

*House Appropriations Committee Retreat*

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

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Dwight Schar Faculty Chair and University Professor

Senior Advisor and Director of Special Projects

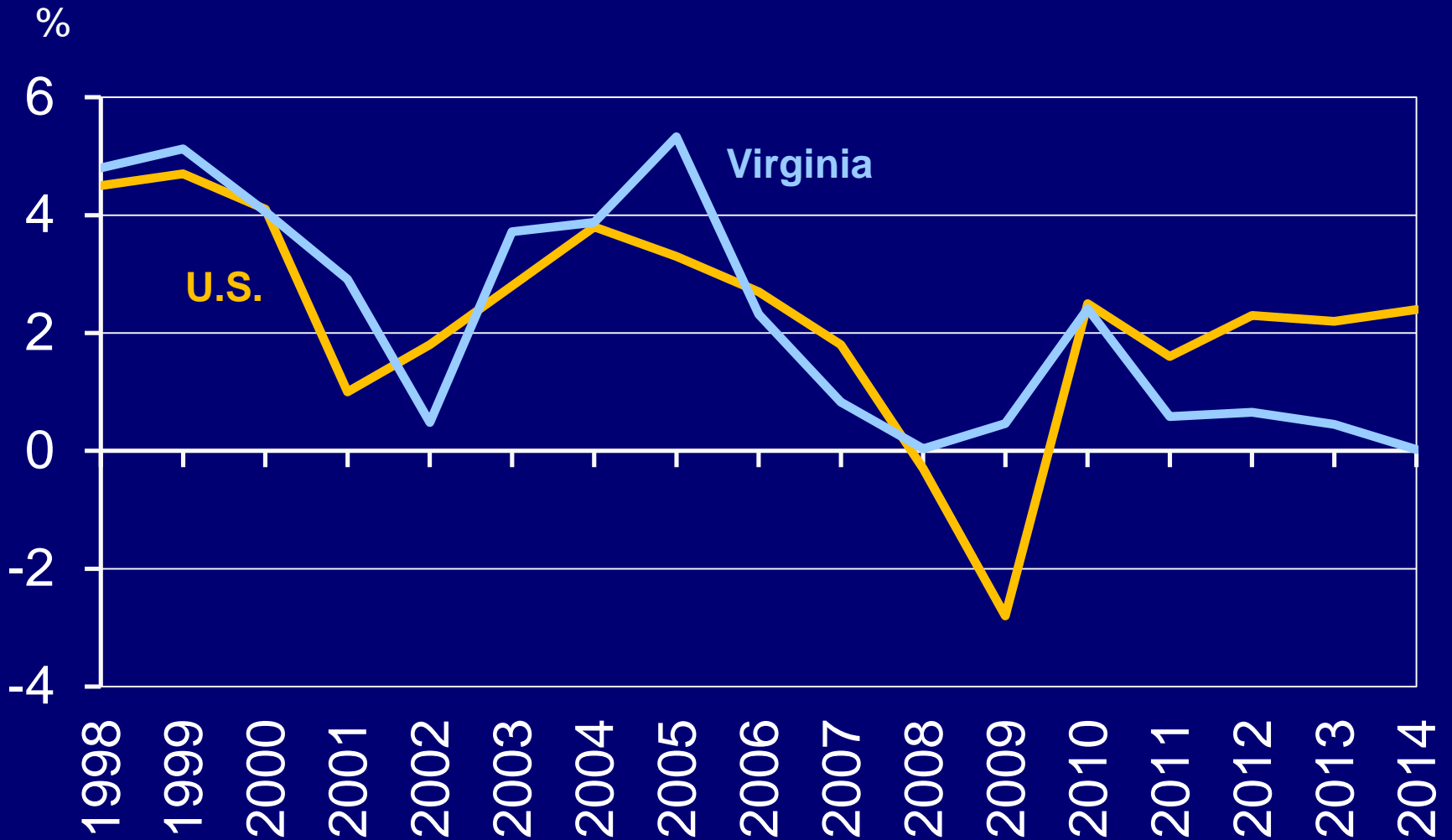
Center for Regional Analysis

George Mason University

November 17, 2015

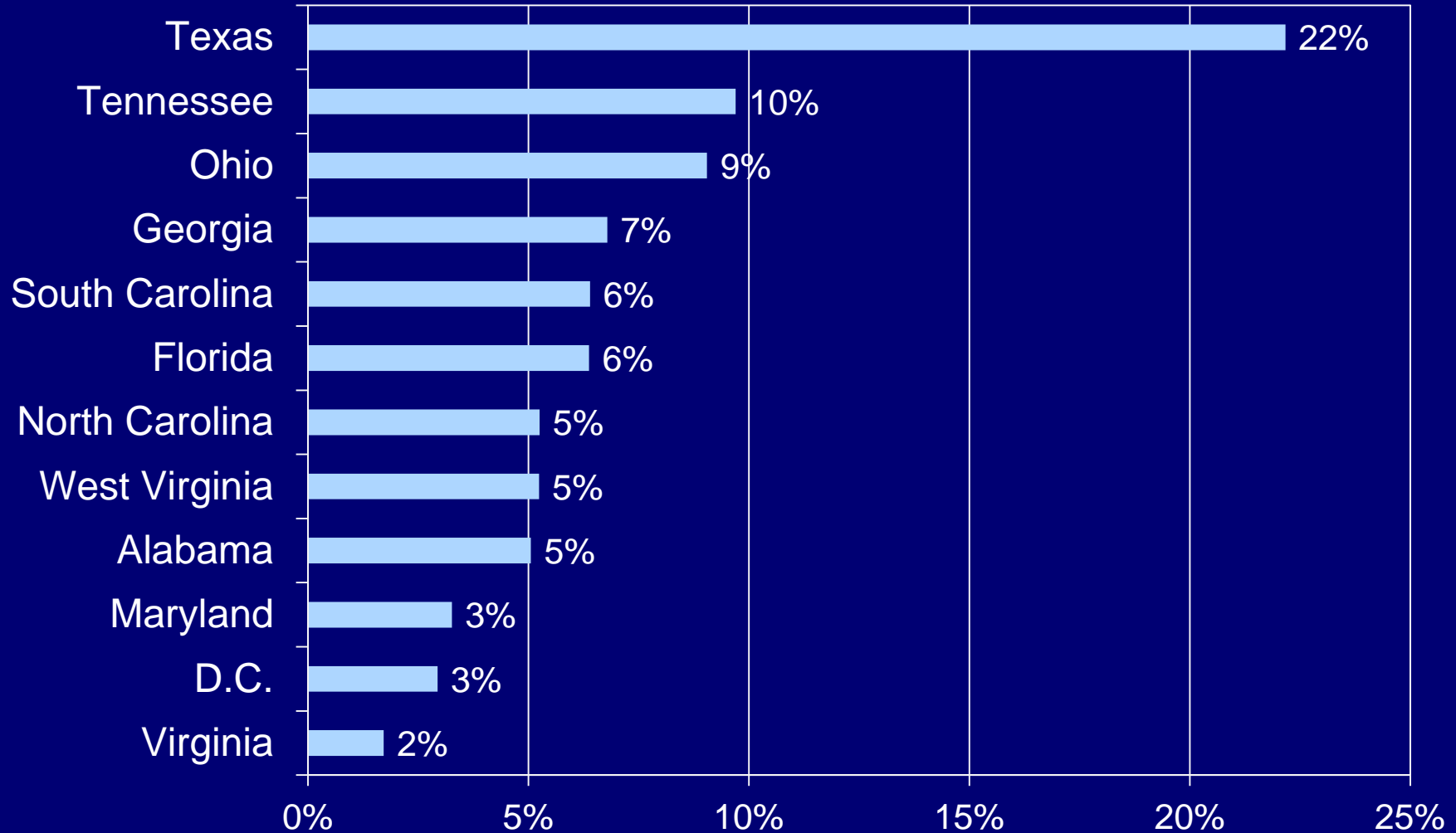
# The Commonwealth of Virginia's Economy: Recession and Recovery

