

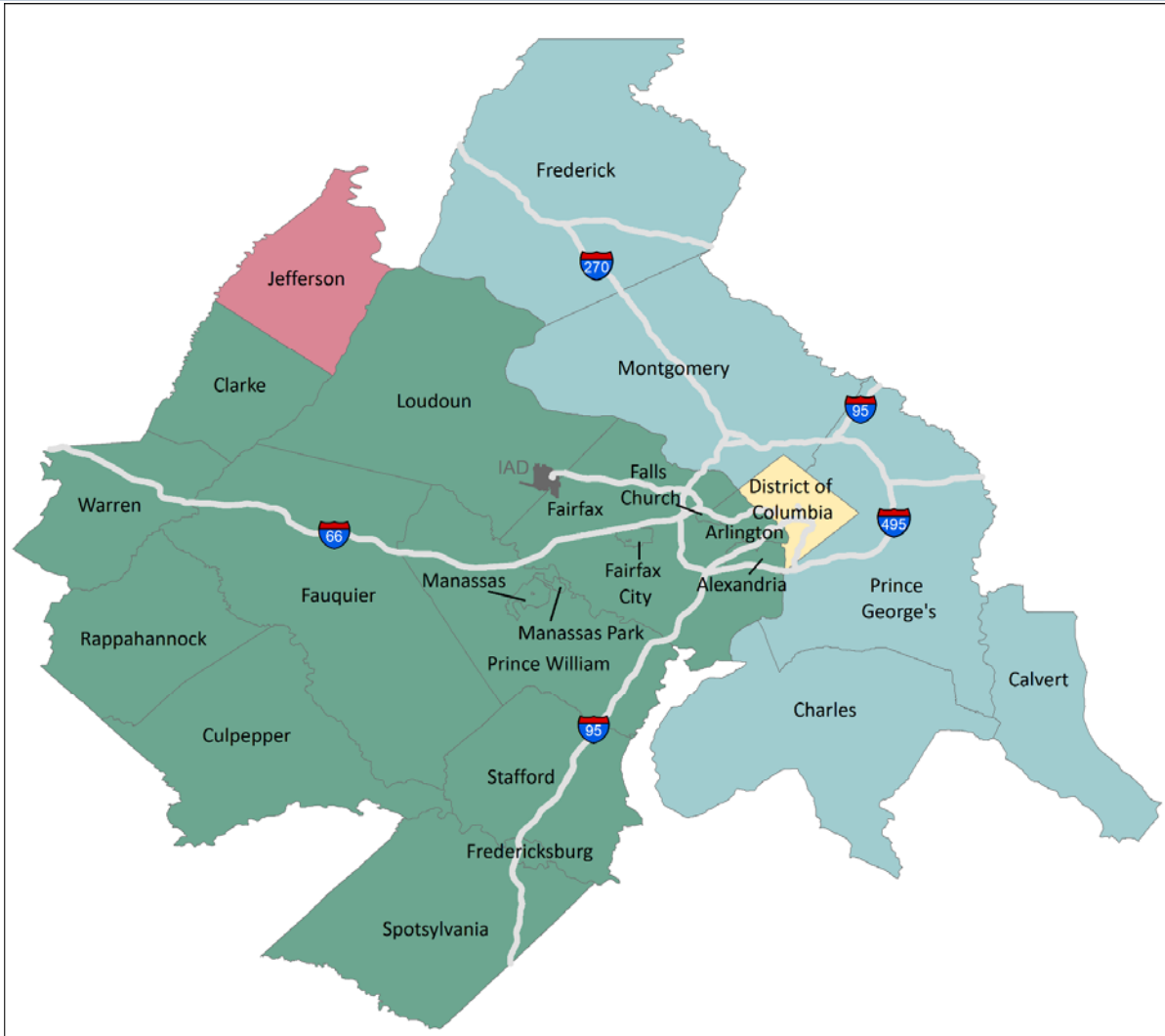
Overview of the Washington Region's and Fairfax County's Economic Transformation and Future Performance

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Dwight Schar Faculty Chair and University Professor
Director, The Stephen S. Fuller Institute
Schar School of Policy and Government
George Mason University



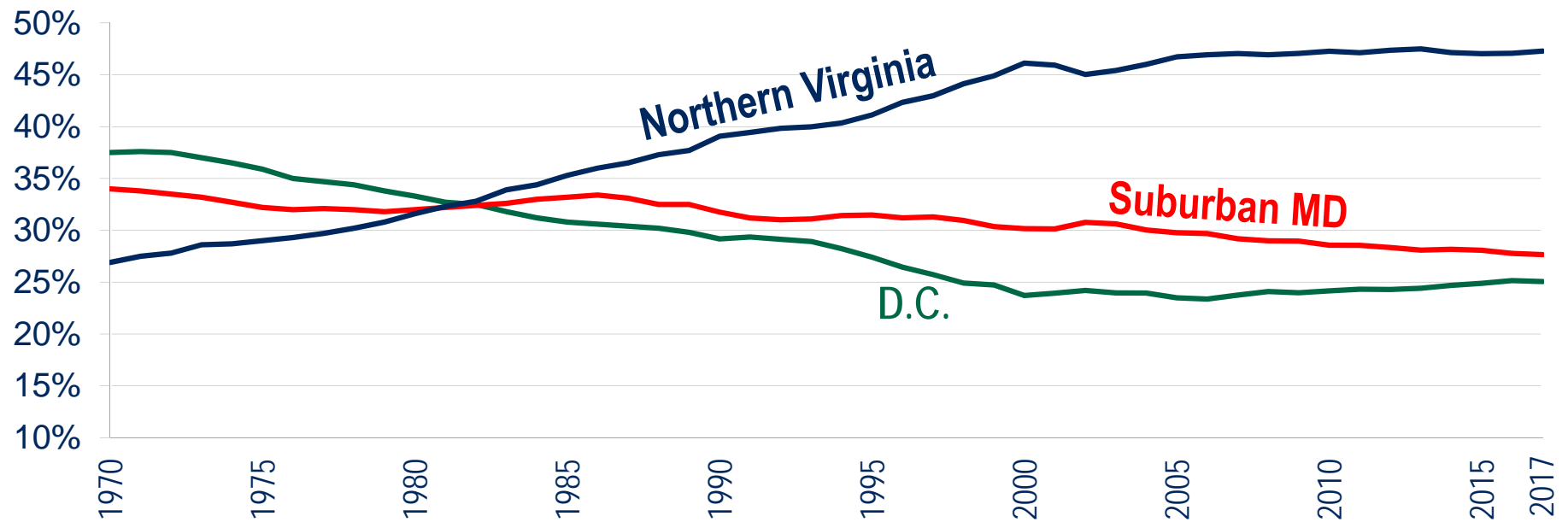
March 9, 2019

How have the Washington region's and Fairfax County's economies changed and how have these changes affected their performances?



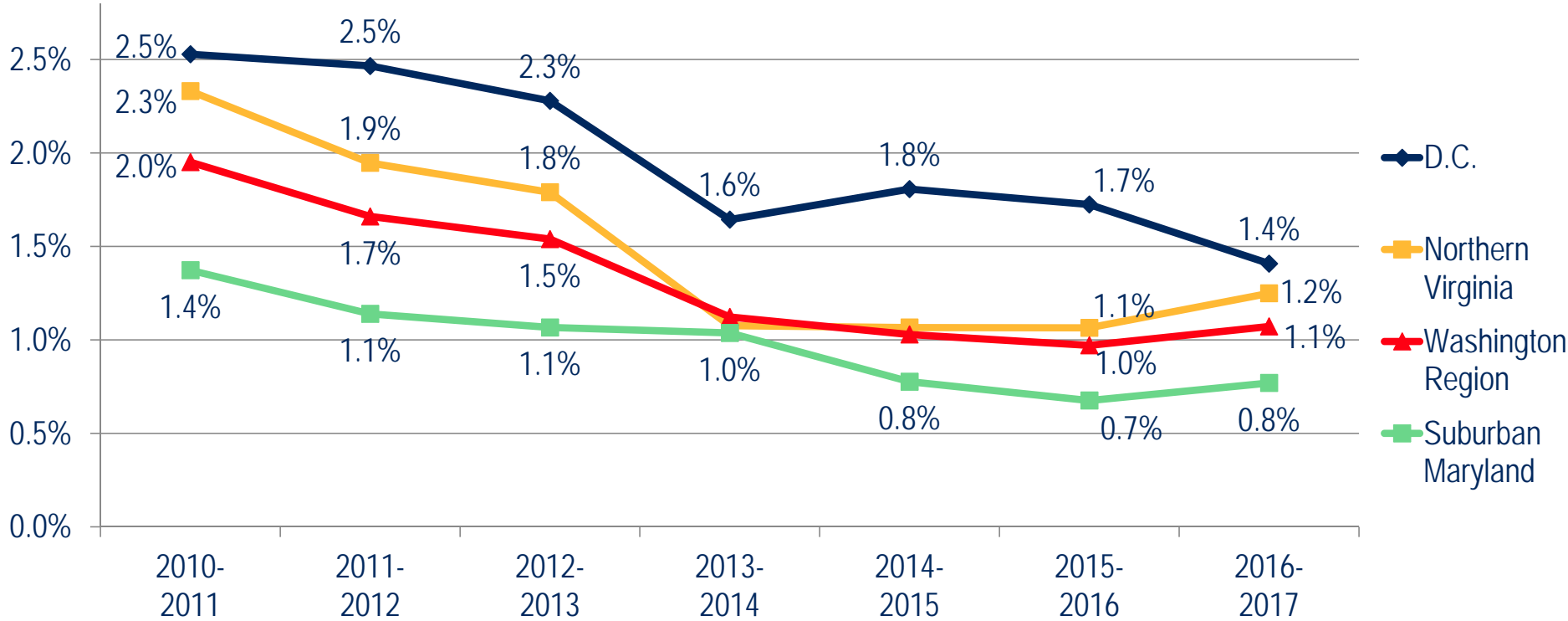
Washington Region

Percent of GRP Washington Region Economy 1970-2017



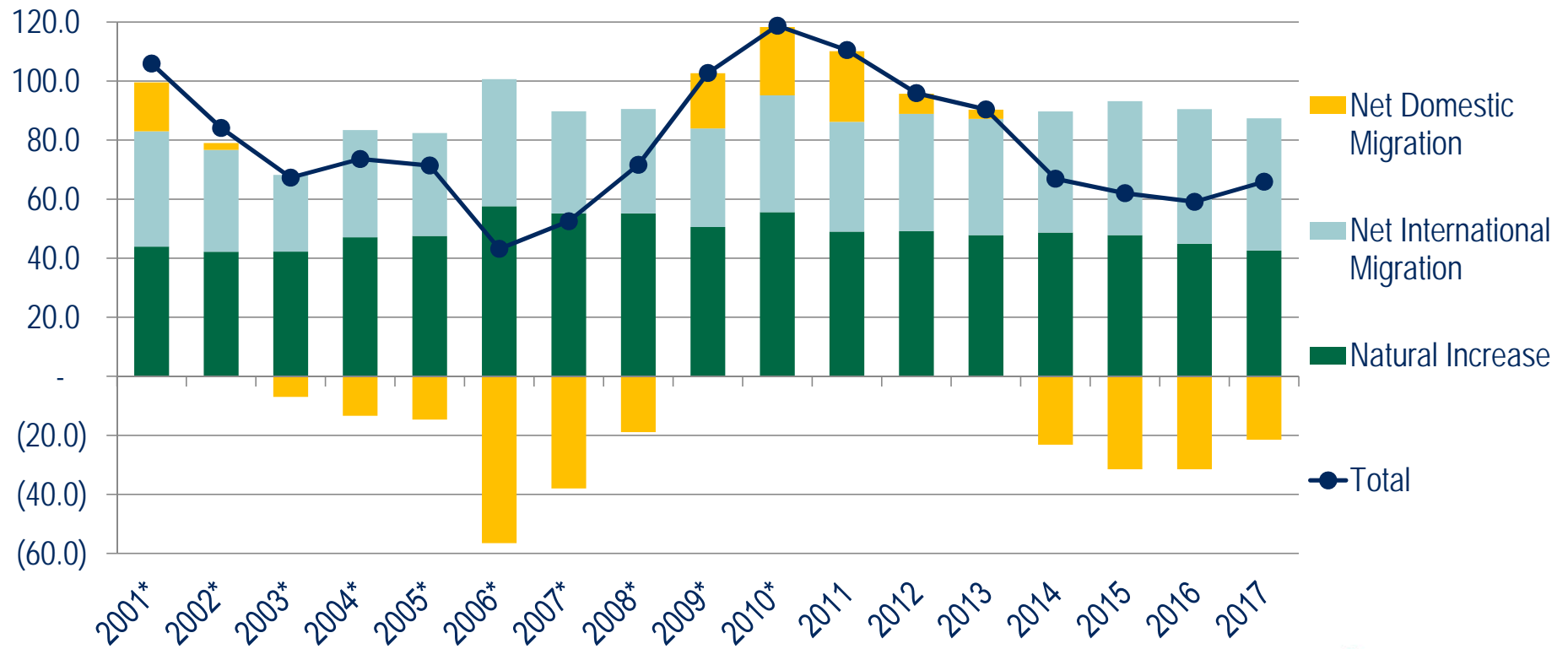
Source: The Stephen S. Fuller Institute at the Schar School, GMU

