



Washington Area Economy: Performance and Outlook

Presentation to:

Region Forward

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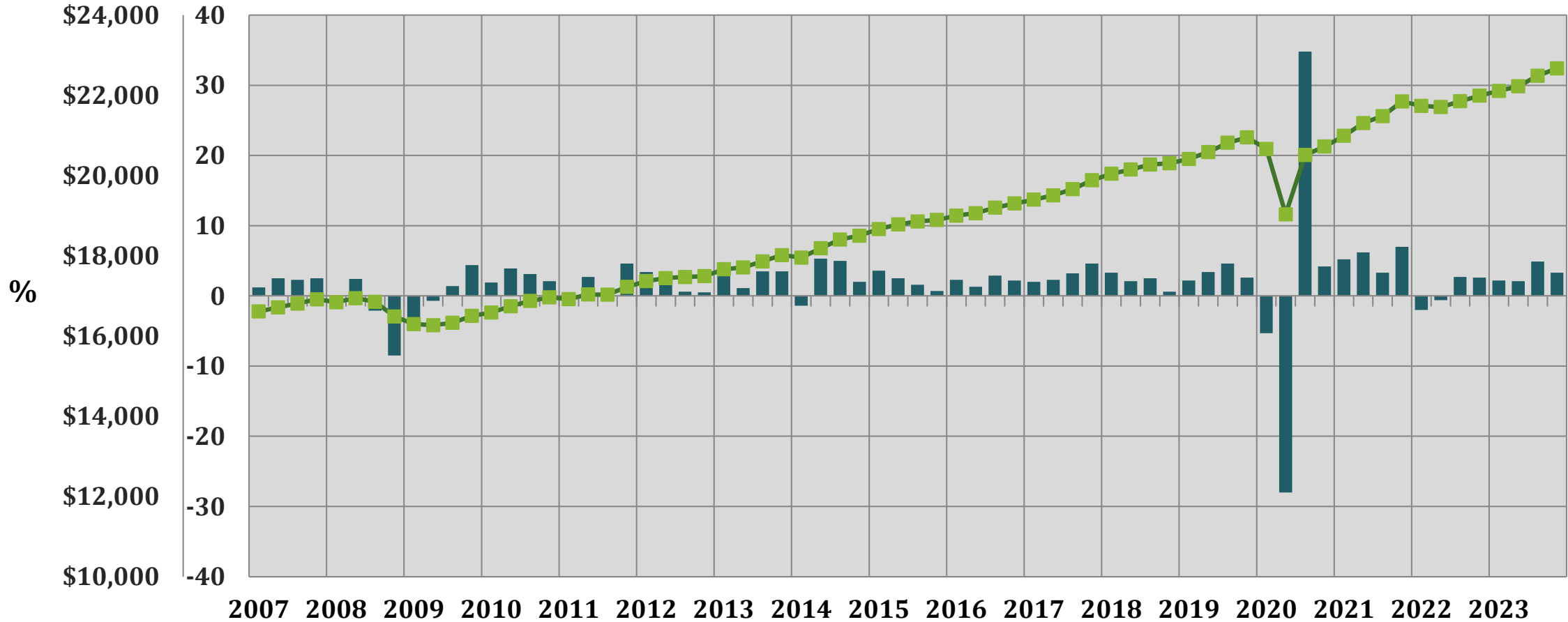
Center for Regional Analysis / Stephen Fuller Institute
Schar School of Policy and Government
George Mason University

January 26, 2024



U. S. Gross Domestic Product

■ Quarterly Change ■ Real GDP (Billions)



Source: Bureau of Economic Analysis (Seasonally Adjusted, Chained 2012 Dollars)

Q4 2022-Q4 2023 3.3%
2023: 2.5%

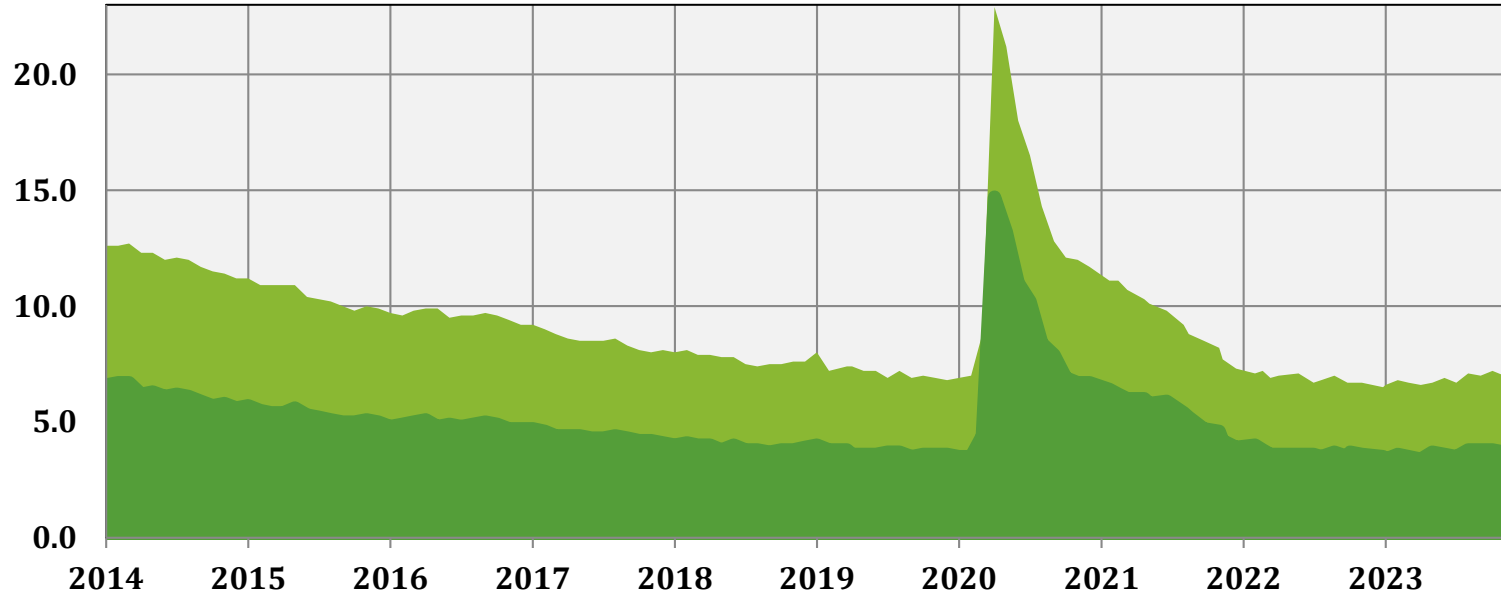


U. S. Unemployment



U-6

UR



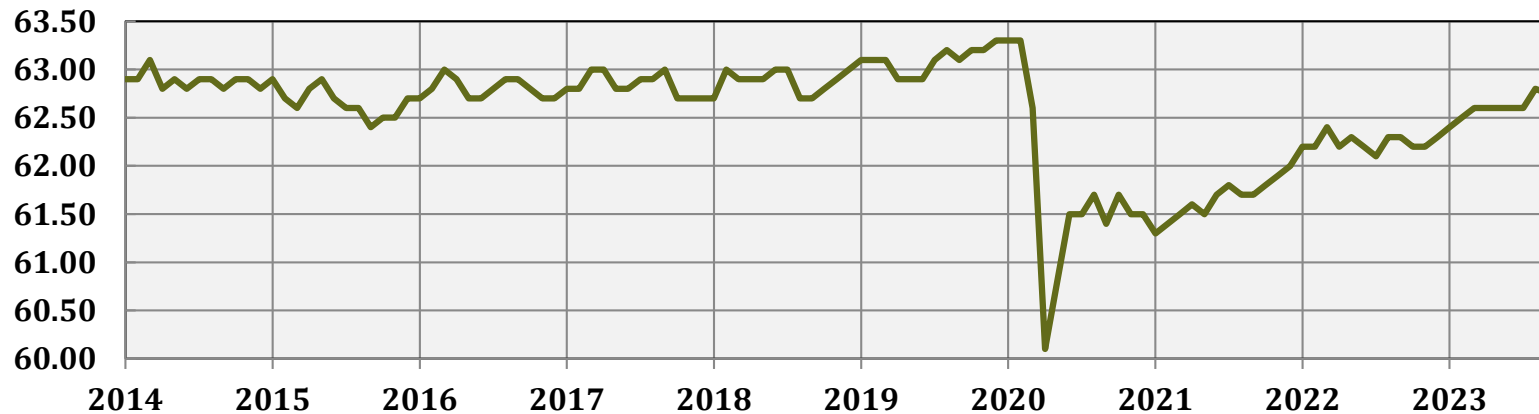
Dec
7.1%

Dec
3.7%

Dec 2022 -
Dec 2023
(12-mo.)
change:

U-6 0.6%
UR 0.2%
LFPR 0.2%

LFPR

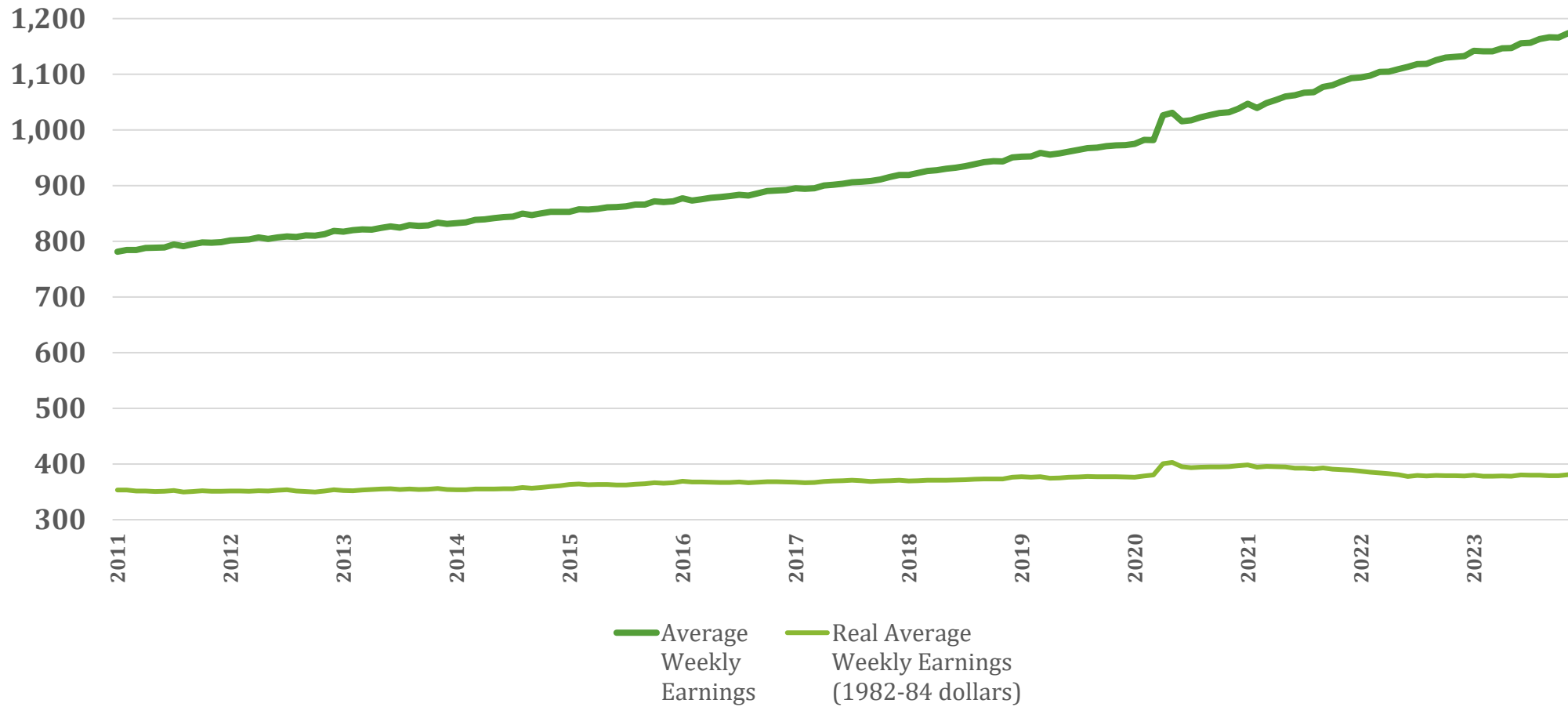


Dec
62.5%



Average Weekly Earnings

U. S., Total Private, Across all Industries



12-month
% change
(MOTYC)

