



ECONOMIC INDICATORS[®]

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

JUNE 2004

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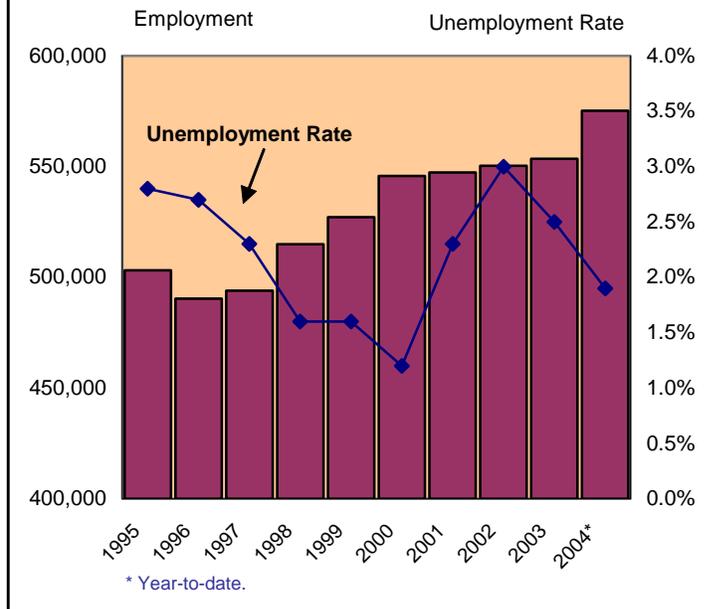
- The unemployment rate in Fairfax County for April 2004 decreased to 1.7 percent from 2.0 percent in March. (See page 1)
- Fairfax County Sales Tax receipts for the first eleven months of FY 2004 have increased 9.7 percent over the same period of FY 2003. (See page 2)
- In calendar year 2003, 19,900 new jobs were created in the Greater Washington region, the only metropolitan area to record job growth last year. (See page 2)
- The overall growth rate of new residential permits issued through April is 84.4 percent while new nonresidential permits have declined 31.7 percent through calendar year 2004. (See page 3)
- In April 2004, both the Fairfax County and Metropolitan Washington Coincident Indices increased over March. (See page 5)
- The Fairfax County April 2004 Leading Index rose to its second highest value ever attained. (See page 6)



The Fairfax County Economic Indicators is on the Web and can be accessed at:

<http://www.fairfaxcounty.gov/comm/economic/economic.htm>

RESIDENTIAL EMPLOYMENT

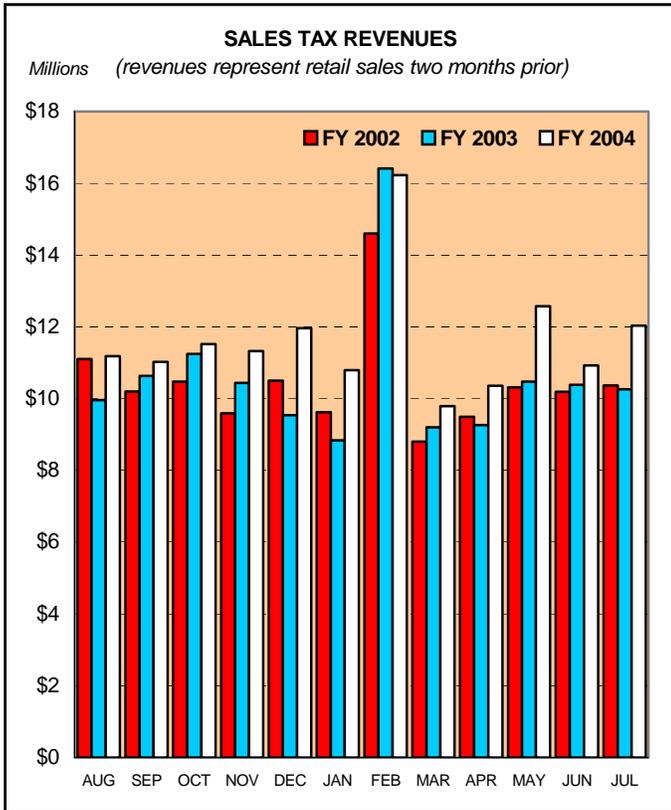


Source: Virginia Employment Commission. Compiled by the Fairfax County Department of Management and Budget.