Population Growth by Sub-State Area Washington Region, 2010 to 2017



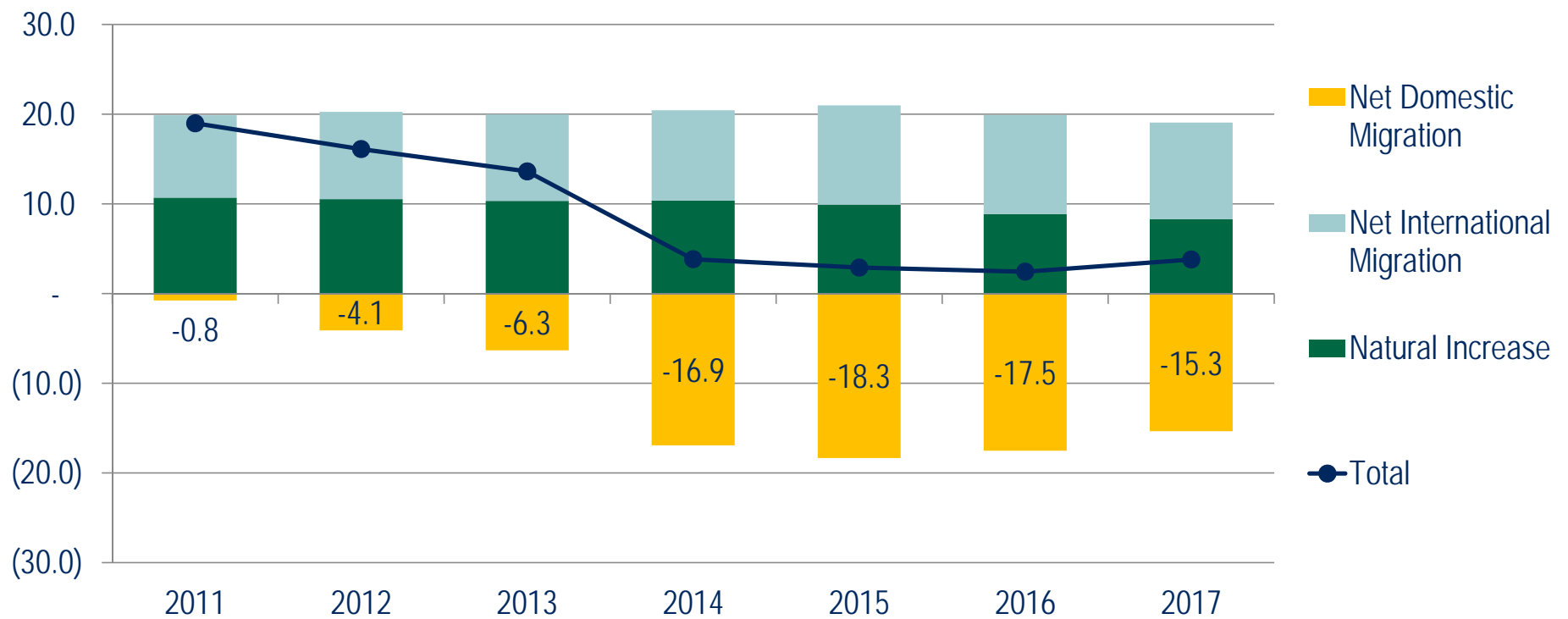
Sources: U.S. Census Bureau (v2017 Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU

Population Growth By Component Change Washington Region (in 000s)



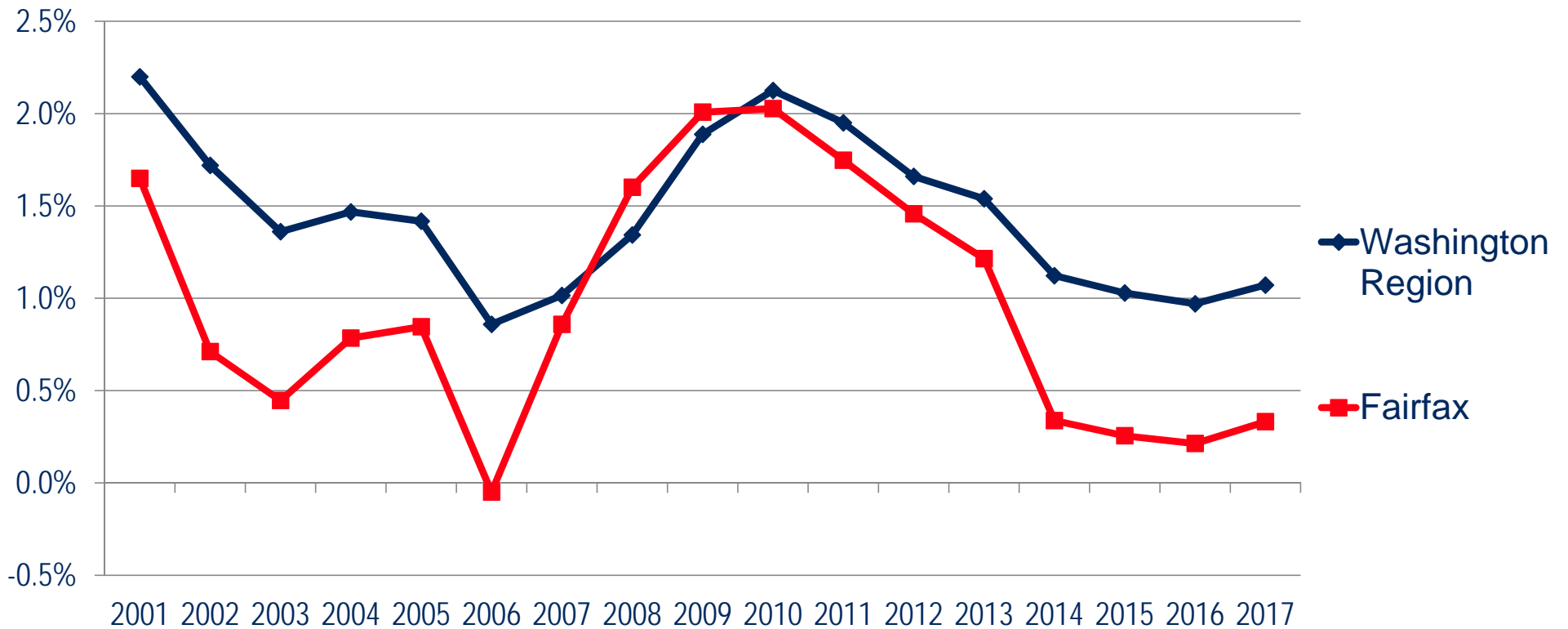
Sources: U.S. Census Bureau (Intercensal, v2009 and v2017 Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU
*Estimate

Population Growth By Component Change Fairfax County, VA (in 000s)



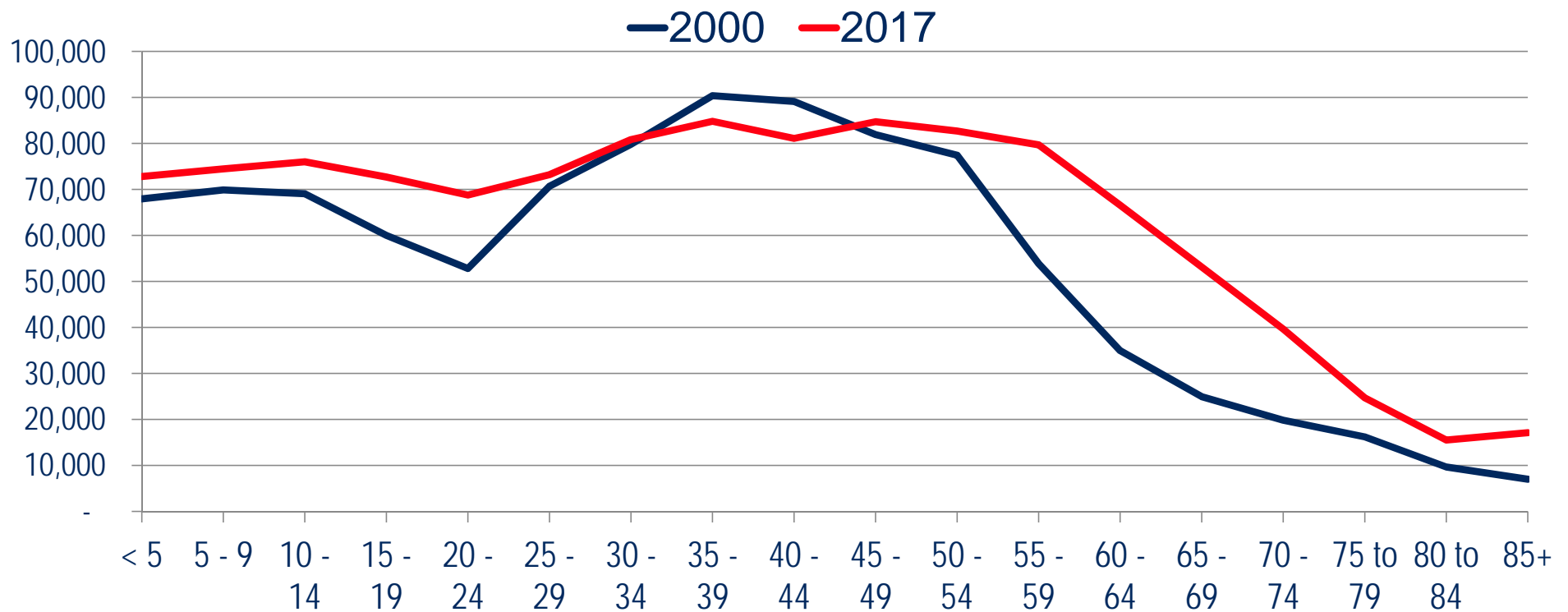
Sources: U.S. Census Bureau (v2017 Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU

Population Growth: Washington Region & Fairfax County, 2001 to 2017



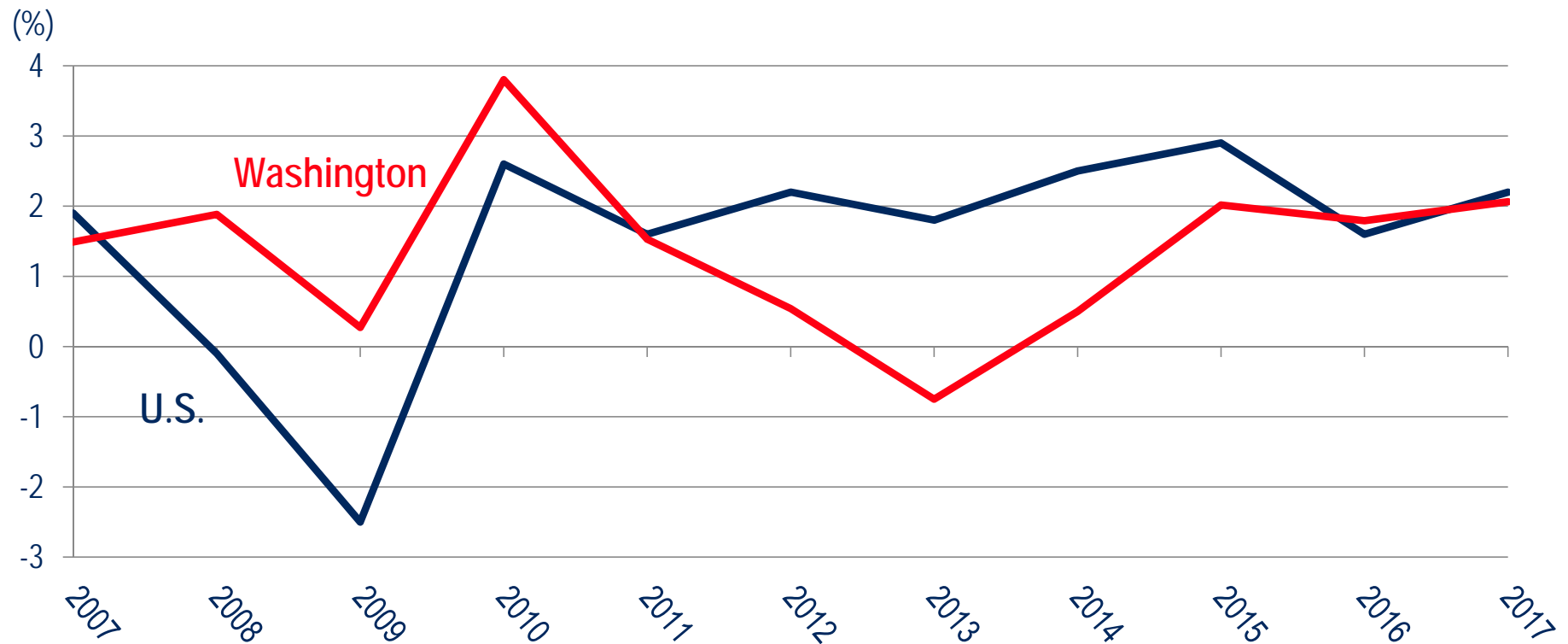
Sources: U.S. Census Bureau (Intercensal & v2017 Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU

Population by Age in Fairfax County 2000 and 2017



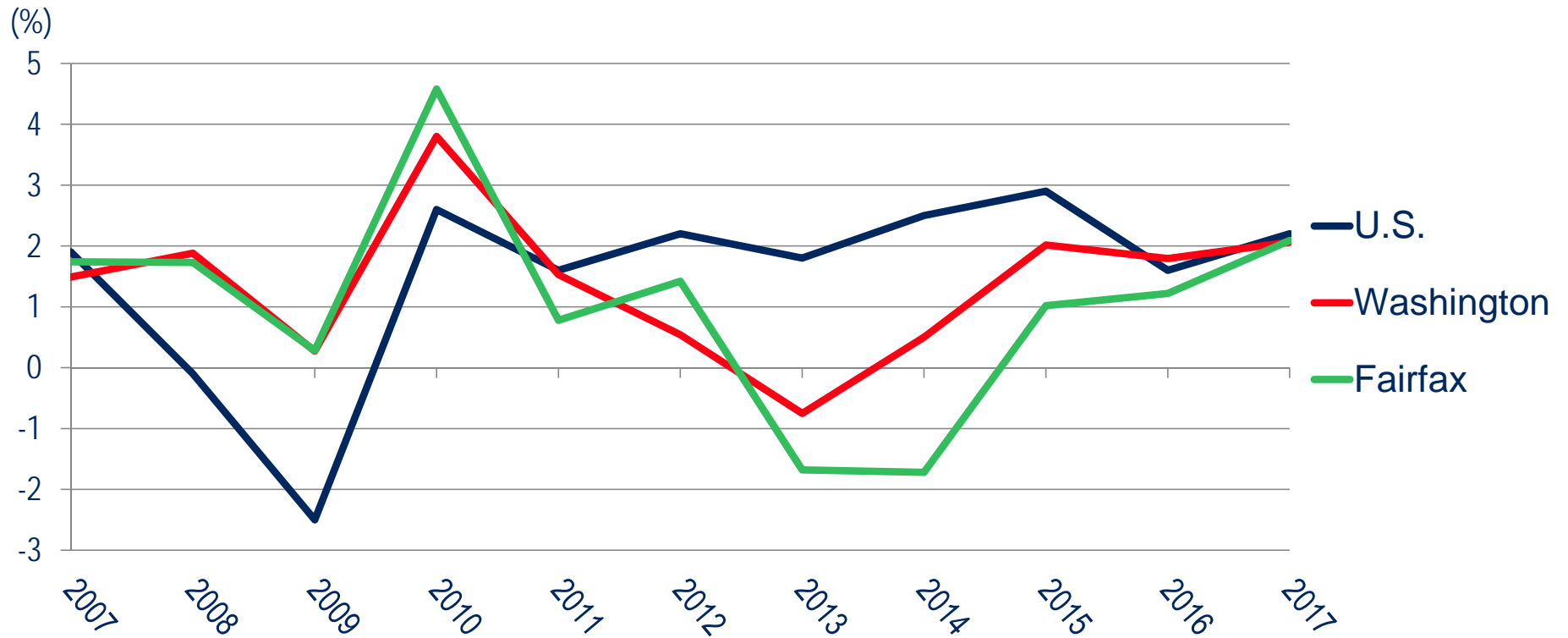
Sources: U.S. Census Bureau (2000-2010 Intercensal and v2017 Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU

U.S. GDP and Washington MSA GRP 2007 – 2017 (Annual % Change)



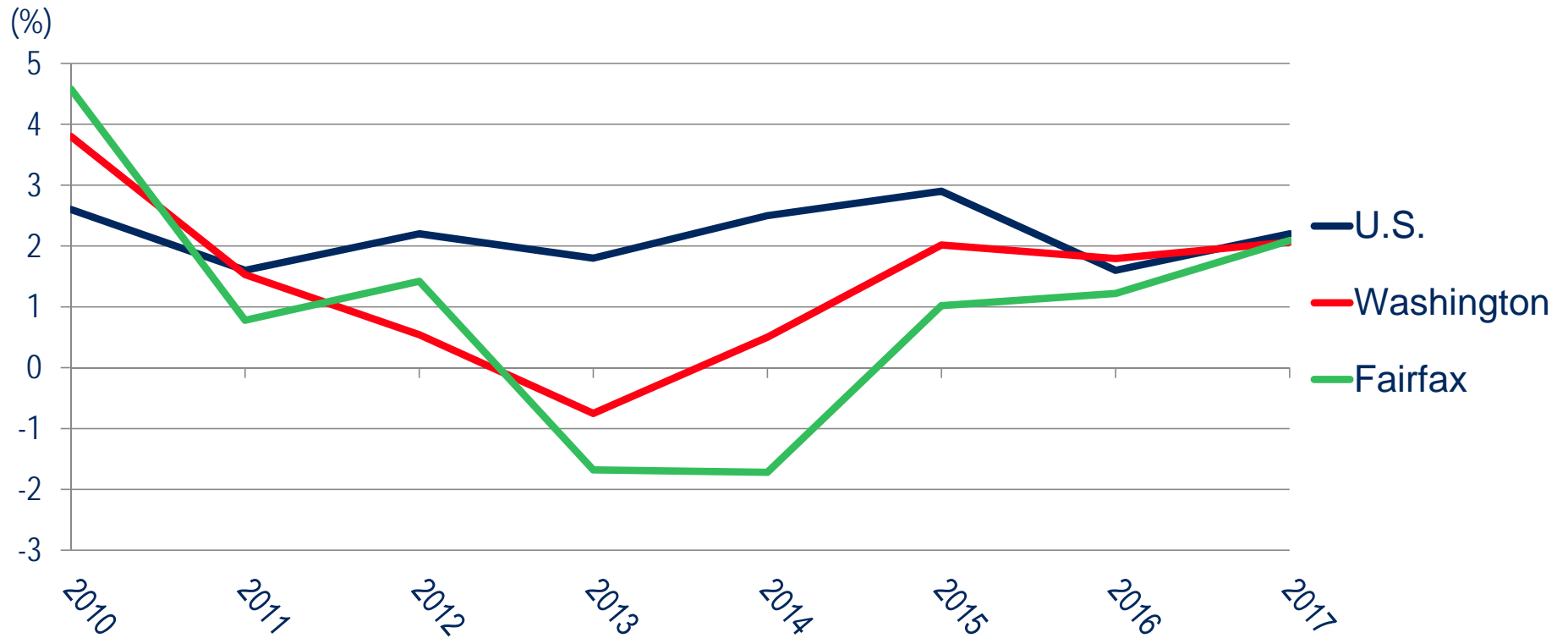
Sources: U.S. Bureau of Economic Analysis; The Stephen S. Fuller Institute at the Schar School, GMU

U.S. GDP, Washington MSA GRP and Fairfax* GCP 2007 – 2017 (Annual % Change)



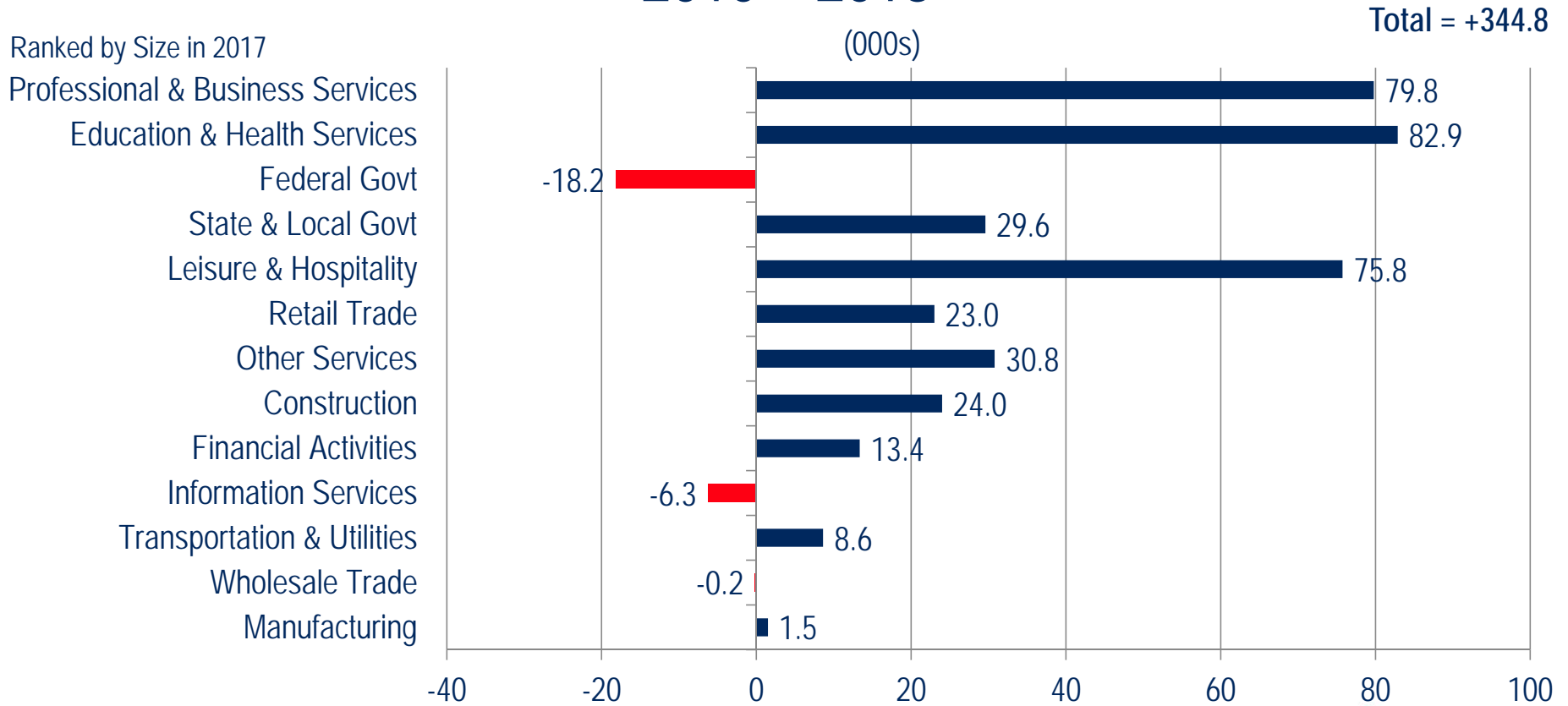
Sources: U.S. Bureau of Economic Analysis; IHS Markit; The Stephen S. Fuller Institute at the Schar School, GMU
*Includes the cities of Fairfax and Falls Church

U.S. GDP, Washington MSA GRP and Fairfax* GCP 2007 – 2017 (Annual % Change)



Sources: U.S. Bureau of Economic Analysis; IHS Markit; The Stephen S. Fuller Institute at the Schar School, GMU
*Includes the cities of Fairfax and Falls Church

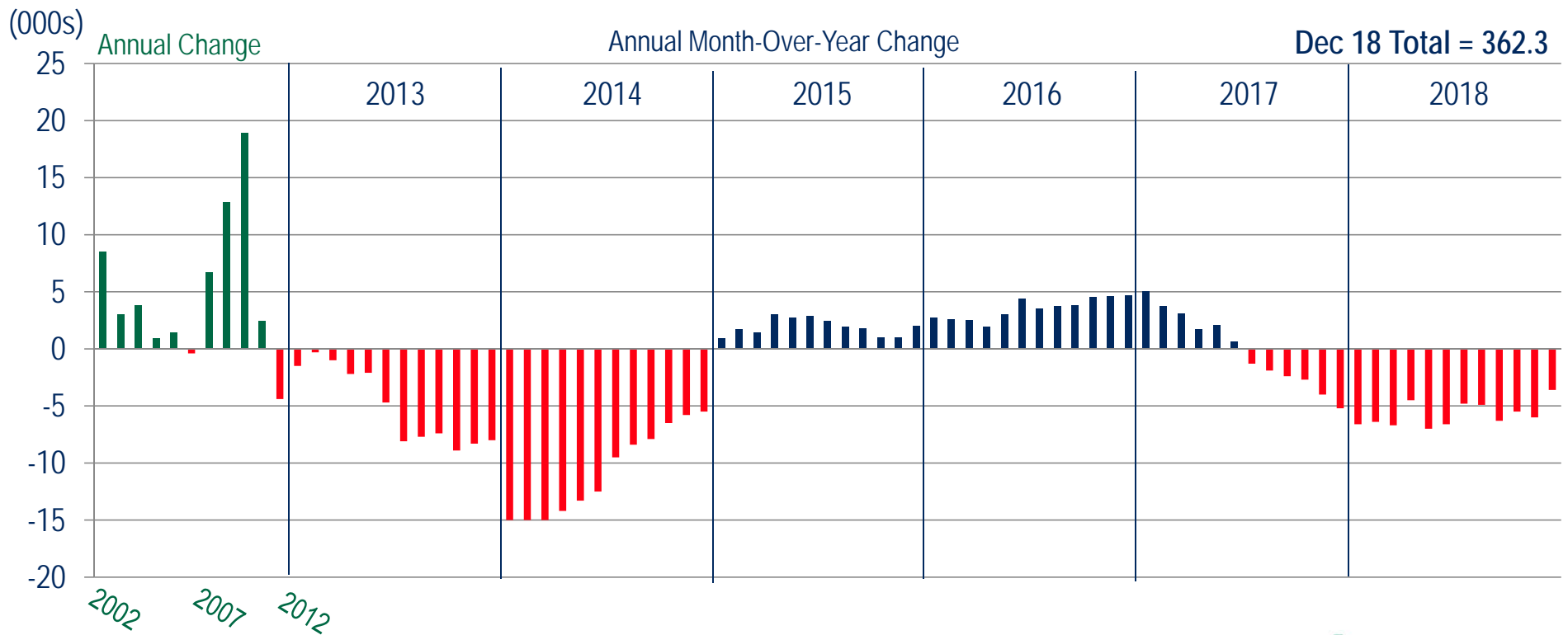
Washington MSA Job Change by Sector 2010 – 2018*