# U.S. GDP and Virginia GSP 1998 – 2014



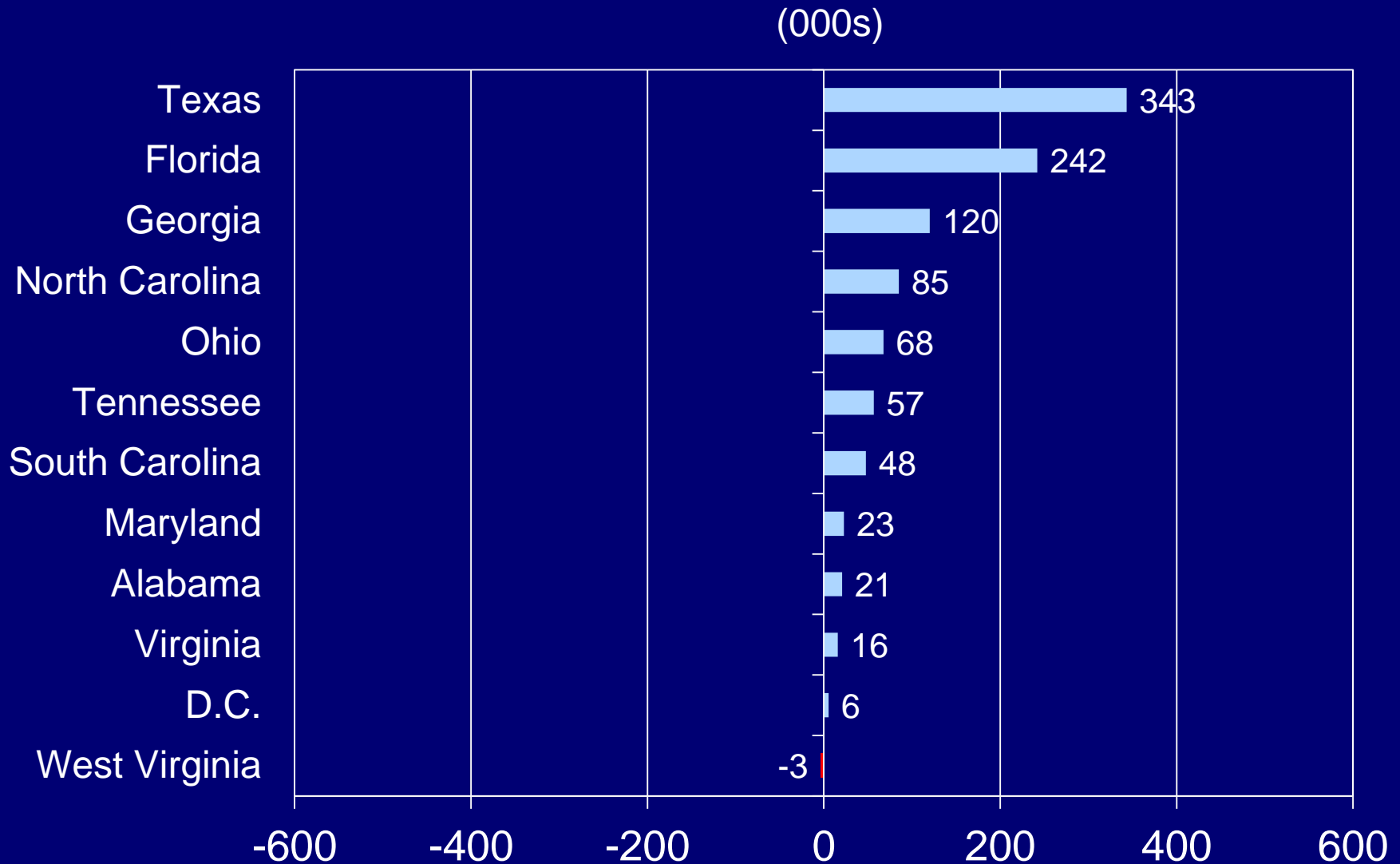
# State Comparison

## GSP Percent Change 2010 – 2014



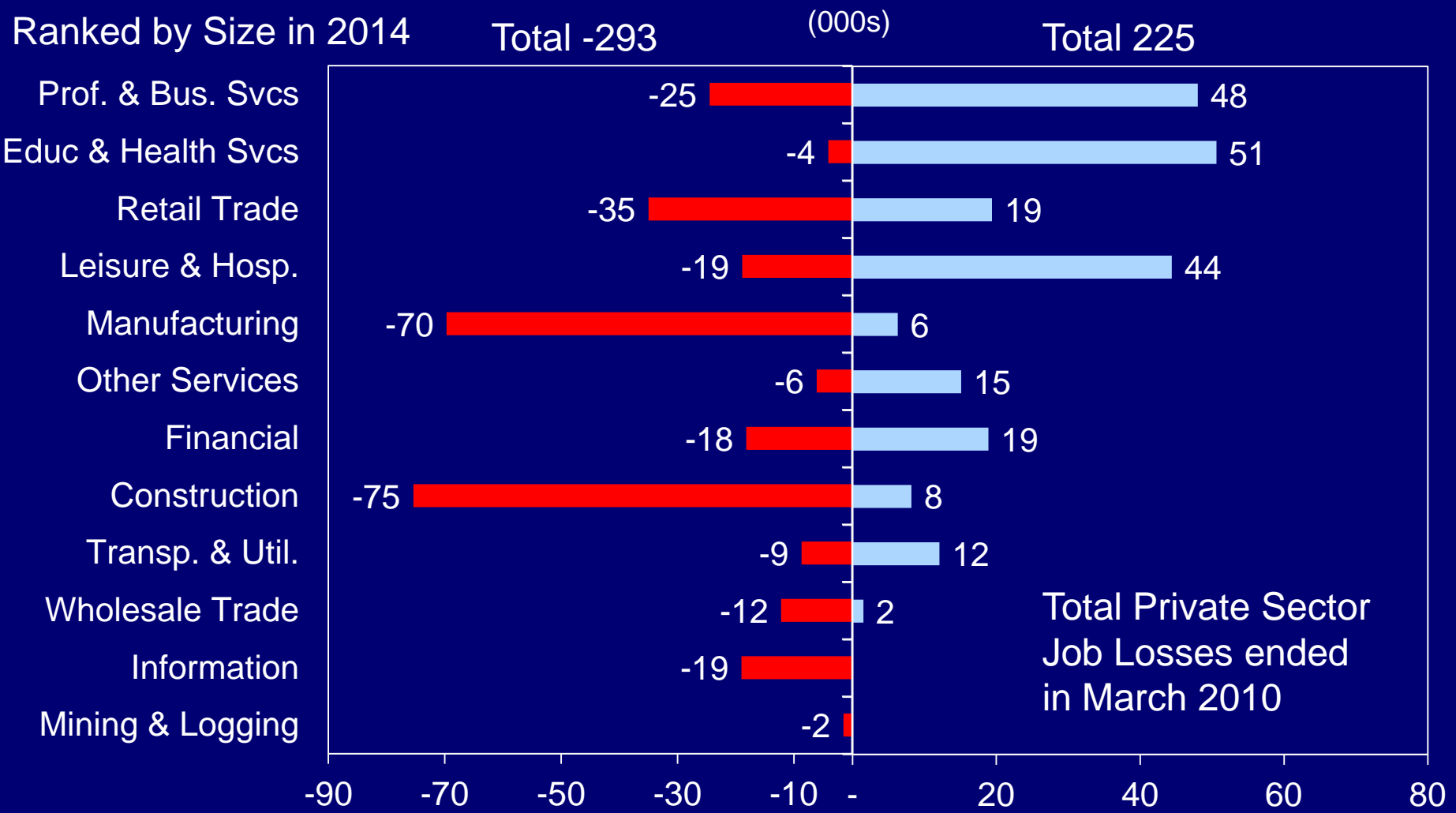
Source: Bureau of Economic Analysis, GMU Center for Regional Analysis

# State Comparison Job Change 2013 – 2014



# Virginia Payroll Job Change: Private Sector

## The Great Recession and Recovery To Sep 2015



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\$s)

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

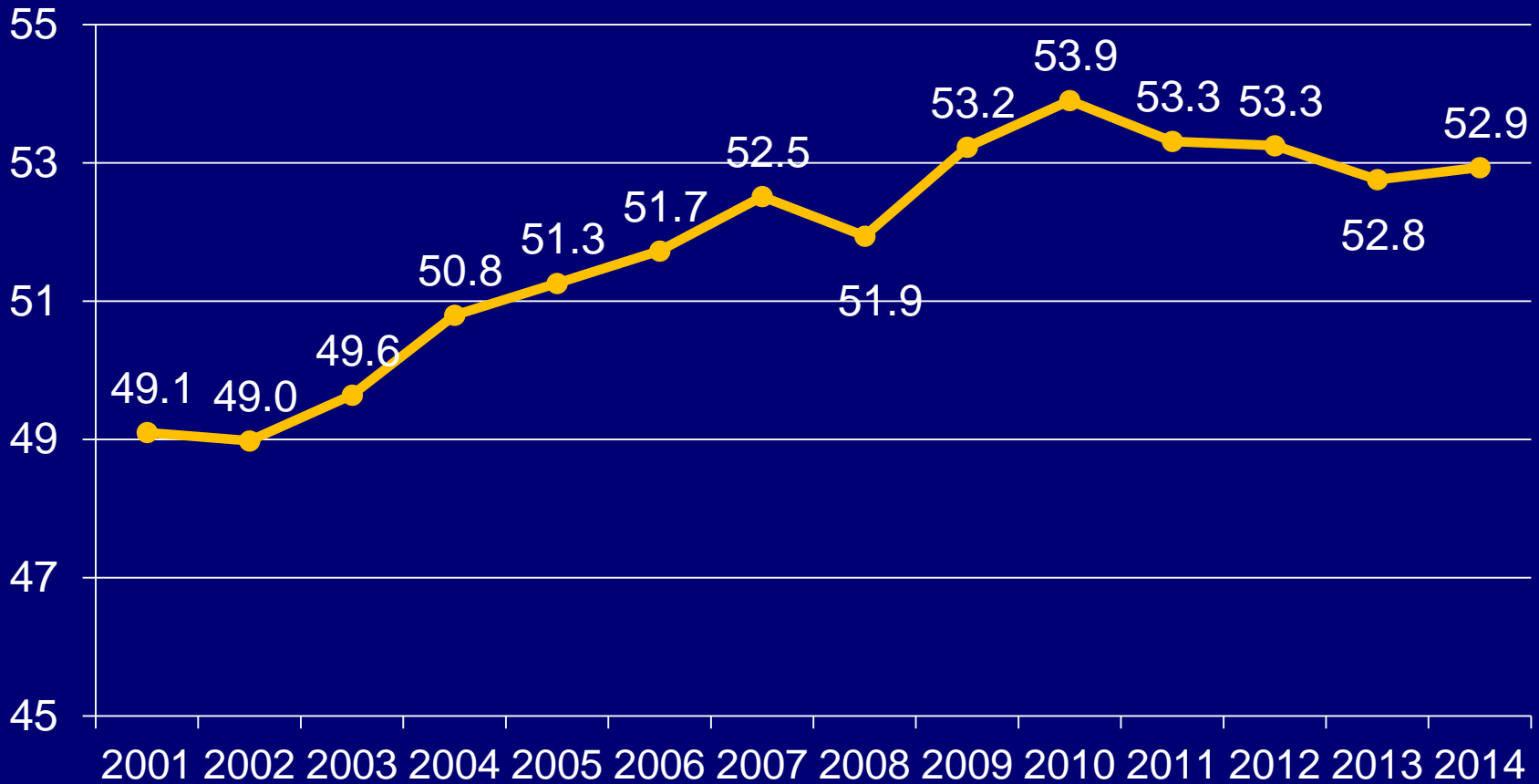
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Source: GMU Center for Regional Analysis

