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COG Presentation

2008 – 2018 D.C. and D.C. MSA Projections: A Comparison
September, 13, 2011

The U.S. Census Bureau divides the Washington Metropolitan Statistical Area (MSA) into two Metropolitan Divisions:

- Washington–Arlington–Alexandria, DC–VA–MD–WV Metropolitan Division, comprising the majority of the metropolitan area
- Bethesda–Gaithersburg–Frederick, MD Metropolitan Division, consisting of Montgomery and Frederick counties

Lots of similarity between the economies of DC and the Metro Area,

- DC makes approximately 24 percent of MSA total nonfarm employment.
- As the chart of annual average total nonfarm employment for the period 2000 – 2010 show, employment for both areas have moved closely together.
- Service producing sector represents over 98 percent in the District; in the Metro it is over 92 percent.
- In 2008, professional and business service was the largest private sector in both the District (21%) and Metro Area (16%).

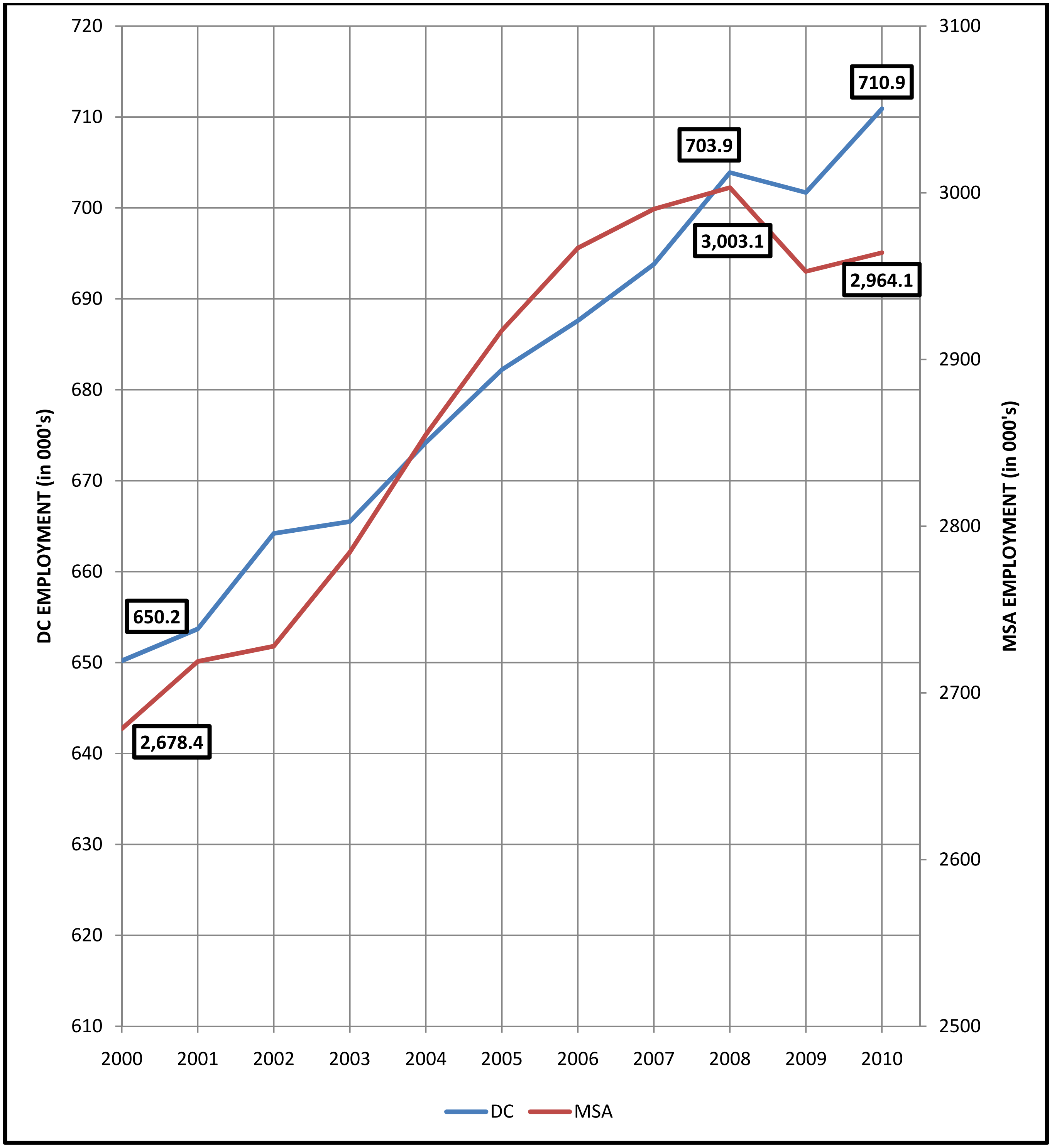
The 2008 -2018 DC and Metro Area projections:

- Both projections developed independently – LMI produced the DC projections and Metro projections developed by Job Trends Associates, a private contractor that has produced our projections for over ten years.
- Same methodology used to develop both projections. For a detailed explanation of the methodology used, see DC Industry and Occupational Projections, 2008 – 2018 pp 1-2.

Following is a graphic comparison of 2008 – 2018 DC and Metro projections.

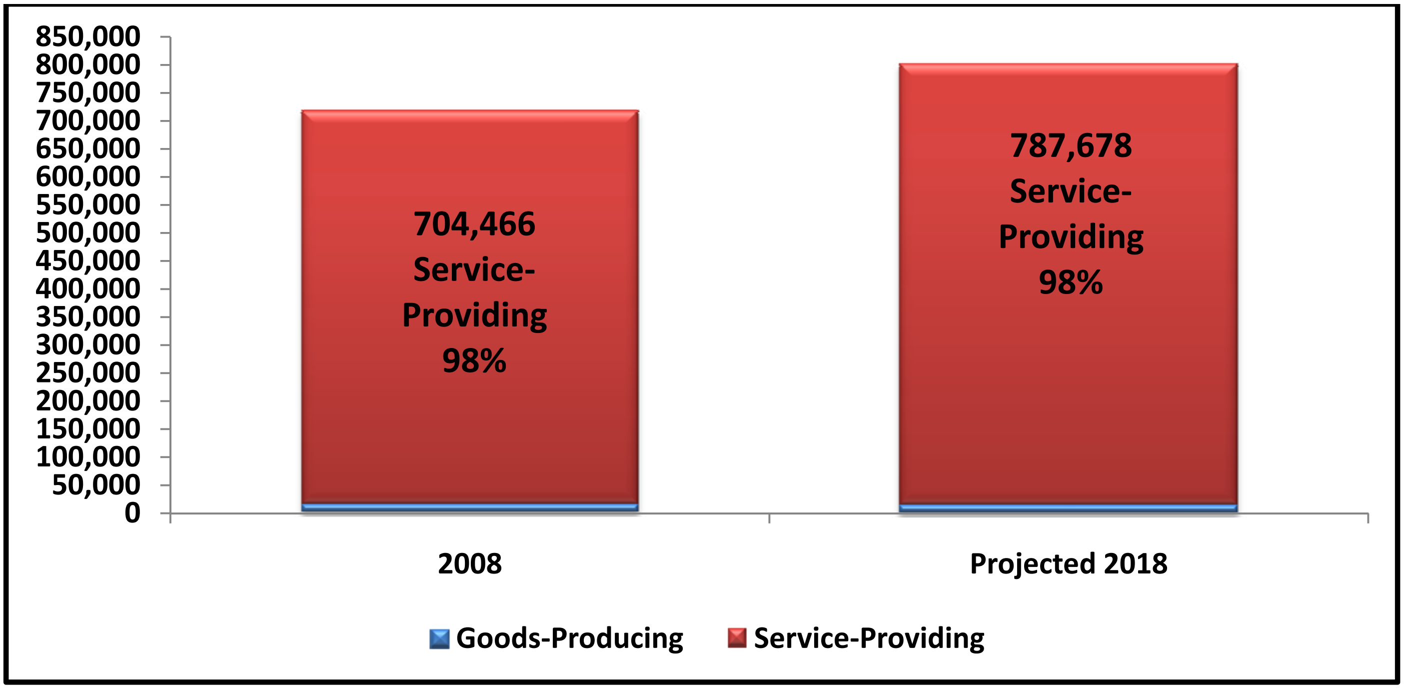
- CES employment show robust and strong job market in both DC and MSA.
- Between 2000 and 2010: nonfarm payrolls have increased by 60,700 jobs (9.3%) in DC; and 285,700 jobs (10.7%) in MSA. Between 2000 and 2008, the rates of increase were 9.3% and 12.1% for DC & MSA, respectively.
- Effect of the Great Recession slowed the momentum of job growth, however, the pace picked up again in 2010.
- DC is one of three states, including Texas and North Dakota that came out of the recession with higher payrolls than prior to the start of the recession.

DC and MSA NONFARM PAYROLL EMPLOYMENT, 2000 – 2010, (not seasonally adjusted, in thousands)

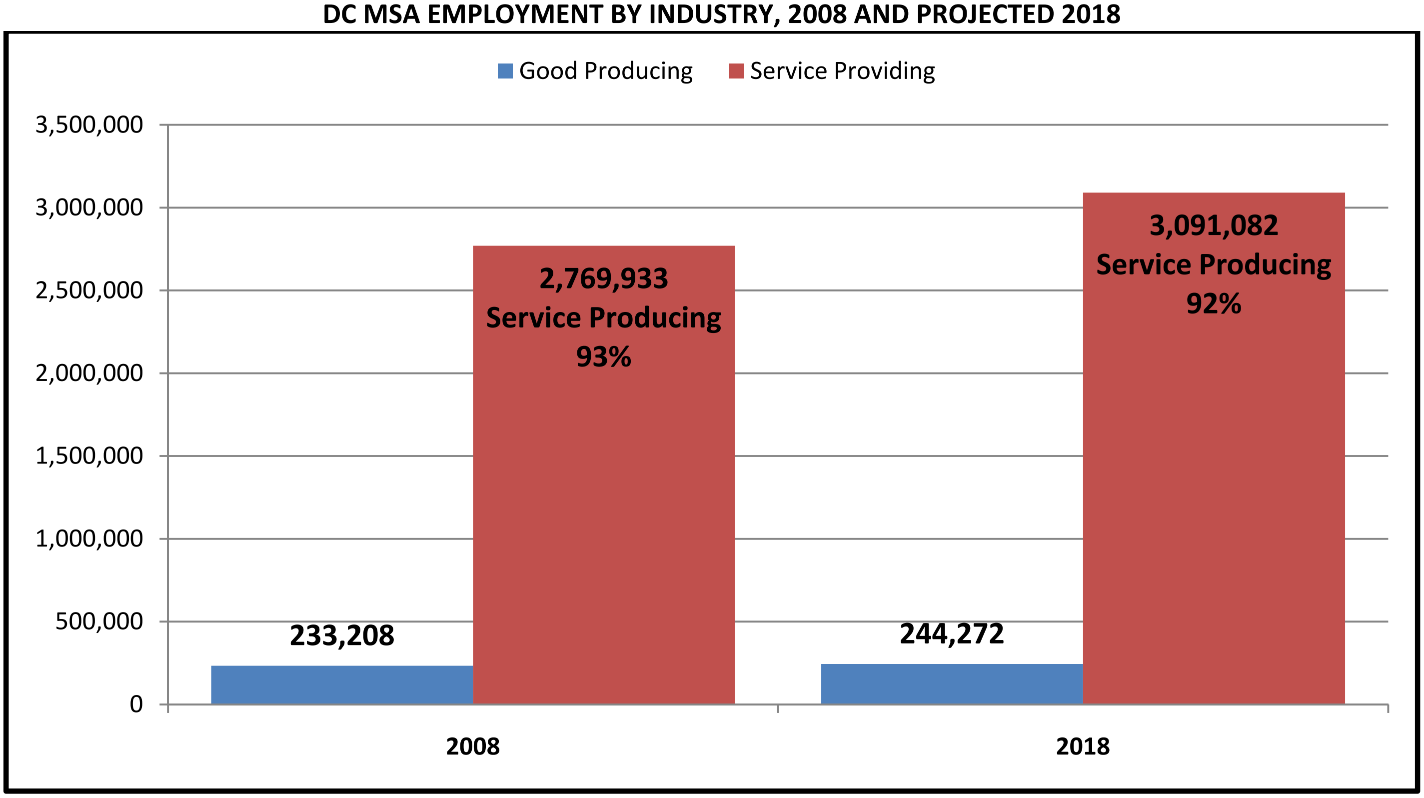


- DC and MSA have similar industry structure: predominantly Service Producing DC over 98% & MSA over 92%.
- Goods-Producing industries insignificant in both DC and MSA.
- Both DC & MSA projected to have approximately 1.0% employment growth over 2008 and 2018.
- DC expected to grow from 787,000 to over 870,000 (includes over 67,000 SE & UFW)
- MSA expected to grow from 3,305,000 to 3,644,000 (includes over 309,000 SE)