Dec 2023

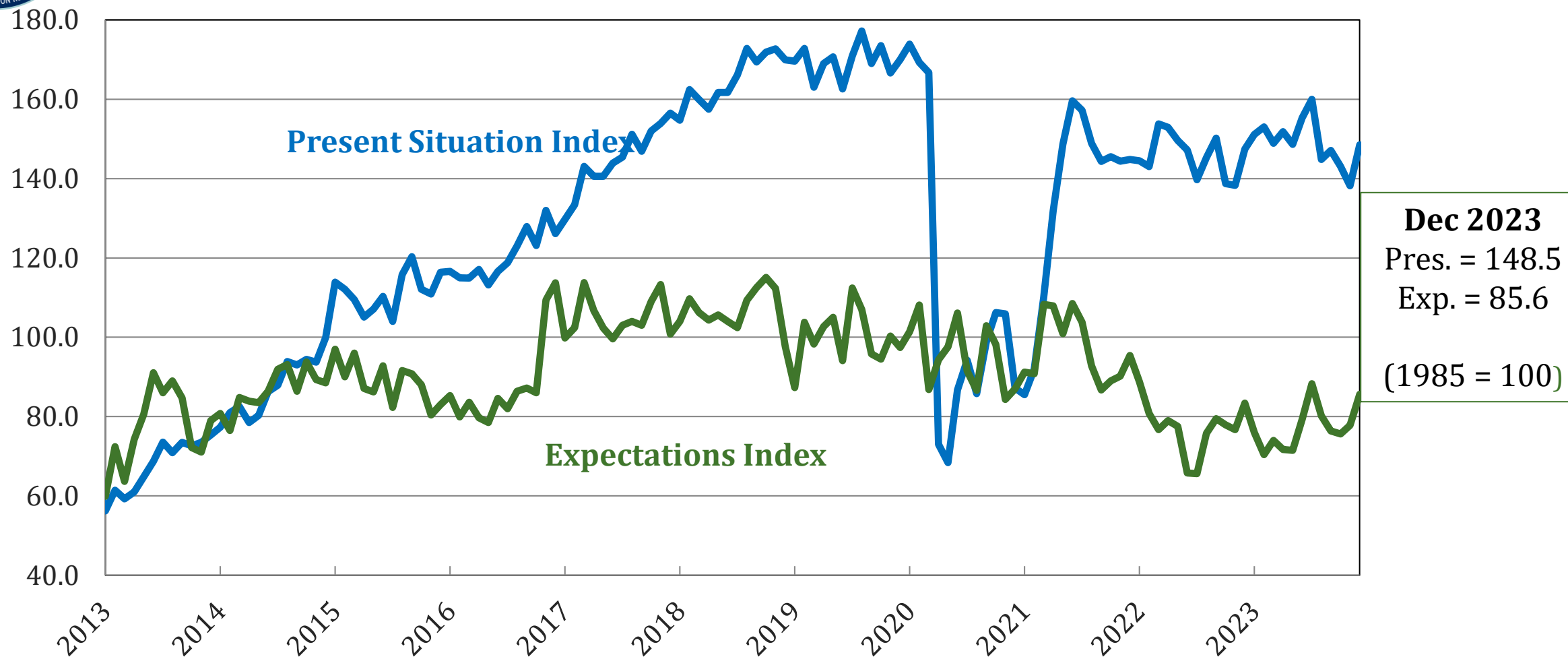
↑ Avg Hourly
Wages
+4.1%

↑ Avg Weekly
Earnings
+3.8%

↑ Real Avg
Weekly
Earnings
+0.5%



Consumer Confidence



Source: The Conference Board, GMU Center for Regional Analysis



Monthly Consumer Prices 2001 - 2023

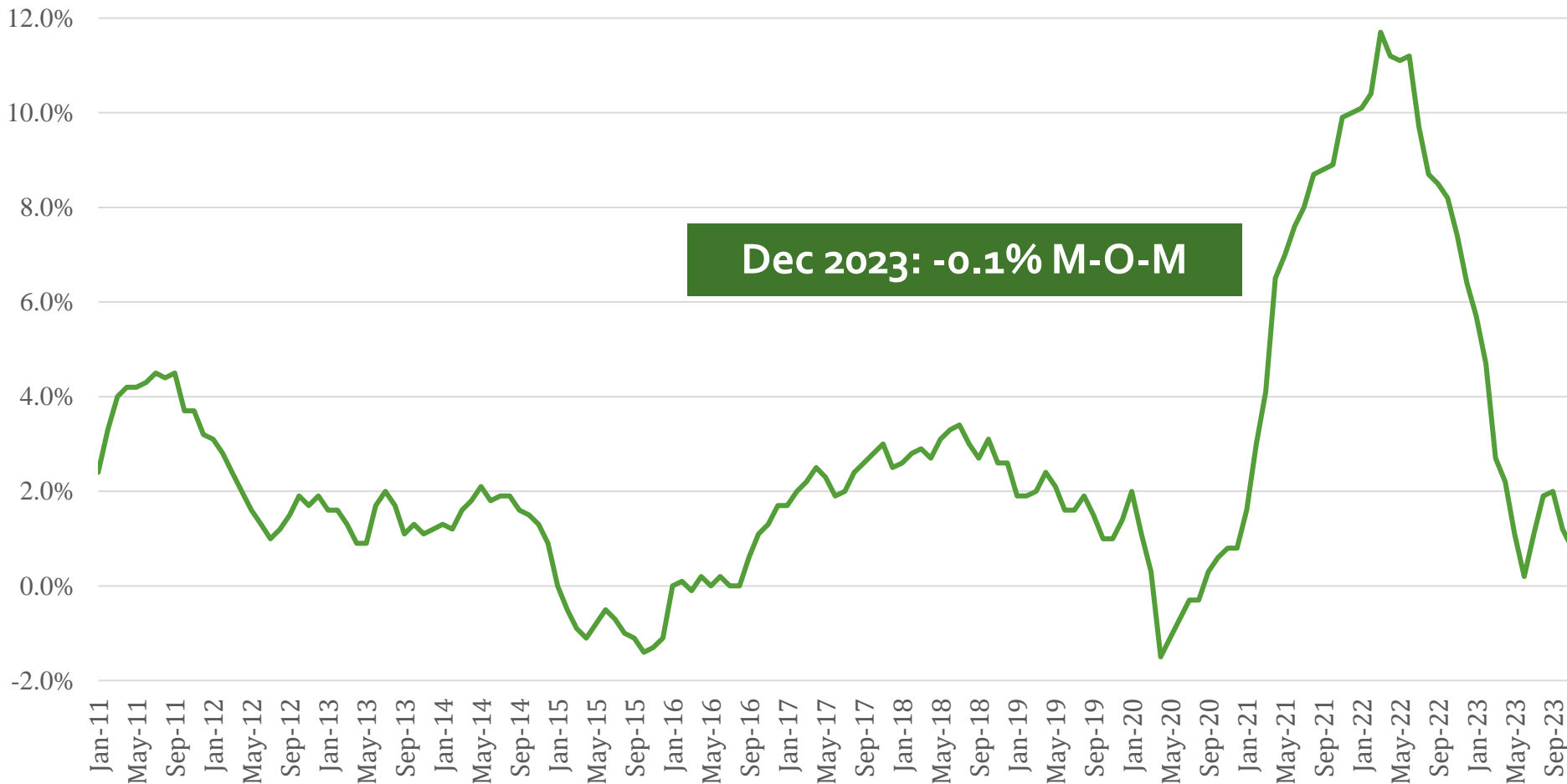


Source: Bureau of Labor Statistics, GMU Center for Regional Analysis



Producer Price Index

Change in Final Demand from 12 Months Prior Not Seasonally Adjusted

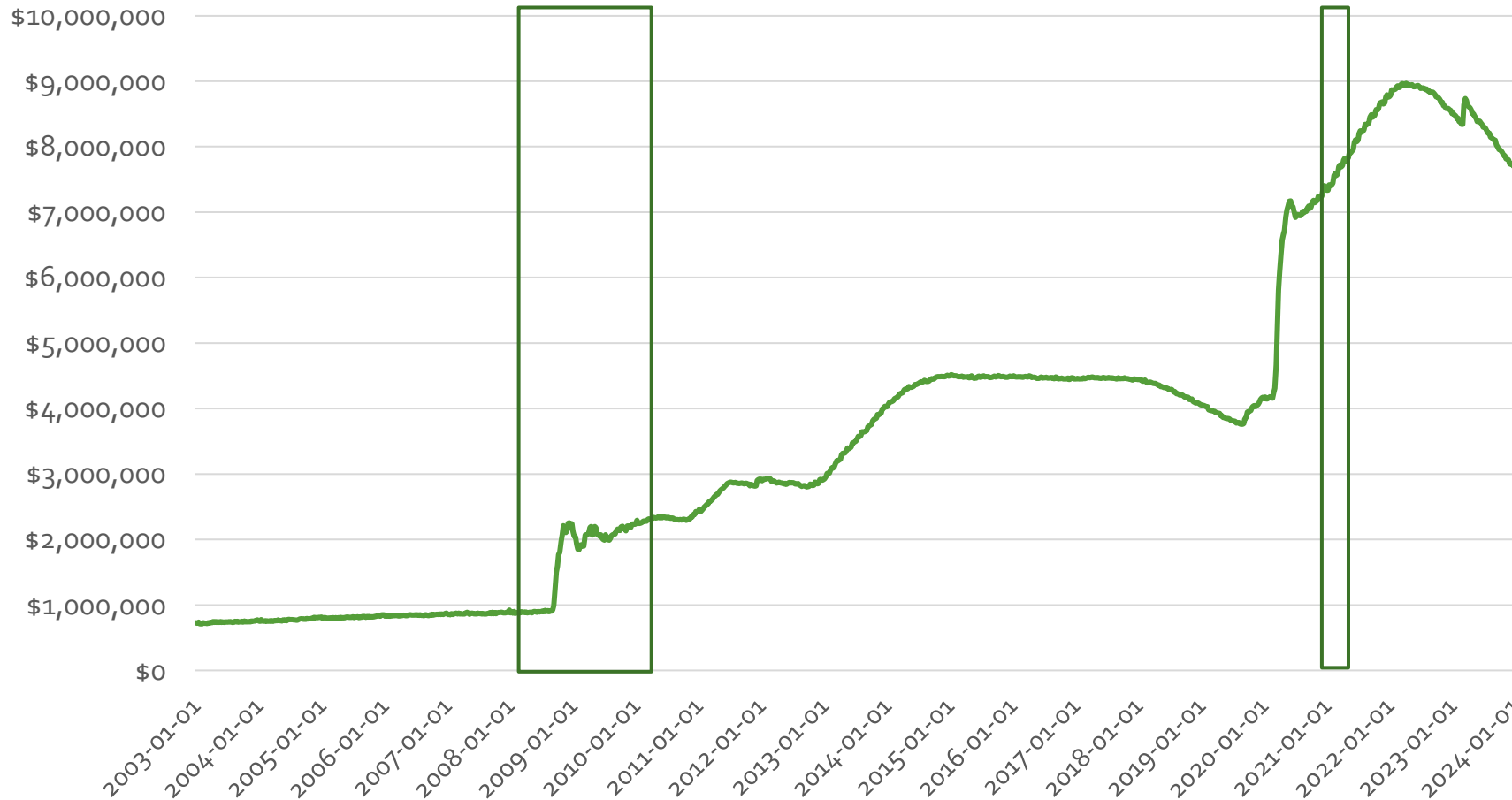


Source: Bureau of Labor Statistics, GMU Center for Regional Analysis



Federal Reserve Total Assets

Weekly, NSA
Millions \$



Week
Jan 1, 2024
\$7,681,024

Week
Jan 1, 2023
\$8,507,429

Source: Federal Reserve Economic Data (FRED), Federal Reserve Bank of St. Louis



U.S. 2024 Outlook

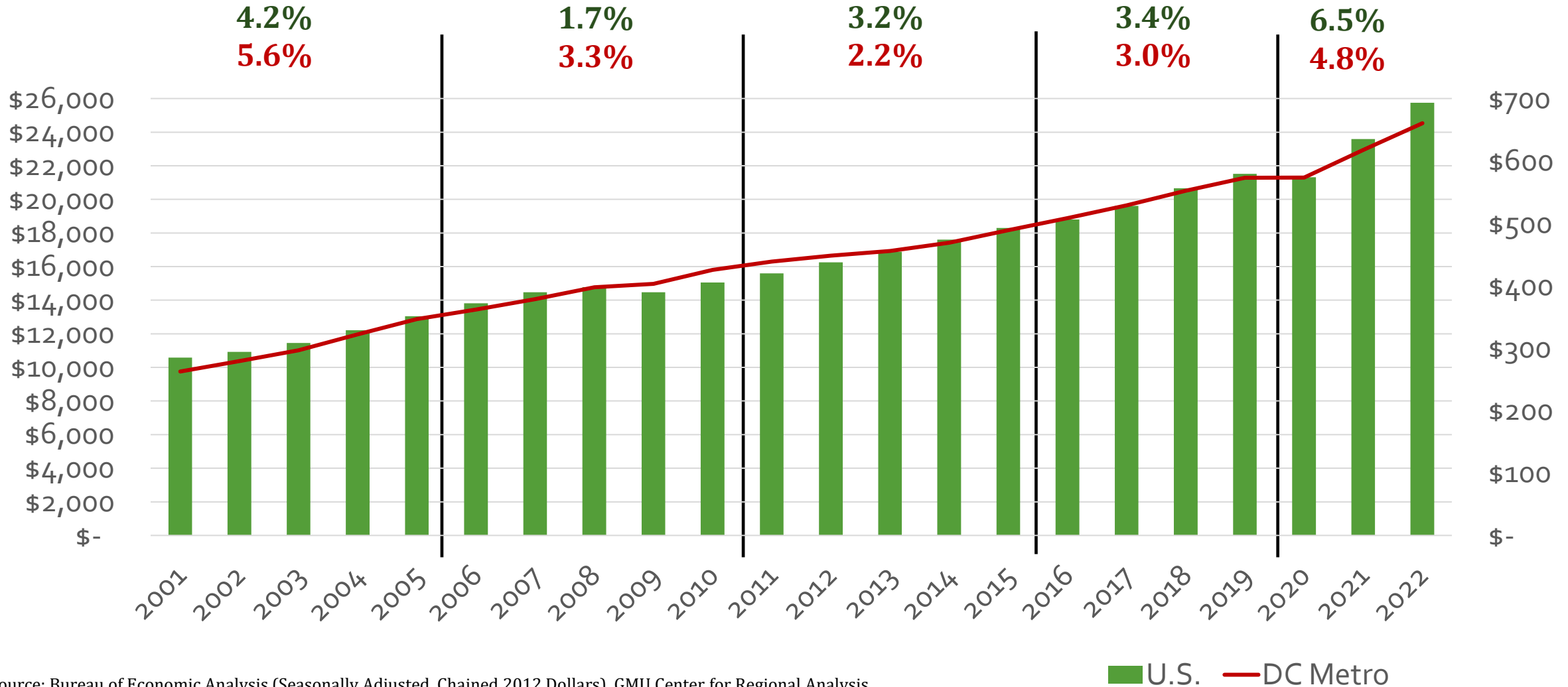
- Banking lending
 - Interest rate impacts on business expansion
 - Tighter regulation of reserves?
- Consumer spending slows
 - Pandemic saving gone for middle and lower income households
 - Inflation still biting
 - New homeowners
- Total US Jobs
 - **Net positive for the year: Up 1.5M**
 - Gap between labor demand and supply narrows
- Stock Market
 - Unimpressive gains
 - Volatility in earnings reports and prices
- Private development pushed out by public investment
- Stagnation in Ukraine and the Middle East
- **GDP up 1.9%**
 - Slow growth
 - Maybe one quarter negative
 - Not likely recession



The Washington Economy



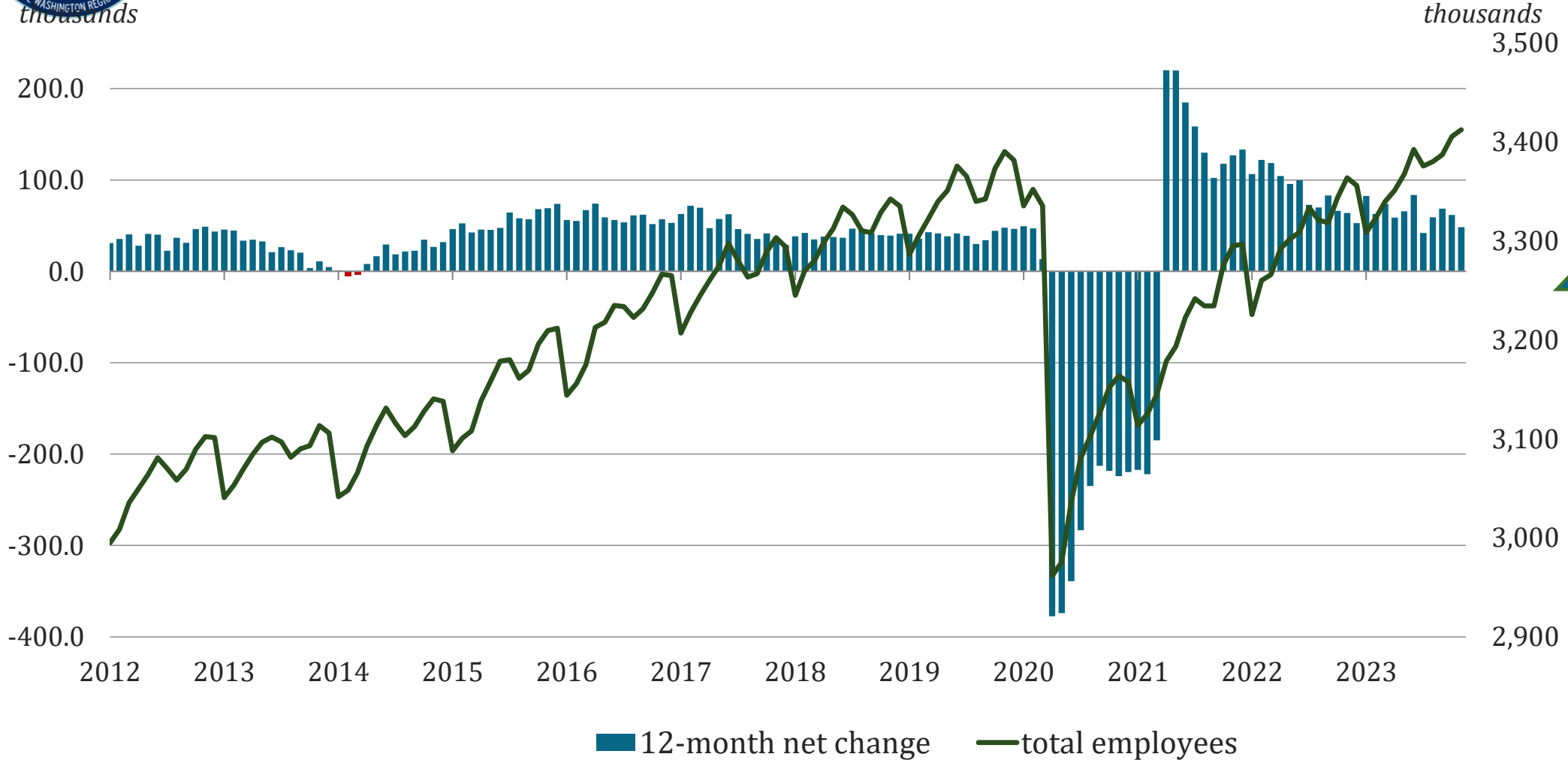
Gross Domestic Product: U.S. & Washington MSA 2001 - 2022 (Billions, nominal)