Employment

The April 2004 unemployment rate in Fairfax County decreased to 1.7 percent from 2.0 percent in March 2004. As reported by the Virginia Employment Commission (VEC), the number of employed Fairfax County residents was 573,395 in April 2004, an increase of 23,842, or 4.3 percent over April 2003. During this period, unemployment in Fairfax County fell 0.7 percentage points from 2.4 percent in April 2003 to 1.7 percent in April 2004.

Virginia's April 2004 unemployment rate fell to its lowest level in three years at 3.1 percent, 0.3 percentage points below the 3.4 percent recorded in March 2004. The decline was driven by strong spring hiring trends reflected primarily in the tourism and travel sectors. Compared nationally, Virginia's rate was well below the U.S. April 2004 unemployment rate of 5.4 percent.



Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

Fairfax County Sales Tax Receipts

June Sales Tax receipts for Fairfax County, representing retail purchases made in April, are \$10.9 million, an increase of 5.2 percent over June 2003. Through the first eleven months of FY 2004, Sales Tax receipts are up 9.7 percent over the same period in FY 2003.

National Sales Tax Receipts

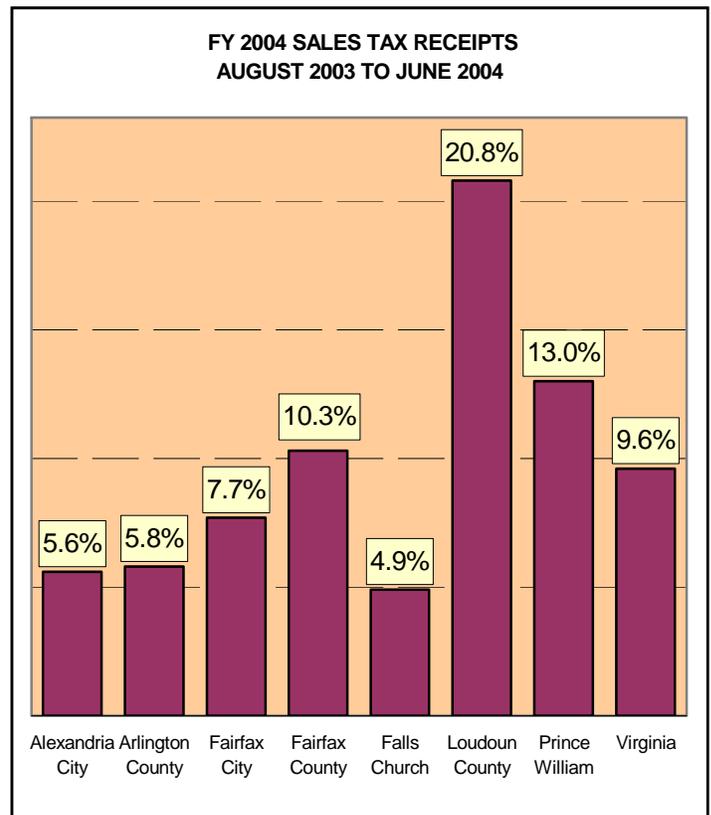
According to the Commerce Department, seasonally adjusted preliminary May 2004 retail sales estimates for the U.S. increased just 1.2 percent from the previous month but increased 8.9 percent over May 2003. Compared to last year, health and personal care store sales are up 7.7 percent, building materials and garden equipment are up 16.5 percent, retail store sales are up 8.1 percent, and gasoline station sales are up 10.8 percent.

2004 Greater Washington Regional Report

As reported by the Greater Washington Initiative, the region (as defined as an area including the District, seven Northern Virginia jurisdictions, and eight counties in Maryland) led the nation's largest eleven metro areas with nearly 20,000 net new jobs created in 2003. Below is some additional information contained in the report.

- Greater Washington's economy grew by 23.2 percent (inflation adjusted) in the past five years, compared to the national growth rate of 14.7 percent over the same period.
- The region was the only major metro area in the nation with positive job growth for the second consecutive year.
- Despite the addition of 100,000 new residents annually over the past five years, the region has maintained the nation's lowest metro unemployment rate (3.3 percent) and highest rate of job growth.
- The Greater Washington region employs 75,800 more workers in the technology sector than San Francisco / San Jose.