DC EMPLOYMENT BY INDUSTRY, 2008 AND PROJECTED 2018

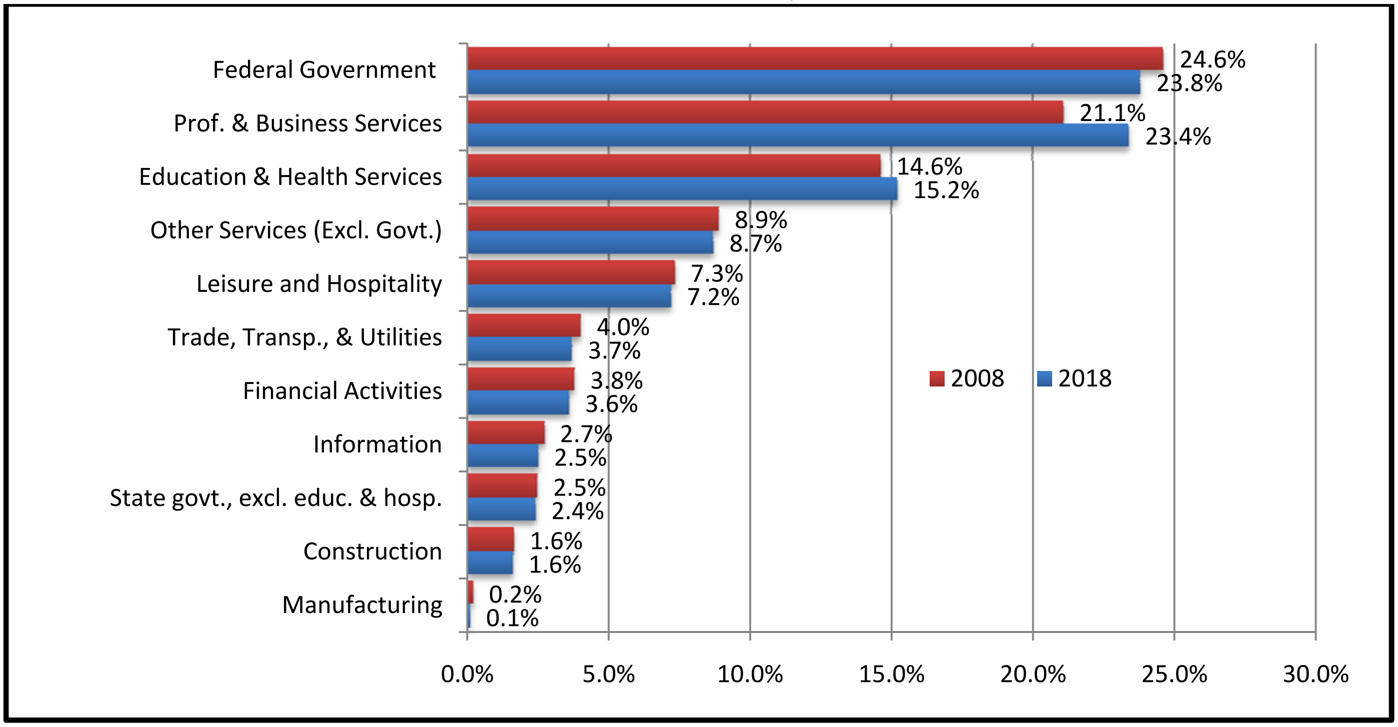


DC MSA EMPLOYMENT BY INDUSTRY, 2008 AND PROJECTED 2018

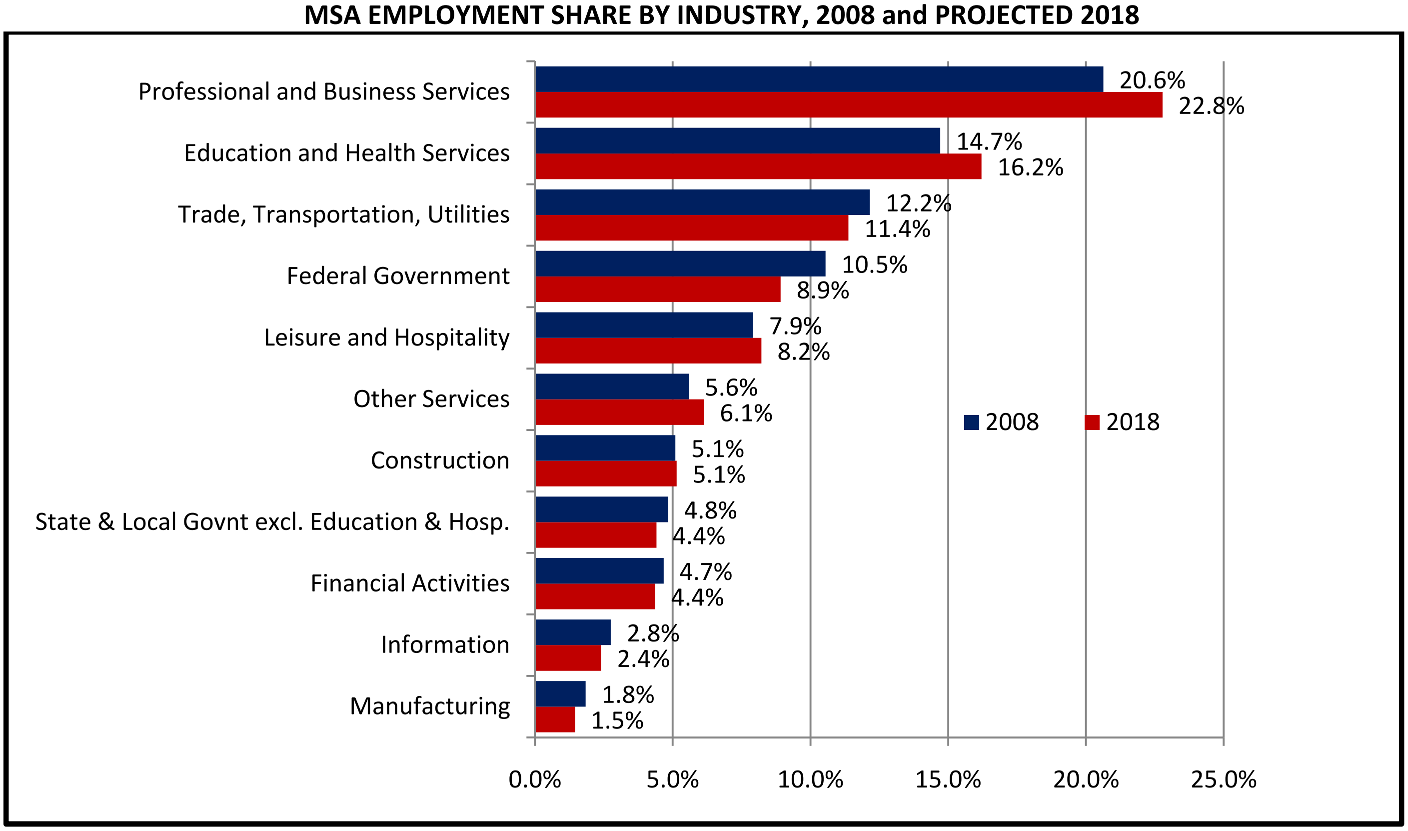


- Professional and Business Services largest private sector in both DC & MSA accounting for over 21% of total employment in 2008, and expected to grow to 23% in 2018.
- Federal government was the largest sector in DC with employment share of over 24% in 2008; fed share in MSA was just over 10% in 2008 and expected to decrease to just about 9% in 2018.