Source: Bureau of Economic Analysis (Seasonally Adjusted, Chained 2012 Dollars), GMU Center for Regional Analysis



Annual Job Change Washington MSA (2012-2023)



Nov 22
-
Nov 23
48k

**Nov 2023
Total: 3.4M**

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



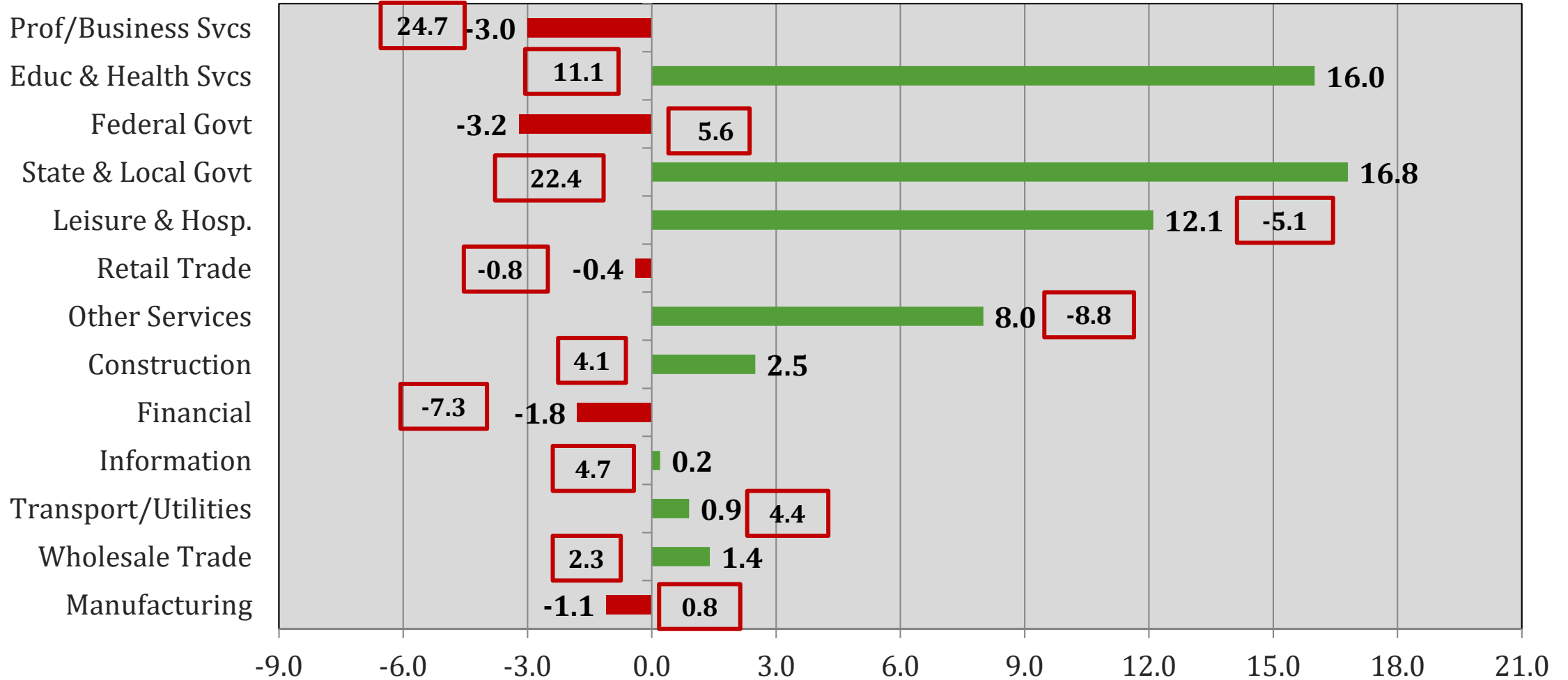
Job Change by Sector Washington MSA

Nov 2022 - Nov 2023

(Ranked by Size in 2019)

(000s)

Total = 48.4k



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

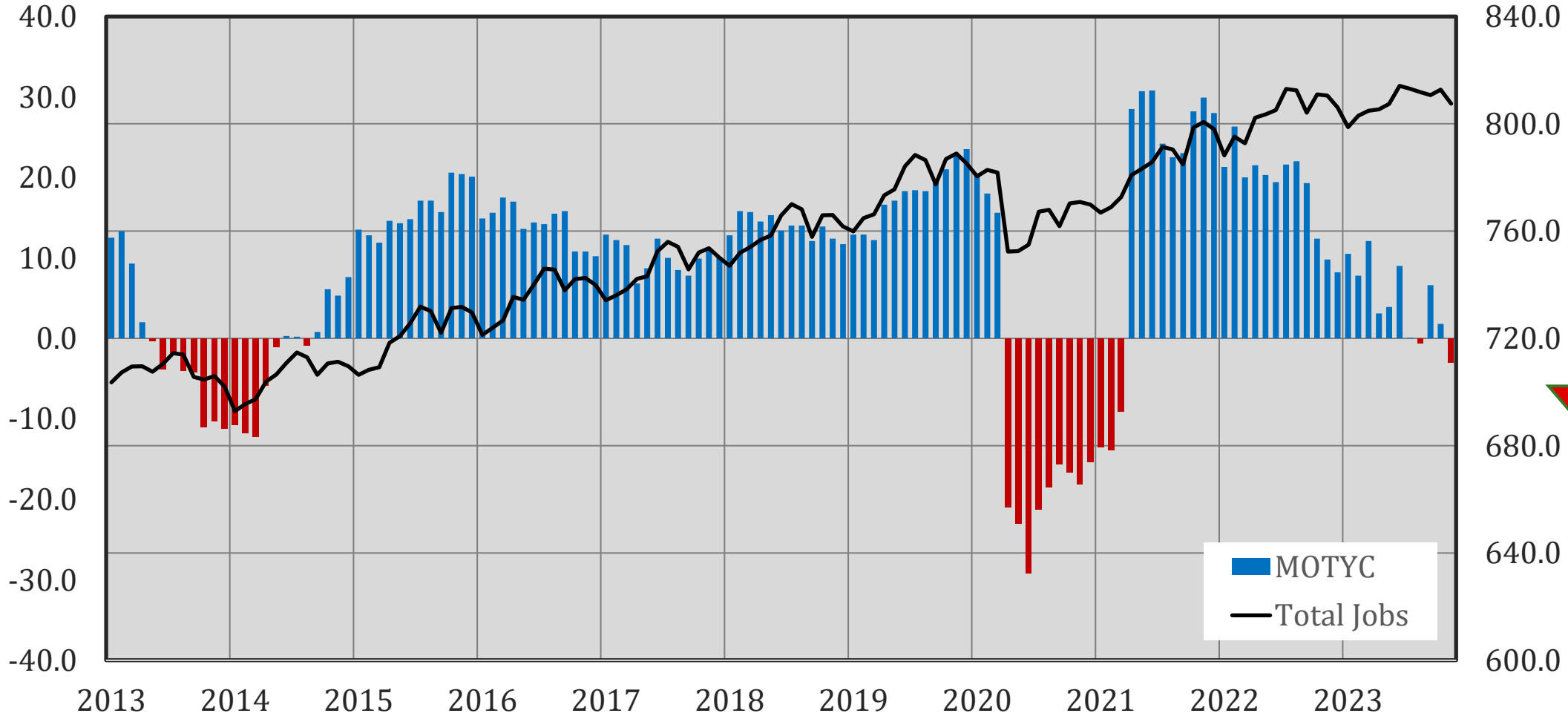


Professional & Business Services Washington MSA



(000s)

(000s)