The entire report can be found at www.greaterwashington.org.



Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

Neighboring Jurisdictions

Sales Tax receipt growth during the period of August 2003 through June 2004 is positive for all of the Northern Virginia localities. These receipts correspond to retail purchases made from June 2003 through April 2004.

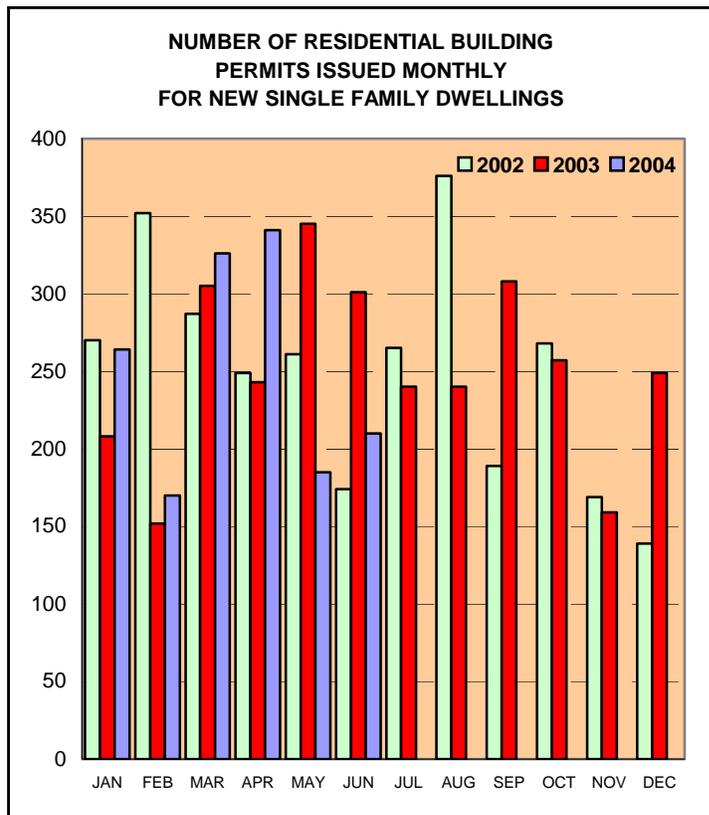
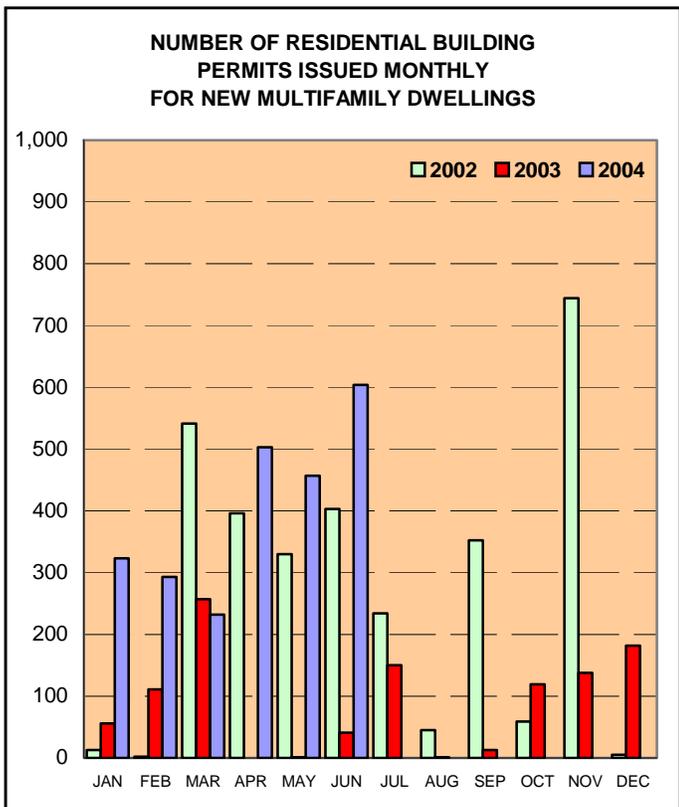
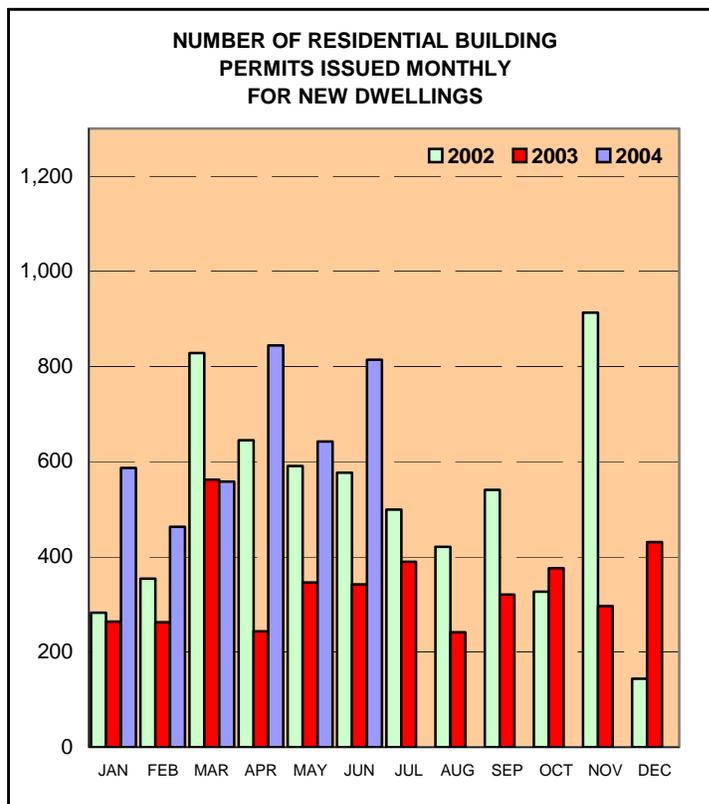
During this period, Sales Tax receipts are up significantly in Loudoun County at 19.6 percent and Prince William County at 13.2 percent. Sales Tax receipts in Fairfax County are up 9.7 percent, Arlington County up 5.6 percent, Alexandria City 5.4 percent, Falls Church 5.4 percent, and Fairfax City 7.8 percent. During the eleven-month period from August 2003 through June 2004, Statewide Sales Tax receipts are increasing at a rate of 9.3 percent.