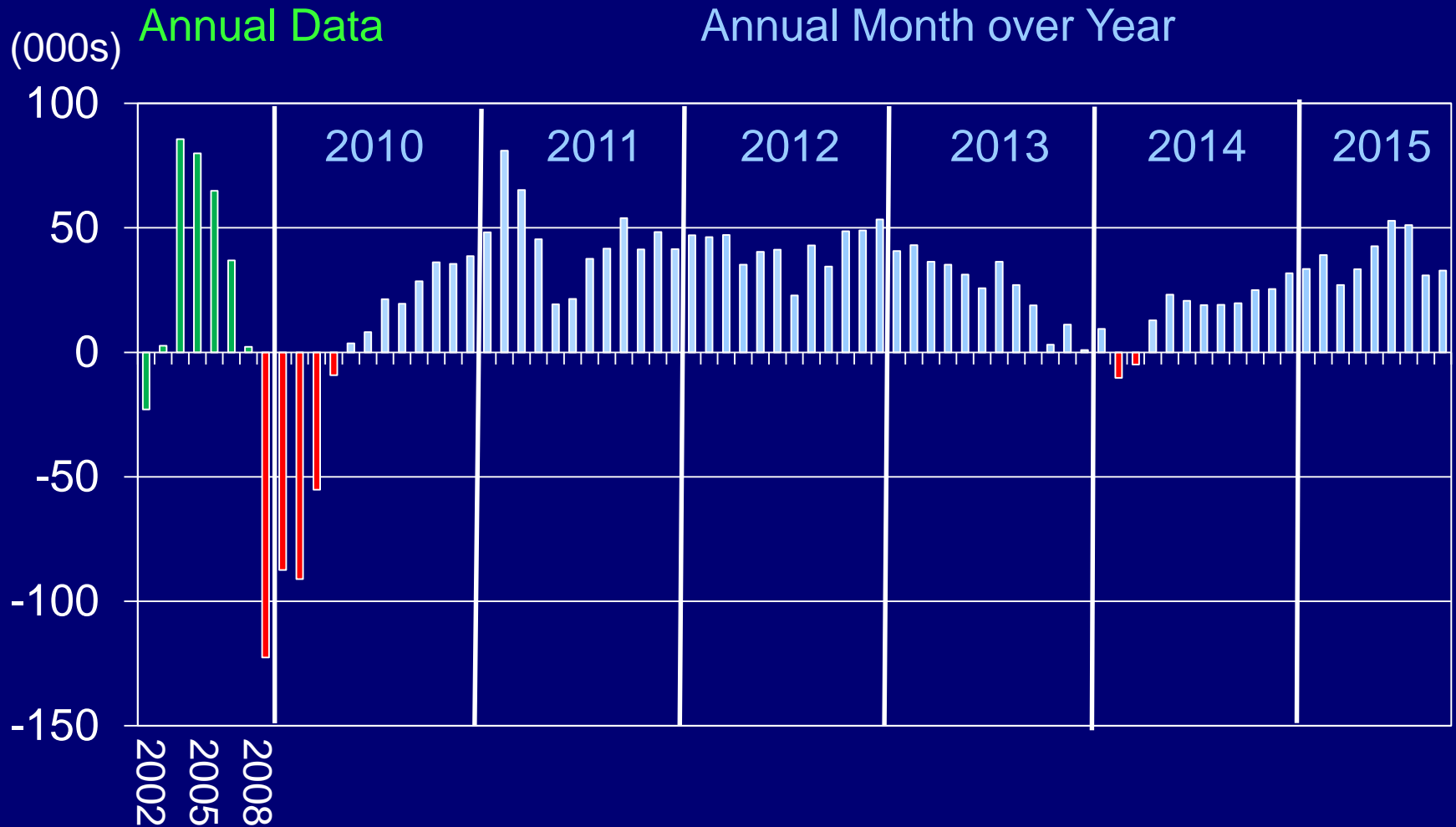
\*Gross State Product

# Average Wage in the Commonwealth of Virginia 2001-2014

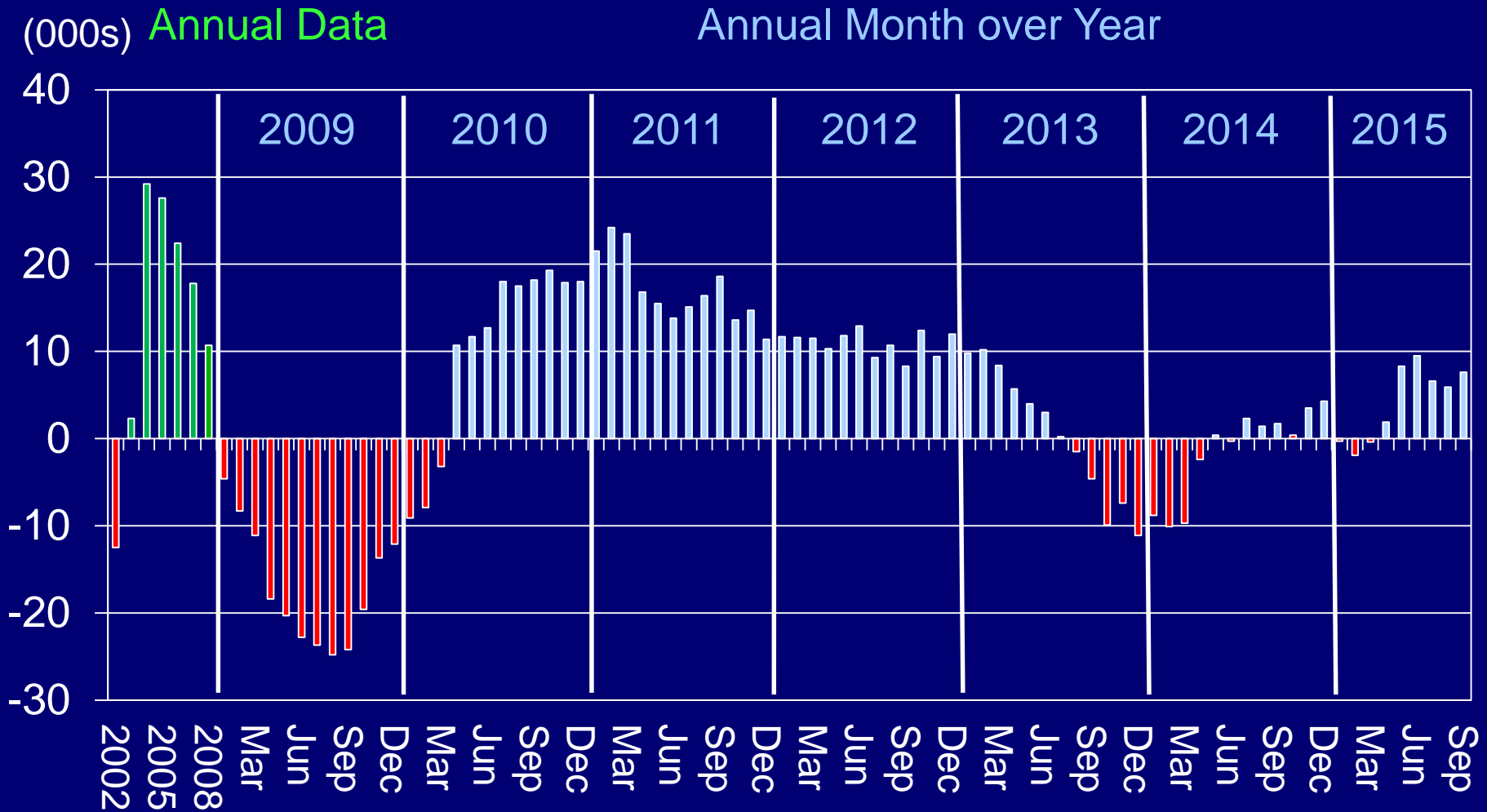
(000s of 2014 \$s)



# Commonwealth of Virginia Annual Job Change, 2002-2015



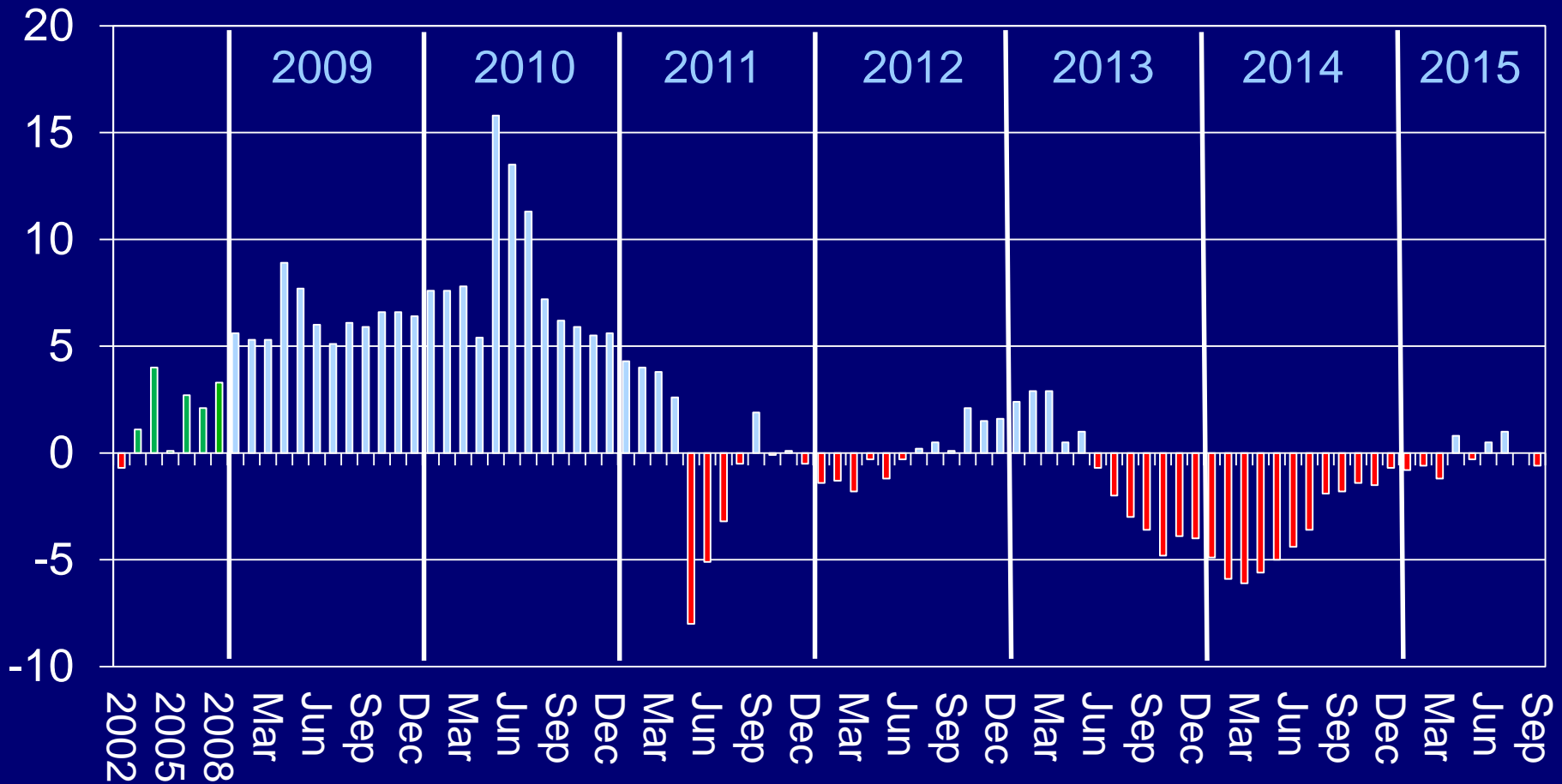
# Commonwealth of Virginia: Professional & Business Services Jobs