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

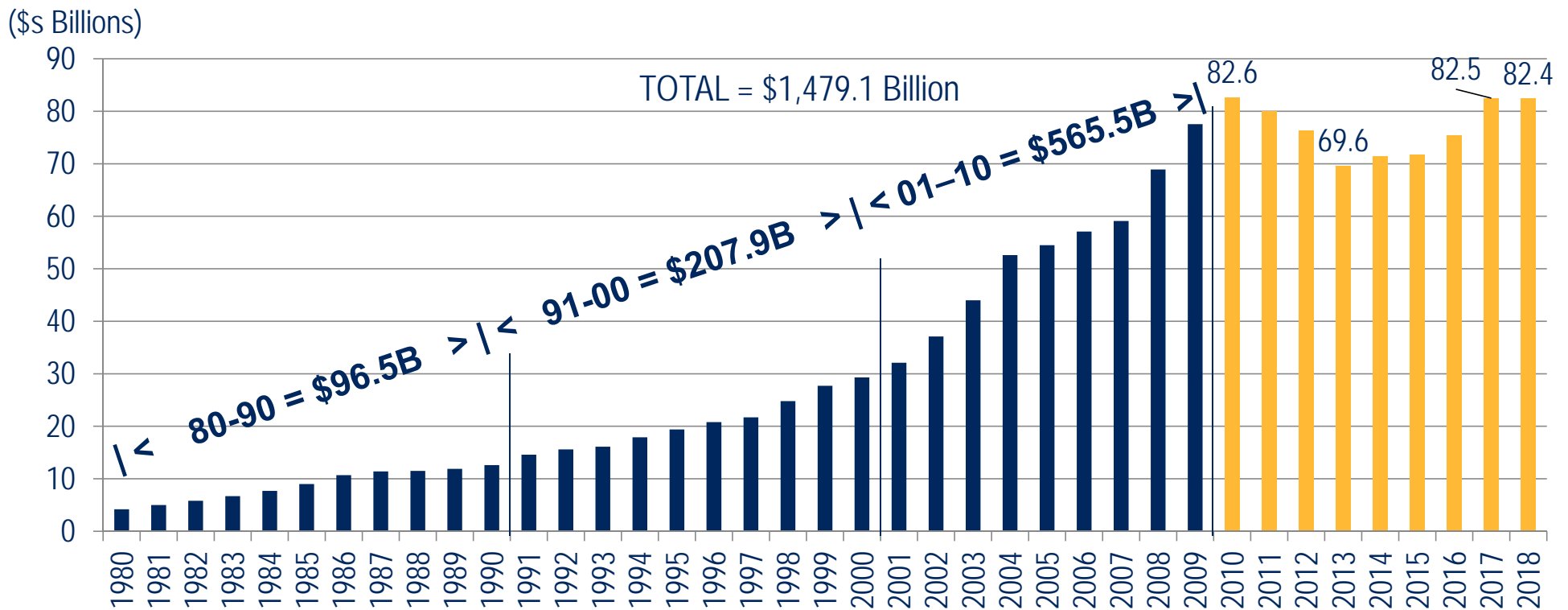
*Preliminary

Federal Government Jobs Washington MSA



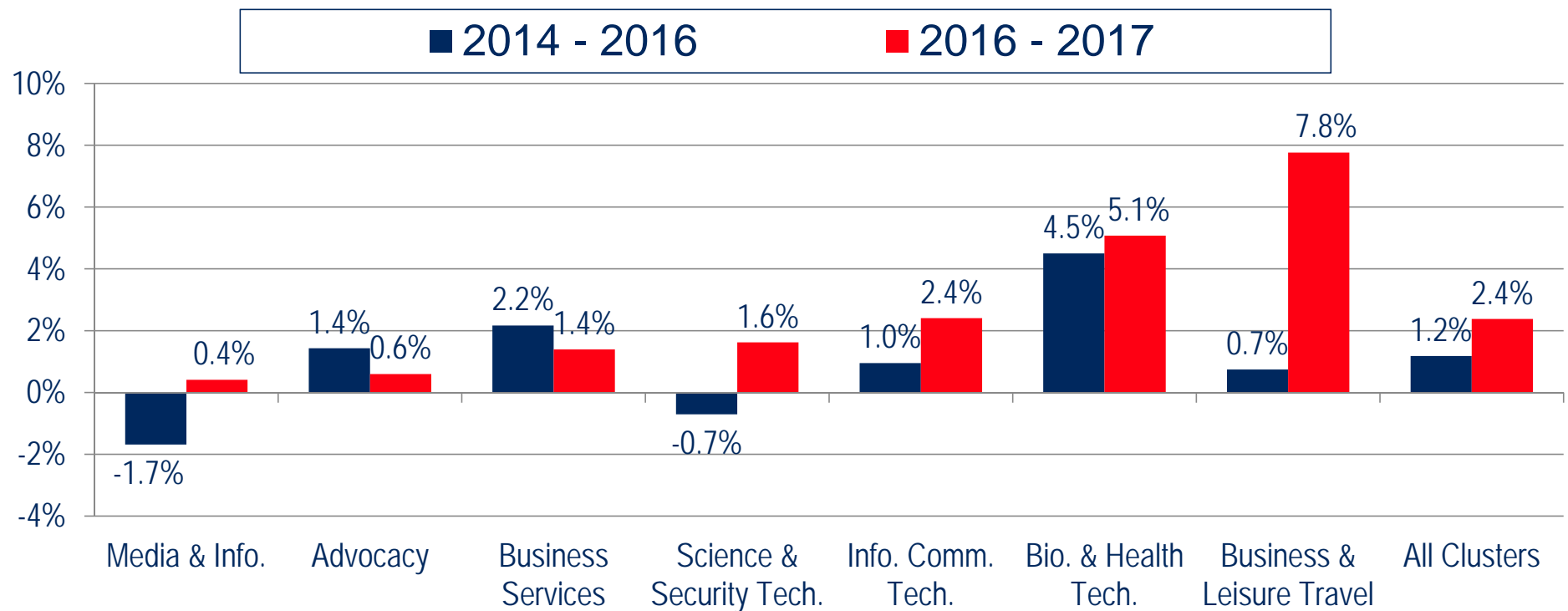
Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU

Federal Procurement in the Washington Region, 1980-2018



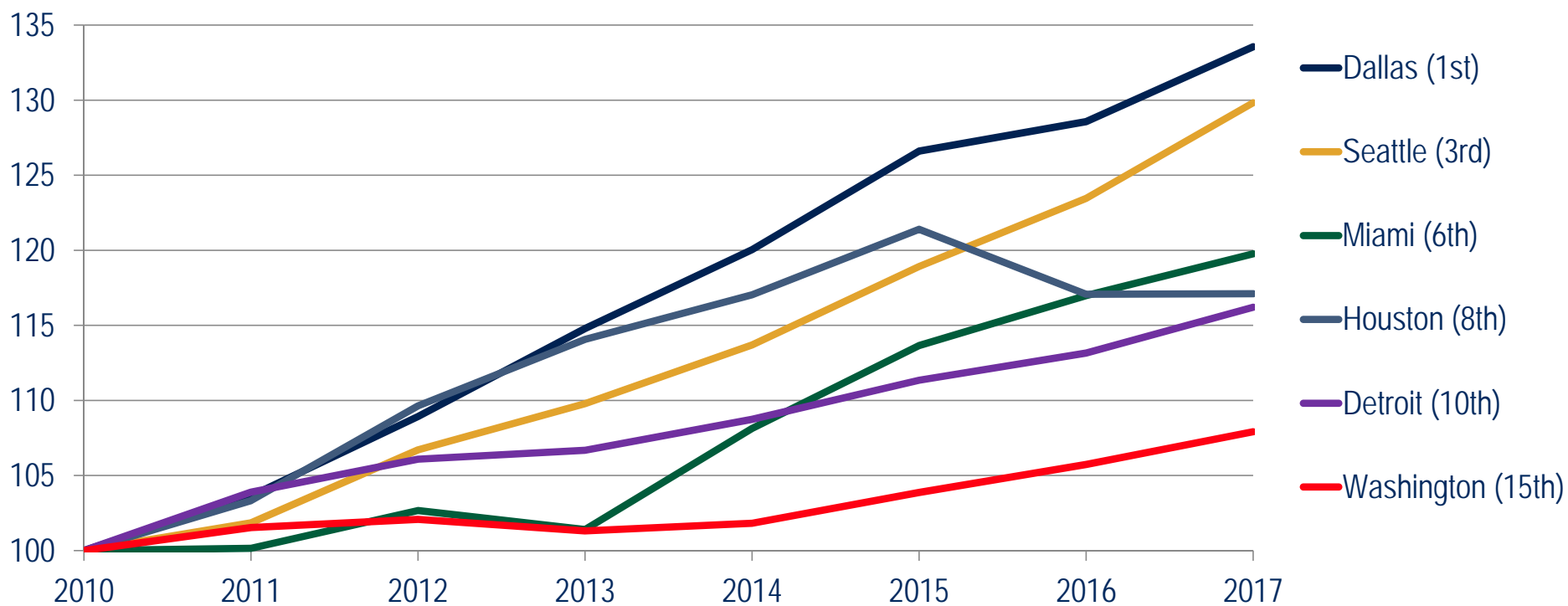
Source: US Census, Consolidated Federal Funds Report and USAspending.gov, The Stephen S. Fuller Institute at the Schar School, GMU

Growth Rates of the Washington Region's Advanced Industrial Clusters, Annualized Growth



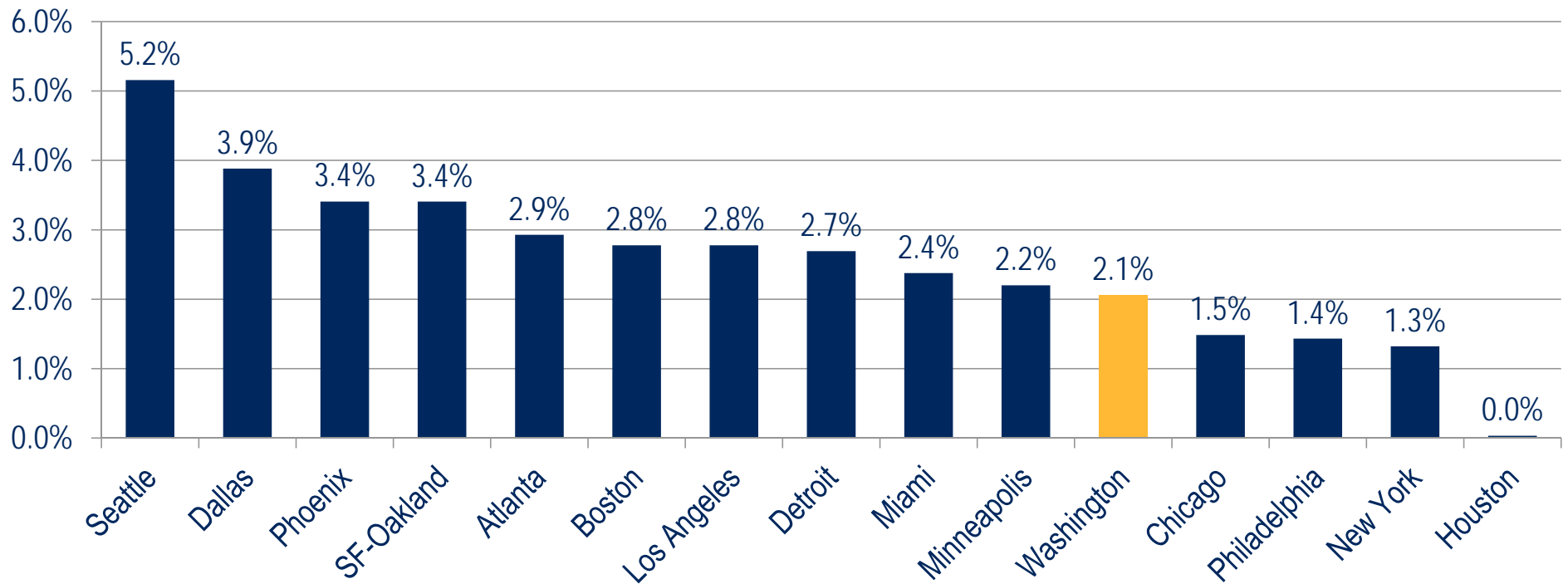
Sources: U.S. Bureau of Labor Statistics (QCEW), The Stephen S. Fuller Institute at the Schar School, GMU

GRP Growth in Washington and Peer Metros 2010 – 2017 (100 = 2010)



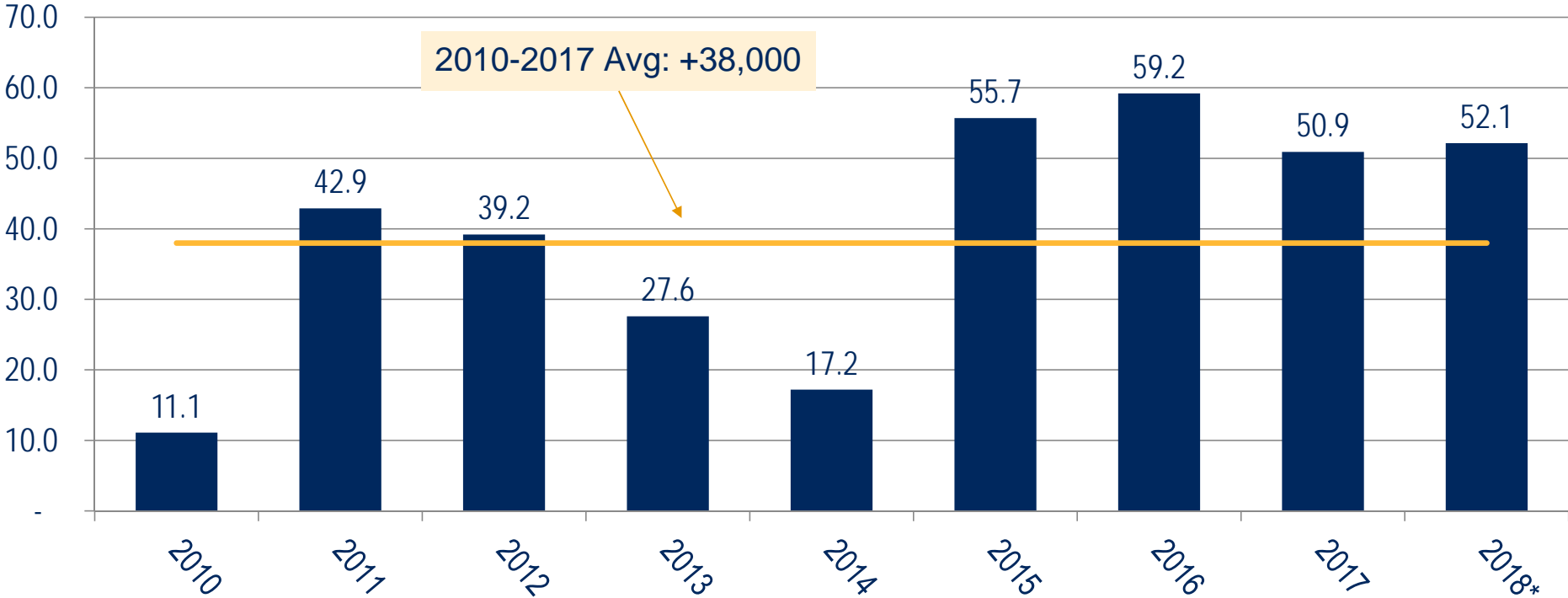
Sources: U.S. Bureau of Economic Analysis, The Stephen S. Fuller Institute at the Schar School, GMU

2017 GRP Change in the Largest Metros (inflation-adjusted)



Sources: U.S. Bureau of Economic Analysis, The Stephen S. Fuller Institute at the Schar School, GMU

