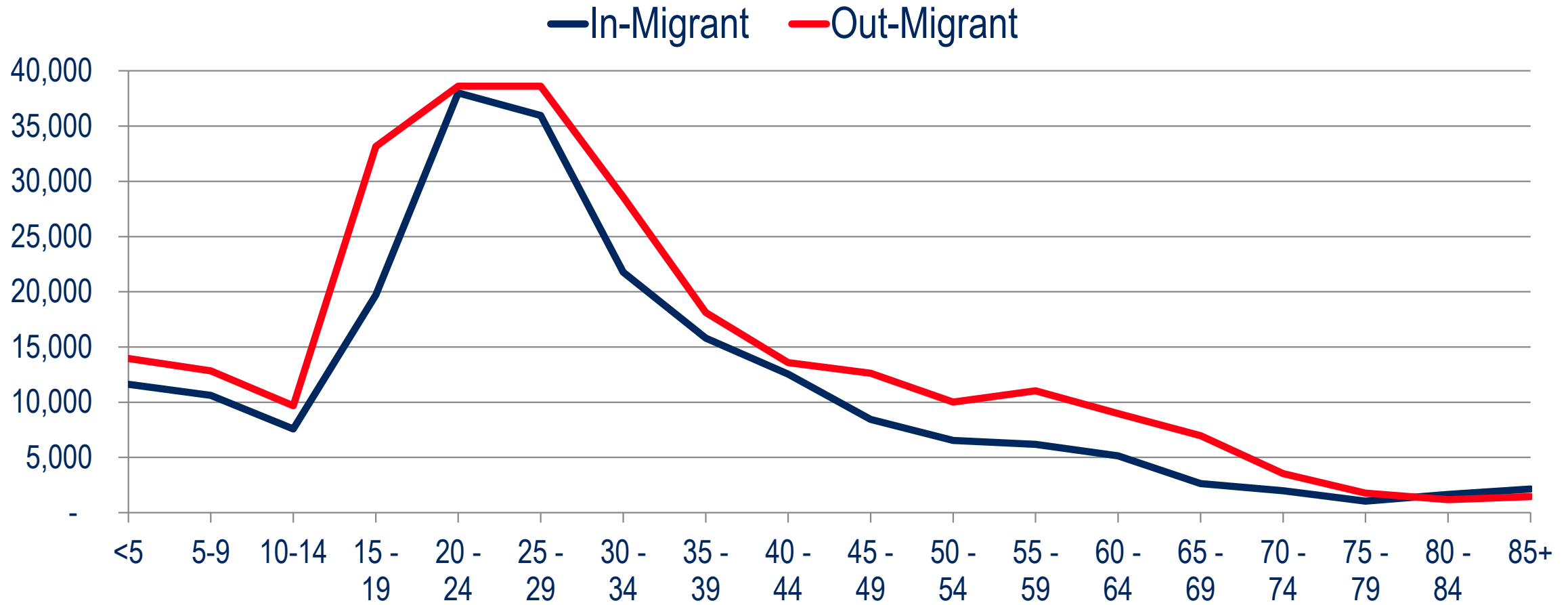
Sources: U.S. Census Bureau (Intercensal, v2009 and v2016 Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU

Domestic Migration in the Washington Region 2000 to 2015
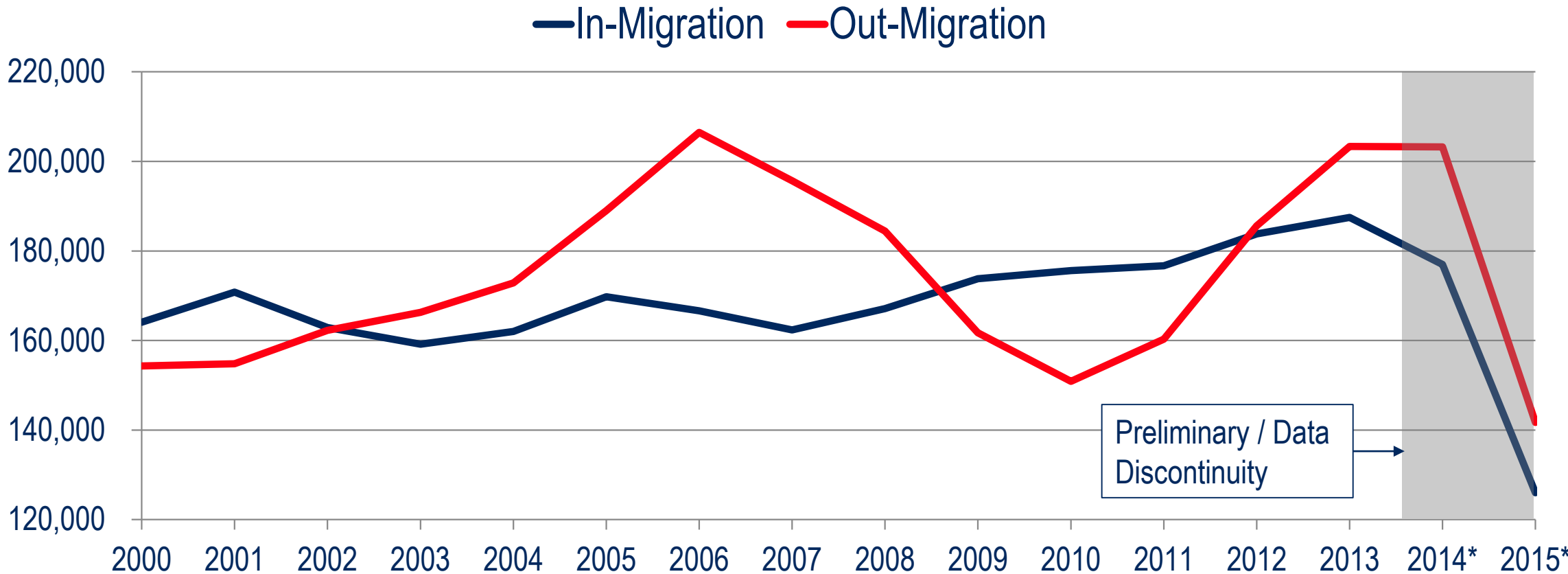
Sources: Internal Revenue Service; The Stephen S. Fuller Institute at the Schar School, GMU
*Preliminary

Domestic Migration by Age Group
Washington Region, 2013-2015 Average

Sources: 2013, 2014, 2015 ACS Microdata (Average); The Stephen S. Fuller Institute at the Schar School, GMU

Thank You & Questions

For monthly reports on the Washington region's economic performance go to

sfullerinstitute.gmu.edu