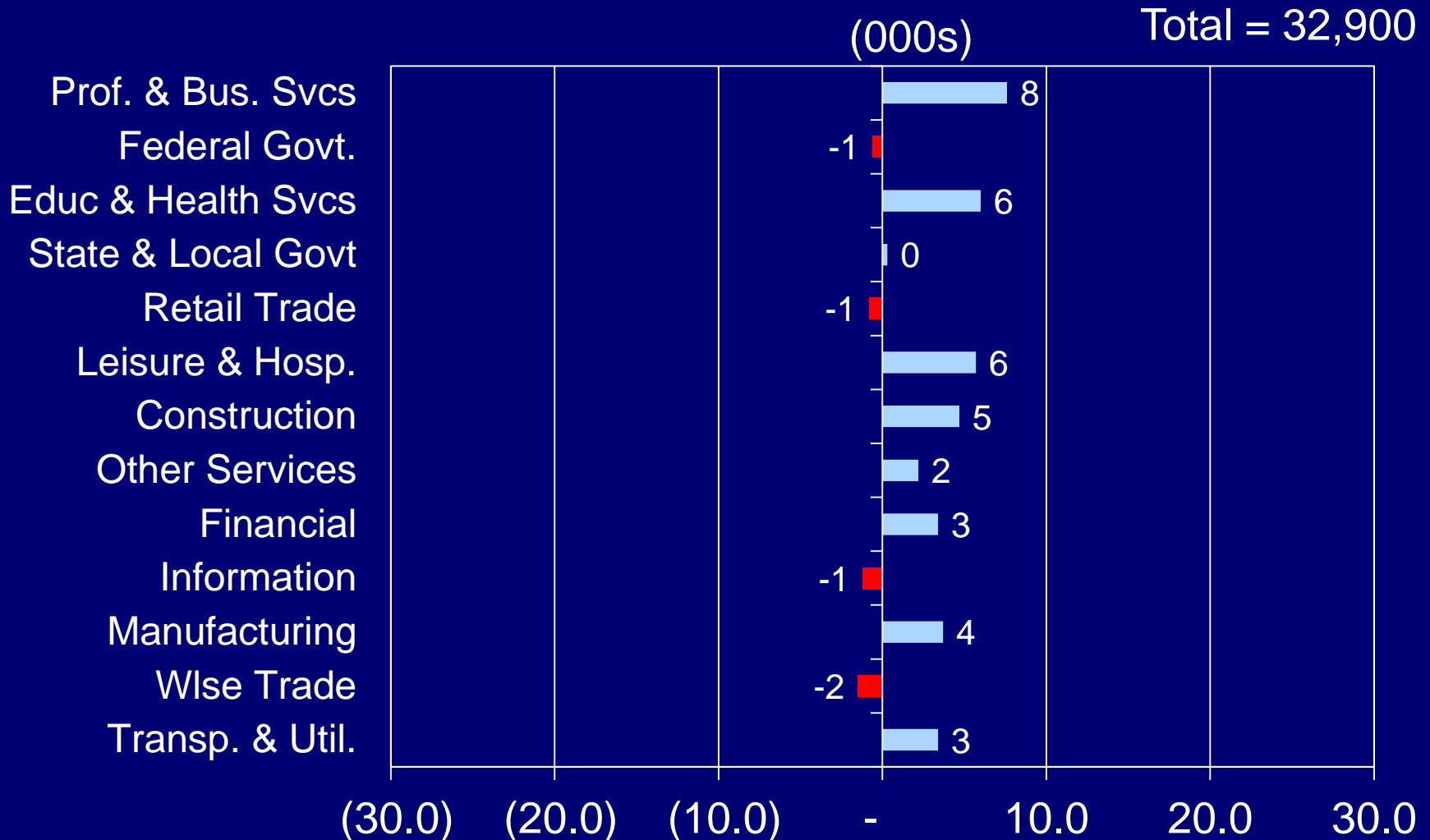
# Commonwealth of Virginia: Federal Government Jobs

(000s) Annual Data

Annual Month over Year

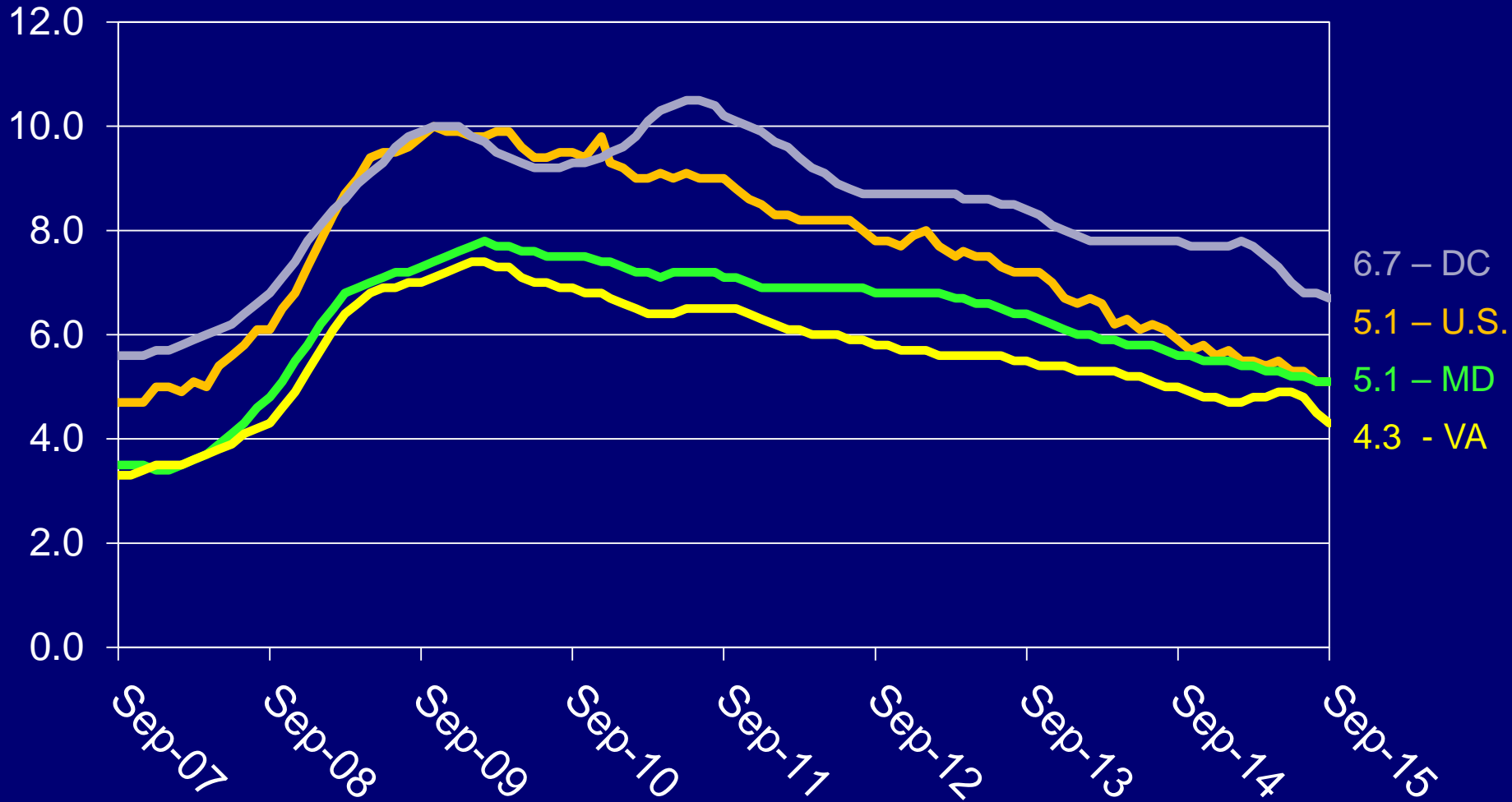


# Commonwealth of Virginia: Job Change by Sector Sep 2014 – Sep 2015



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

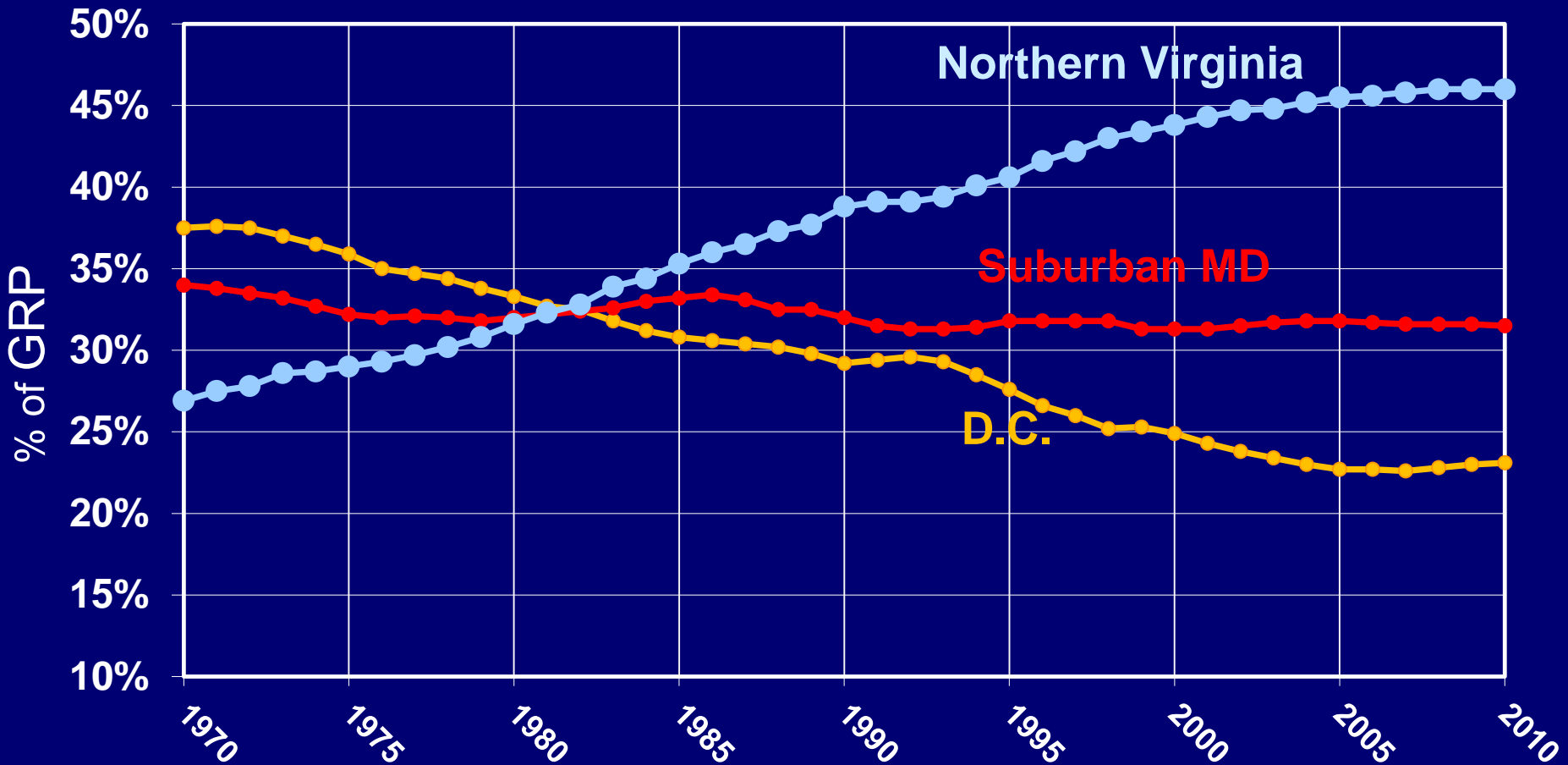
# Unemployment Rates By Select State, 2007-2015