DC EMPLOYMENT SHARE BY INDUSTRY, 2008 and PROJECTED 2018

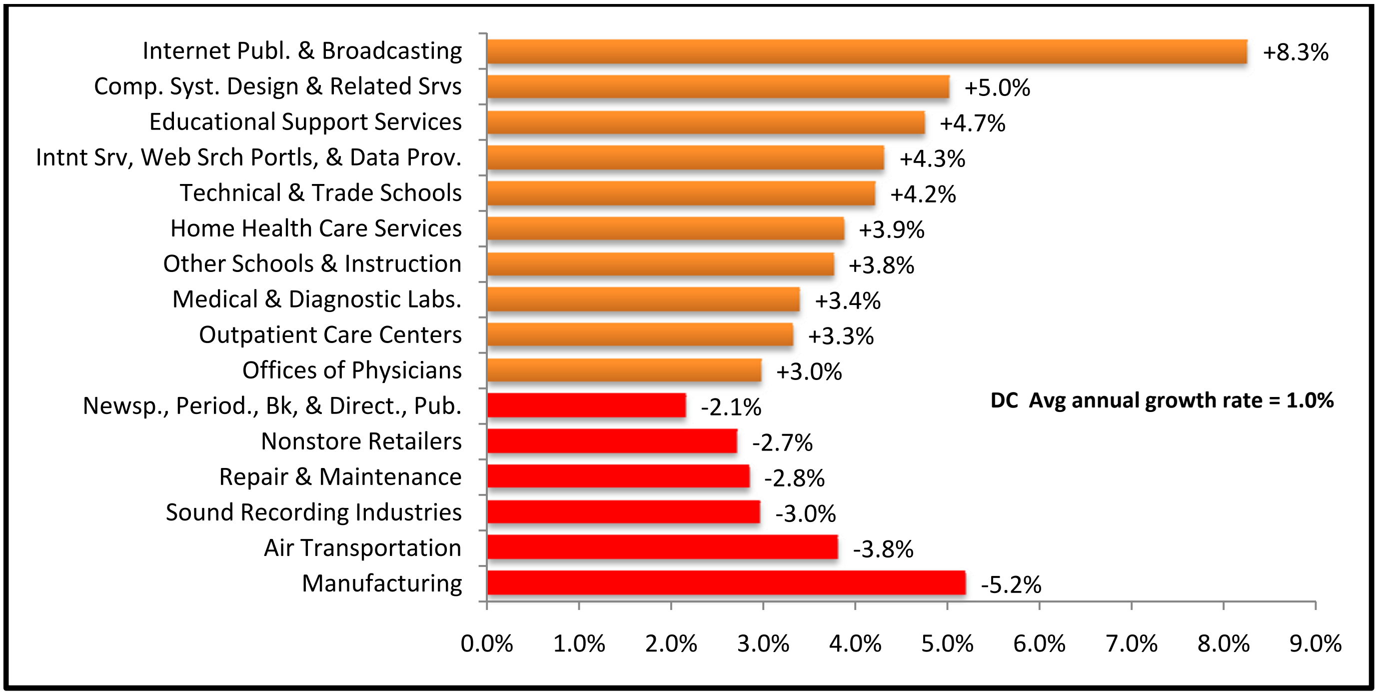


MSA EMPLOYMENT SHARE BY INDUSTRY, 2008 and PROJECTED 2018

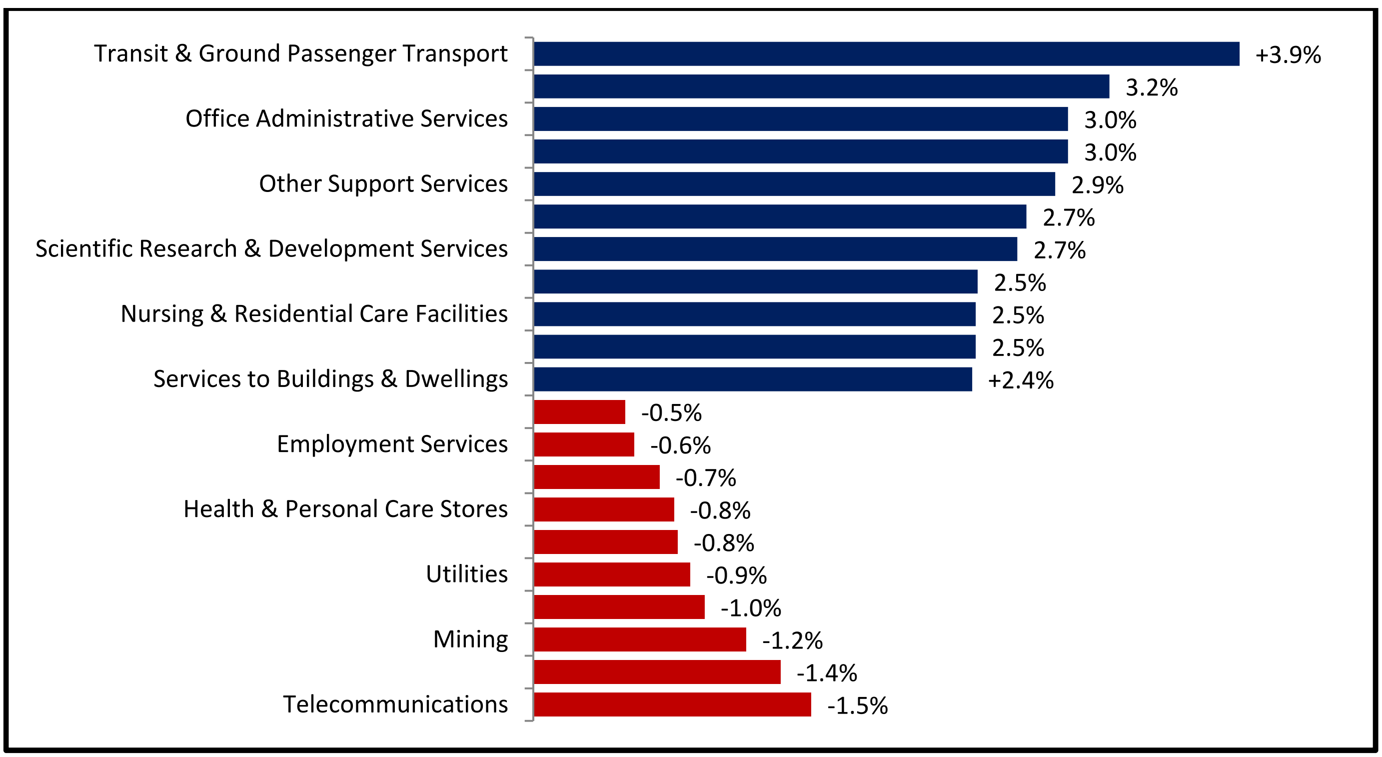


- **Fastest change measured by annual growth rate.**
- **DC 3 of top 4 fastest are in IT: internet pub. & broadcasting, Comp. systems design, and internet web. & data providers.**
- **MSA 4 of top 5 fastest growing in professional and business services.**
- **Not surprising, manufacturing a fast declining industry in both DC & MSA.**

DC's Fastest Growing and Declining Industries, projected 2018

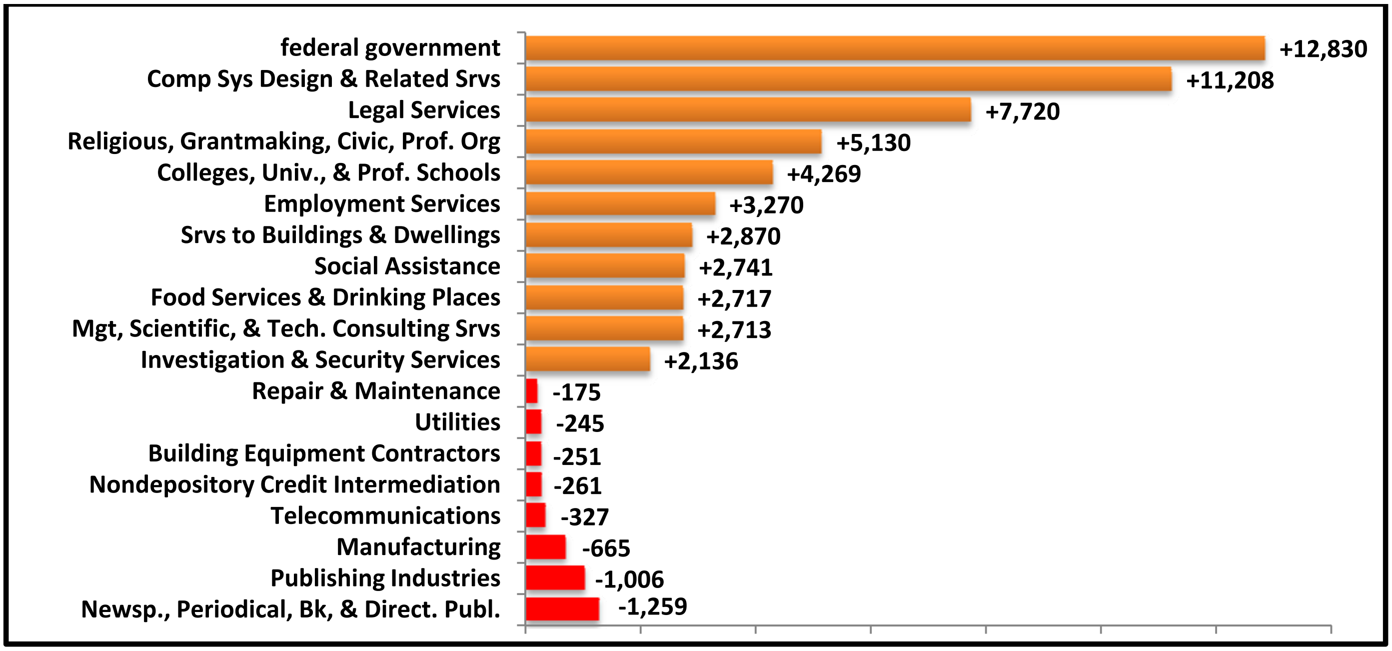


MSA FASTEST GROWING AND DECLINING INDUSTRIES, PROJECTED 2018

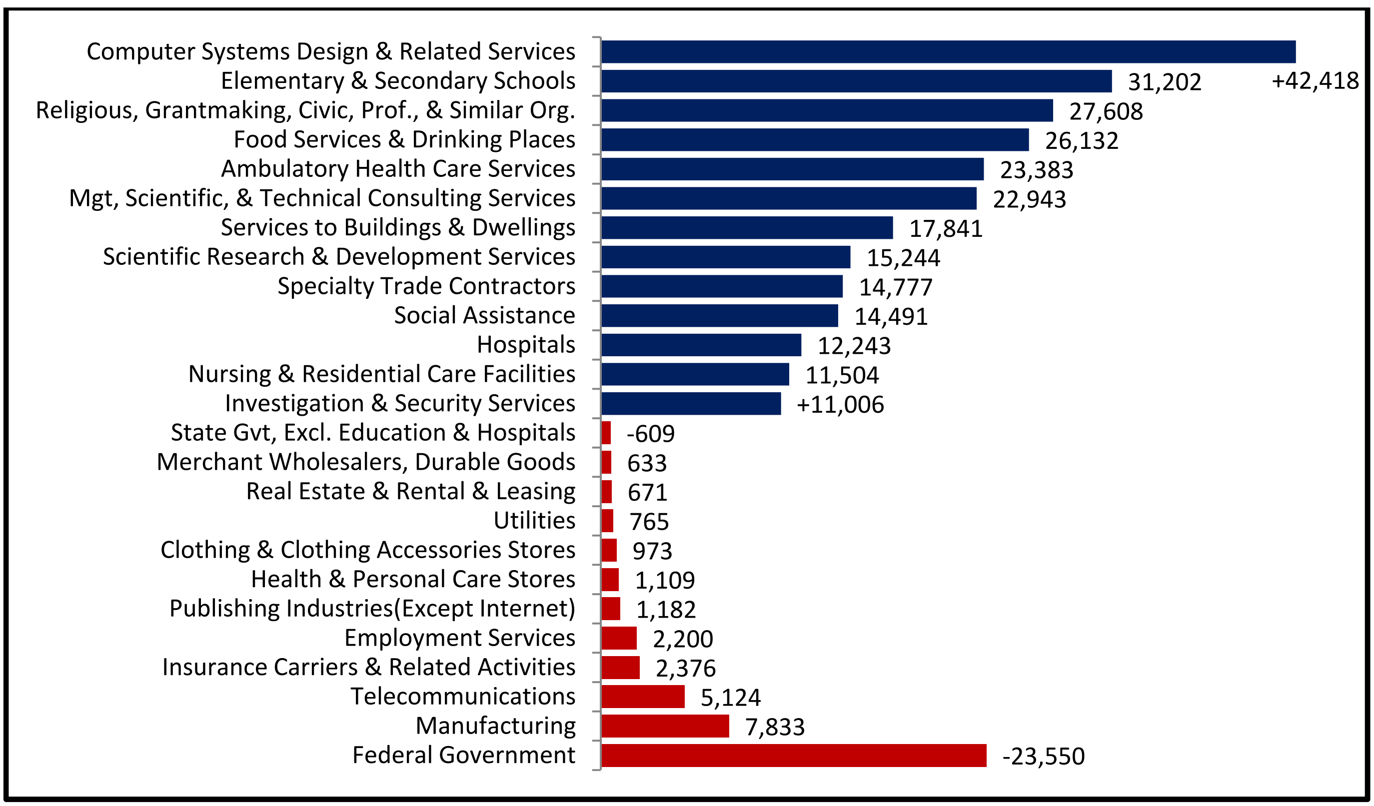


- Largest projected numerical growth change. Expected growth in various industries in both DC & MSA.
- DC fed tops and reverse for MSA.
- Publishing industries projected to lose over 1,000 jobs in both DC & Metro.
- Not surprising manufacturing expected to continue to decline.
- Decline of manufacturing reflects the national trend.