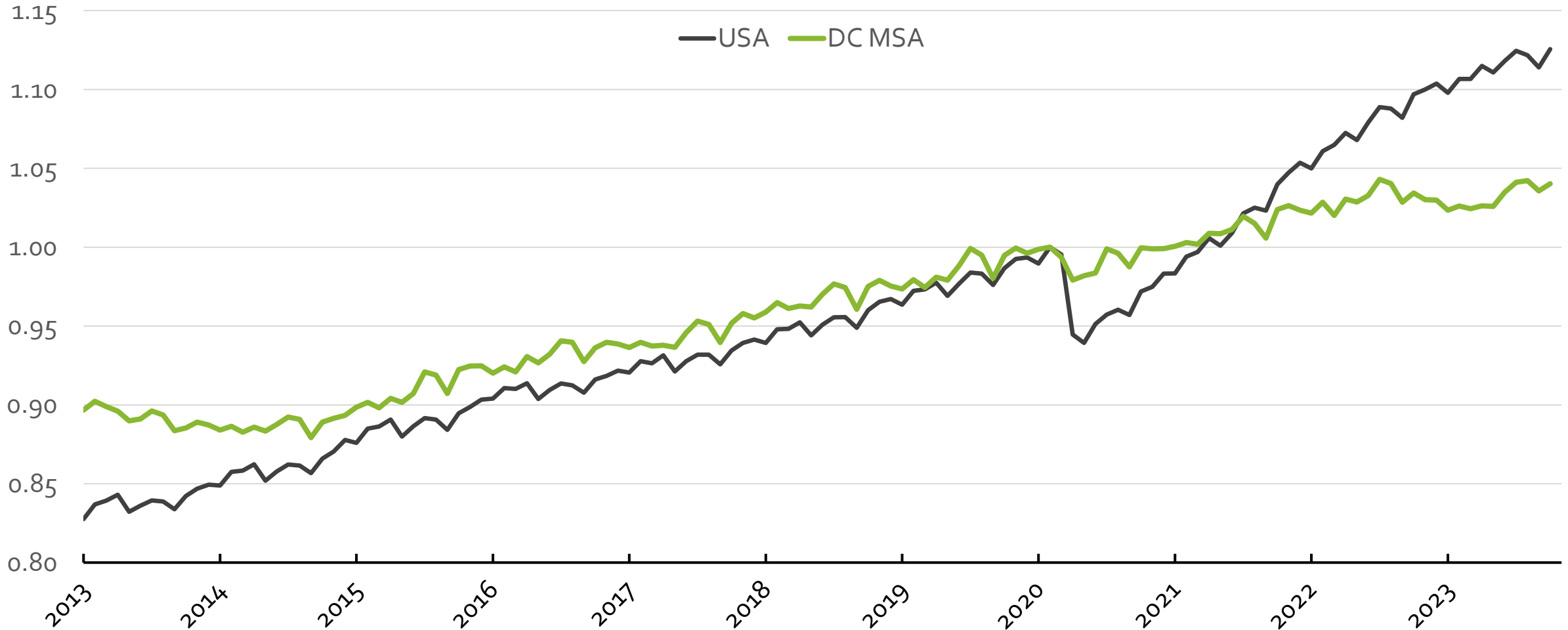
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis



Professional, Scientific and Tech. Services Washington MSA and USA Index (February 2020)



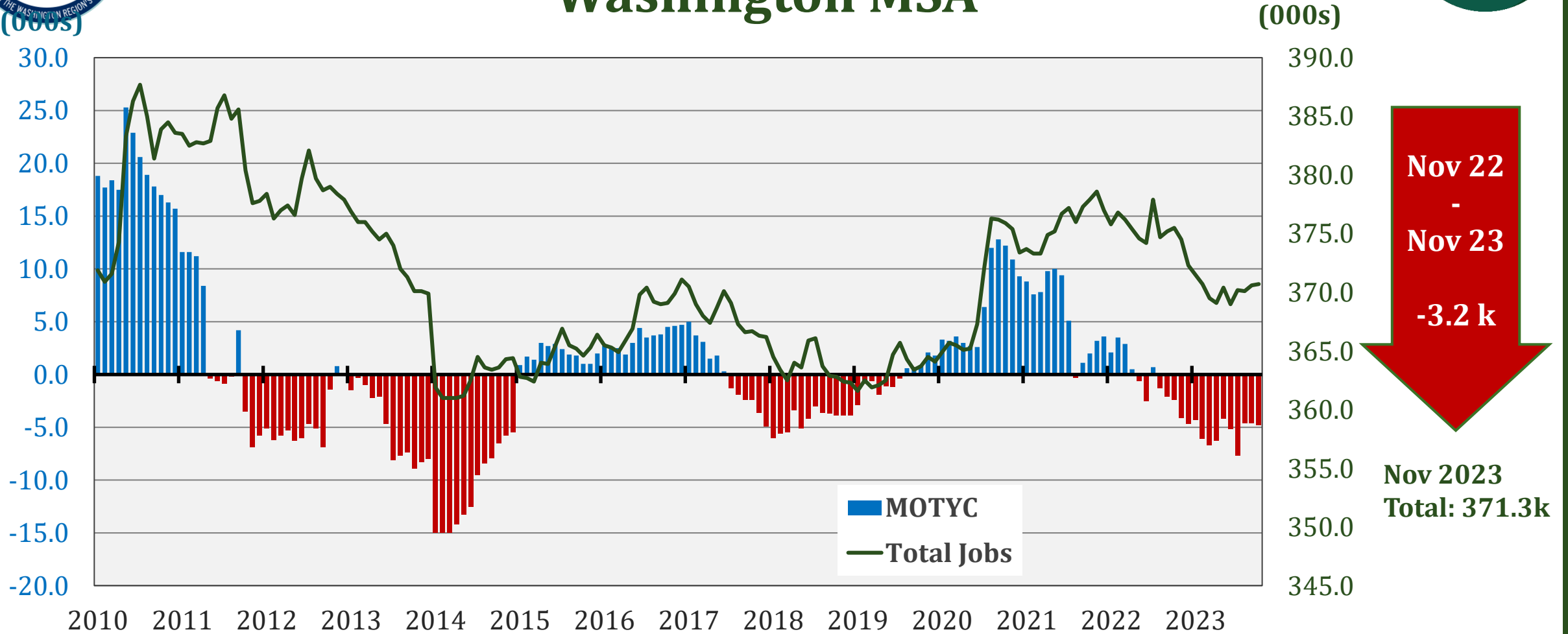
(000s)



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



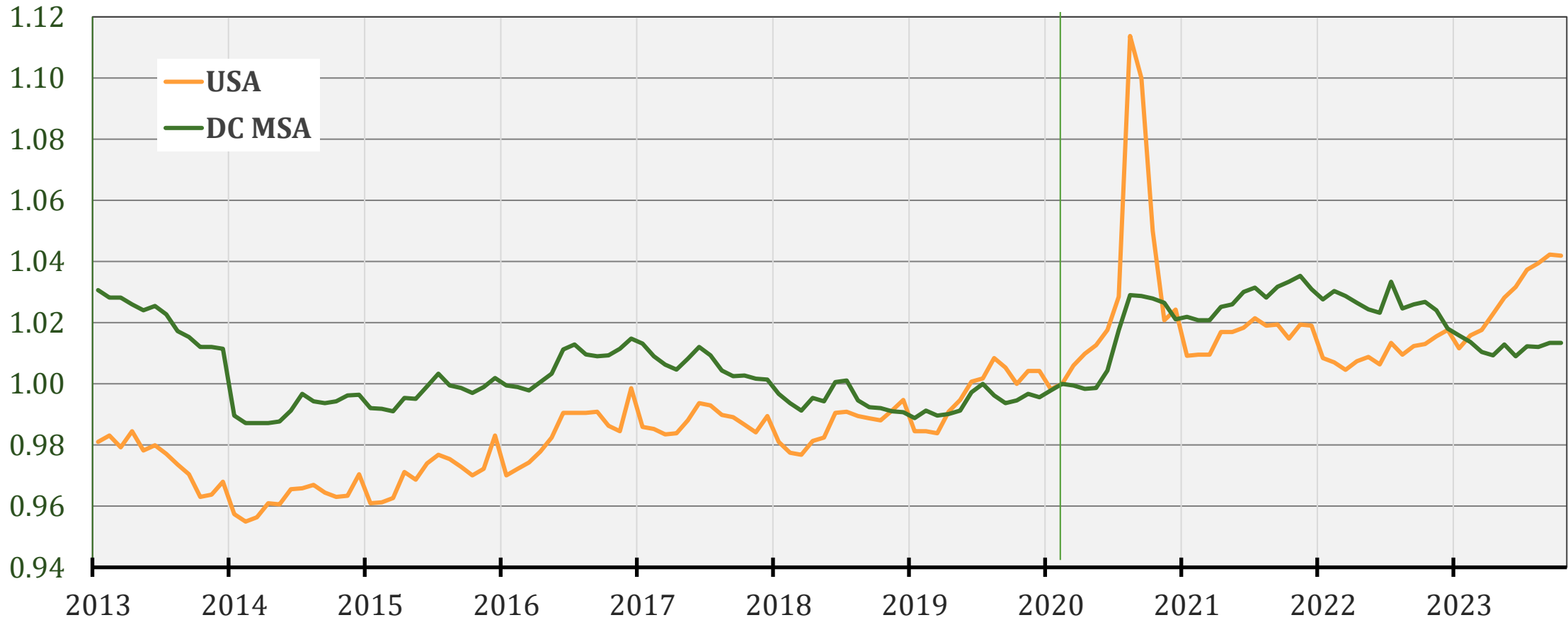
Federal Government Washington MSA



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



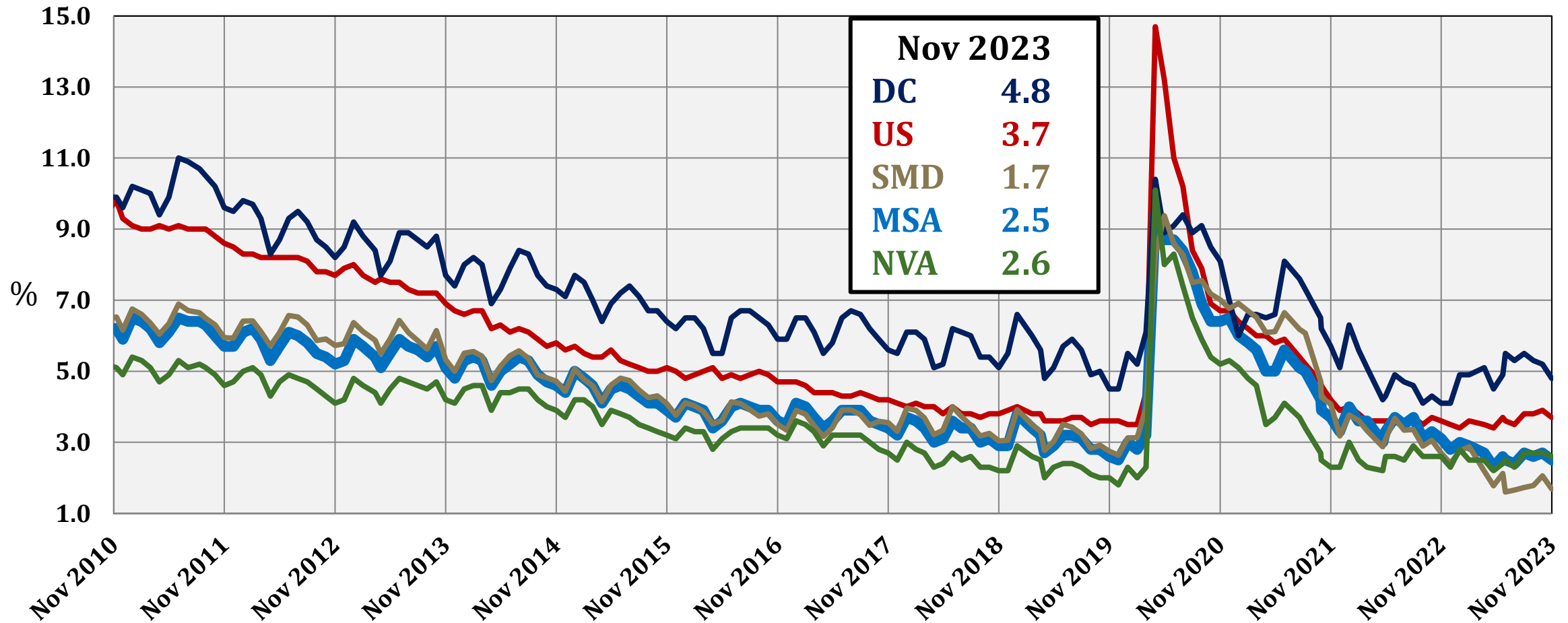
Federal Employment Index (Feb. 2020) Washington MSA and USA