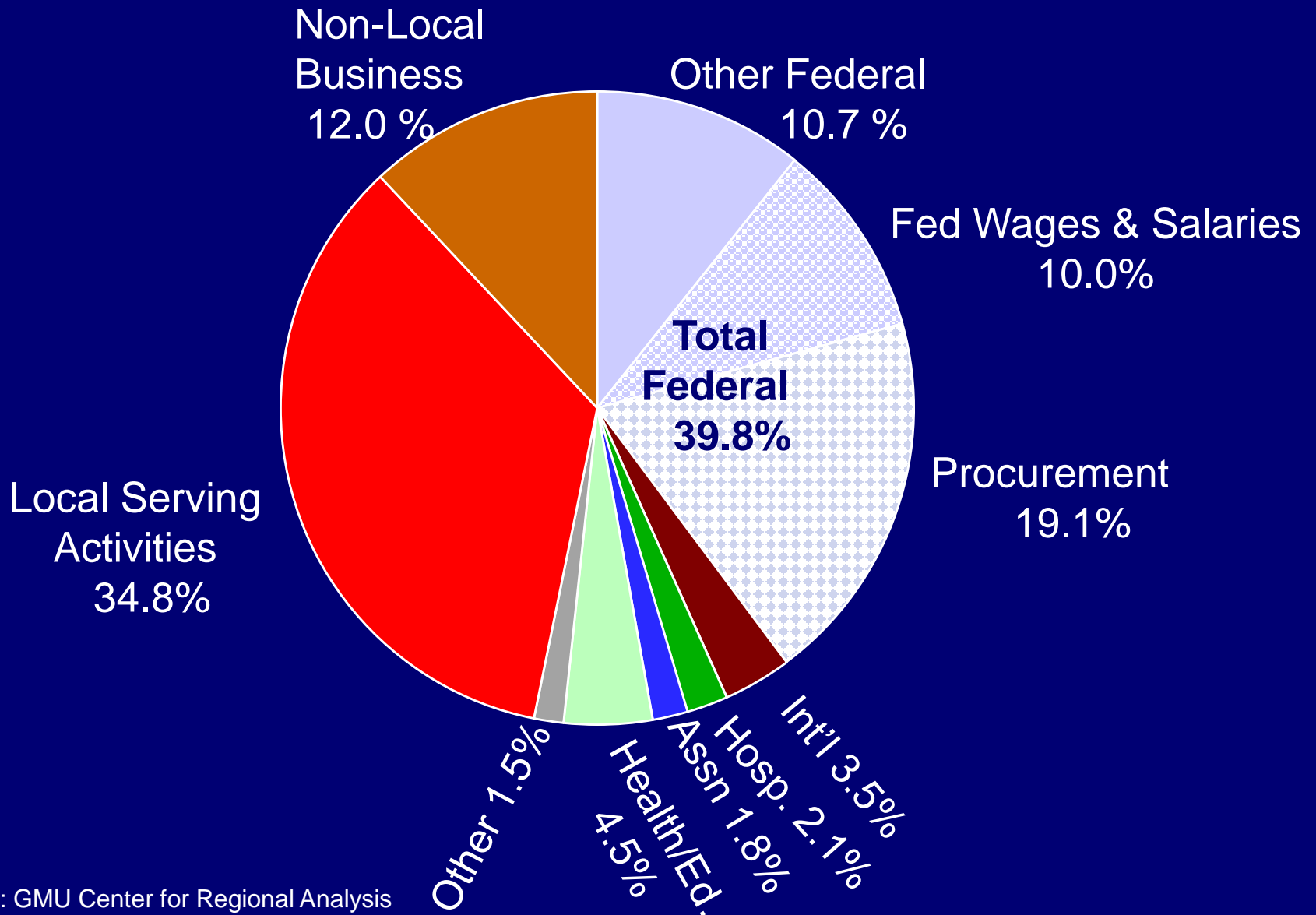
Source: Bureau of Labor Statistics (Seasonally Adjusted)

# **The Washington Economy: Recession, Sequester, Repositioning and Expansion**

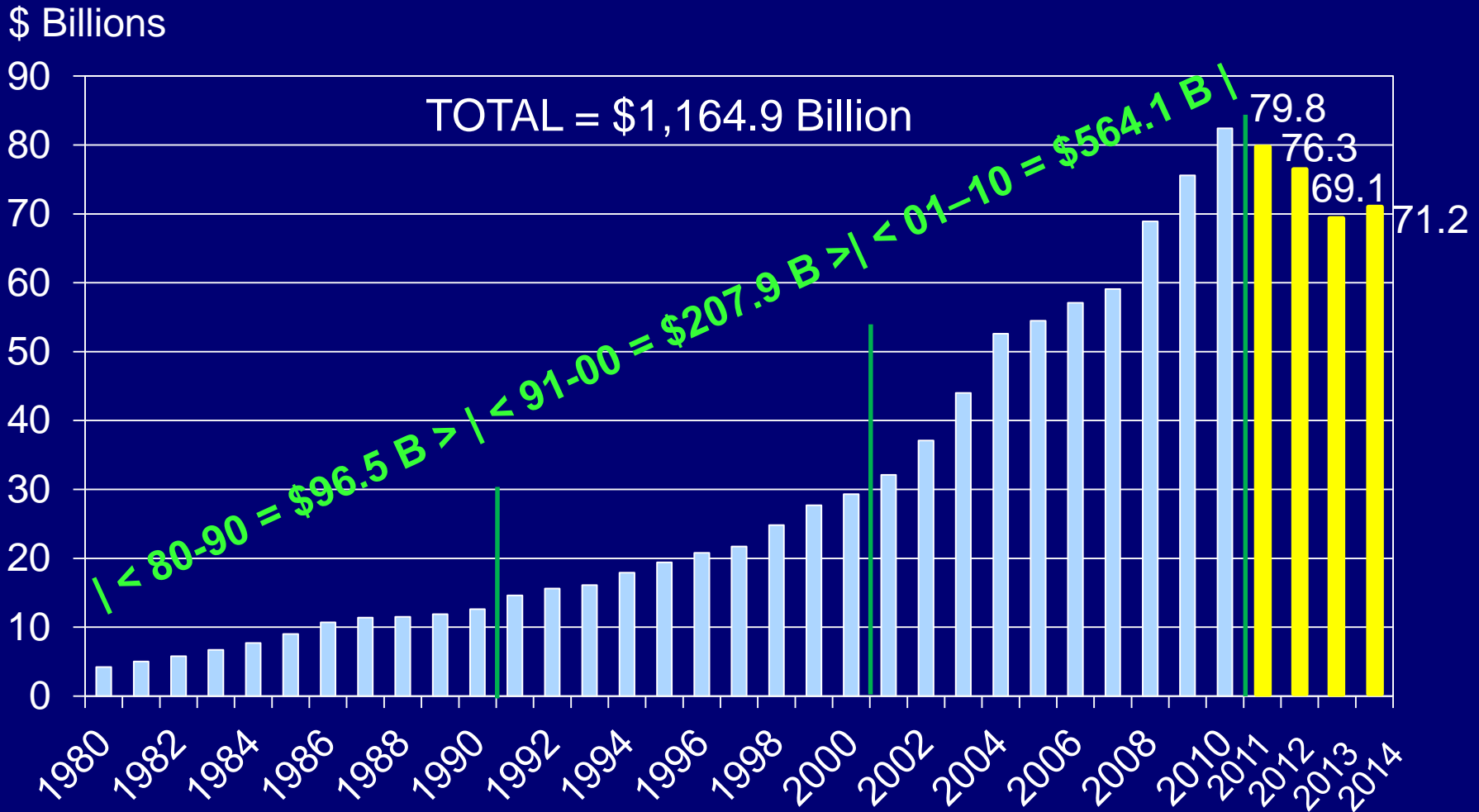
# Share of Washington Area Economy By Sub-State Share 1970-2010



# 2010 Structure of the Greater Washington Economy



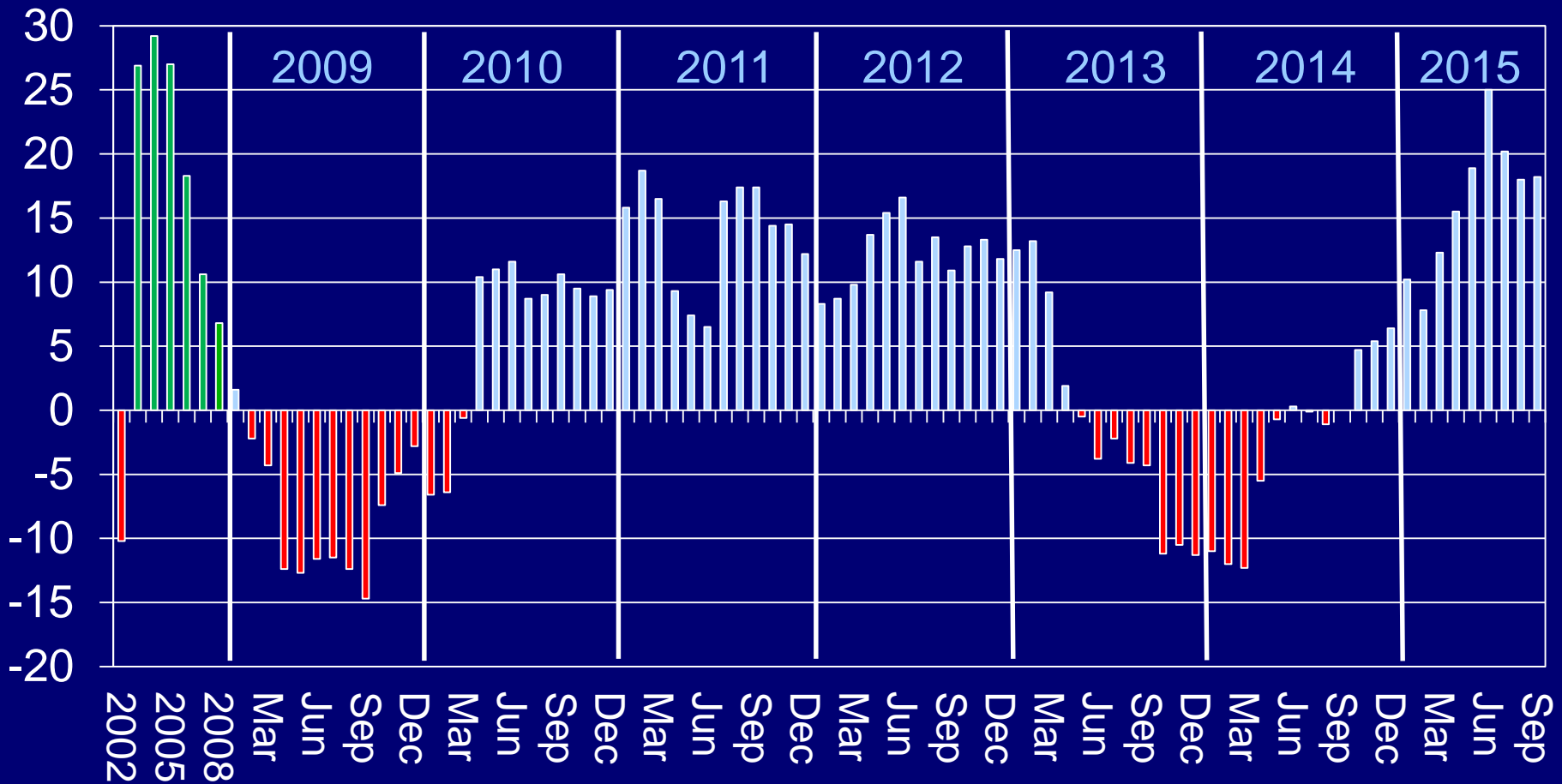
# Federal Procurement in the Washington Metro Area, FY 1980-2014