DC LARGEST EMPLOYMENT CHANGE, PROJECTED 2018

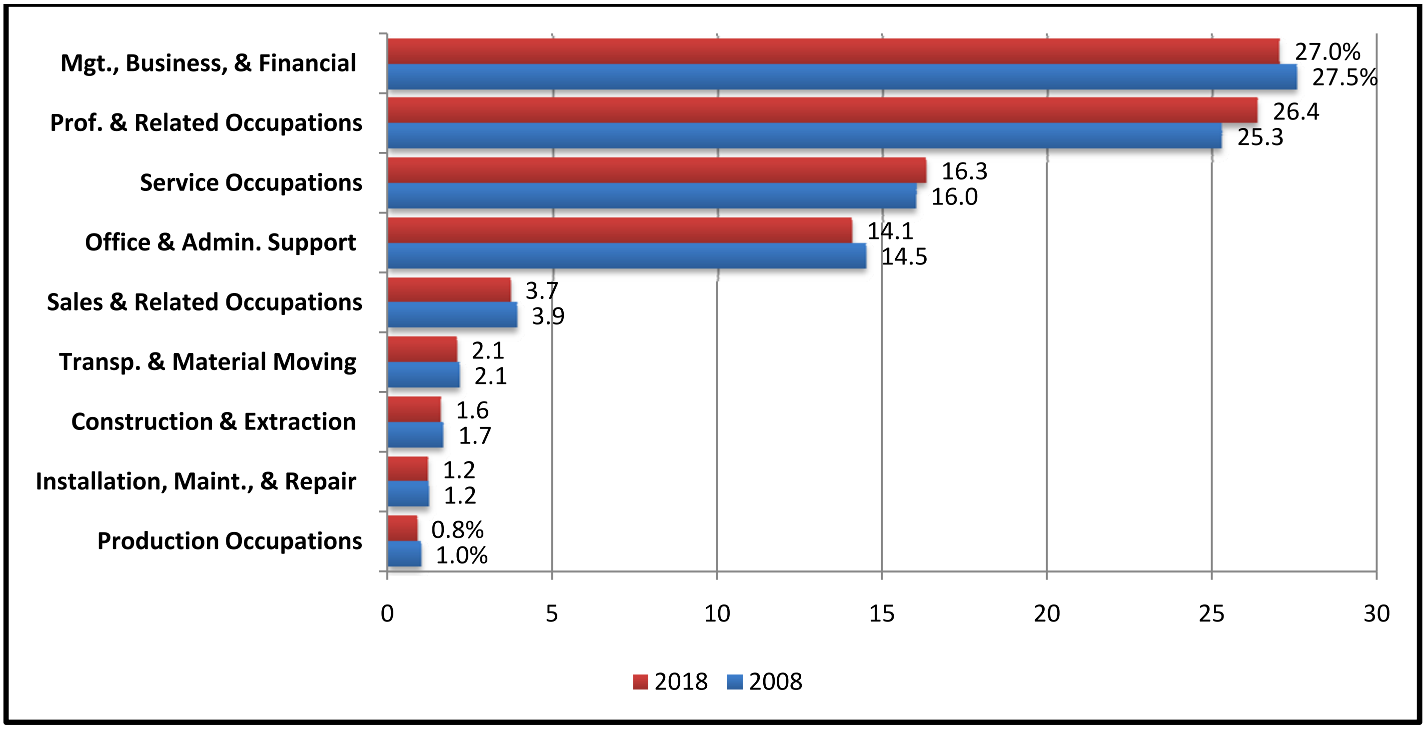


DCMSA LARGEST EMPLOYMENT CHANGE, PROJECTED 2018

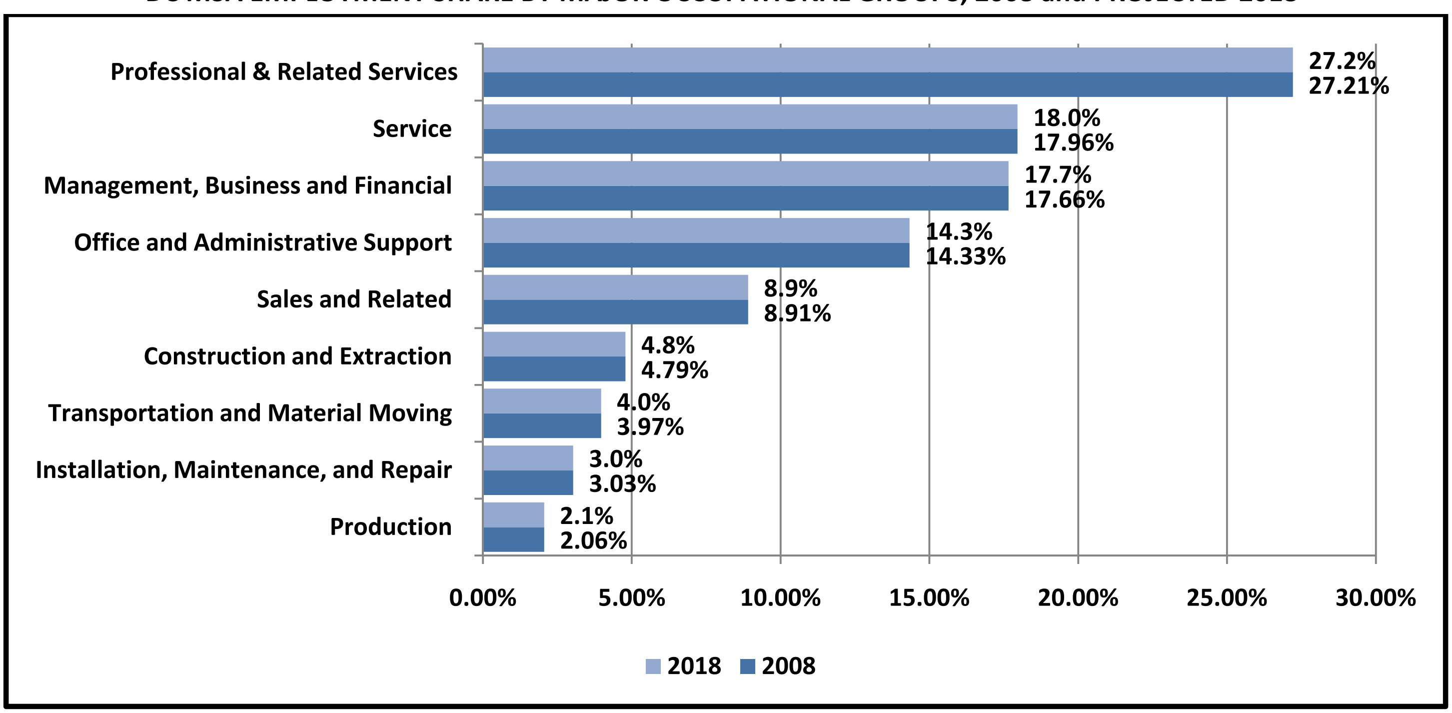


- Major Occupational Groups. DC mgt. business & financial top occupational group a/c for 27% of 2008 employment (MSA 17%); MSA professional & related services a/c for 27% (DC 26%)
- DC Top 4 occupational groups a/c for 83% of 2008 employment and projected 84% in 2018.
- MSA same top 4 a/c for 77% of 2008 and projected 2018 employment.
- Production and installation, maintenance and repair occupations the smallest occupational groups a/c for just 2% and 5% of employment in DC & MSA, respectively.

DC EMPLOYMENT SHARE BY MAJOR OCCUPATIONAL GROUPS, 2008 and PROJECTED 2018



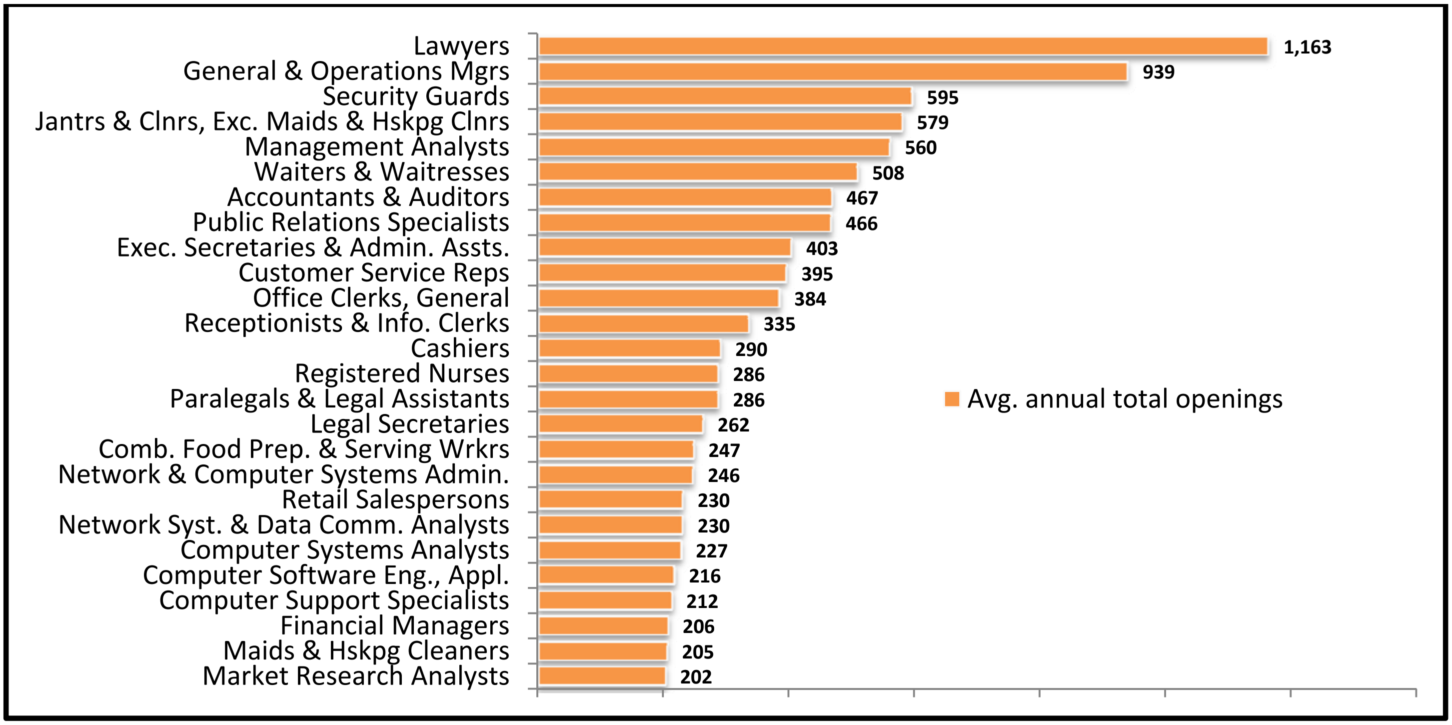
DC MSA EMPLOYMENT SHARE BY MAJOR OCCUPATIONAL GROUPS, 2008 and PROJECTED 2018



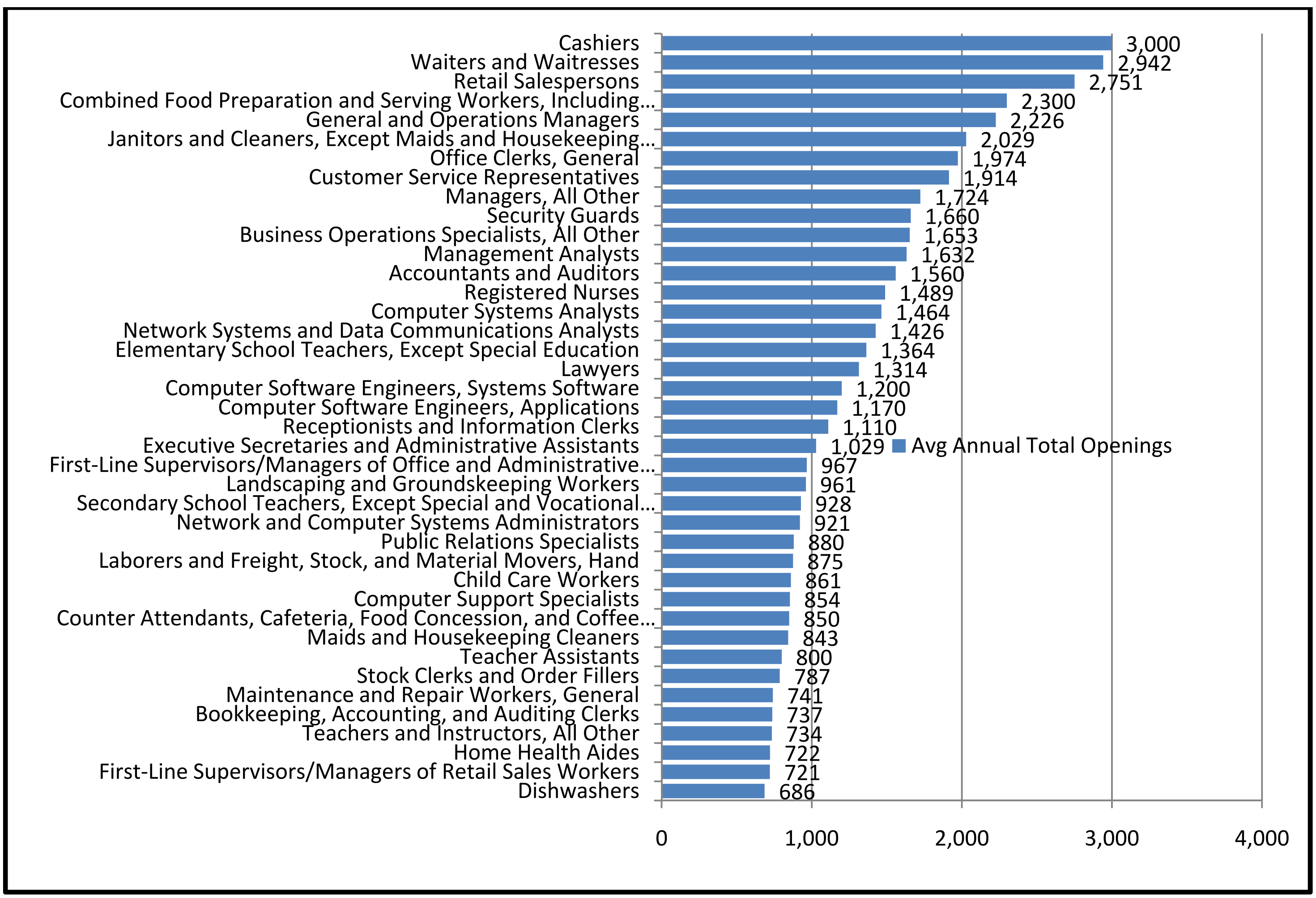
HIGH DEMAND OCCUPATIONS

- High Demand Occupations are determined by expected number of average total annual openings
- Annual job openings are divided into two categories: job openings due to growth and job openings due to net replacement needs.
- Job openings due to growth are created by industry employment expansion.
- Annual average job openings due to growth are calculated at the detail occupation level by dividing the projected employment growth by the projection period, in this case 10.
- The detail occupation annual average job openings due to growth are summed excluding negative openings to obtain aggregate annual average jobs openings due to growth.
- Job openings due to net replacement estimate the need in existing jobs as workers vacate, change jobs, or leave the labor force.
- The replacement rates provided by the BLS are for two five-year periods. For the 10-year period projections, the rates are summed and multiplied by the occupation's base year employment. The result is divided by 10 for an annual replacement.
- Growth demand is rarely the main cause of net openings.
- Growth demand creates the majority of openings only in the fastest growing occupations. Negative growth is shown as zero, so a negative growth demand will not affect the replacement need.
- When growth demand is zero, total job openings equal to net replacements.
- For DC lawyers have the most job openings; For MSA, cashiers and waiters and waitresses with 3,000 annual average openings.