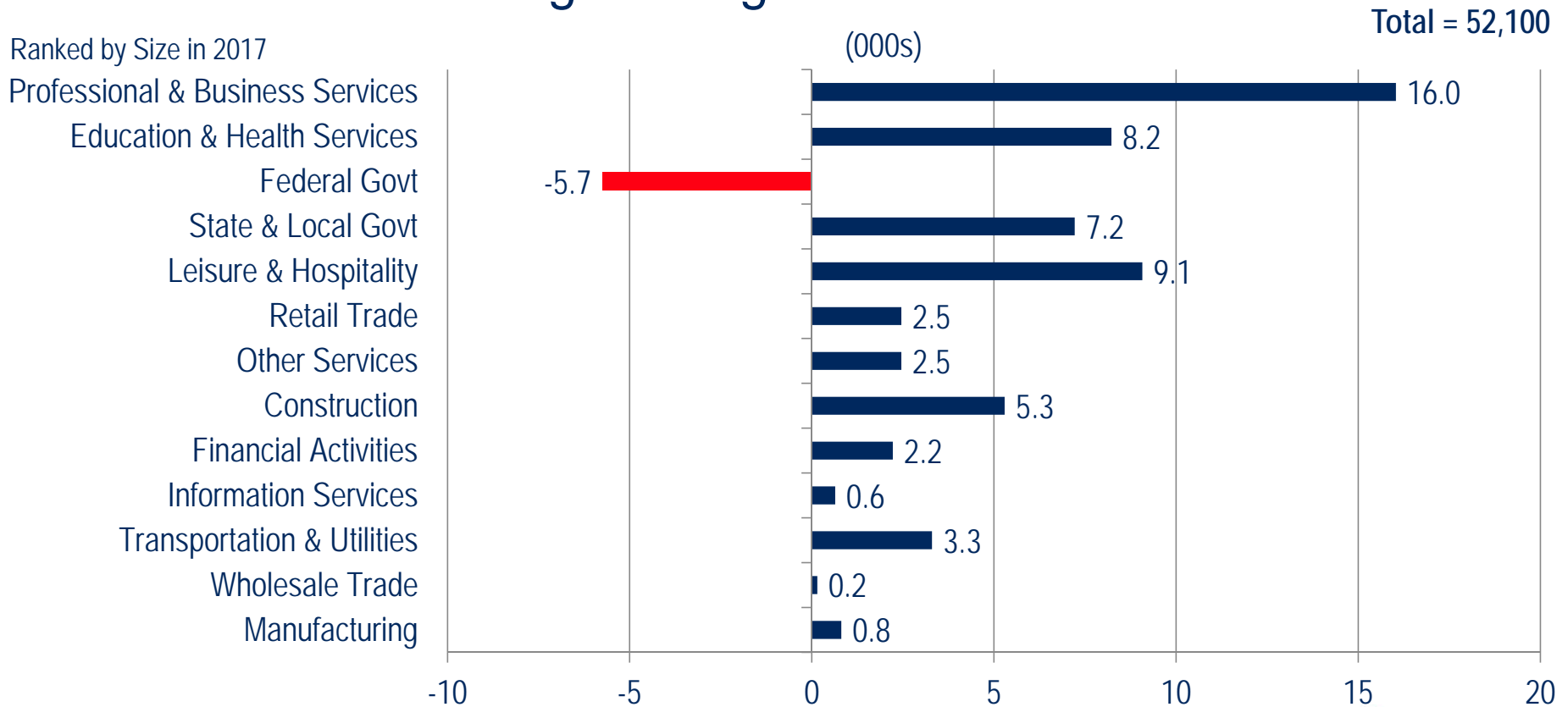
Job Change in the Washington Region 2010 – 2018 (in thousands)



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

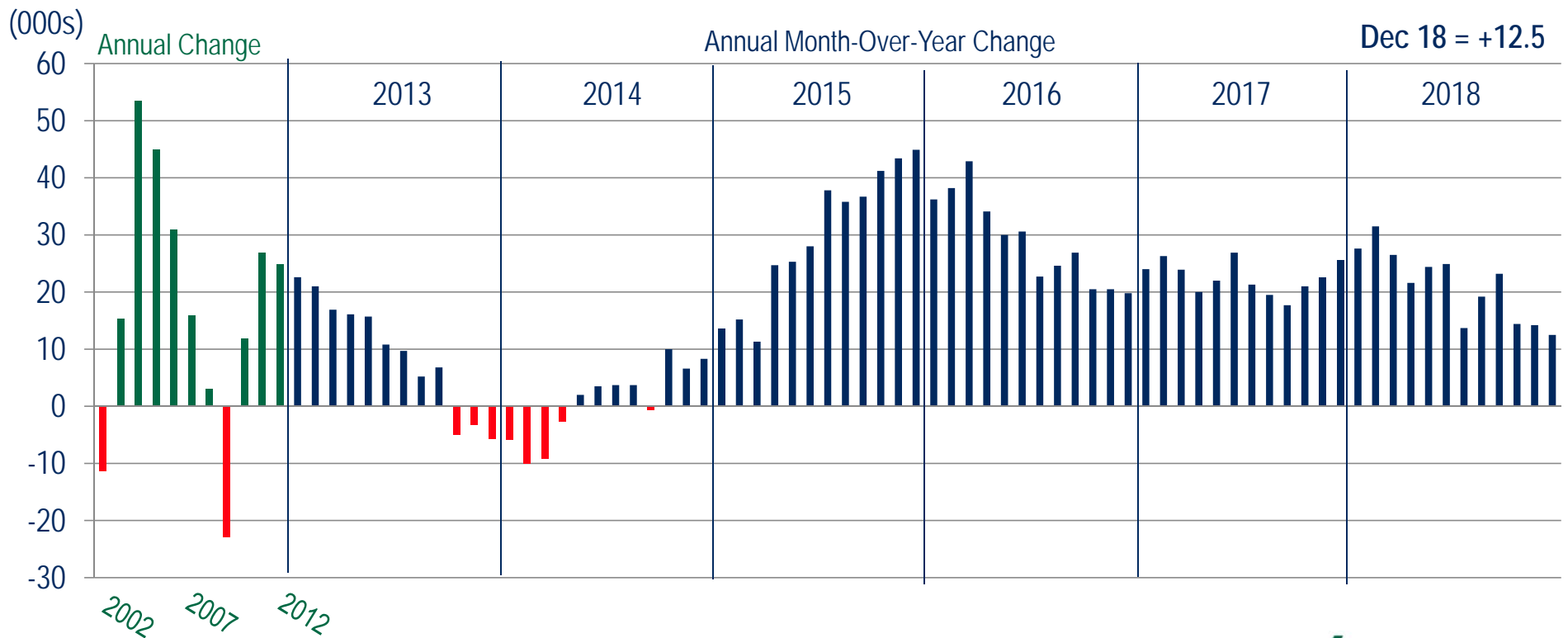
Washington MSA Job Change by Sector

Average through December 2018



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

Northern Virginia Annual Job Change, 2002-2018



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

Fairfax County's Changing Economic Structure 2010-2020

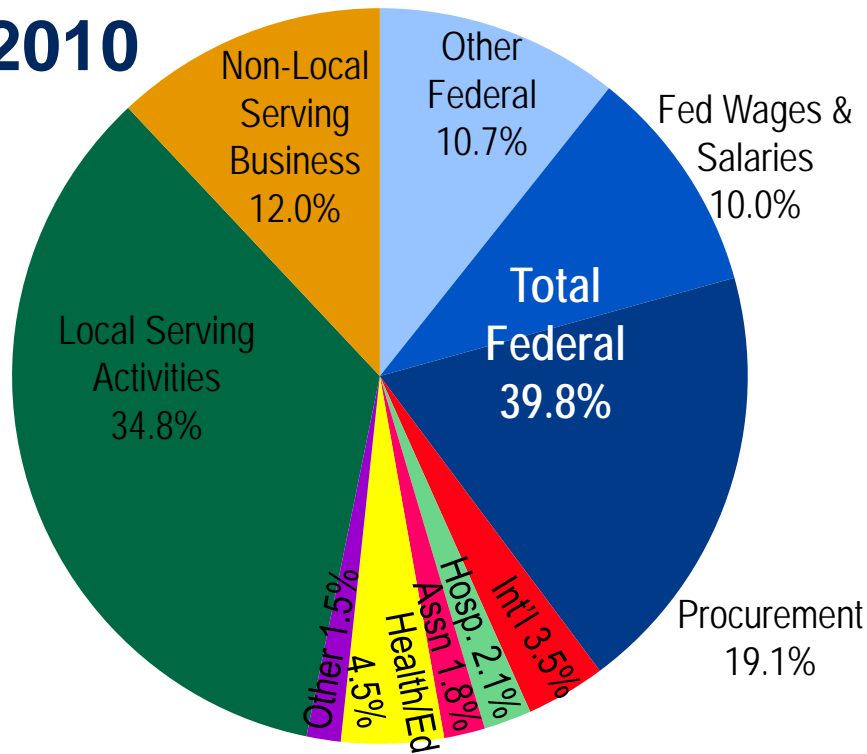
	Share of Jobs		Percent Change in Jobs 2000-2020
	2010	2020	
Prof. & Business Svcs	36.9	37.7	14.2
Trade*	12.8	11.8	3.4
Edu. & Health	10.2	11.7	27.9
State & Local Govt	9.4	8.5	1.6
Leisure & Hosp.	7.5	8.6	25.6
Financial Activities	5.4	6.3	28.6
Federal Govt	4.2	3.6	-4.2
Construction	4.1	4.0	11.1
All Other	9.4	7.8	-6.0
Total	100.0	100.0	11.9

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

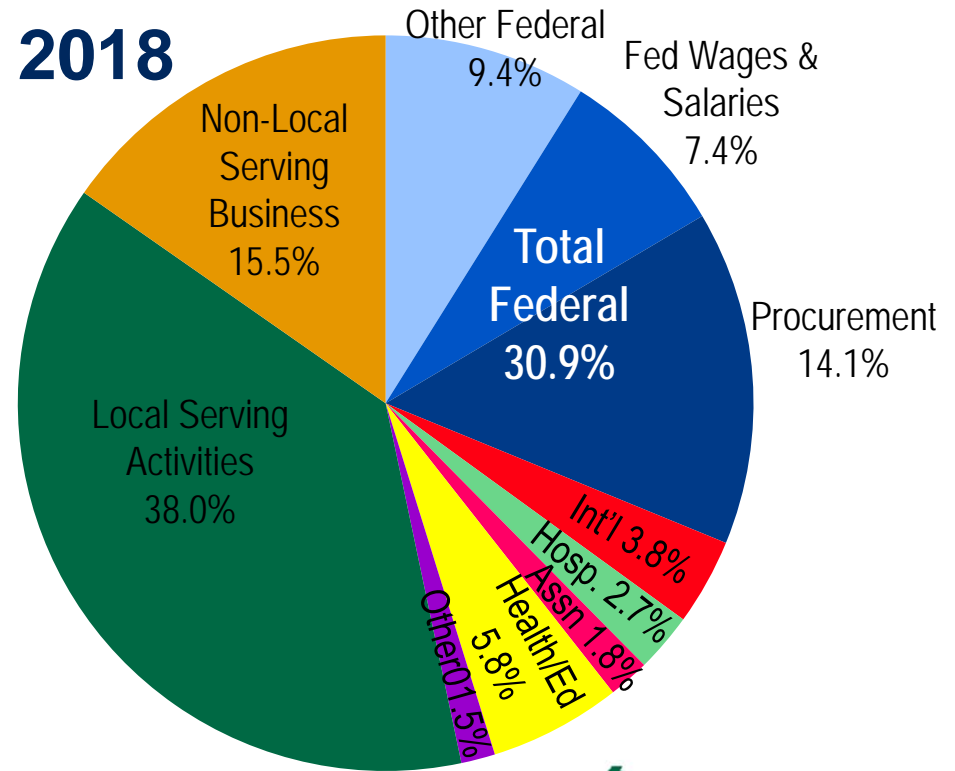
*Retail Trade, Wholesale Trade, and Transportation & Utilities NOTE: Includes the cities of Fairfax and Falls Church

The Changing Structure of the Washington Region Economy

2010



2018



Source: The Stephen S. Fuller Institute at the Schar School, GMU; Forecast January 2019

The GRP* Effects of Private Sector Job Change in the Washington Region (Jobs in 000s, in 2012 dollars)

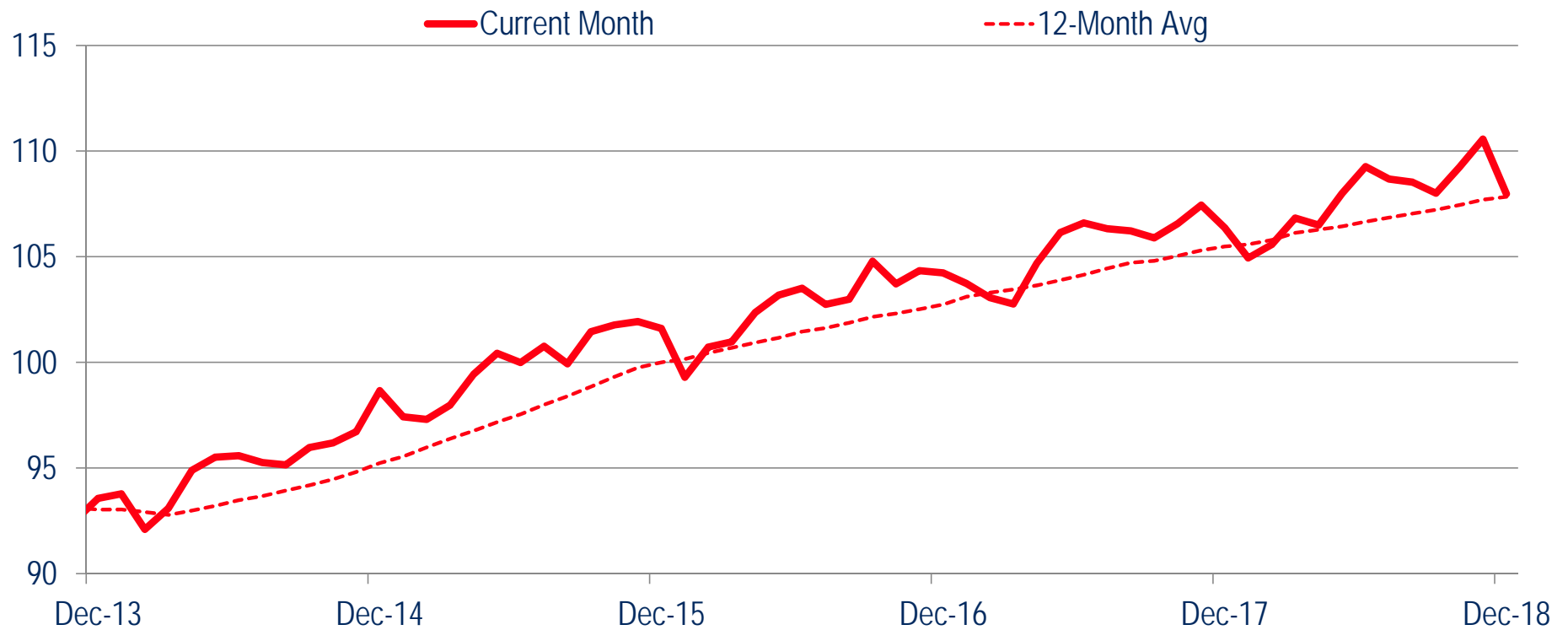
	Recession	2010 - 2018
Job Change	-180.5	+344.8
GRP Value	\$145,711	\$110,397