Building Permits

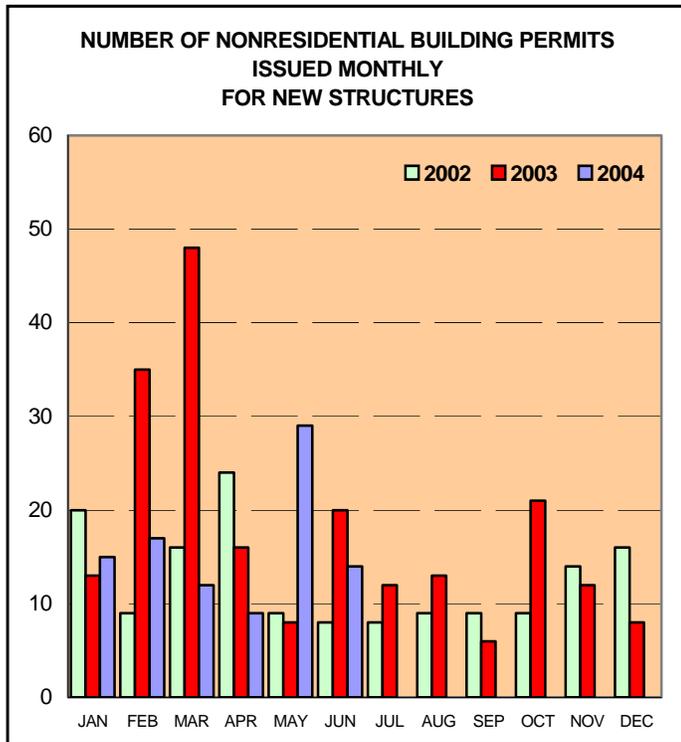
Issues of new residential dwelling permits continued to register a significant gain in May 2004. As a result, the 3,094 permits issued during the first five months of calendar year 2004 exceed that of the same period last year by a margin of 84.4 percent, or 1,416 permits. Through the first five months of calendar year 2004, 1,808 multifamily permits have been issued, more than four times the 425 permits issued during the same period last year. Single family permits issued through May 2004 total 1,286, up 2.6 percent or 33 permits, calendar year-to-date.