DC HIGH DEMAND OCCUPATIONS, PROJECTED 2018

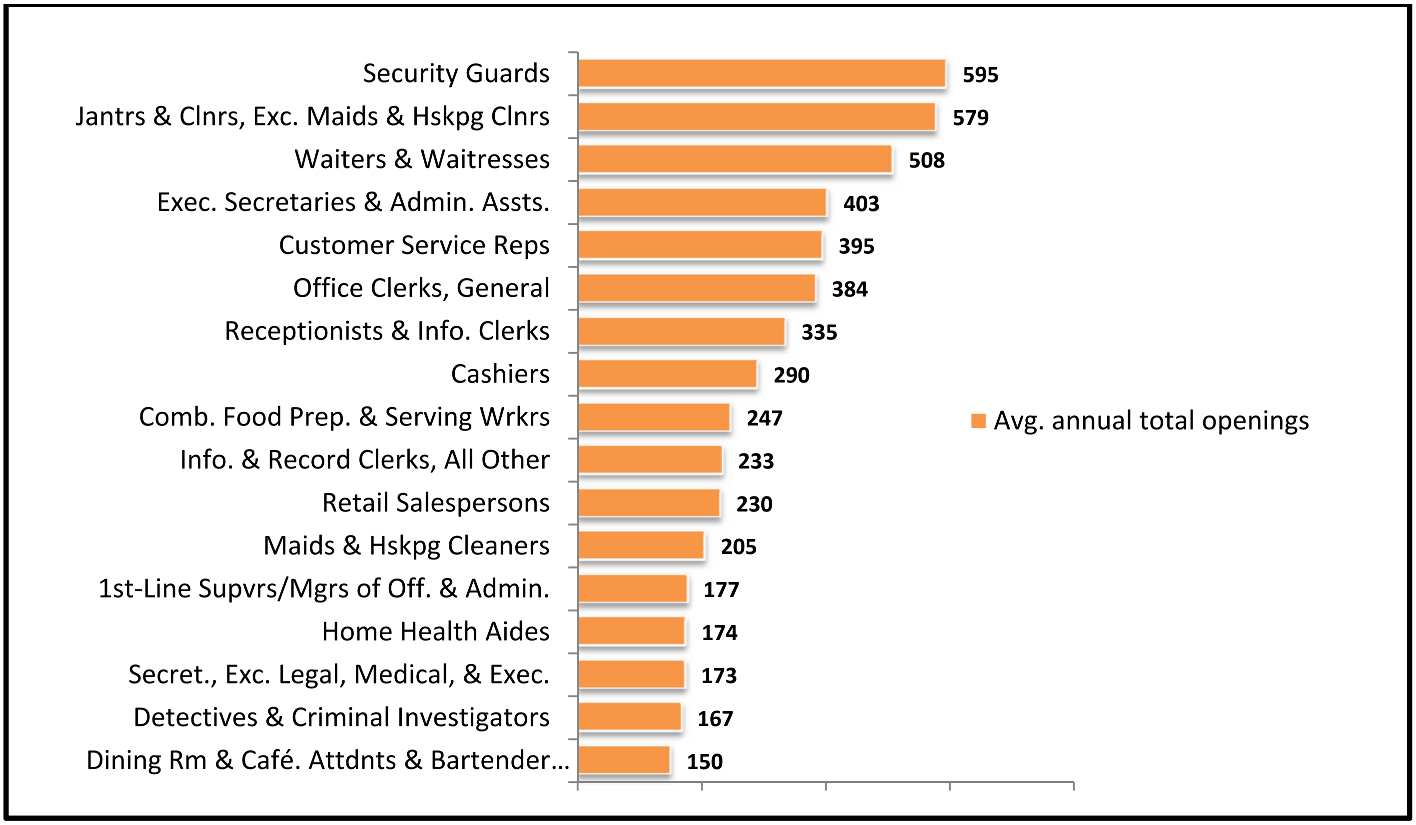


DC MSA HIGH DEMAND OCCUPATIONS, PROJECTED 2018

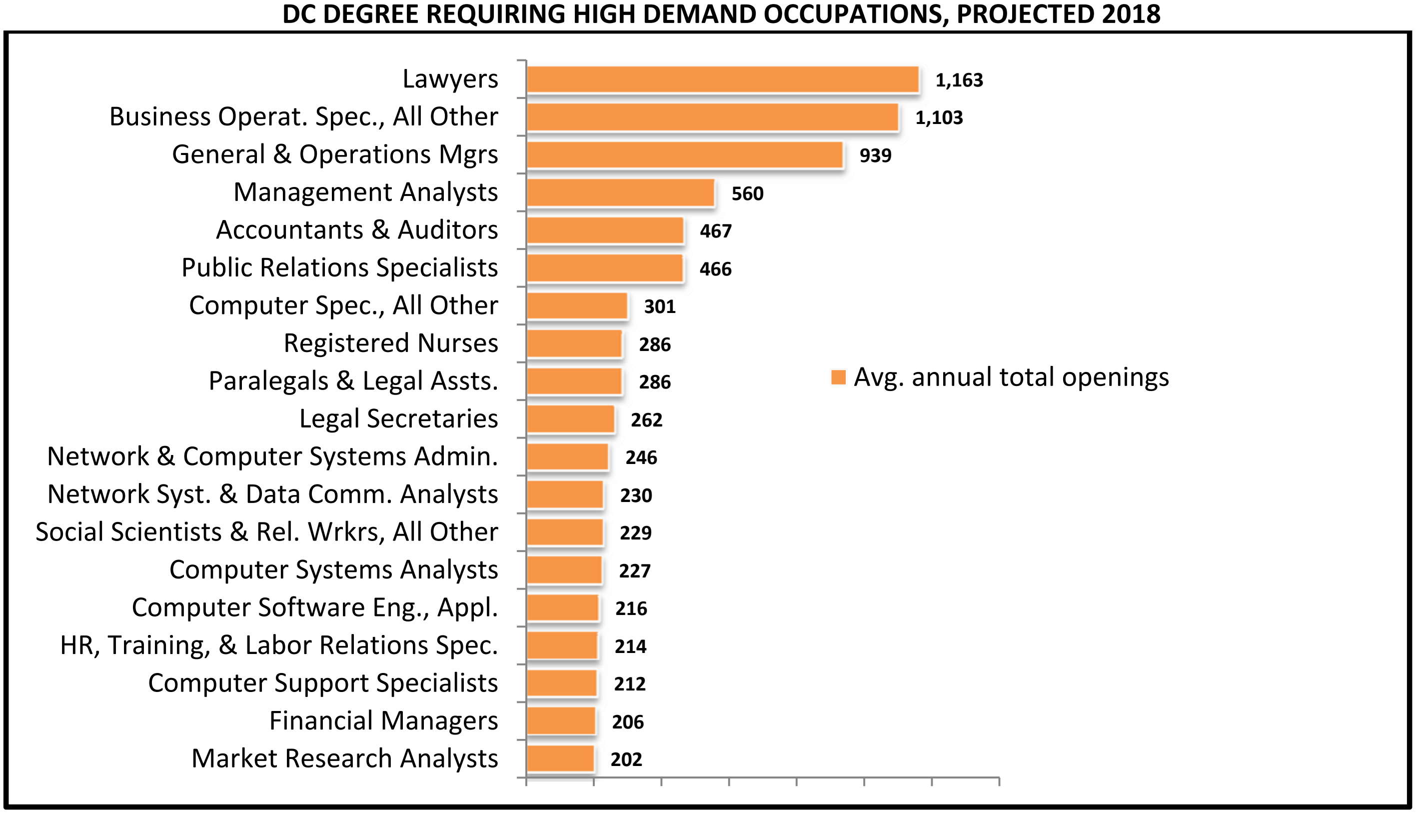


- **Non-Degree high demand occupations**
- **Postsecondary high demand occupations**