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



Unemployment Rates in the WMSA By Sub-State Area

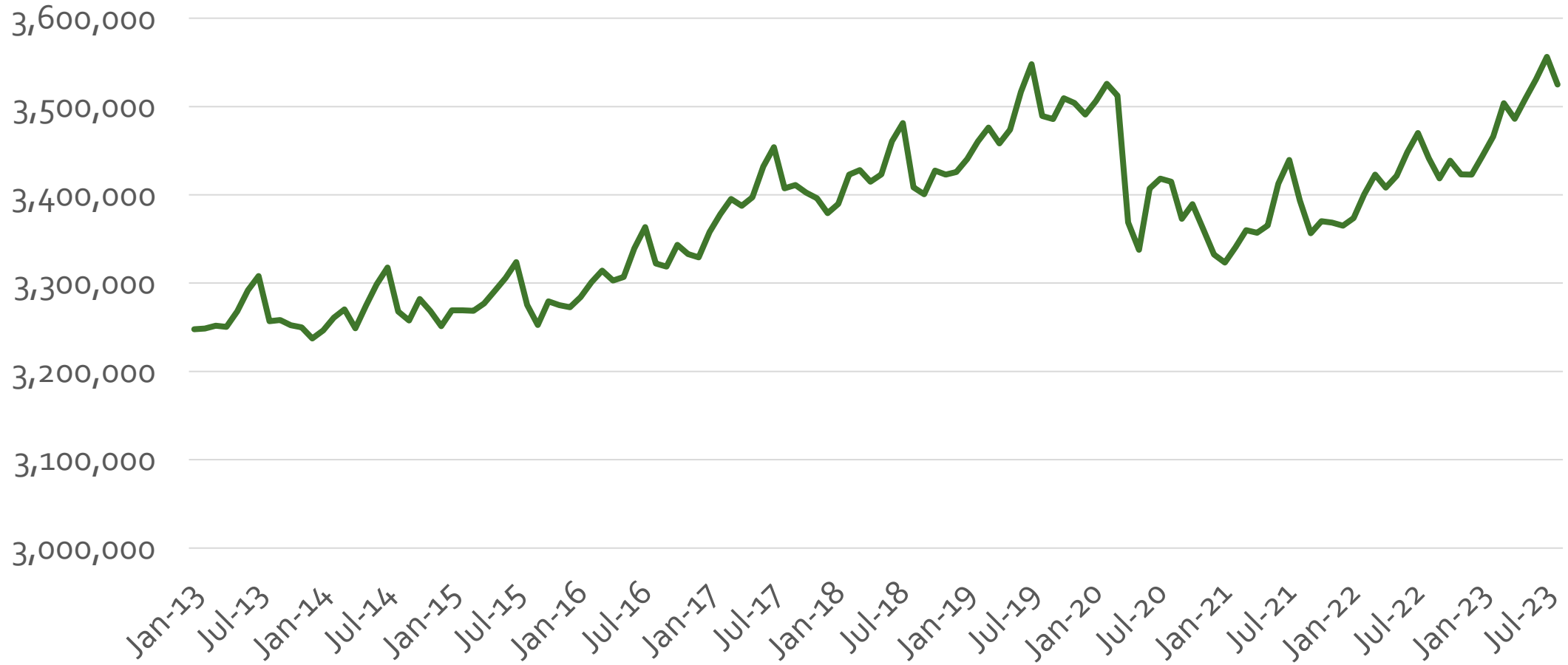


Source: Bureau of Labor Statistics (Region - Not Seasonally Adjusted, US – Seasonally Adjusted)



Labor Force in the Washington Region

January 2013 to May 2023





Labor Force Index Jan 2013/Oct 2023



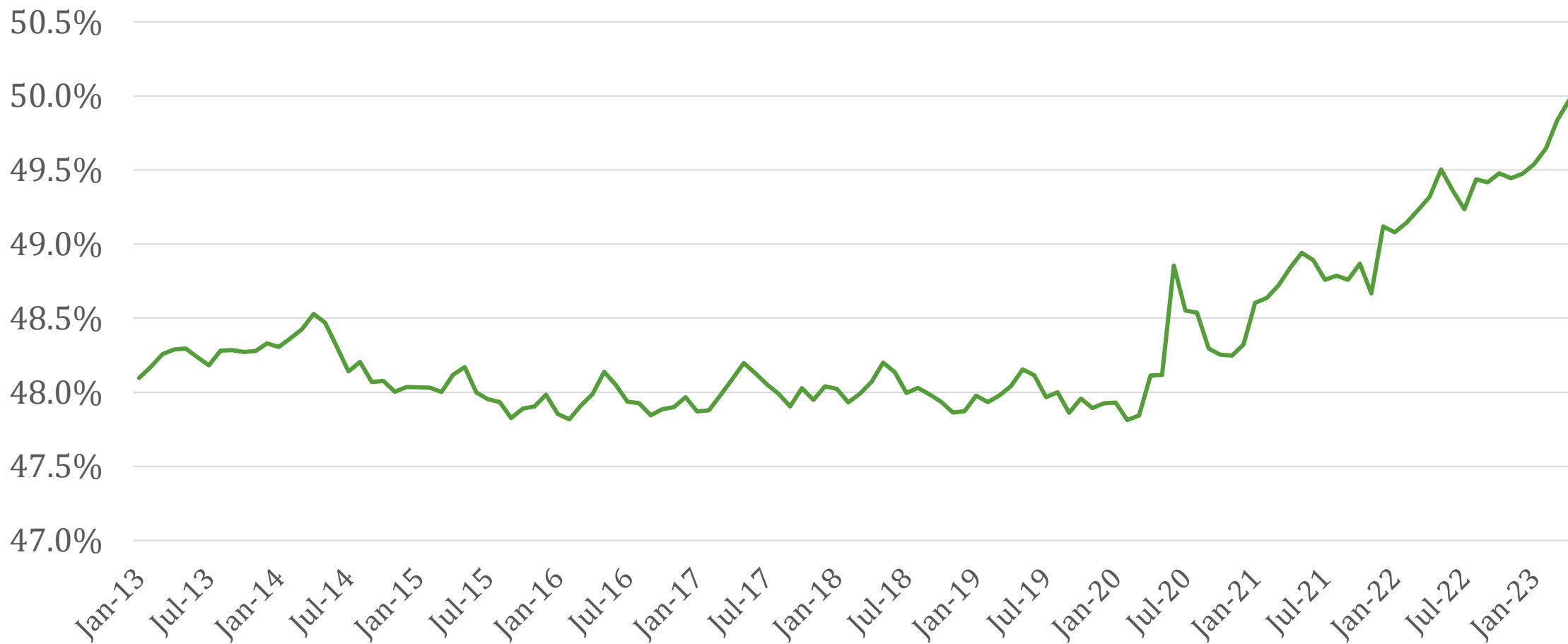
Metro	LFI	Metro	LFI	Metro	LFI
Austin	1.46	Charleston	1.27	Boston	1.08
Dallas	1.31	Charlotte	1.23	DC	1.08
Raleigh	1.30	Denver	1.19	Minneapolis	1.07
Orlando	1.30	Atlanta	1.17	SF	1.06
Phoenix	1.29	Houston	1.15	NYC	1.04
Nashville	1.28	Miami	1.13	Baltimore	1.03
Jacksonville	1.28	Detroit	1.09	Chicago	1.01