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

*Gross Regional Product

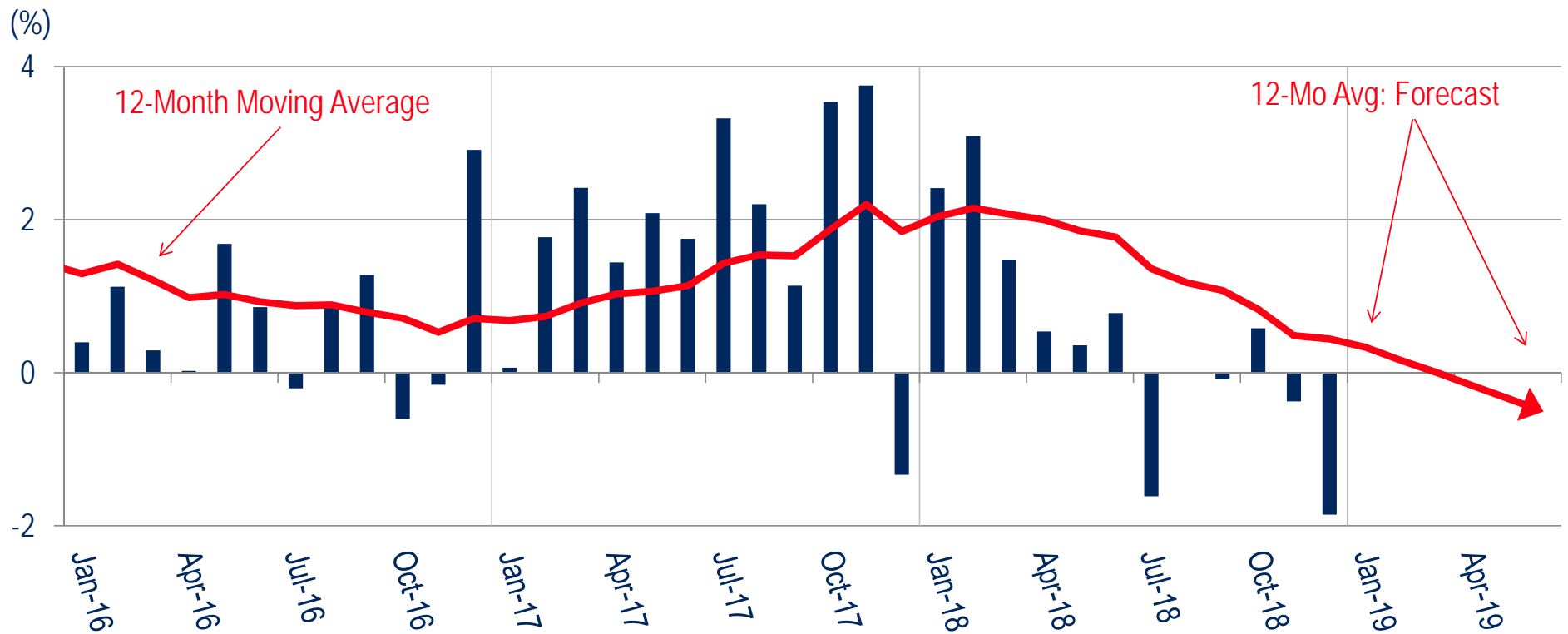
What is the near-term outlook for the Washington region's and Fairfax County's economies?

Washington Region Coincident Index (100 = 2015)



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

Washington Region Leading Index Month-Over-The-Year Percent Change



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

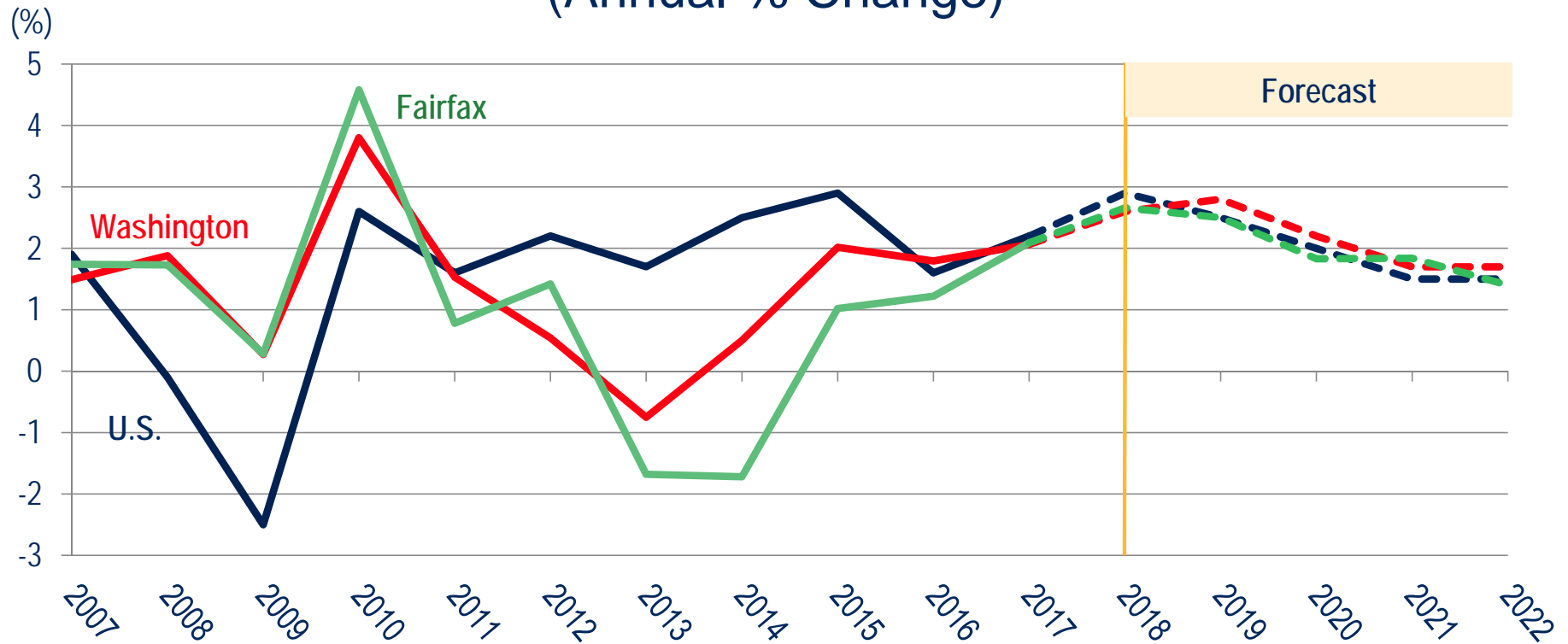
Employment Change by Sub-State Area (000s)

	2015	2016	2017	2018*	2019	2020	2021	2022
D.C.	15.7	14.5	8.9	6.9	4.6	5.0	4.2	5.2
Sub. MD	10.5	14.2	15.2	13.9	11.0	9.1	7.1	9.3
No. VA	29.5	30.6	26.8	31.3	22.3	17.6	16.0	17.5
REGION	55.7	59.2	50.9	52.1	38.2	31.8	27.4	32.1

Average Annual Change 2000-2017 = 38,800

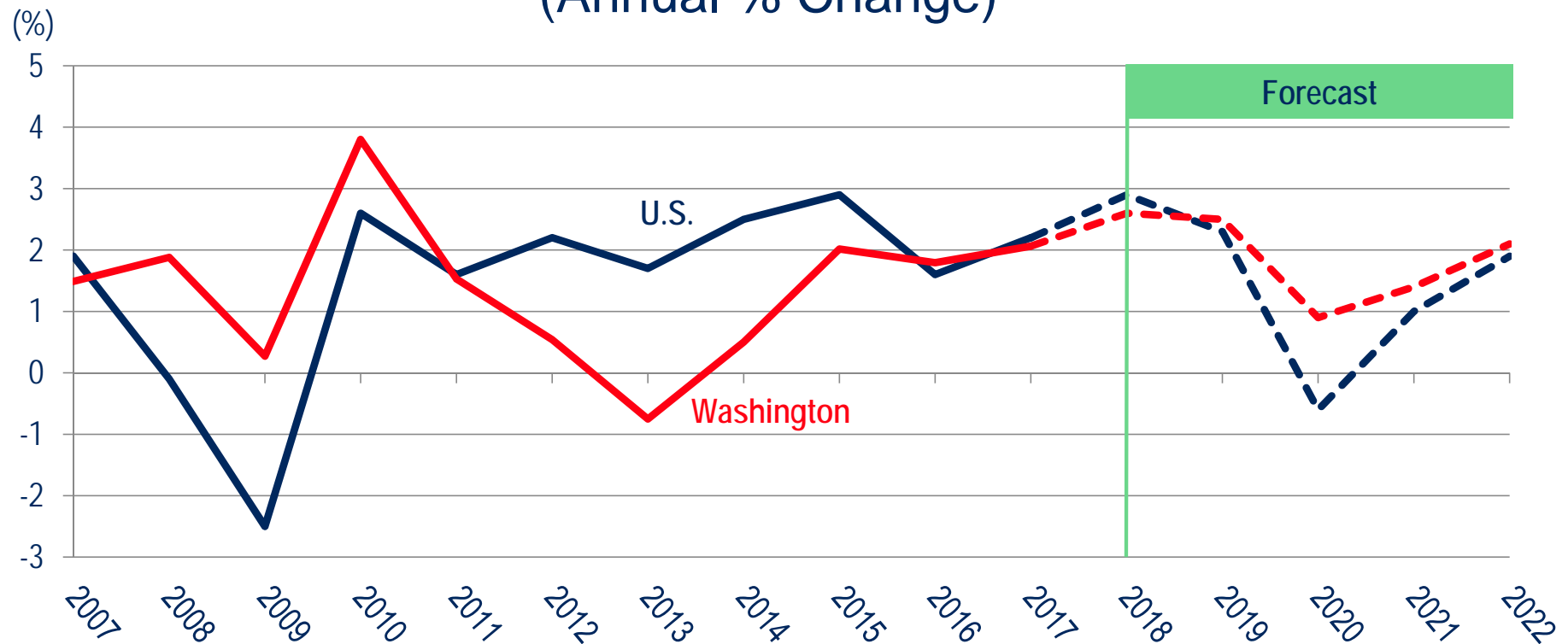
Source: BLS, IHS Economics, The Stephen S. Fuller Institute at the Schar School, GMU (forecast as of January 2019)
 NOTE: The regional totals include Jefferson, WV.; Sub-state areas re-weighted to sum to region-wide total *Preliminary

U.S. GDP, Washington MSA GRP and Fairfax* GCP 2007 – 2018 – 2022 (Annual % Change)



Sources: U.S. Bureau of Economic Analysis, IHS Markit (January 2019), The Stephen S. Fuller Institute at the Schar School, GMU
Forecast as of January 2019 *Includes the cities of Fairfax and Falls Church

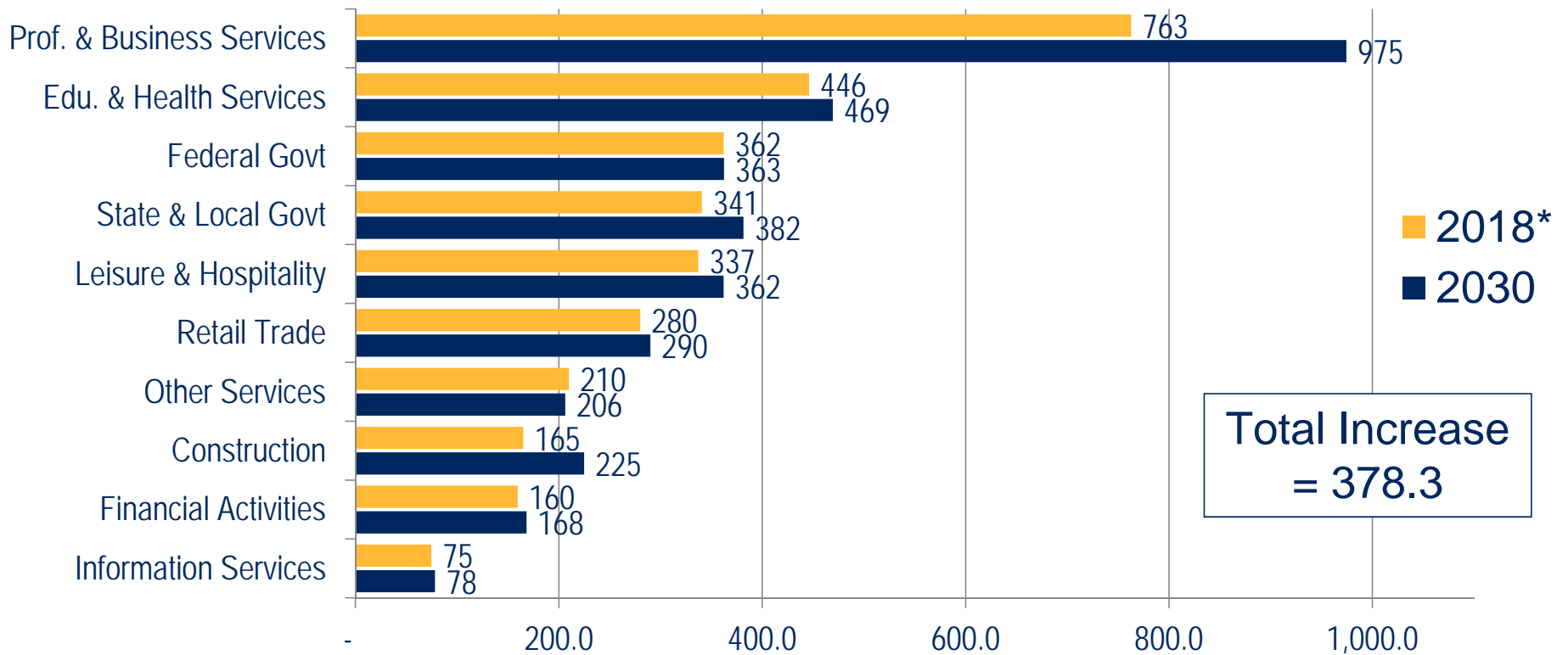
Alternative Forecast: U.S. GDP and Washington MSA GRP 2018 – 2022 (Annual % Change)



Sources: U.S. Bureau of Economic Analysis, IHS Markit (January 2019), The Stephen S. Fuller Institute at the Schar School, GMU
Forecast as of January 2019

How will the Washington region's and Fairfax County's economies change between 2020 and 2030?