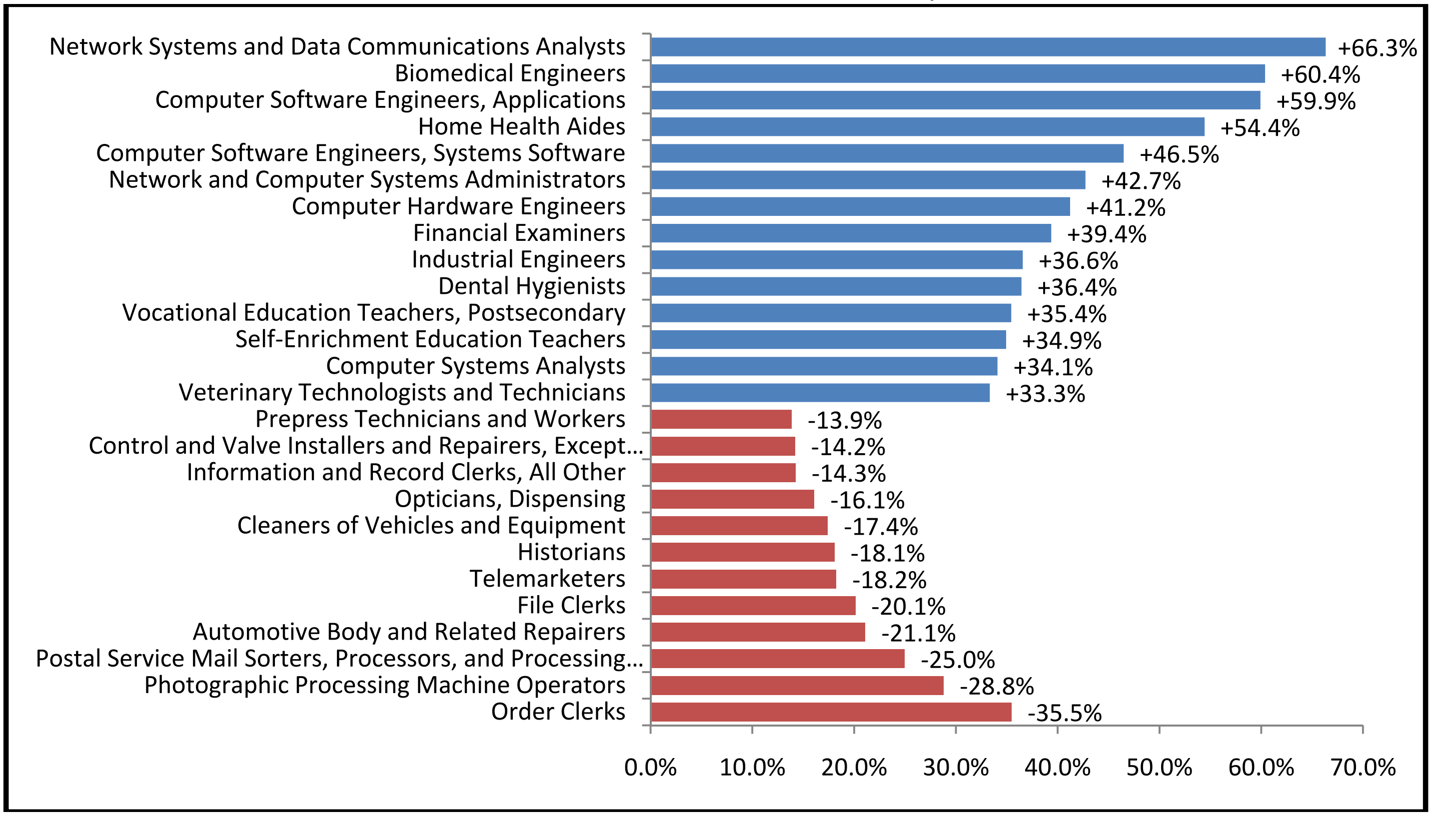
DC NONDEGREE HIGH DEMAND OCCUPATIONS, PROJECTED 2018



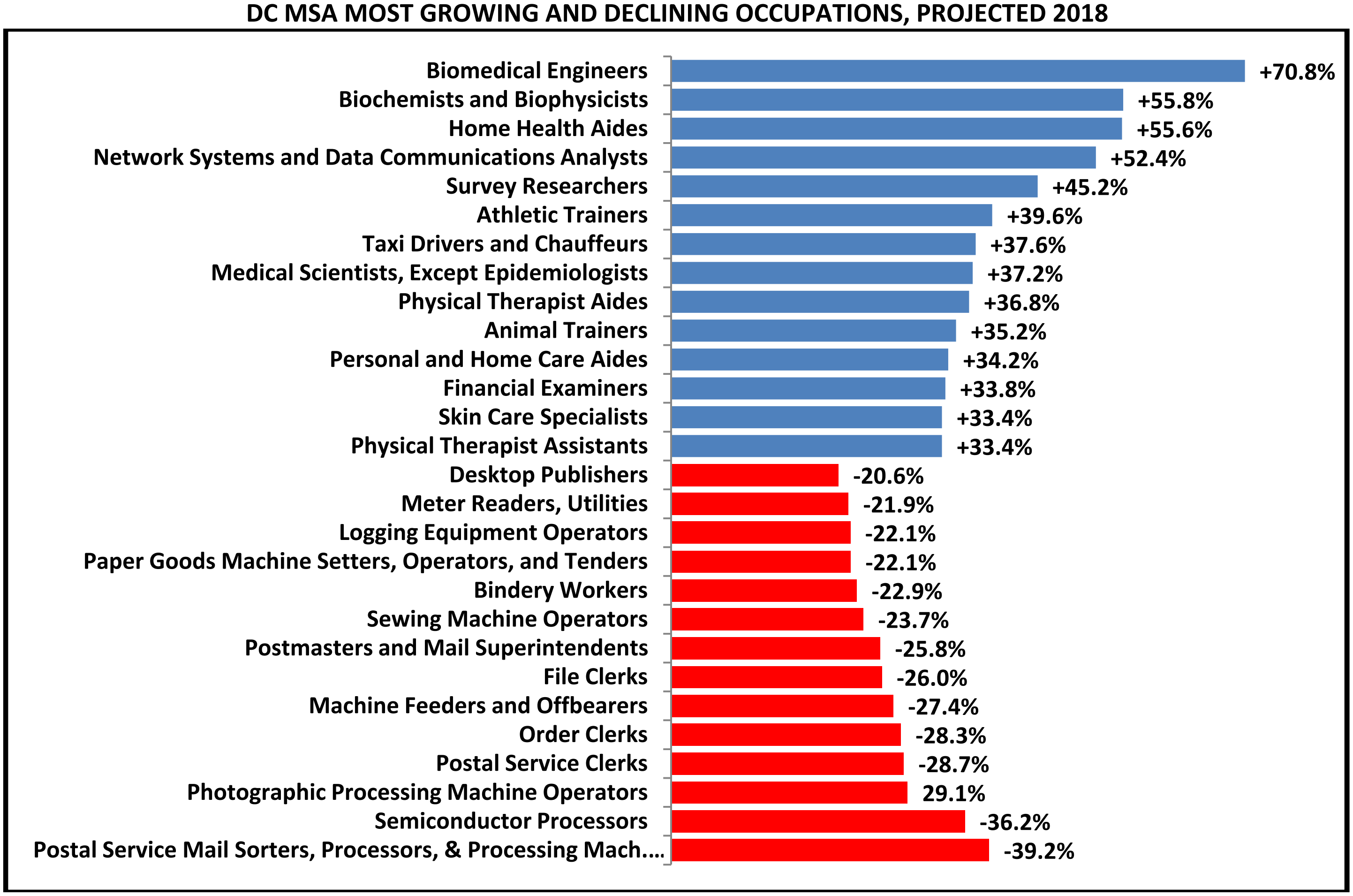
DC DEGREE REQUIRING HIGH DEMAND OCCUPATIONS, PROJECTED 2018



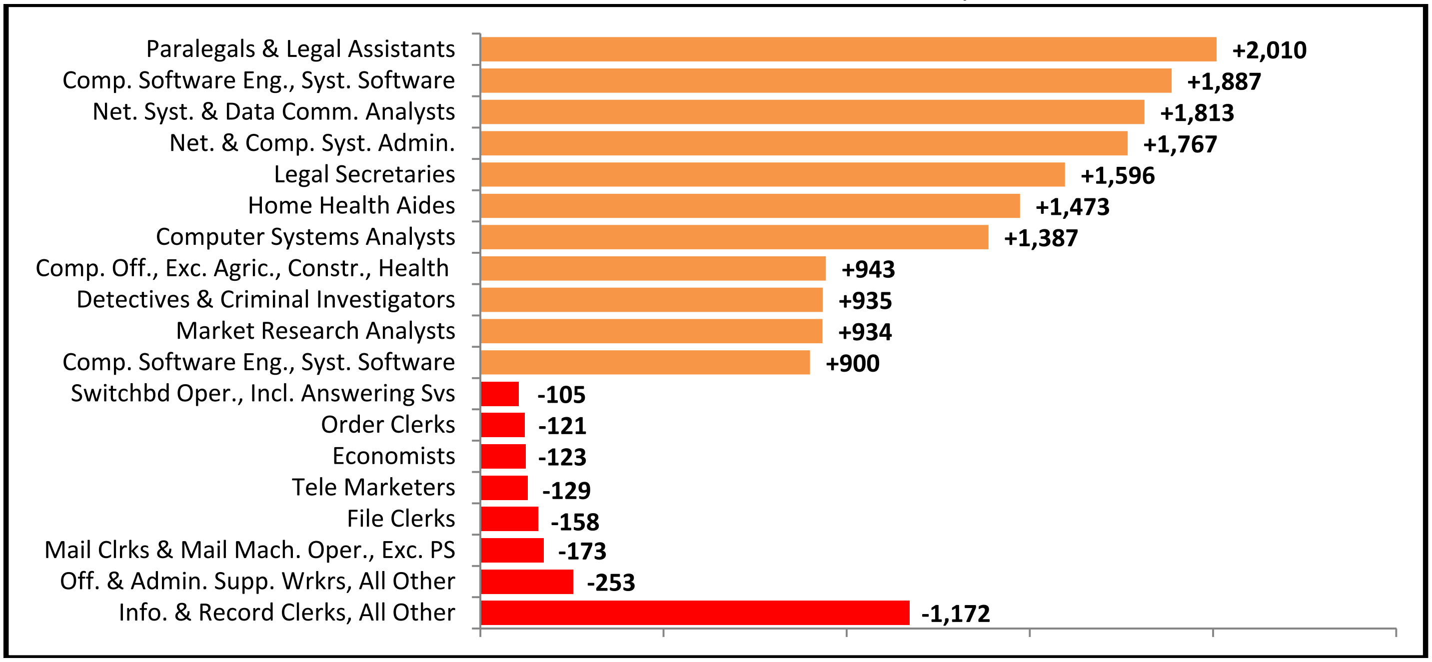
DC MOST GROWING AND DECLINING OCCUPATIONS, PROJECTED 2018



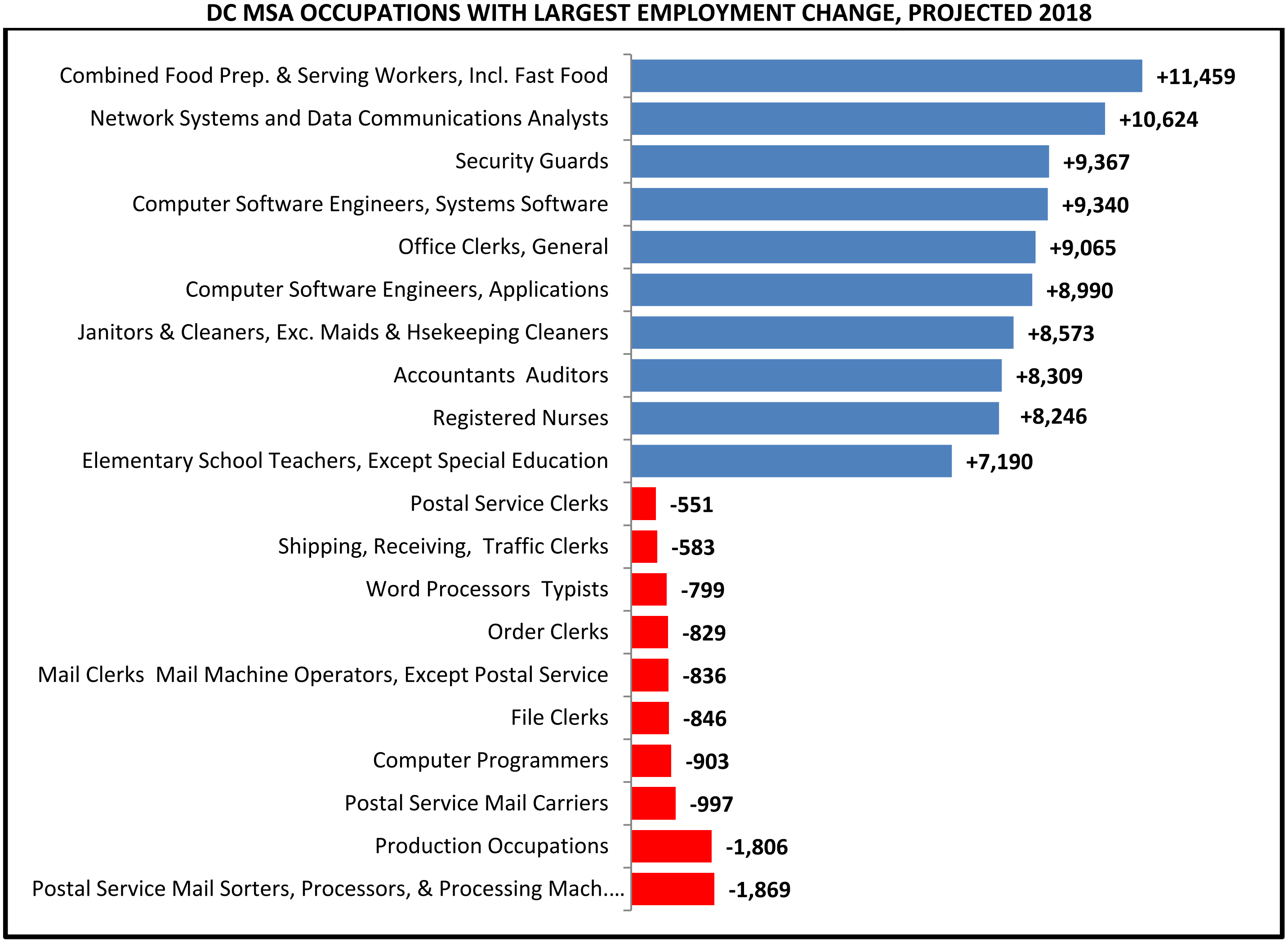
DC MSA MOST GROWING AND DECLINING OCCUPATIONS, PROJECTED 2018



DC OCCUPATIONS WITH LARGEST EMPLOYMENT CHANGE, PROJECTED 2018

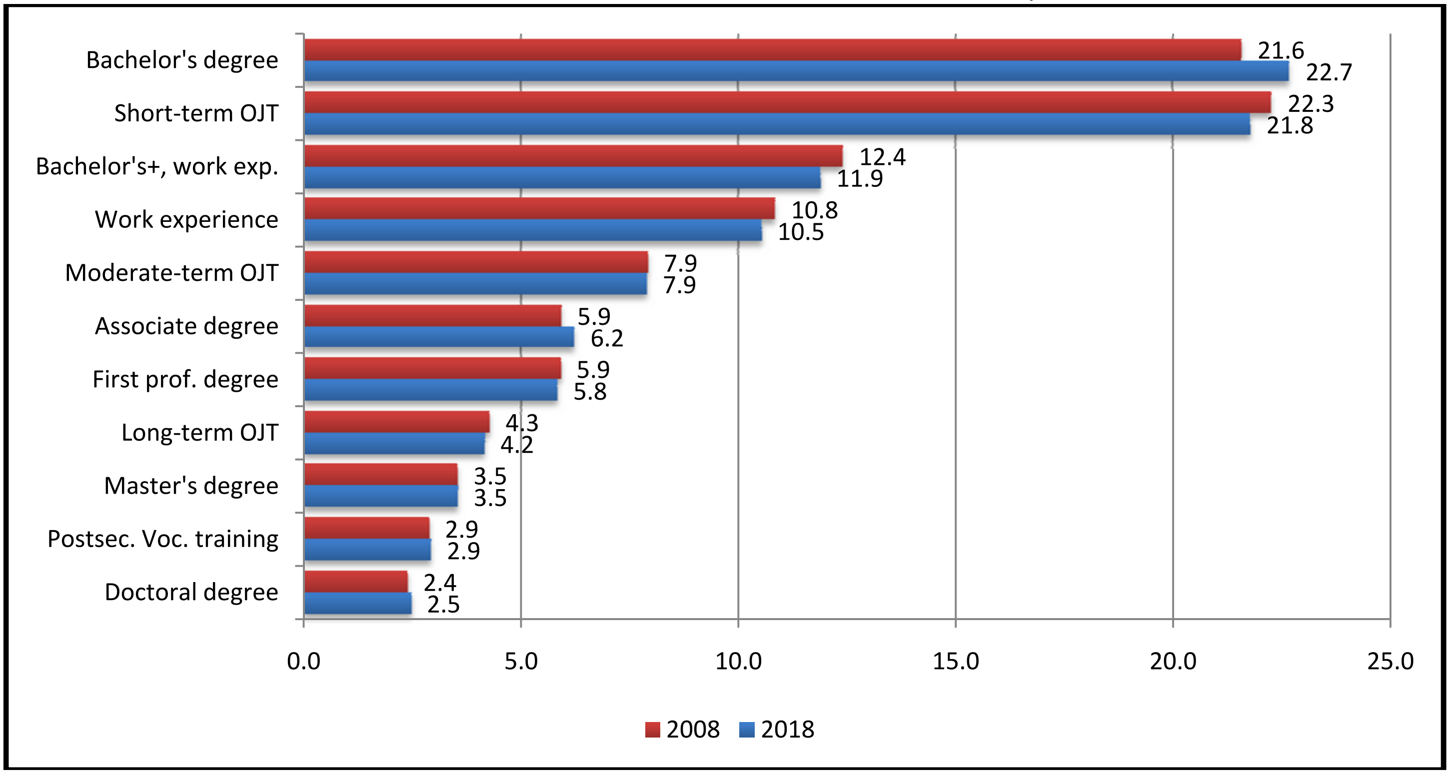