Source: BLS, CRA



Share of Regional Labor Force in NOVA

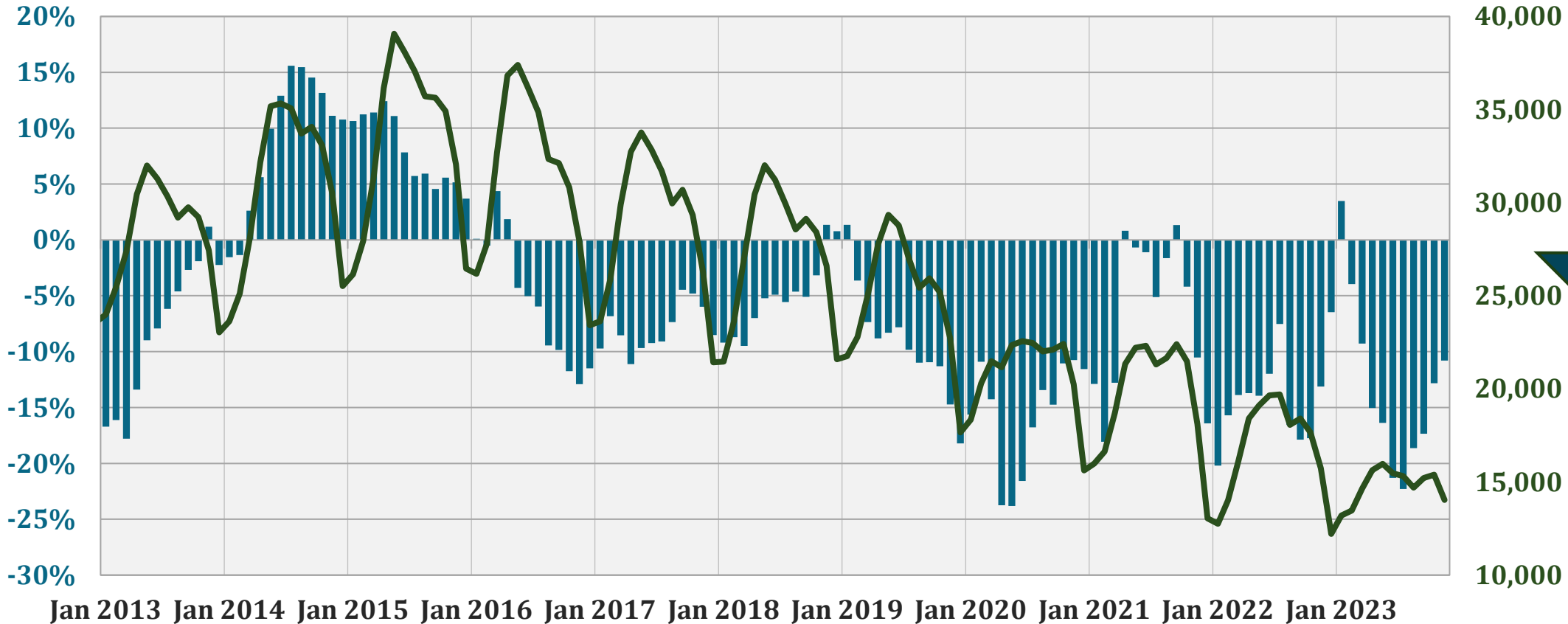
January 2013 to May 2023



Source: Bureau of Labor Statistics



Inventories of Existing Homes Washington MSA MOTYC (2013-2023)



Nov 22
-
Nov 23
-10.8%

**EOM
inventory**

Nov 2022
19,703 units

Nov 2023
14,038 units

■ 12-Month % Change — End of Month Inventory

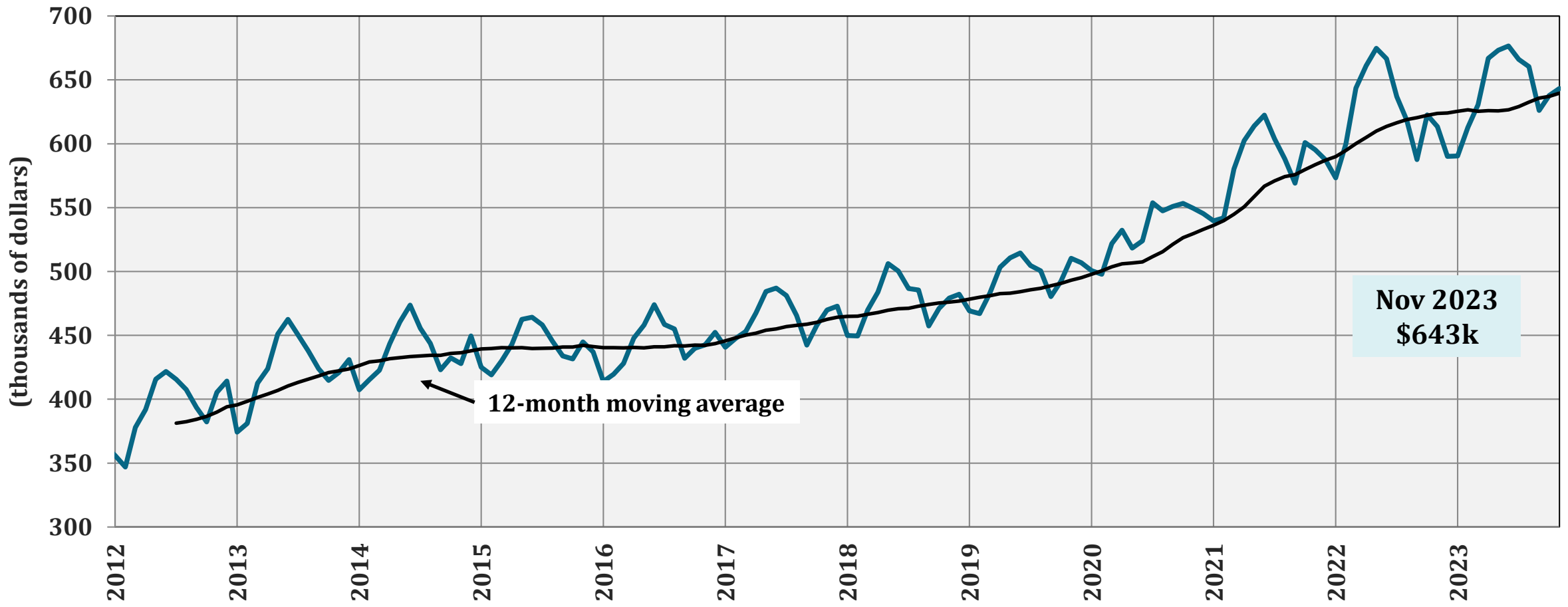
Note: End of month inventory includes:
(1) All Pending Listings and (2) Active Listings.

Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)



Average Home Sales Price

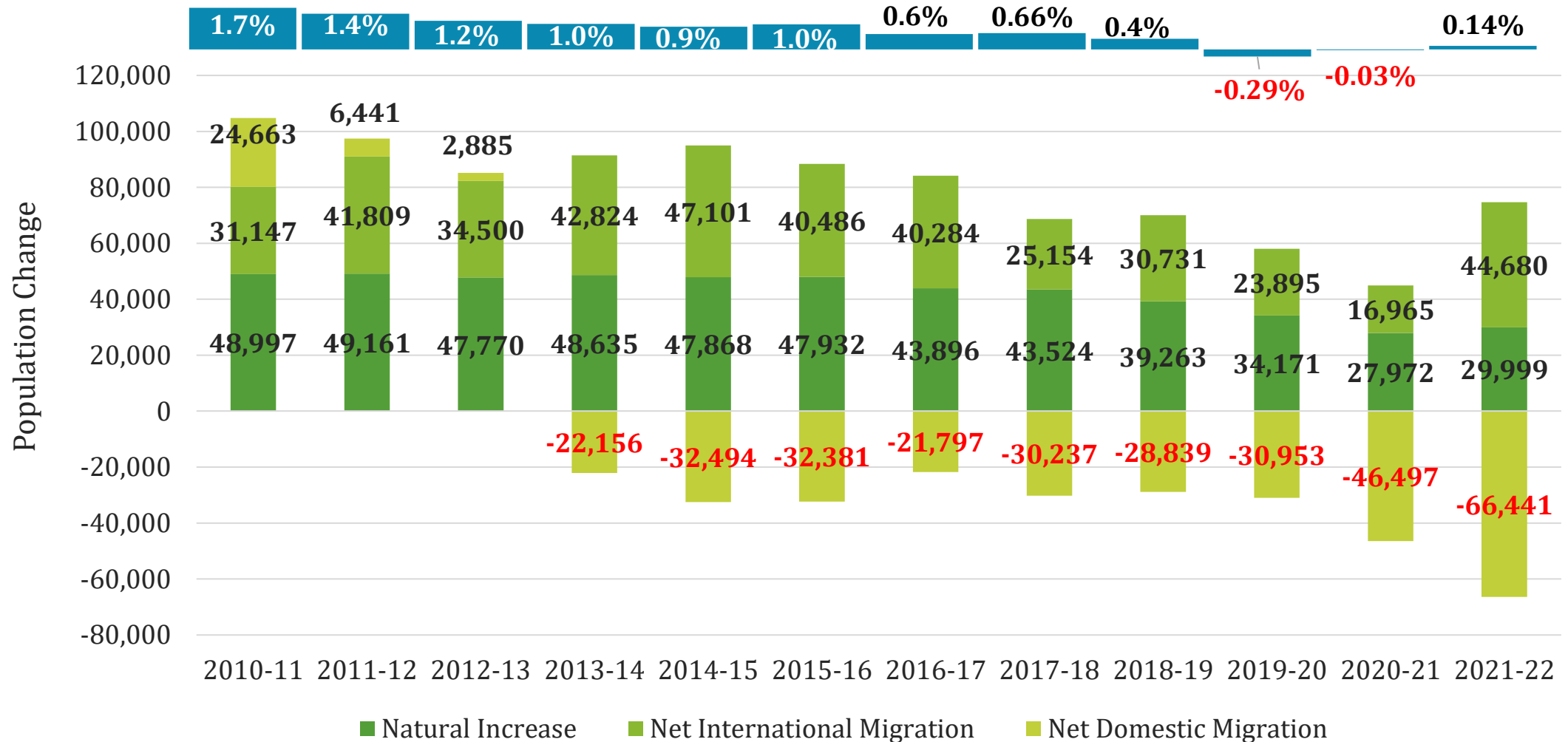
Washington MSA



Source: GMU Center for Regional Analysis (CRA); RealEstate Business Intelligence (RBI) SmartCharts (using Bright MLS data)