# Professional & Business Services Washington MSA

(000s) Annual Data

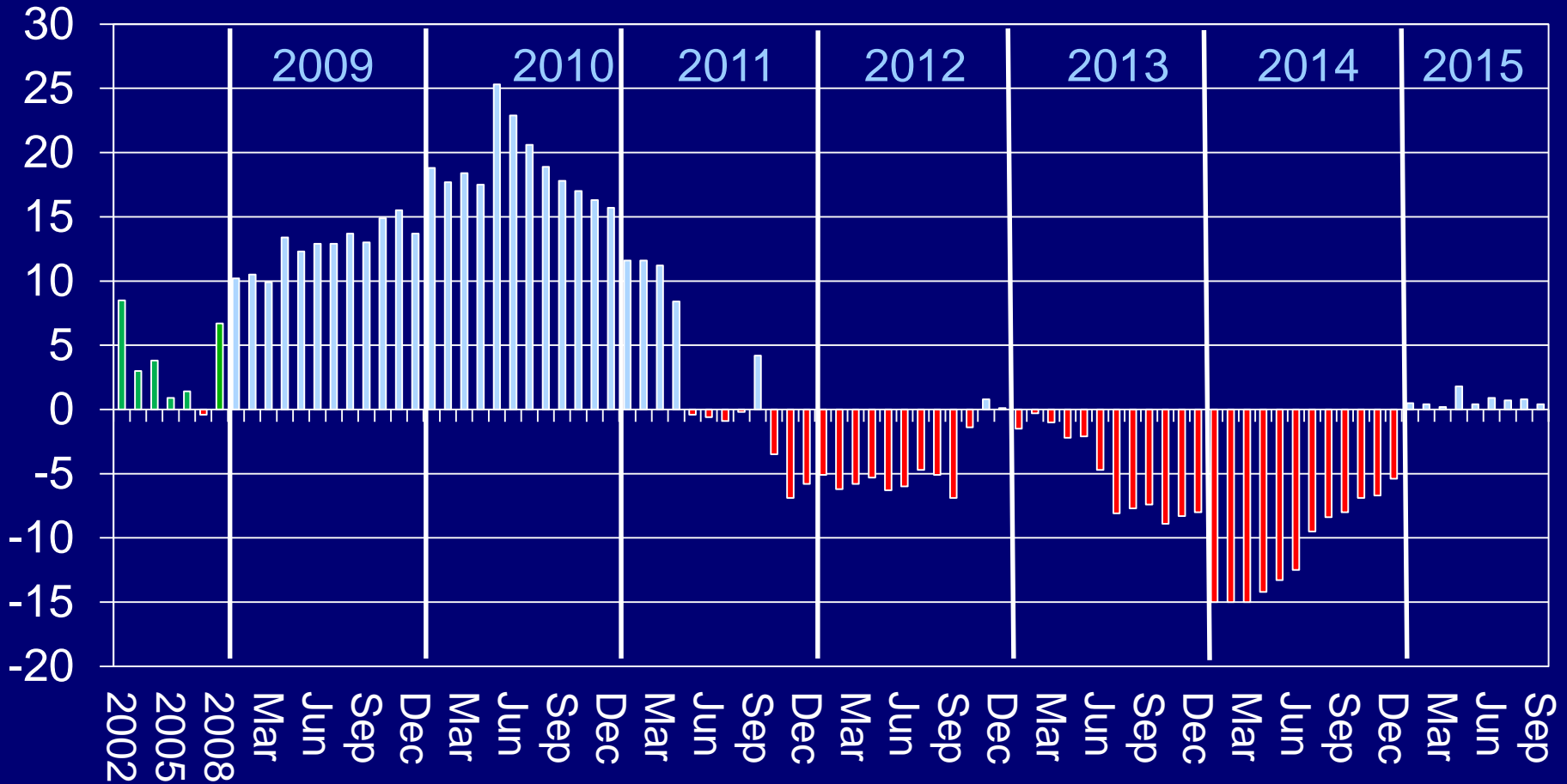
Annual Month over Year



# Federal Government Washington MSA

(000s) Annual Data

Annual Month over Year

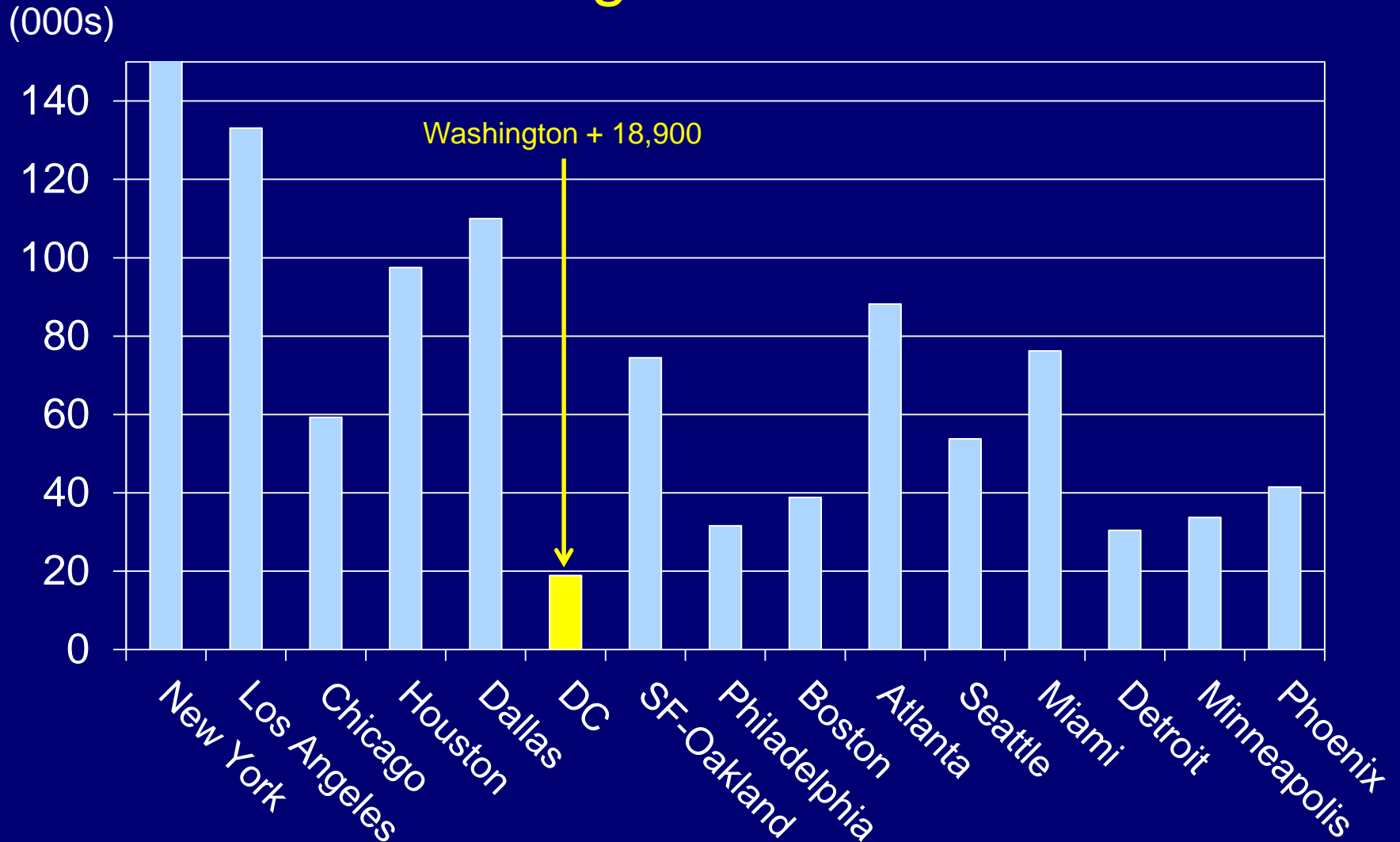


# Summary of Federal Spending Trends in the Washington Metropolitan Area, 2010-2014

- 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

## Job Change: 2013 – 2014



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

# WMSA Payroll Job Change: Private Sector

## The Great Recession and Recovery

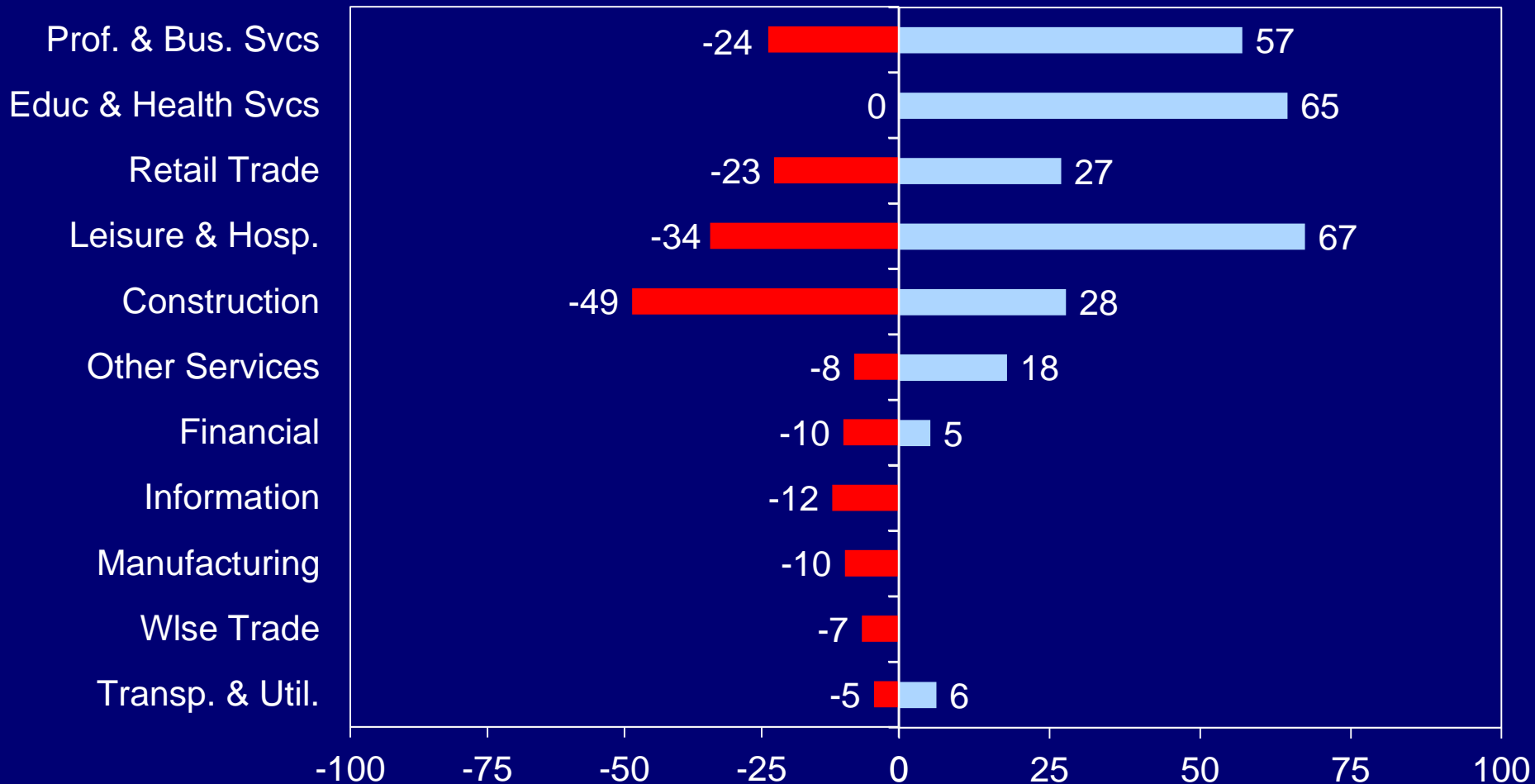
Aug 2008-Feb 2010

Feb 2010-Sep 2015

Total -181

(000s)