By contrast, residential repair and alteration permits issued through May 2004 are 1,677, a decline of 2,714 permits or 61.8 percent from the same period last year.



NOTE: In February 2002, only two permits were issued; in April 2003, no permits were issued; in August 2003, only one multifamily permit was issued and therefore, the bars are too small to discern.

Source of data for all above charts: Fairfax County Department of Public Works and Environmental Services. Compiled by the Department of Management and Budget.

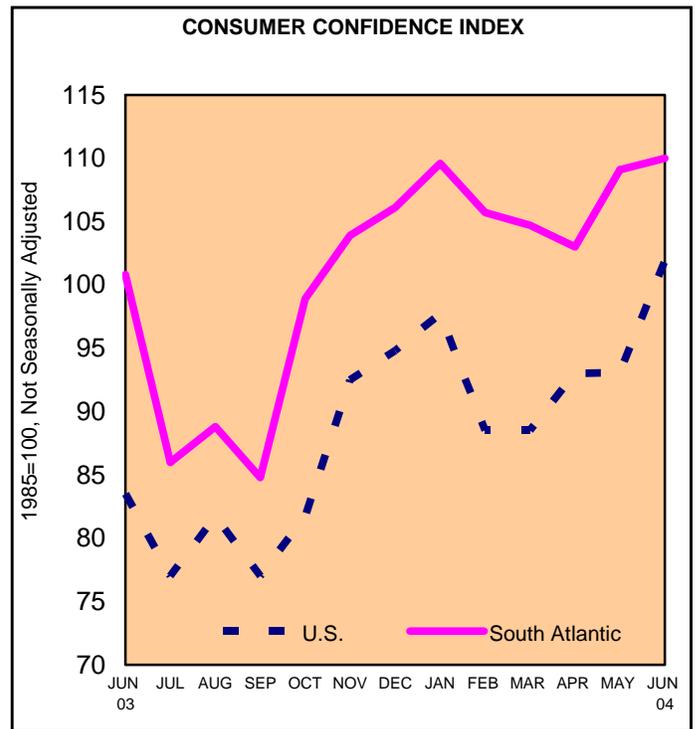


Source: Fairfax County Department of Public Works and Environmental Services. Compiled by the Fairfax County Department of Management and Budget.

Nonresidential Building Permits

The number of nonresidential building permits issued in May increased significantly over last year, halting a three month trend of gradual declines. The 29 permits issued in May represent over a third of the total number issued to-date. Through May 2004, 82 nonresidential building permits have been issued, down 31.7 percent or 38 permits from the same period last year. However, nonresidential repair and alterations permits issued through May 2004 were 1,571, an increase of 15.8 percent or 214 permits over the same period last year.

ADDITIONAL INDICATORS



Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget.

Consumer Confidence Index

The Conference Board reports that the Consumer Confidence Index increased in May 2004. The Index now stands at 93.2, compared to 93.0 in April. According to Lynn Franco, Director of the Conference Board's Consumer Research Center, "The recent upturn in the Index is being spurred by strong employment gains in March and April."

The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. In May, the Present Situation Index decreased slightly to 90.3 from 90.4 points, a 0.1 point loss from last month. The Expectations Index increased to 95.2 from 94.8, an increase of 0.4 points.

As Franco noted, "[Strong employment gains] have made consumers more positive about short-term prospects in the months ahead. The pickup in the job market is offsetting the impact of rising gas prices and escalating tensions overseas."

Due to the implementation of a new computer system, Fairfax County home sales data are not available this month.