Elements of Population Change Washington MSA

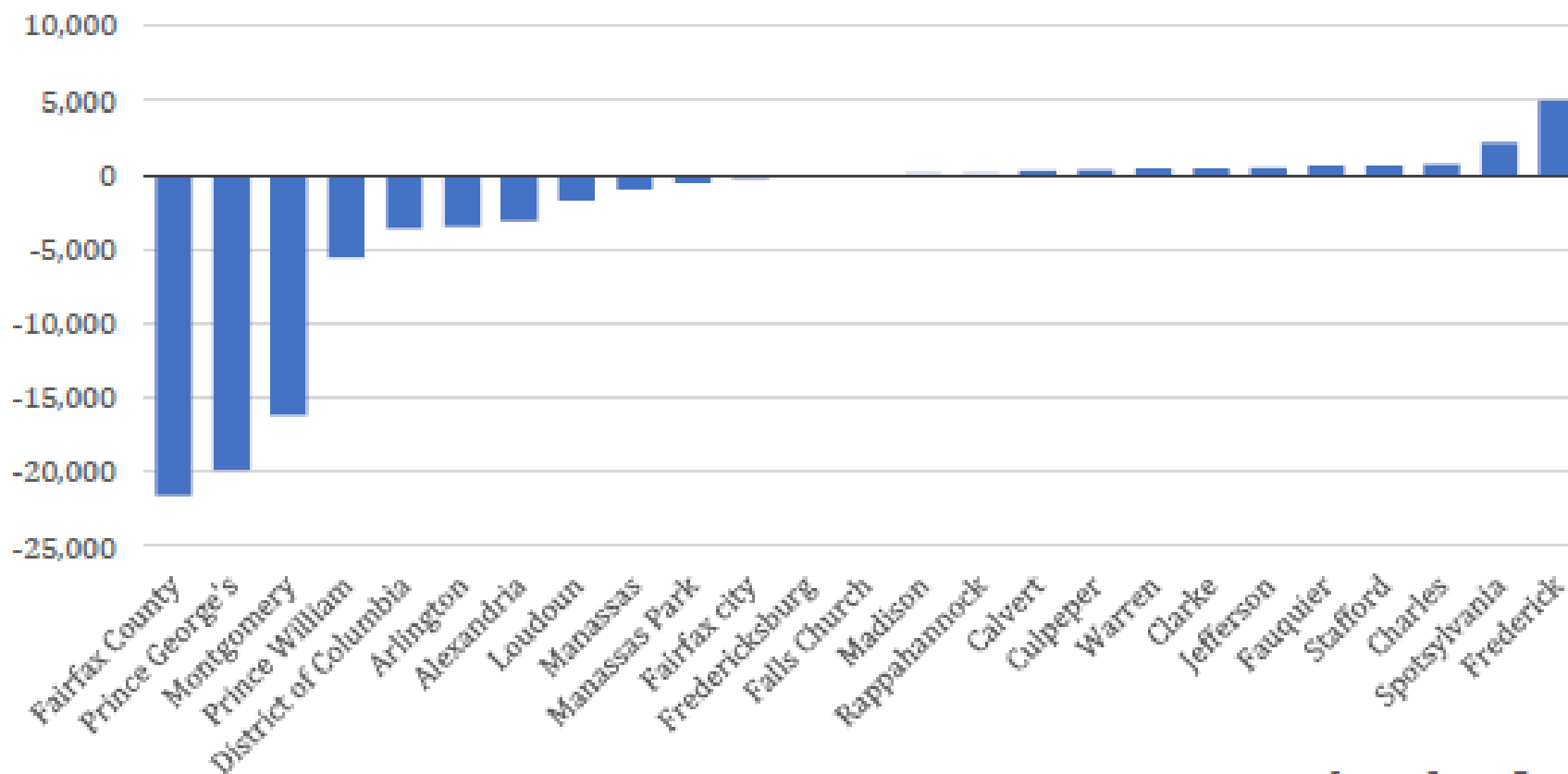


Source: U. S. Census Bureau, Population Estimates Program



Domestic Migration by Jurisdiction

Domestic Migration in the Washington Region July 2021 - June 2022



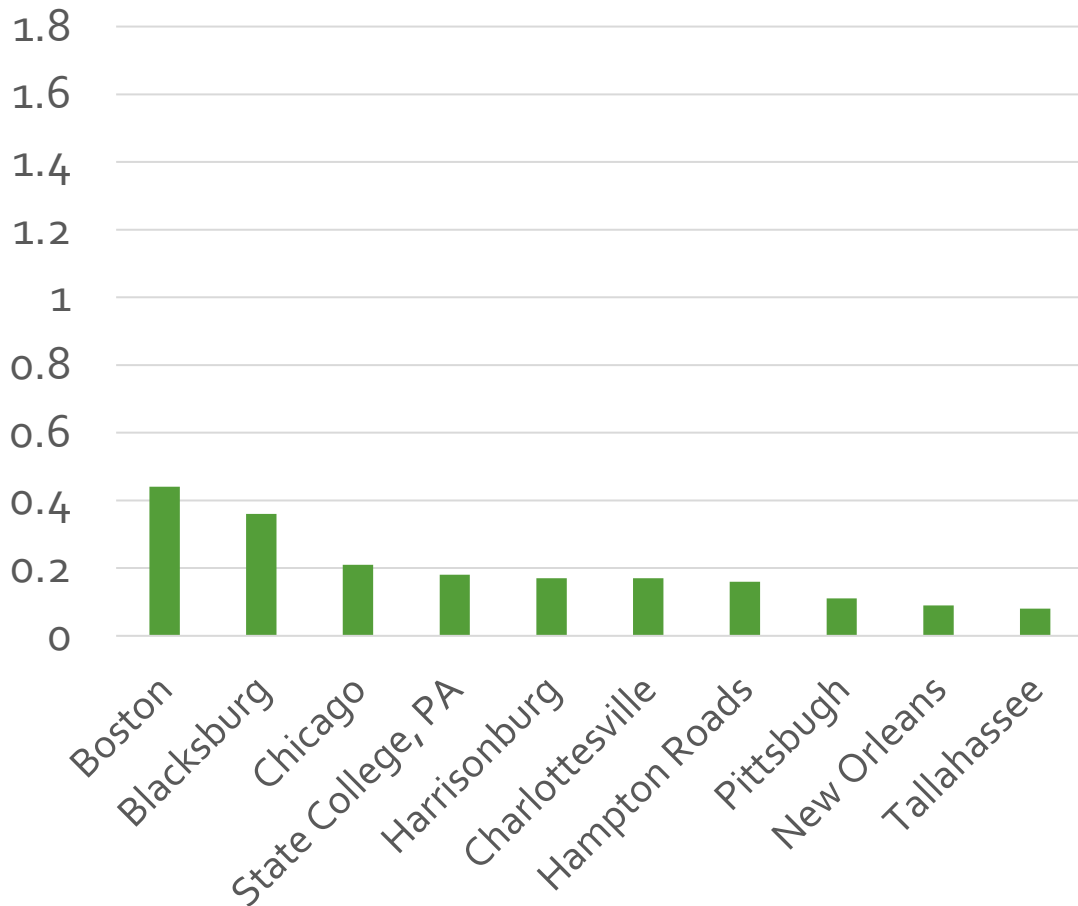
Source: Census Bureau



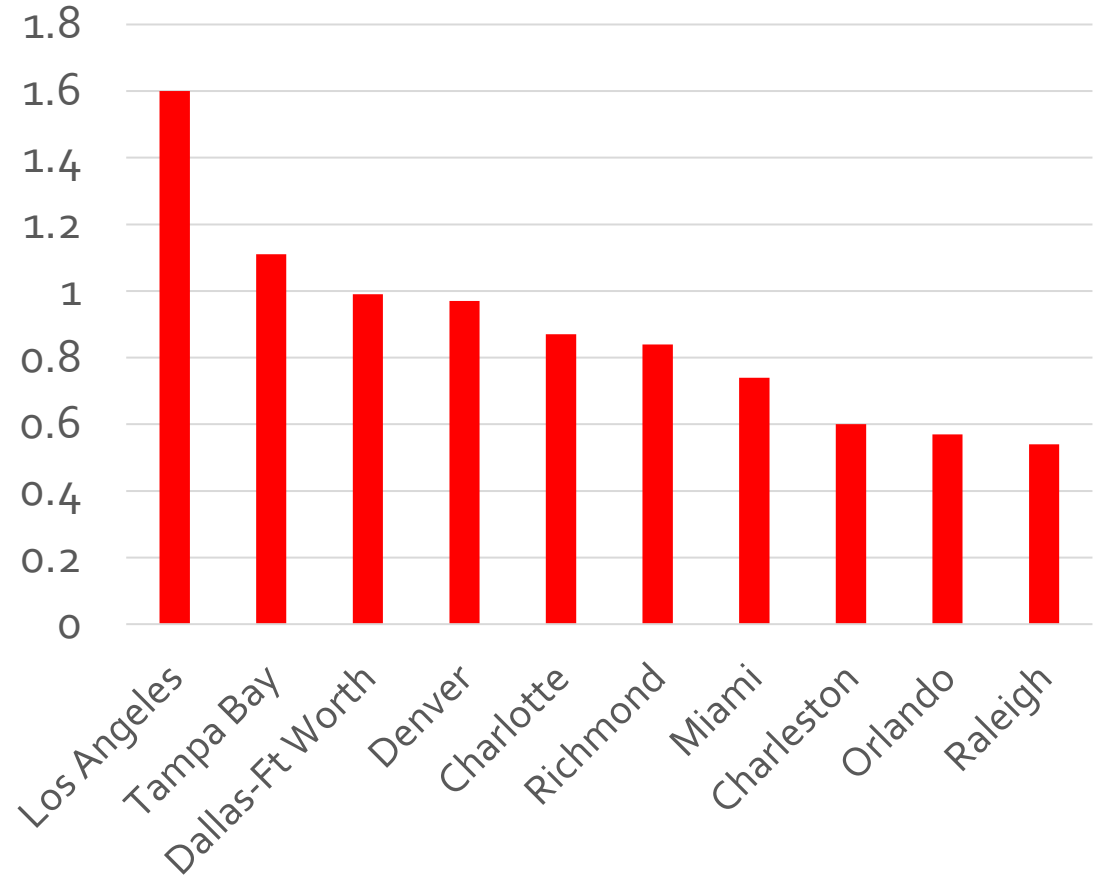
Migration of LinkedIn Members

(rate per 10,000 members)

Top 10 to DC Metro



Top 10 From DC Metro





Cost of Living Linkedin Out Migration Metros

Metro	COLI	COLI Housing
Los Angeles	151	240
Tampa Bay	100	97
Dallas-Ft Worth	103	97
Denver	111	136
Charlotte	98	89
Richmond	97	88
Miami	121	147
Charleston	98	97
Orlando	105	111
Raleigh	96	98

Metro	COLI	COLI Housing
DC Metro	152	252
Alexandria	137	198
Arlington	141	221
Frederick	140	220

TRADE-OFFS
Amenities
Vs.
Cost of Living

Source: C2ER.org



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



Path to Competitiveness

- Understanding our competitive position
 - Innovation/Entrepreneurship
 - New Economy
 - Real Estate
- Real Estate
 - Adapting the existing built environment
 - Addressing housing affordability
 - Regulatory costs
- Technology
 - Value Added
 - Eco-system/Funding
 - Discovery-to-market
 - Government & Private
- Transportation:
 - Achieving cost effectiveness across a multimodal transportation network
 - Focused on mobility and sustainability
 - Creating a system of easily accessible employment centers across the region
- Economic Development
 - Regional
 - Business led
 - Do it better!
- Social Issues
 - Crime
 - Cost of living



Q&A

cra.gmu.edu