DC MSA OCCUPATIONS WITH LARGEST EMPLOYMENT CHANGE, PROJECTED 2018

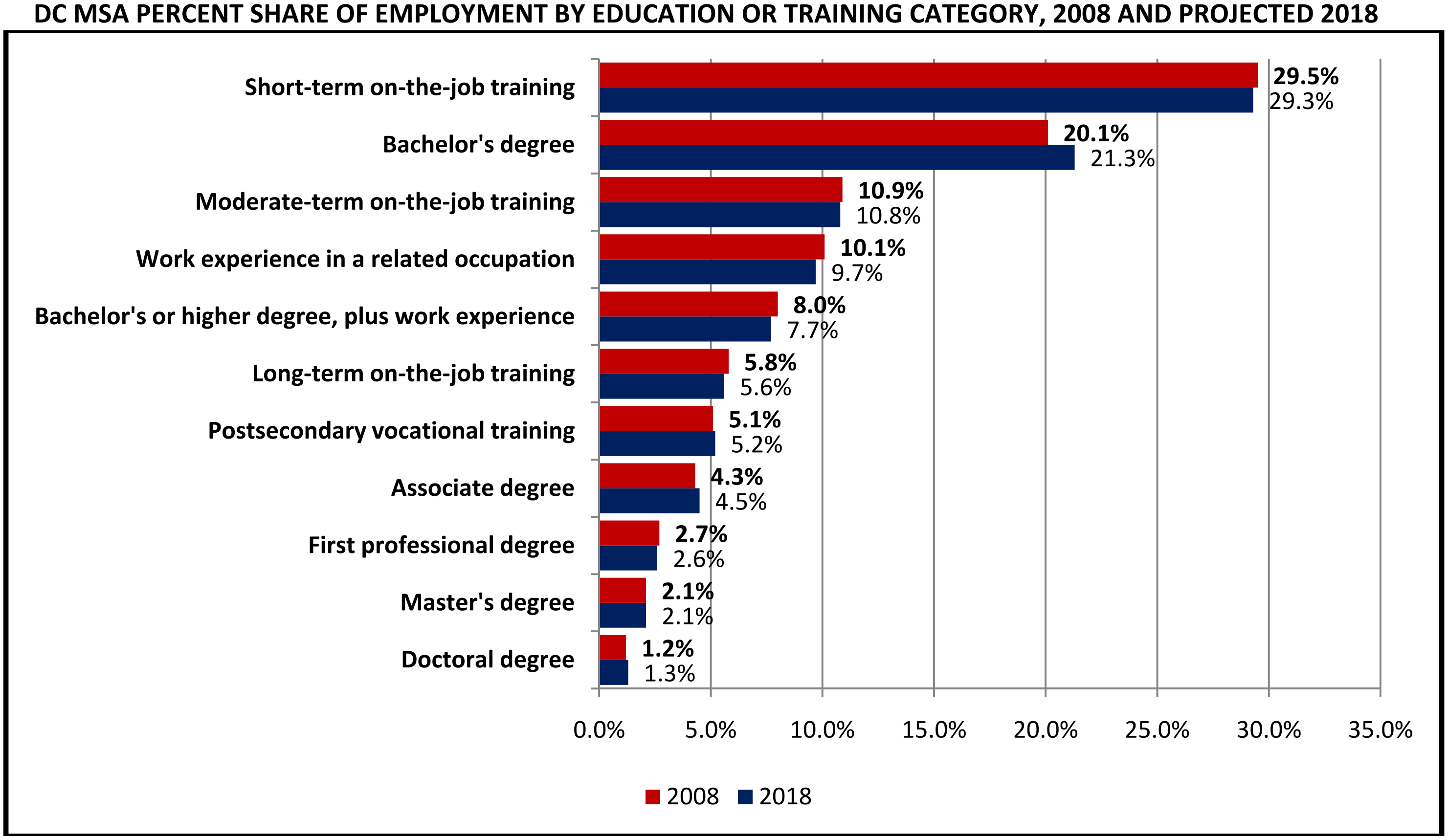


- **DC at least 48% of jobs in 2008 required at least a post secondary education; MSA approximately 45%.**
- **Jobs requiring ST OJT are prominent in both DC $ MSA**

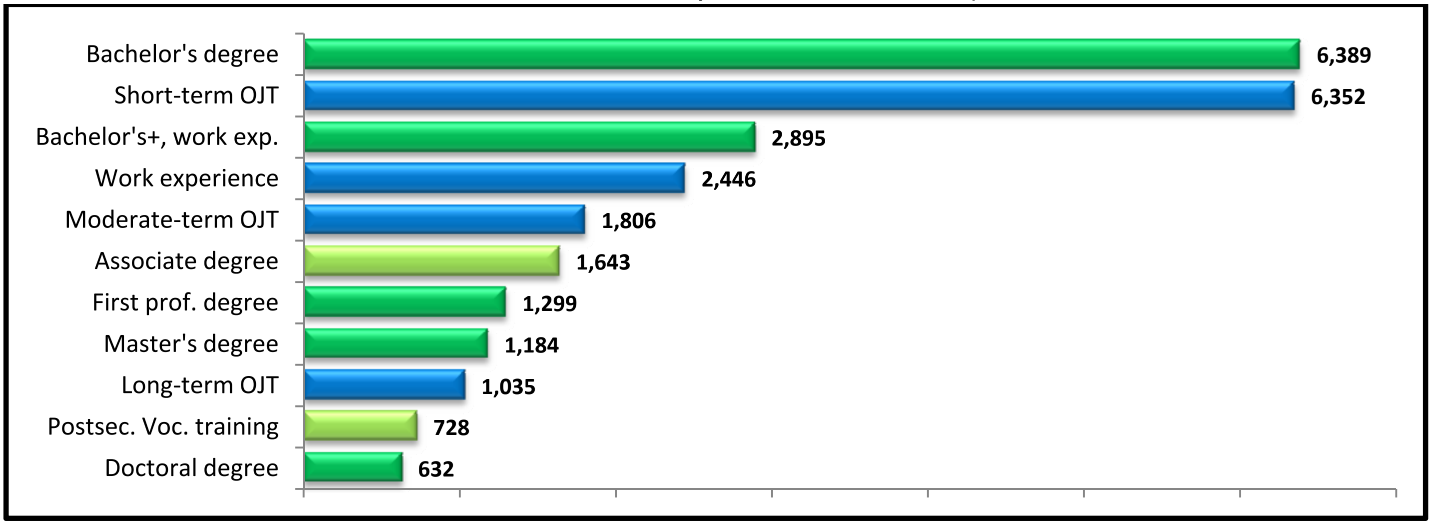
DC PERCENT SHARE OF EMPLOYMENT BY EDUCATION OR TRAINING CATEGORY, 2008 AND PROJECTED 2018



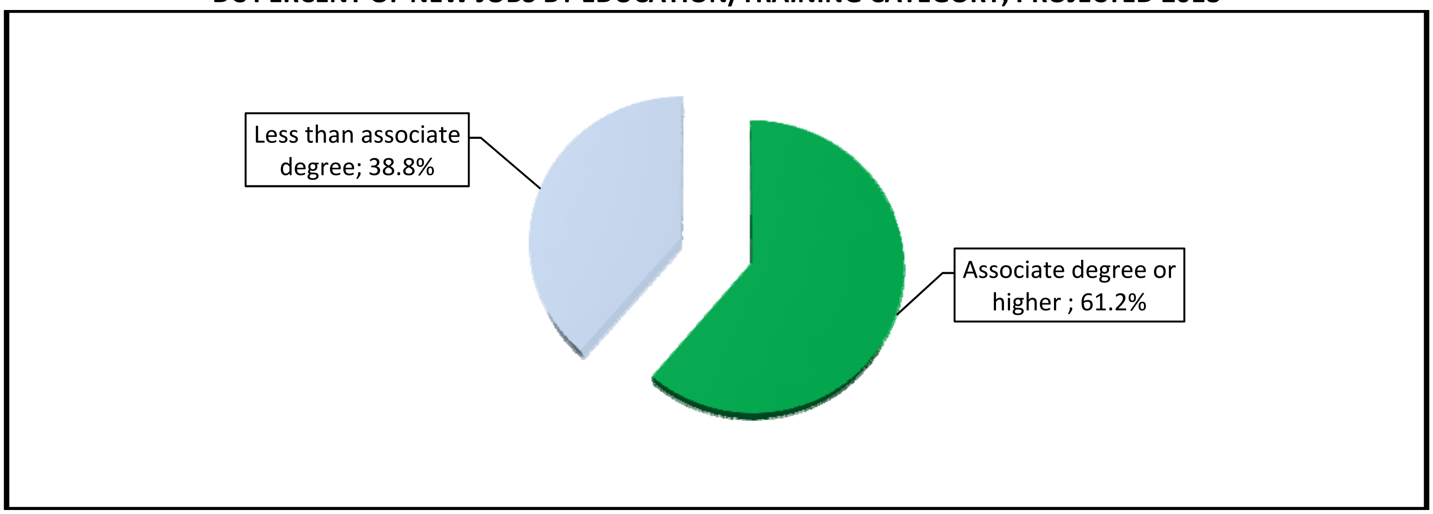
DC MSA PERCENT SHARE OF EMPLOYMENT BY EDUCATION OR TRAINING CATEGORY, 2008 AND PROJECTED 2018