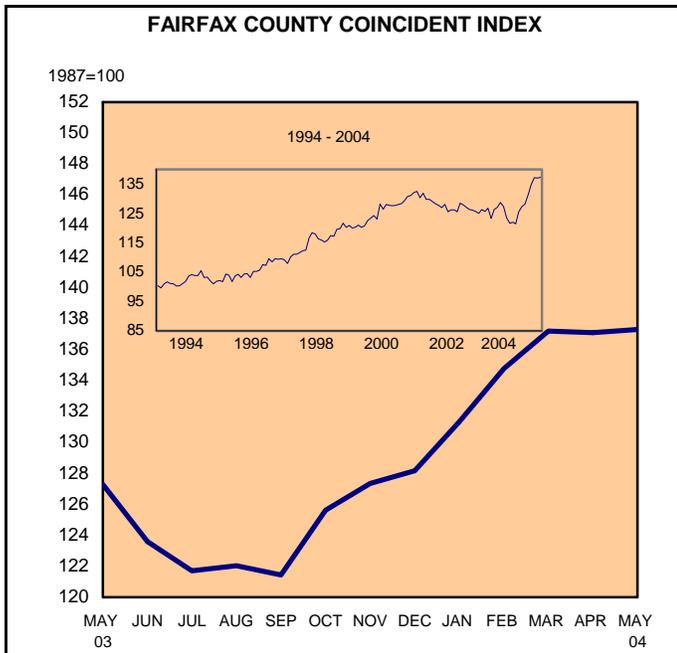
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in the coming months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

Fairfax County Coincident Index

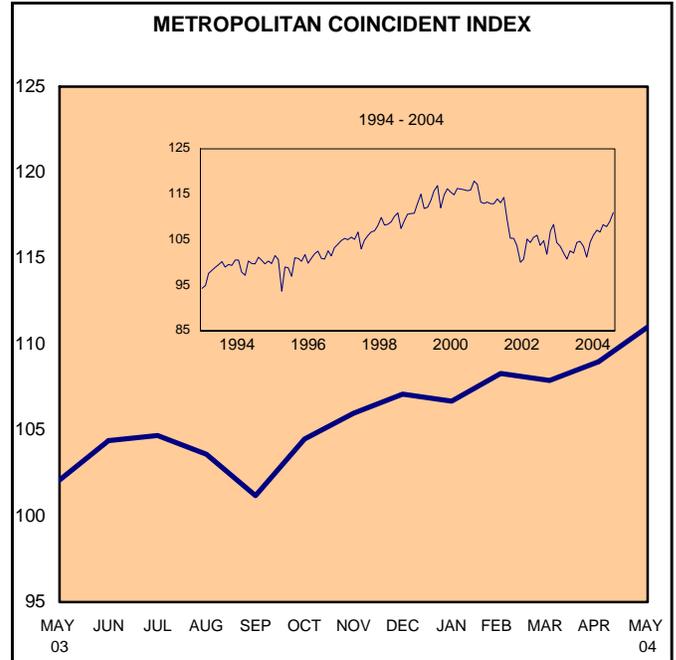


The Fairfax County Coincident Index, which represents the current state of the County's economy, increased to 137.4 in April 2004, a 0.2 percent gain over March 2004. The Index has increased eight consecutive months over last year's same-month values and is currently 6.7 percent above its April 2003 value.

In April, three of the Index's four components were positive. Consumer Confidence (in the present) increased for the second consecutive month; total employment increased for the fourteenth consecutive month. Transient occupancy tax collections, adjusted for inflation and seasonal variation, increased for the fifth time in six months. By contrast, sales tax collections, adjusted for inflation and seasonal variation, declined following a sharp gain in March.



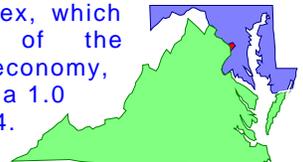
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.



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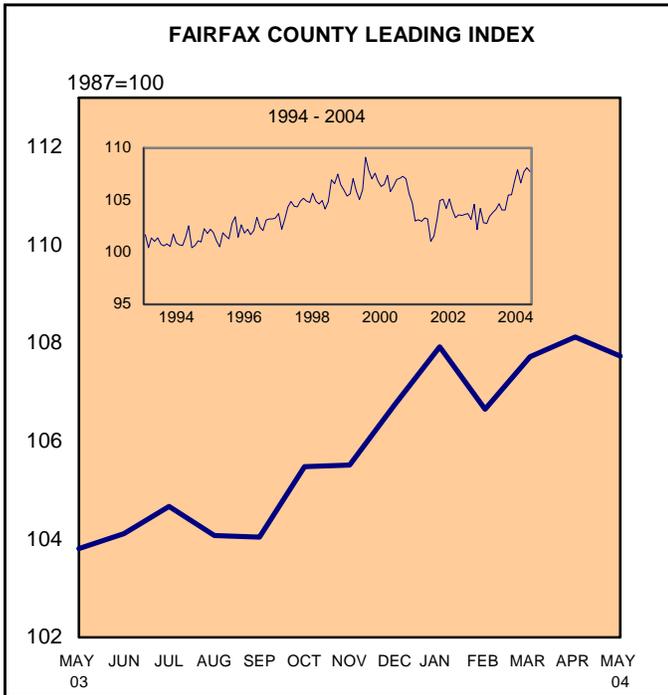
Metropolitan Coincident Index