Job Growth in the Washington Region Select Sectors: 2018 - 2030 (Jobs in 000s)



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

Job Growth in the Washington Region: 2018 - 2030

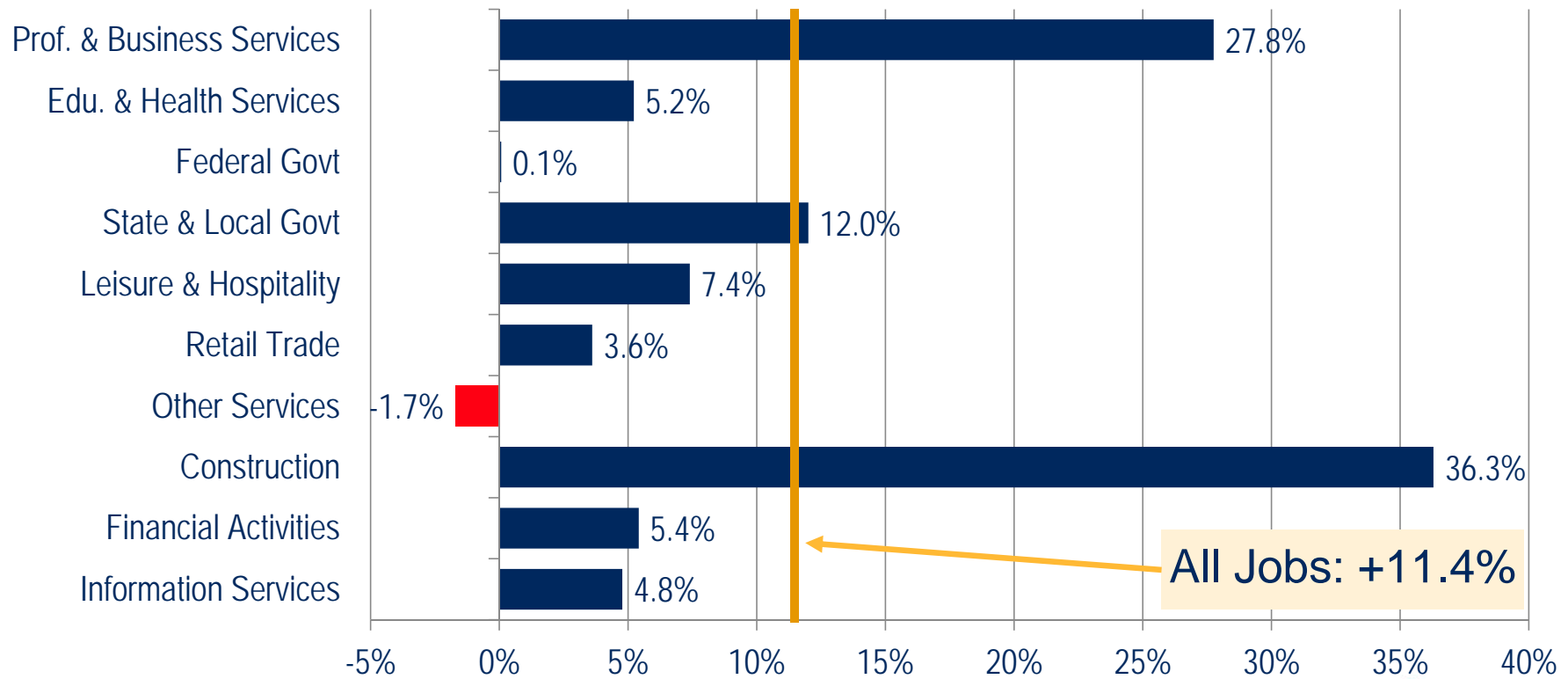
	Job Change (000s)	% of Total
Prof. & Business Services	211.7	56.0%
Construction	59.9	15.8%
State & Local Govt	40.9	10.8%
Leisure & Hospitality	25.0	6.6%
Edu. & Health Services	23.3	6.2%
Retail Trade	10.1	2.7%
Subtotal	370.9	98.1%
Total, All Sectors	378.3	100.0%

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



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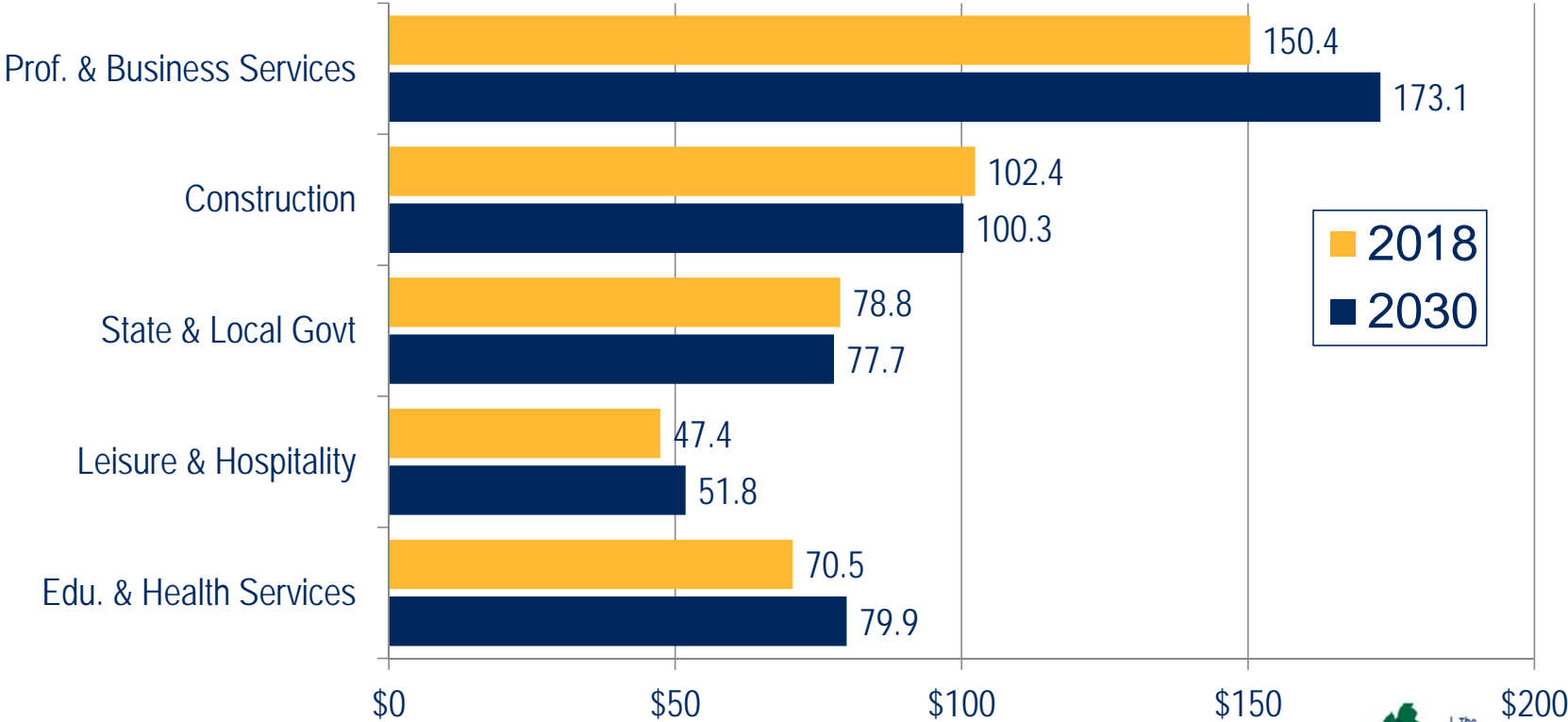
Job Change in the Washington Region Select Sectors: 2018 – 2030 (Ranked by Size in 2018)



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

Average Job Contribution to GRP in the Washington Region: 2018 – 2030

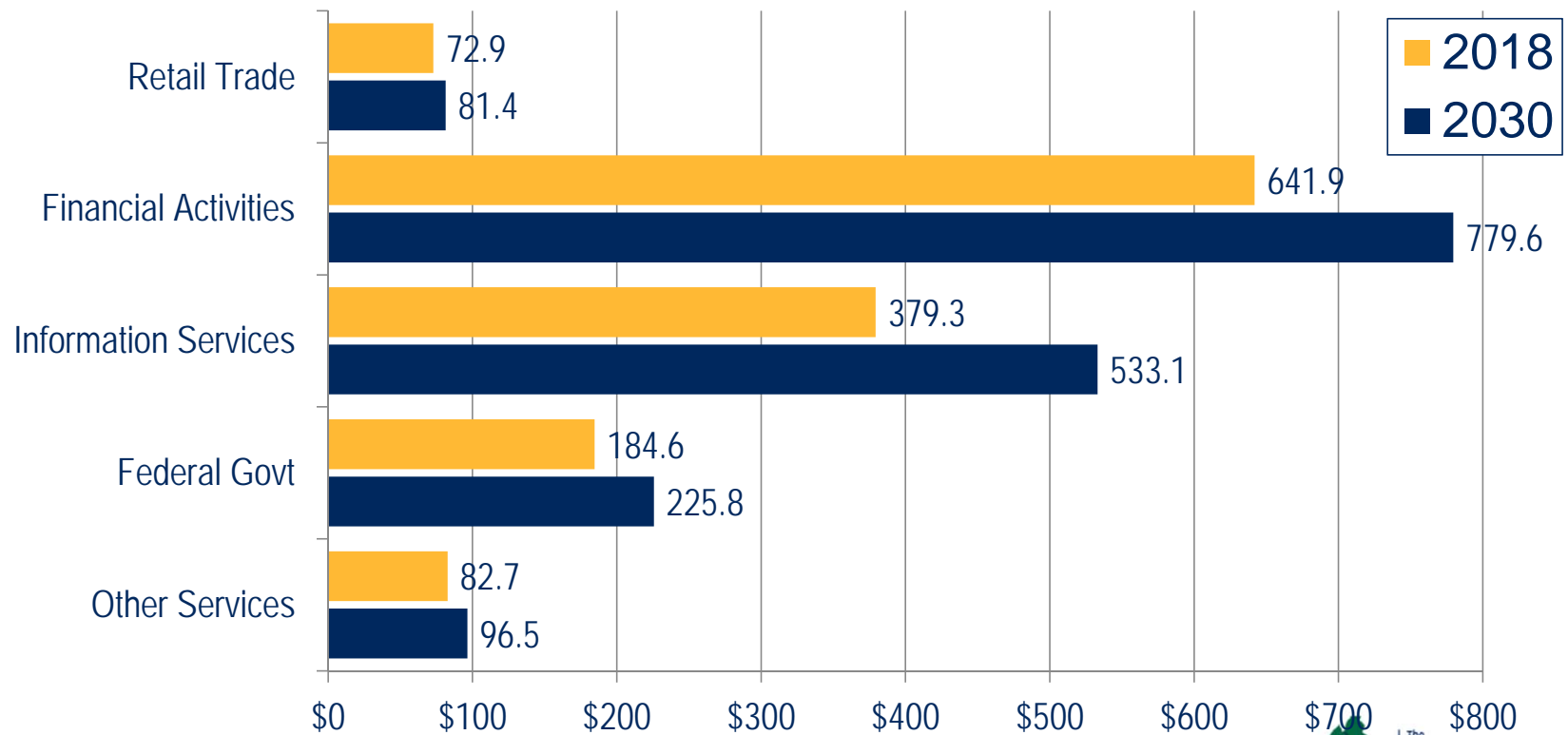
(000s 2012 \$s, Ranked by Change in Jobs)



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

Average Job Contribution to GRP in the Washington Region: 2018 – 2030

(000s 2012 \$s, Ranked by Change in Jobs)