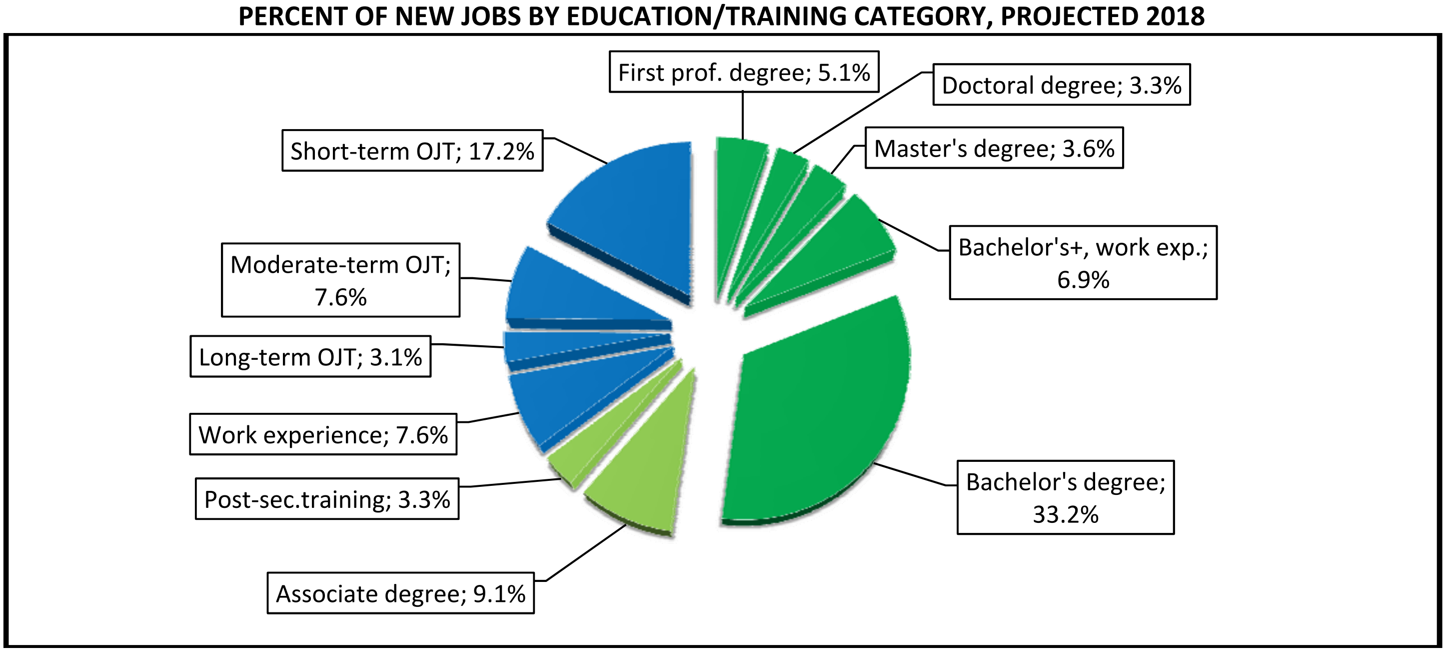
DC TOTAL OPENINGS BY EDUCATION/TRAINING CATEGORY, PROJECTED 2018



DC PERCENT OF NEW JOBS BY EDUCATION/TRAINING CATEGORY, PROJECTED 2018

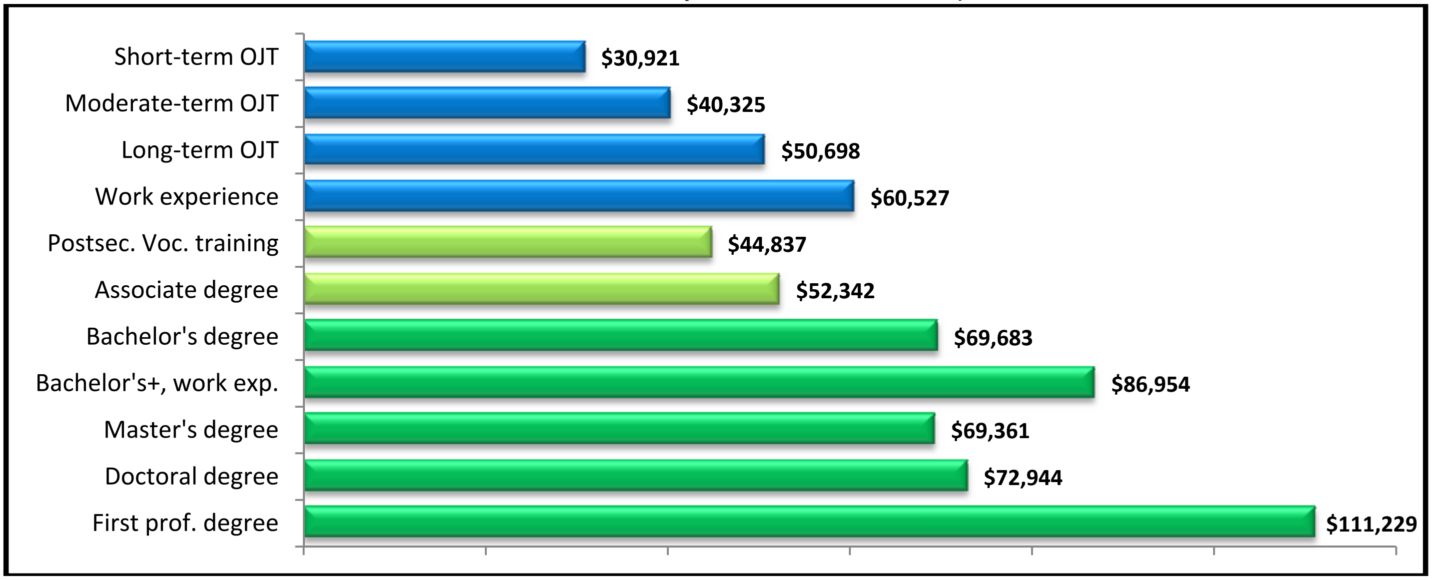


PERCENT OF NEW JOBS BY EDUCATION/TRAINING CATEGORY, PROJECTED 2018

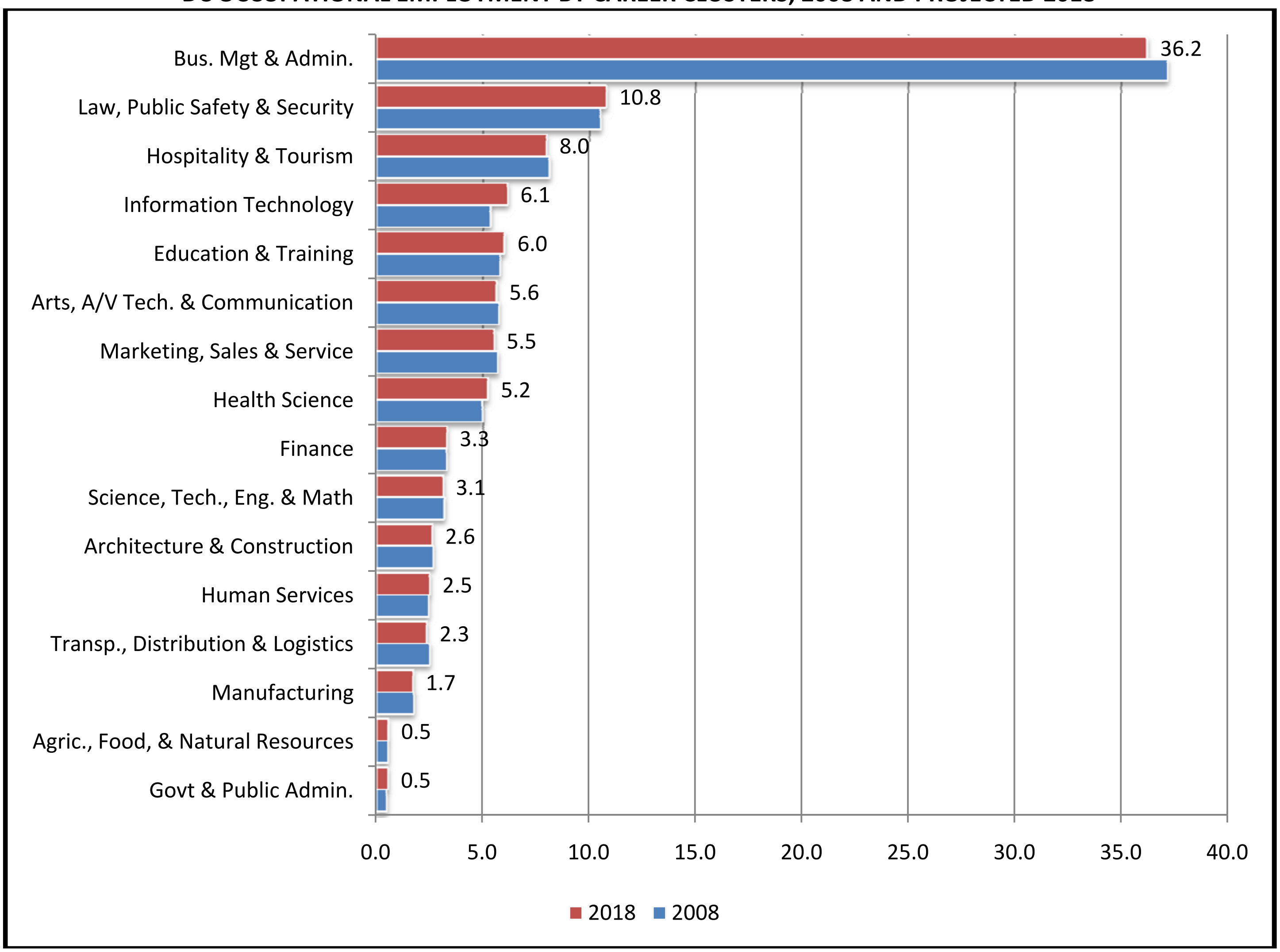


EDUCATION PAYS

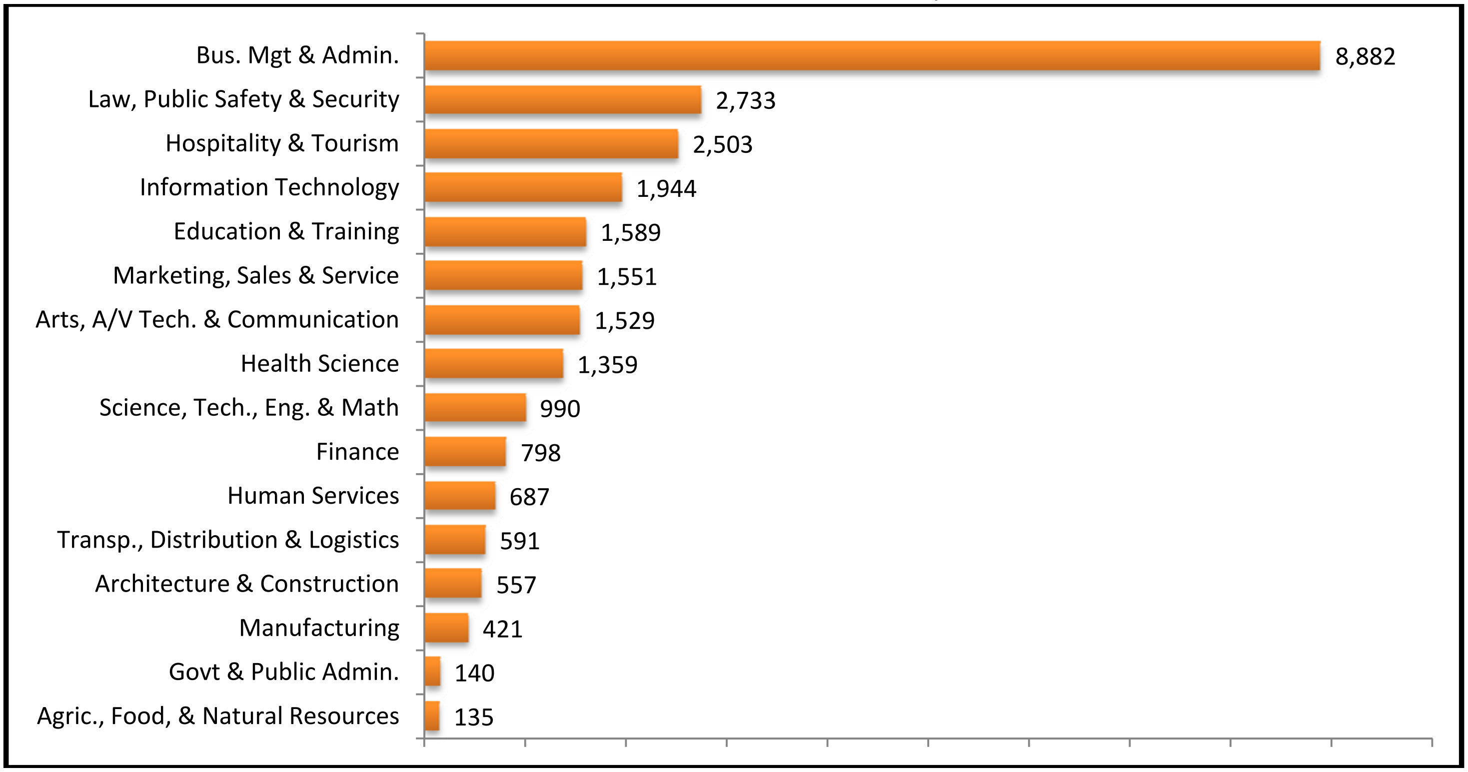
DC MEDIAN WAGE BY EDUCATION/TRAINING CATEGORY, PROJECTED 2018



DC OCCUPATIONAL EMPLOYMENT BY CAREER CLUSTERS, 2008 AND PROJECTED 2018



DC AVERAGE TOTAL OPENINGS BY CAREER CLUSTERS, PROJECTED 2018



DC SHARE DISTRIBUTION OF EMPLOYMENT BY WAGE RANGE, 2008 AND PROJECTED 2018