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, increased to 109.0 in April 2004, a 1.0 percent gain over March 2004.



While the Index has declined twice in the past four months, the Index has exceeded its same month value last year for five consecutive months, up 6.6 percent over April 2003.

In April, all four of the Index's components were positive for the second time in the past twelve months. Domestic passenger volume at Reagan National and Dulles Airports increased for the fifth time in seven months; nondurable goods retail sales increased for the third time in four months; Consumer Confidence (in the present) increased in April for the second consecutive month; and wage and salary employment increased for the third consecutive month.



Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.

Fairfax County Leading Index



The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, increased to 108.1 in April 2004, a 0.3 percent gain over March 2004. This is the Index's second highest value ever attained. The April value is one point shy of its

all-time peak of 109.1 recorded in December 1999. The Index has increased for twelve consecutive months and is currently up 4.5 percent over its April 2003 value.

In April, three of the Index's five components contributed to its gain. Initial claims for unemployment insurance decreased (improved) in April; residential building permits issued increased for the fourth time in five months; and the total value of residential building permits increased for a second consecutive month. By contrast, consumer expectations (consumer confidence six months hence) declined for the third month in a row and new automobile registrations declined sharply in April.

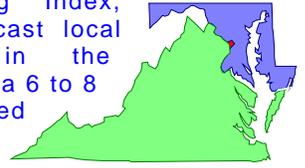
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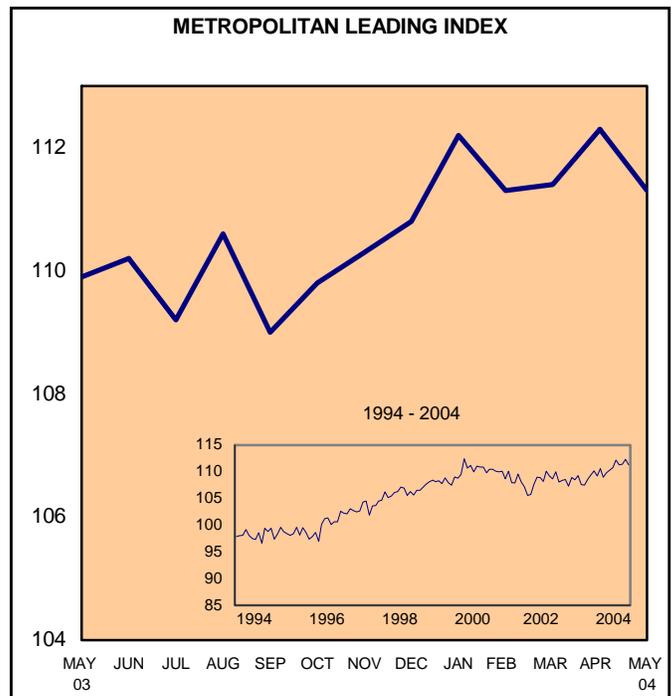
Staff: Susan Datta, Director; Marcia Wilds and Jameson Penn, analysts.

Metropolitan Leading Index

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 6 to 8 months in advance, increased to 112.3 in April 2004, a gain of 0.8 percent over March. The Index recorded its twelfth consecutive monthly gain in April and is currently up 3.6 percent over its April 2003 value.



In April, four of the Index's five components contributed to its gain. Total residential building permits increased for the third consecutive month; durable goods retail sales registered their third consecutive monthly increase; initial claims for unemployment insurance declined (improved) in April following two monthly increases; and the Help Wanted Index increased after remaining unchanged for two months. By contrast, consumer expectations (consumer confidence six months hence) in April declined for a third month in a row.



Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.