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

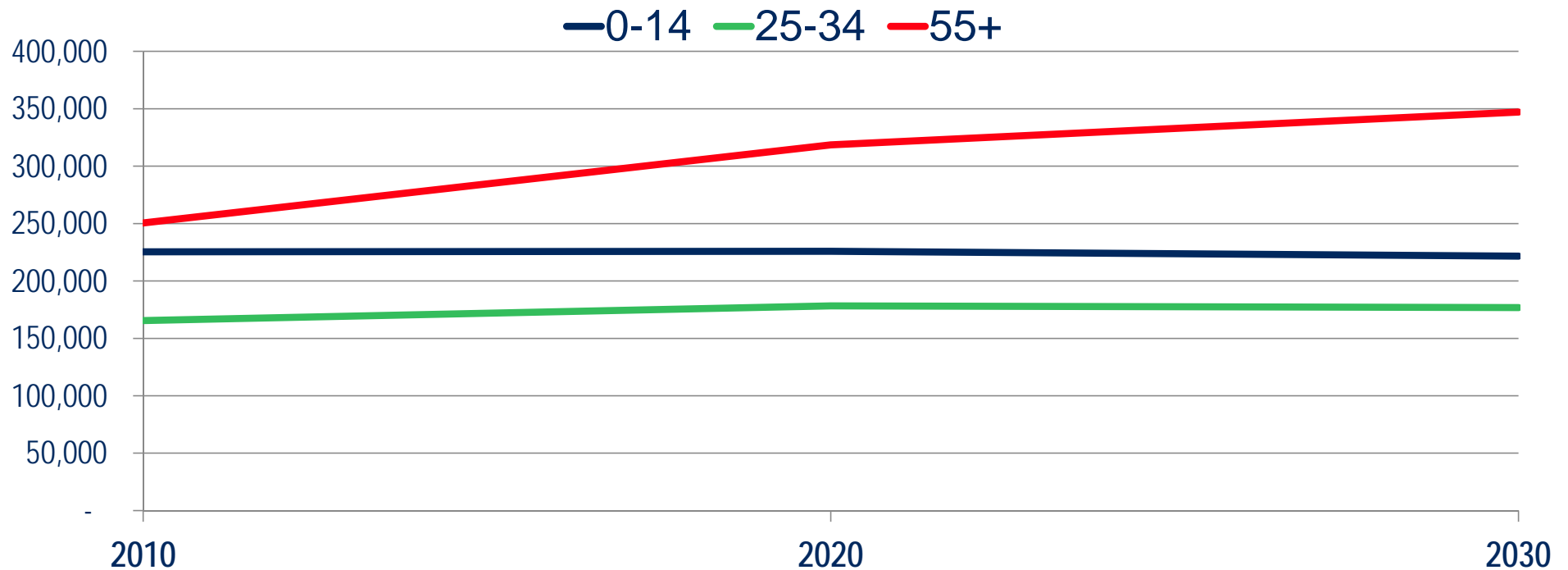
The GRP* Effects of Private Sector Job Change in the Washington Region (in 2012 dollars)

	Job Change (000s)	GRP* Value
Recession	-180.5	\$145,711
Expansion	+344.8	\$110,397
Forecast	+337.3	\$159,918

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

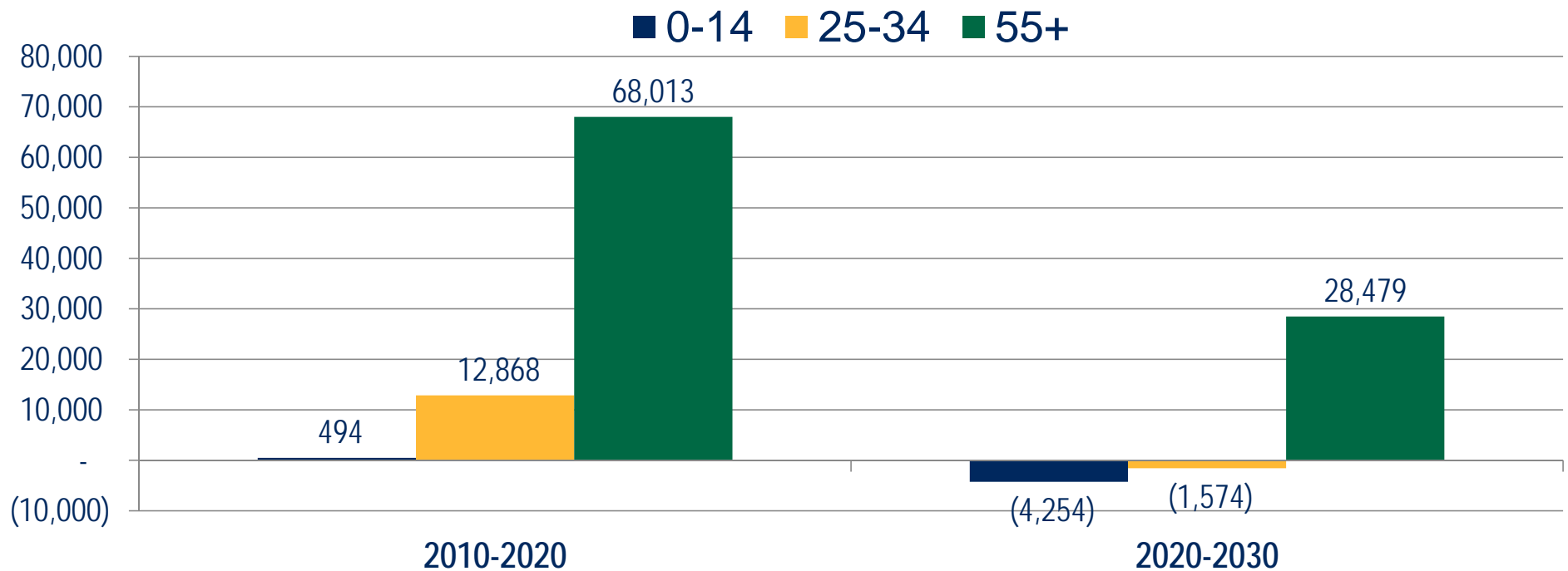
*Gross Regional Product

Population by Select Age Group Fairfax County,* 2010-2030



Sources: IHS Markit; The Stephen S. Fuller Institute at the Schar School, GMU
*Includes the cities of Fairfax and Falls Church

Change in Population by Select Age Group Fairfax County,* 2010-2030



Sources: IHS Markit; The Stephen S. Fuller Institute at the Schar School, GMU
*Includes the cities of Fairfax and Falls Church

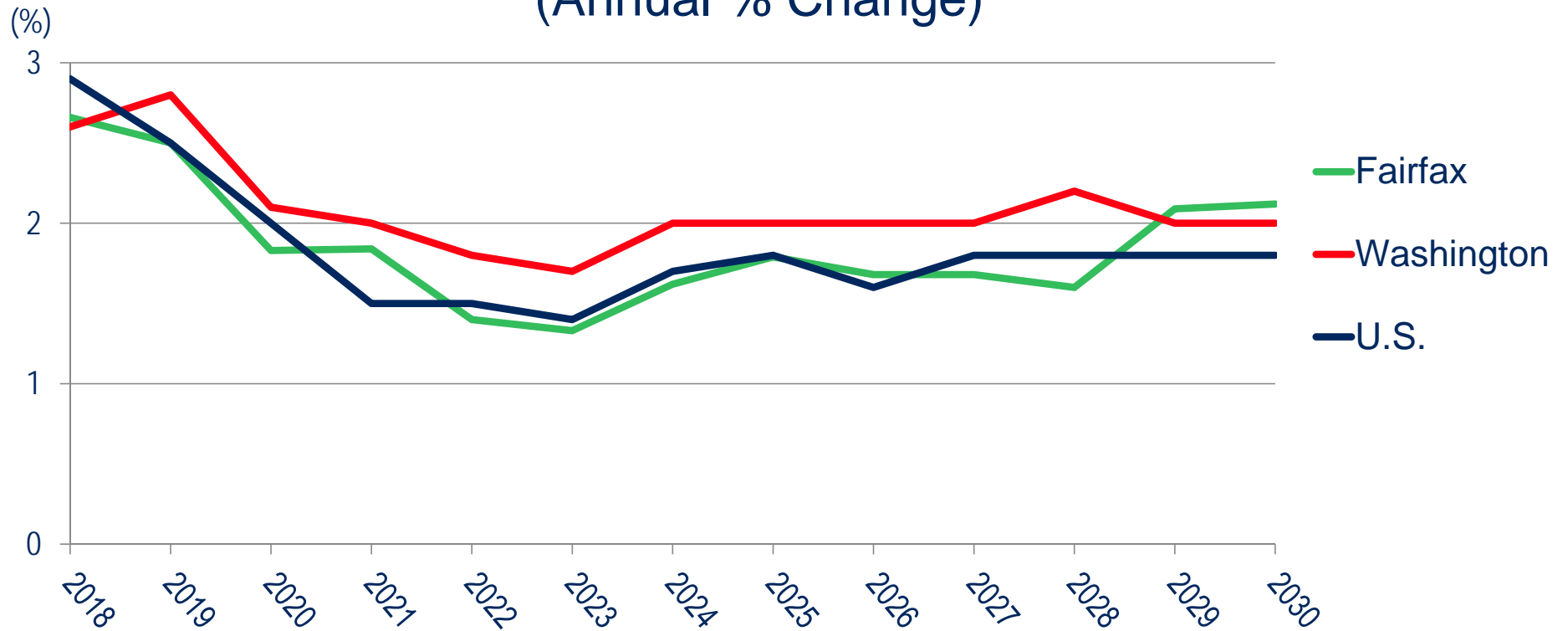
Fairfax County* Indicators: 2020 & 2030 (population and jobs in 000s)

	2020	2030	% Change
Population	1,204.0	1,240.8	3.0%
Jobs			
Total	700.0	720.2	2.9%
Prof. & Bus. Svcs	263.6	296.0	12.3%
Real GCP	\$106.1b	\$126.3b	19.0%
Real GCP per job	\$151,528	\$175,308	15.7%

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

*Includes the cities of Fairfax and Falls Church

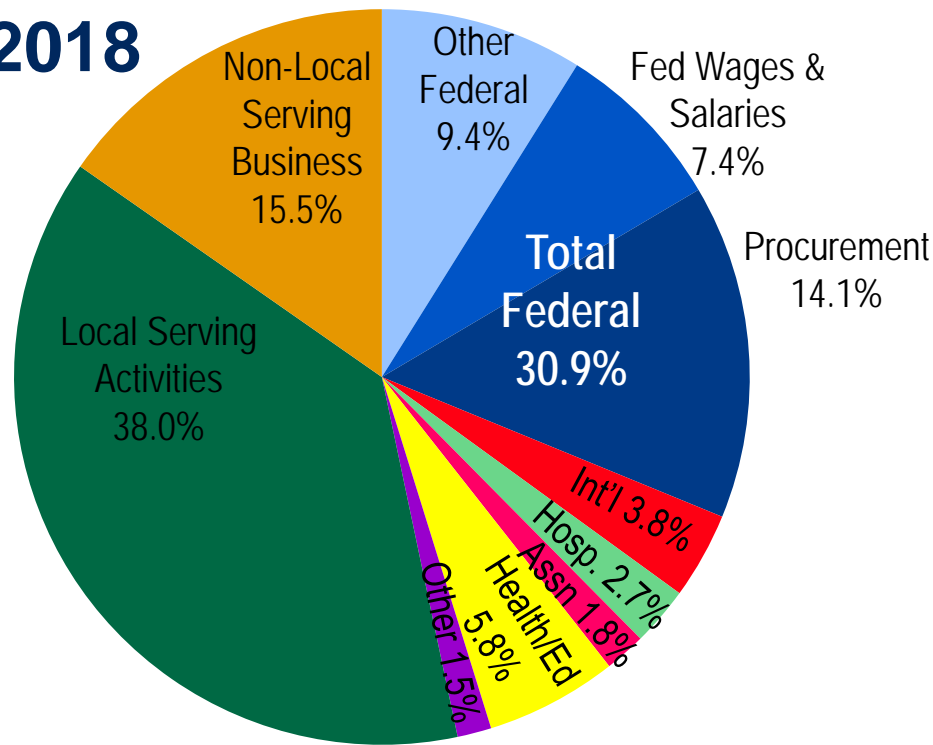
U.S. GDP, Washington MSA GRP and Fairfax* GCP 2018 – 2030 (Annual % Change)



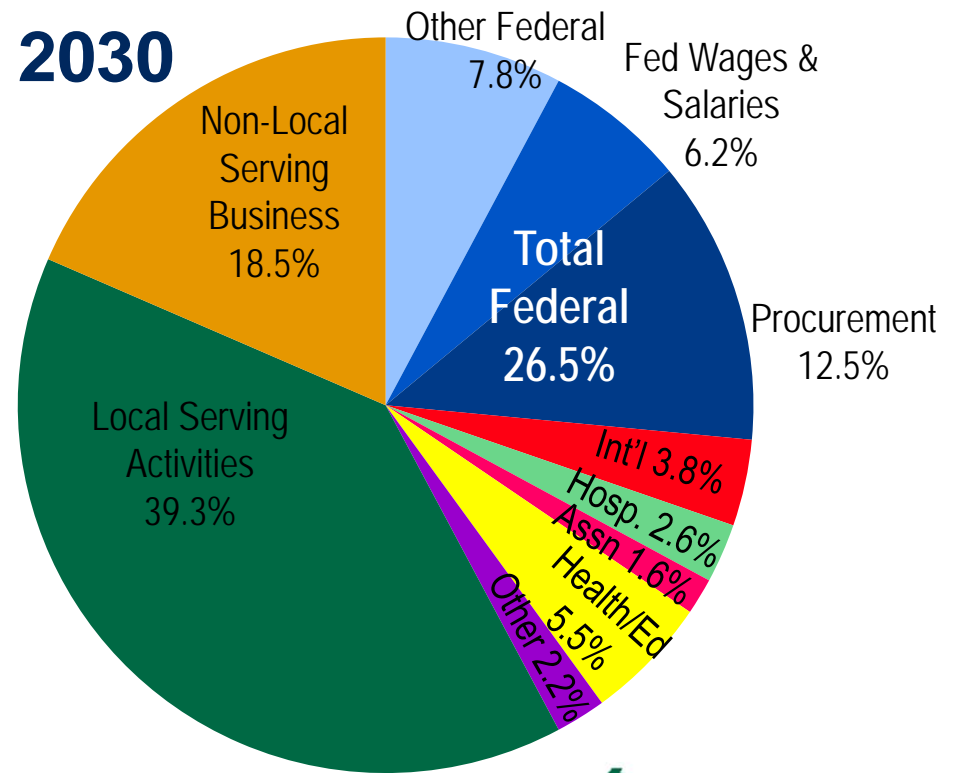
Sources: US: IHS Markit, January 2019, 2018-2023; CBO, August 2018, 2024-2028; The Stephen S. Fuller Institute at the Schar School, GMU
*Includes the cities of Fairfax and Falls Church

The Changing Structure of the Washington Region Economy

2018



2030



Source: The Stephen S. Fuller Institute at the Schar School, GMU; Forecast January 2019

Thank You & Questions

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