House Appropriations Committee Retreat

The Virginia and Northern Virginia Economies: Current Trends and Future Prospects

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The Commonwealth of Virginia’s Economy: Recession and Recovery
U.S. GDP and Virginia GSP
1998 – 2014

Source: IHS Global Insight, GMU Center for Regional Analysis
State Comparison
GSP Percent Change 2010 – 2014

Source: Bureau of Economic Analysis, GMU Center for Regional Analysis
State Comparison
Job Change 2013 – 2014

Texas: 343,000
Florida: 242,000
Georgia: 120,000
North Carolina: 85,000
Ohio: 68,000
Tennessee: 57,000
South Carolina: 48,000
Maryland: 23,000
Alabama: 21,000
Virginia: 16,000
D.C.: 6,000
West Virginia: -3,000

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Virginia Payroll Job Change: Private Sector
The Great Recession and Recovery To Sep 2015

Ranked by Size in 2014

- Prof. & Bus. Svcs: -25 (000s)
- Educ & Health Svcs: -4 (000s)
- Retail Trade: -35 (000s)
- Leisure & Hosp.: -19 (000s)
- Manufacturing: -70 (000s)
- Other Services: -6 (000s)
- Financial: -18 (000s)
- Construction: -9 (000s)
- Transp. & Util.: -12 (000s)
- Wholesale Trade: -19 (000s)
- Information: -2 (000s)
- Mining & Logging: -75 (000s)

Total Private Sector Job Losses ended in March 2010: Total -293, Total 225

Source: Bureau of Labor Statistics (Seasonally Adjusted), GMU Center for Regional Analysis
The GSP* Effects of Private Sector Job Change in the Commonwealth of Virginia, March 2008-September 2015 (in 2014$)

<table>
<thead>
<tr>
<th>Job Change</th>
<th>Average GSP Value</th>
<th>Total GSP Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>-293,400</td>
<td>$147,465</td>
<td>- $43,266,201,000</td>
</tr>
<tr>
<td>+224,500</td>
<td>$112,875</td>
<td>25,340,367,000</td>
</tr>
<tr>
<td>-68,900</td>
<td></td>
<td>- $17,925,834,000</td>
</tr>
</tbody>
</table>

Source: GMU Center for Regional Analysis
*Gross State Product
Average Wage in the Commonwealth of Virginia 2001-2014

Source: Bureau of Labor Statistics, GMU Center for Regional Analysis
Commonwealth of Virginia
Annual Job Change, 2002-2015

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Commonwealth of Virginia: Professional & Business Services Jobs

Annual Data

(000s) 2009 2010 2011 2012 2013 2014 2015
2002
2005
2008
2009
2010
2011
2012
2013
2014
2015

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

Sep-15 Total: 686.7
Commonwealth of Virginia: Federal Government Jobs

Annual Data


Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Commonwealth of Virginia:
Job Change by Sector
Sep 2014 – Sep 2015

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Unemployment Rates By Select State, 2007-2015

Source: Bureau of Labor Statistics (Seasonally Adjusted)
The Washington Economy: Recession, Sequester, Repositioning and Expansion
Share of Washington Area Economy By Sub-State Share
1970-2010
2010 Structure of the Greater Washington Economy

- Local Serving Activities: 34.8%
- Non-Local Business: 12.0%
- Other Federal: 10.7%
- Fed Wages & Salaries: 10.0%
- Procurement: 19.1%
- Total Federal: 39.8%
- Int'l: 3.5%
- Hosp: 2.1%
- Assn: 1.8%
- Health/Ed.: 4.5%

Source: GMU Center for Regional Analysis
Federal Procurement in the Washington Metro Area, FY 1980-2014

TOTAL = $1,164.9 Billion

Source: US Census, Consolidated Federal Funds Report and USAspending.gov
Professional & Business Services
Washington MSA

Annual Data

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

Sep-15 Total: 722.8
Summary of Federal Spending Trends in the Washington Metropolitan Area, 2010-2014

- Federal Procurement Outlays declined $11.2 billion or 13.6% between FY 2010 and FY 2014.

- Federal employment has declined since peaking in July 2010, losing 23,700 jobs or 6.1%.