Total 273



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)

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<u>Job Change</u>	<u>Total GRP Value</u>
- 181,300	- \$29,044,064,000 <sup>1</sup>
<u>+ 272,800</u>	<u>+ \$29,704,162,000<sup>2</sup></u>
+ 91,500	+ \$660,098,000

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Source: GMU Center for Regional Analysis

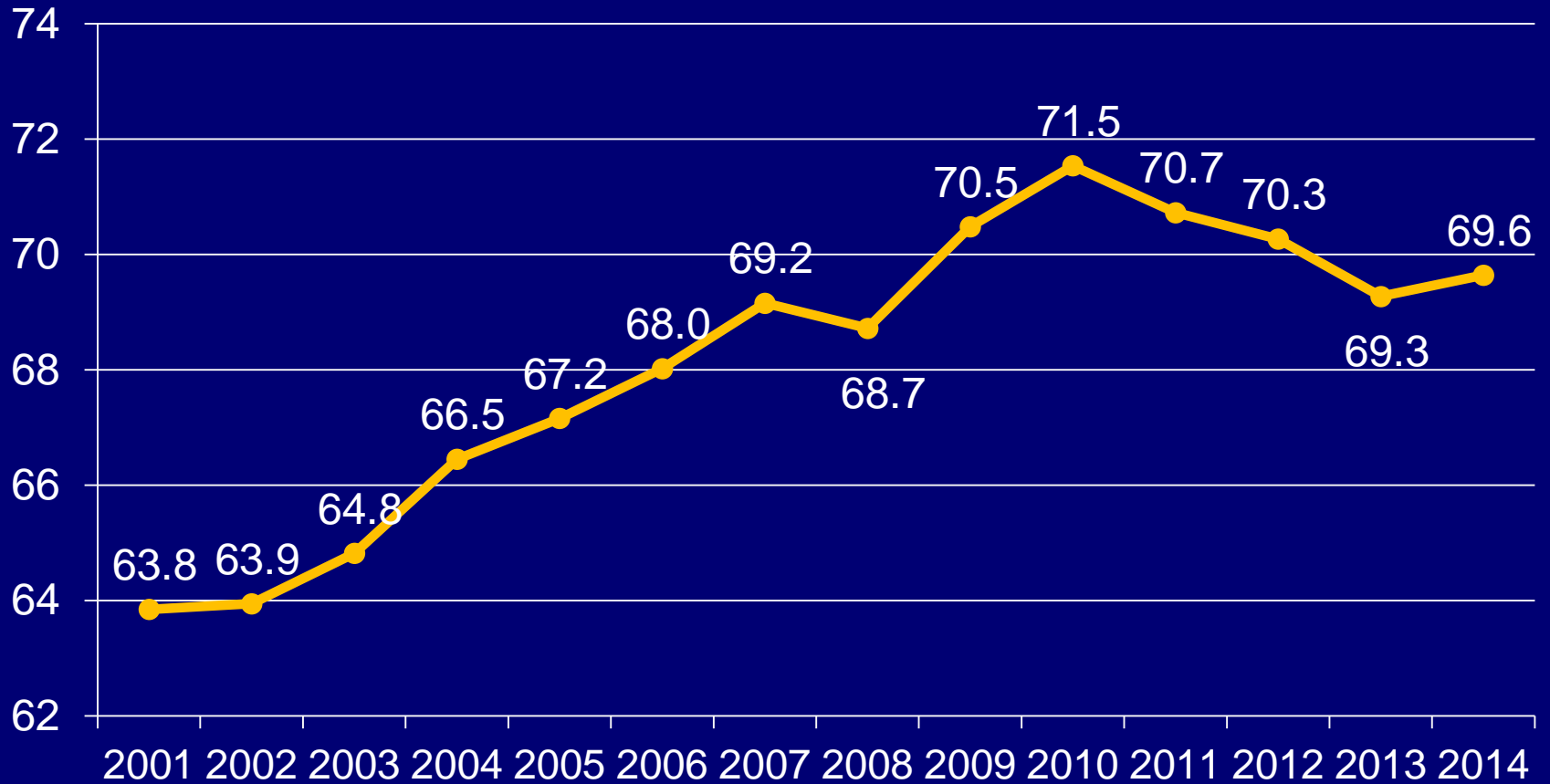
\*Gross Regional Product

<sup>1</sup> \$160,200 per job contribution to GRP

<sup>2</sup> \$108,900 per job contribution to GRP

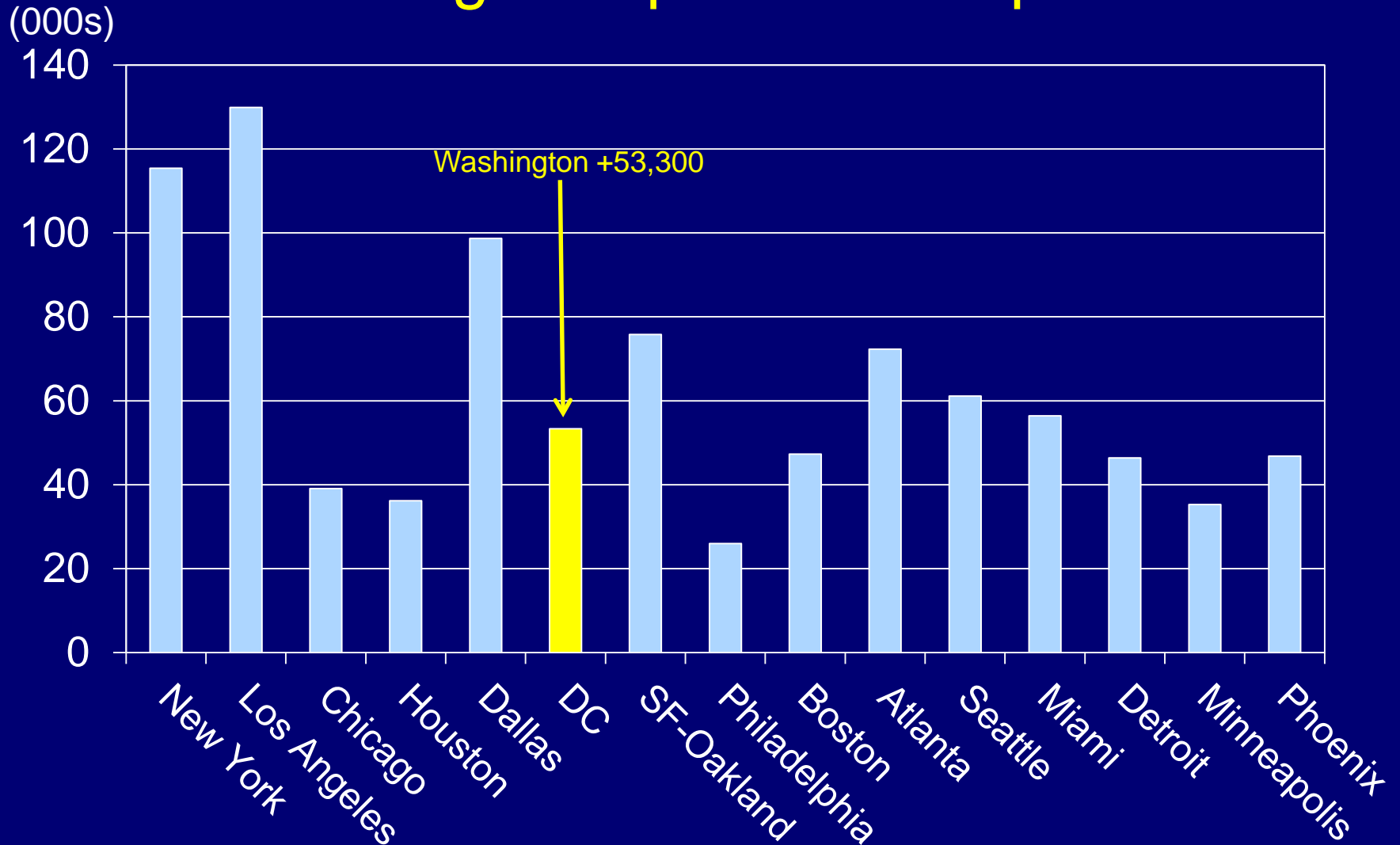
# Average Wage in the Washington Metro Area, 2001-2014

(000s of 2014 \$s)