- Federal payroll declined by $2.5 billion or 6.4% 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.
15 Largest Job Markets

New York
Los Angeles
Chicago
Houston
Dallas
DC
SF-Oakland
Philadelphia
Boston
Atlanta
Seattle
Miami
Detroit
Minneapolis
Phoenix

Washington + 18,900

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
WMSA Payroll Job Change: Private Sector
The Great Recession and Recovery

Aug 2008-Feb 2010
Total -181

-24 Prof. & Bus. Svcs
-23 Educ & Health Svcs
-34 Leisure & Hosp.
-49 Construction
-8 Other Services
-10 Financial
-12 Information
-10 Manufacturing
-7 Wise Trade
-5 Transp. & Util.

Feb 2010-Sep 2015
Total 273

0
27 Construction
18 Other Services
5 Financial
6 Education & Health Svcs
65 Total
67 Total

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-September 2015 (in 2014 $s)

<table>
<thead>
<tr>
<th>Job Change</th>
<th>Total GRP Value</th>
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<tr>
<td>- 181,300</td>
<td>- $29,044,064,000(^1)</td>
</tr>
<tr>
<td>+ 272,800</td>
<td>+ $29,704,162,000(^2)</td>
</tr>
<tr>
<td>+ 91,500</td>
<td>+ $660,098,000</td>
</tr>
</tbody>
</table>

Source: GMU Center for Regional Analysis

*Gross Regional Product

\(^1\) $160,200 per job contribution to GRP
\(^2\) $108,900 per job contribution to GRP
Average Wage in the Washington Metro Area, 2001-2014

(000s of 2014 $s)

Source: Bureau of Labor Statistics, GMU Center for Regional Analysis
15 Largest Job Markets
Job Change: Sep 2014 – Sep 2015

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Annual Job Change
Washington MSA, 2002-2015

Annual Data

Annual Month over Year


Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Sep 2014 – Sep 2015
Washington MSA

Prof. & Bus. Svcs: 13
Federal Govt.: 0
Educ & Health Svcs: 5
State & Local Govt: 6
Retail Trade: 3
Leisure & Hosp: -1
Construction: -1
Other Services: 0
Financial: 3
Information: -1
Manufacturing: 6
Wlse Trade: 5
Transp. & Util.: 15

Total = 53,300

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Annual Job Change
Northern Virginia, 2002-2015

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Sep 2014 – Sep 2015
Northern Virginia

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Unemployment Rates in the WMSA By Sub-State Area, 2008-2015

Economic Outlook for the Washington Metropolitan Area: 2015-2020
U.S. GDP and Washington Area GRP
2007 – 2015 – 2020
(Annual % Change)

Source: IHS Economics, GMU Center for Regional Analysis, Forecast: September 2015
Economic Outlook (GRP), 2007-2020
Washington Area and Sub-State Areas
(Annual % Change)

Source: GMU Center for Regional Analysis, Forecast: September 2015
### Employment Change in the WMSA by Sub-State Area (000s)

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</thead>
<tbody>
<tr>
<td>D.C.</td>
<td>13.0</td>
<td>6.5</td>
<td>14.3</td>
<td>15.7</td>
<td>11.0</td>
<td>12.7</td>
<td>11.7</td>
<td>11.0</td>
</tr>
<tr>
<td>Sub. MD</td>
<td>6.1</td>
<td>11.1</td>
<td>20.0</td>
<td>22.4</td>
<td>20.1</td>
<td>16.9</td>
<td>15.8</td>
<td>14.8</td>
</tr>
<tr>
<td>No. VA</td>
<td>8.9</td>
<td>1.3</td>
<td>24.6</td>
<td>28.3</td>
<td>26.7</td>
<td>19.0</td>
<td>17.9</td>
<td>16.8</td>
</tr>
<tr>
<td>REGION</td>
<td>28.0</td>
<td>18.9</td>
<td>58.9</td>
<td>66.4</td>
<td>57.8</td>
<td>48.6</td>
<td>45.4</td>
<td>42.6</td>
</tr>
</tbody>
</table>

Average Annual Change 1990-2010 = 36,000

Source: BLS, IHS Economics, GMU Center for Regional Analysis (August 2015); *estimated based on first half-year performance. NOTE: The regional totals do not include Jefferson, WV.
Structure of the Greater Washington Economy

2010
- Non-Local Business: 12.0%
- Local Serving Activities: 34.8%
- Fed Wages & Salaries: 10.0%
- Other Federal: 10.7%
- Procurement: 19.1%
- Total Federal: 39.8%

2020
- Non-Local Business: 17.5%
- Local Serving Activities: 38.3%
- Fed Wages & Salaries: 7.1%
- Other Federal: 7.7%
- Procurement: 14.0%
- Total Federal: 28.8%

Source: GMU Center for Regional Analysis
Thank You
Questions

cra.gmu.edu