# 15 Largest Job Markets

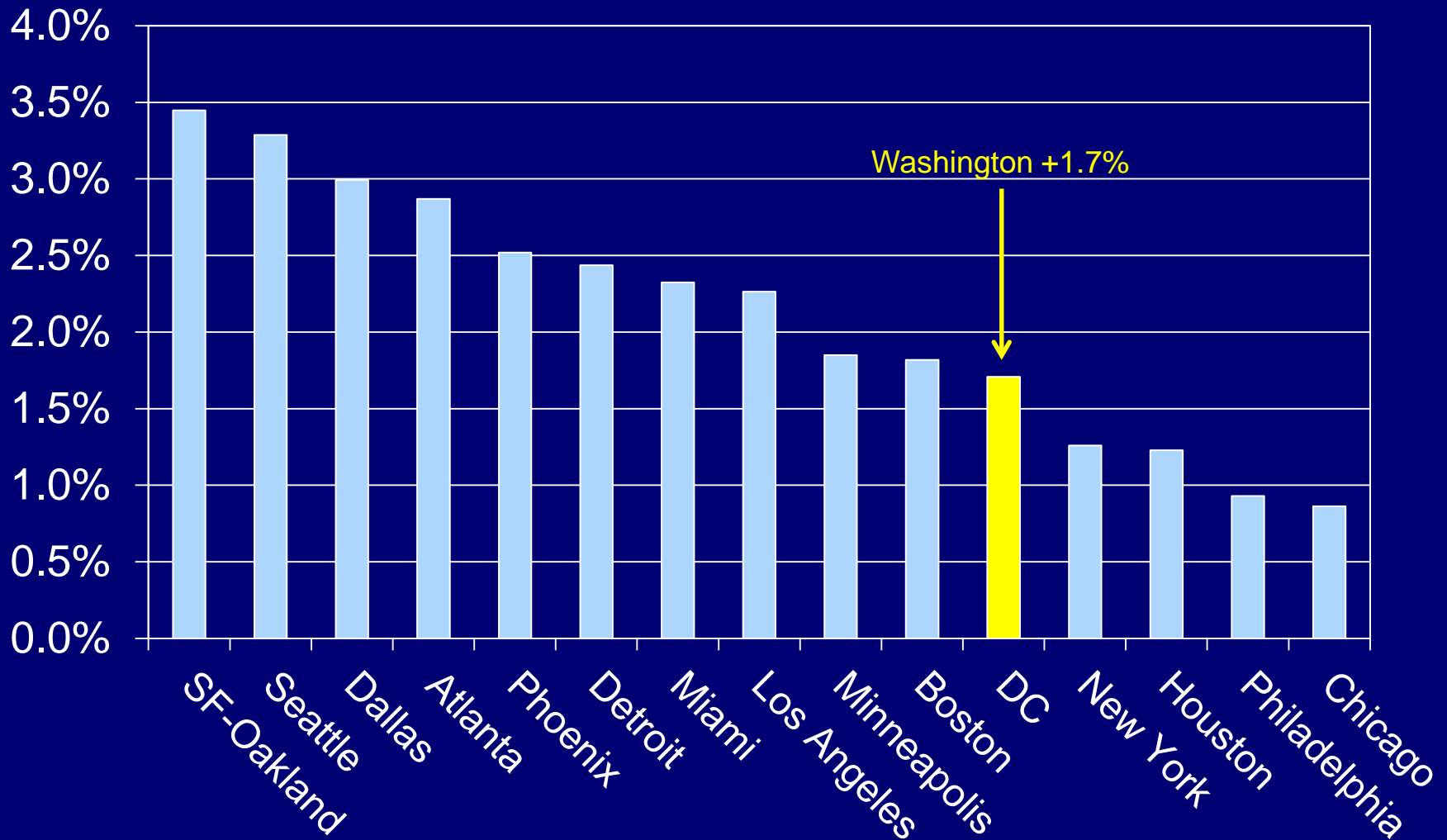
## Job Change: Sep 2014 – Sep 2015



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

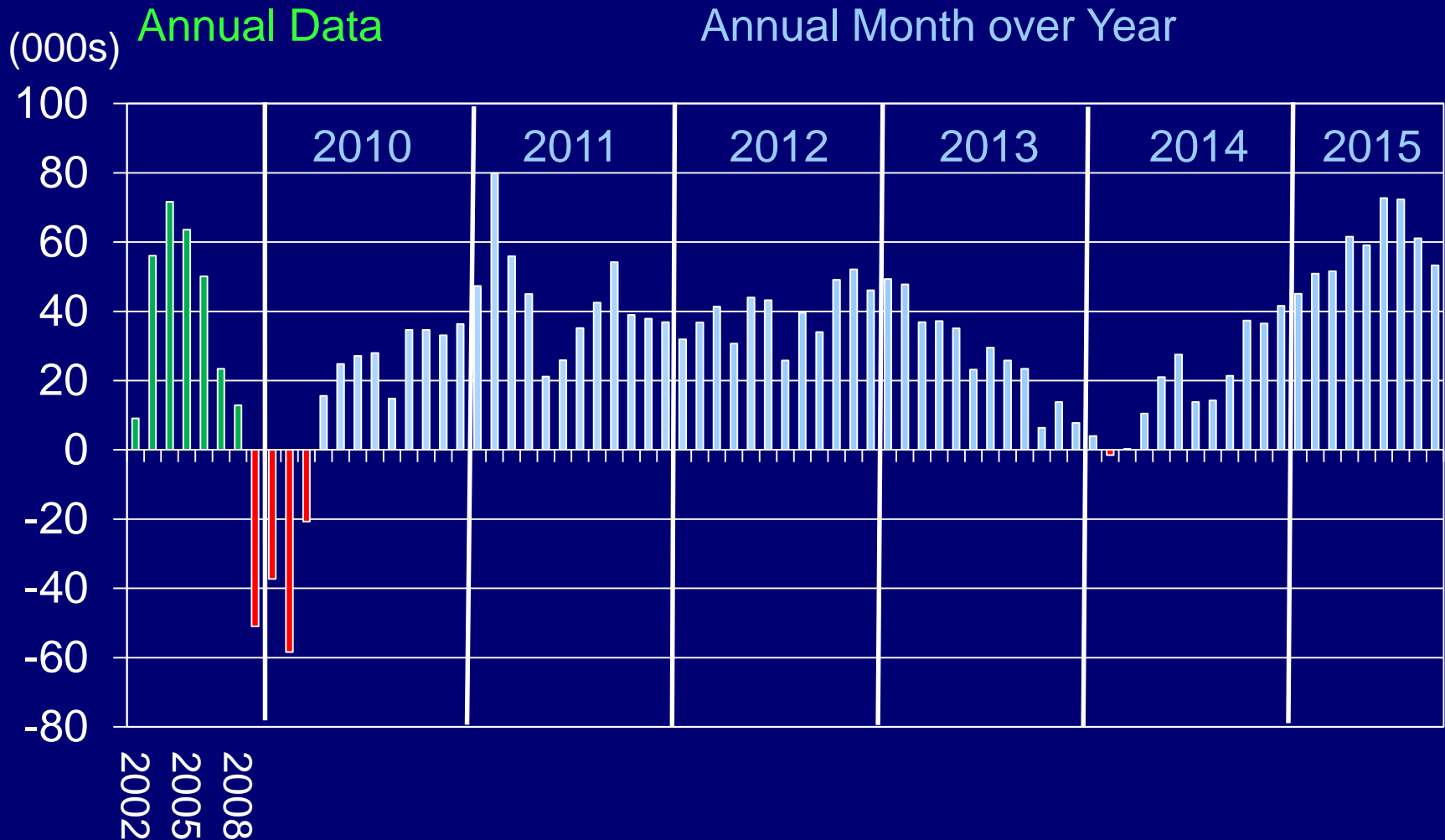
# 15 Largest Job Markets

## Job Change: Sep 2014 – Sep 2015



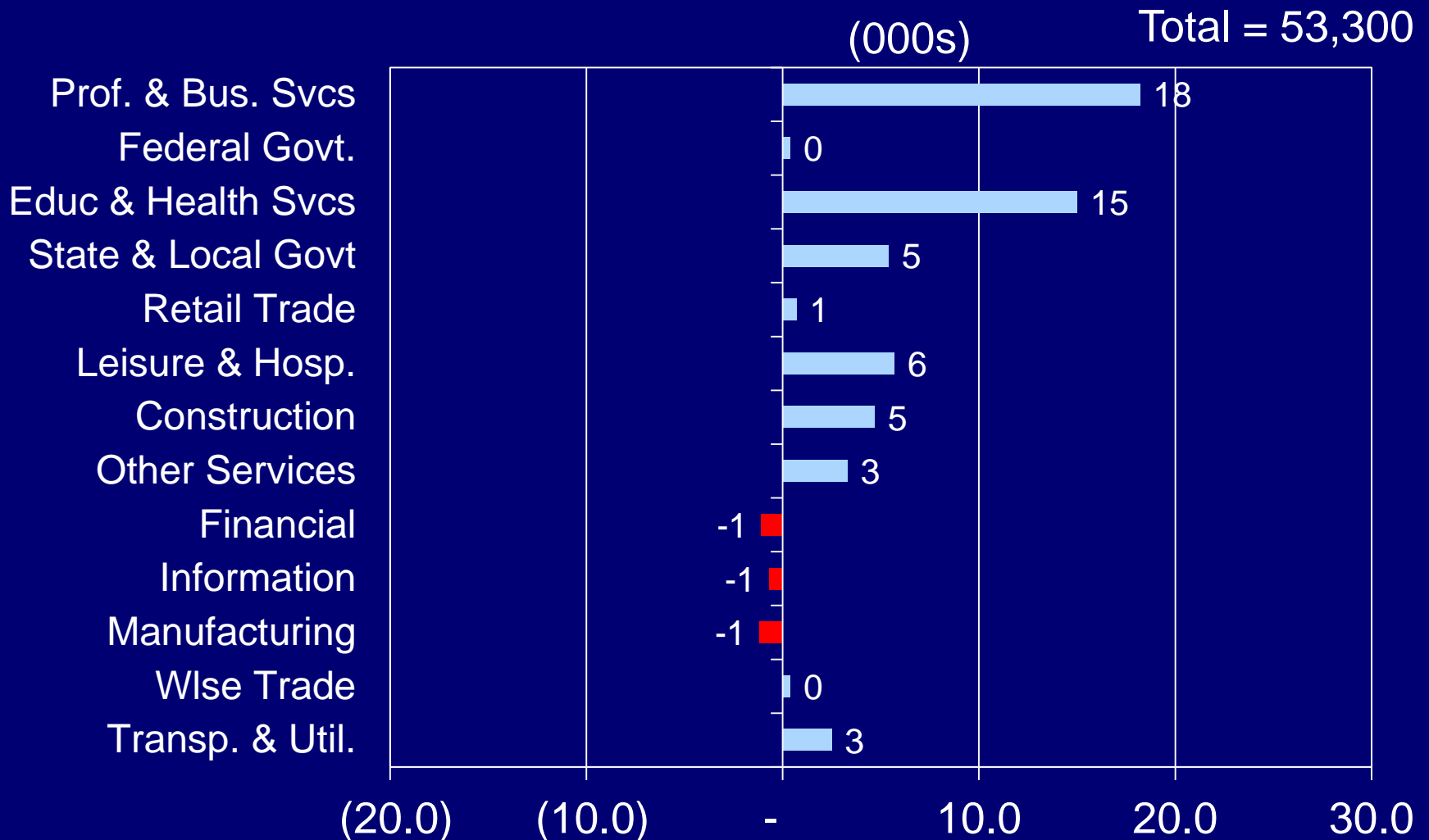
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

# Annual Job Change Washington MSA, 2002-2015



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

# Job Change by Sector Sep 2014 – Sep 2015 Washington MSA

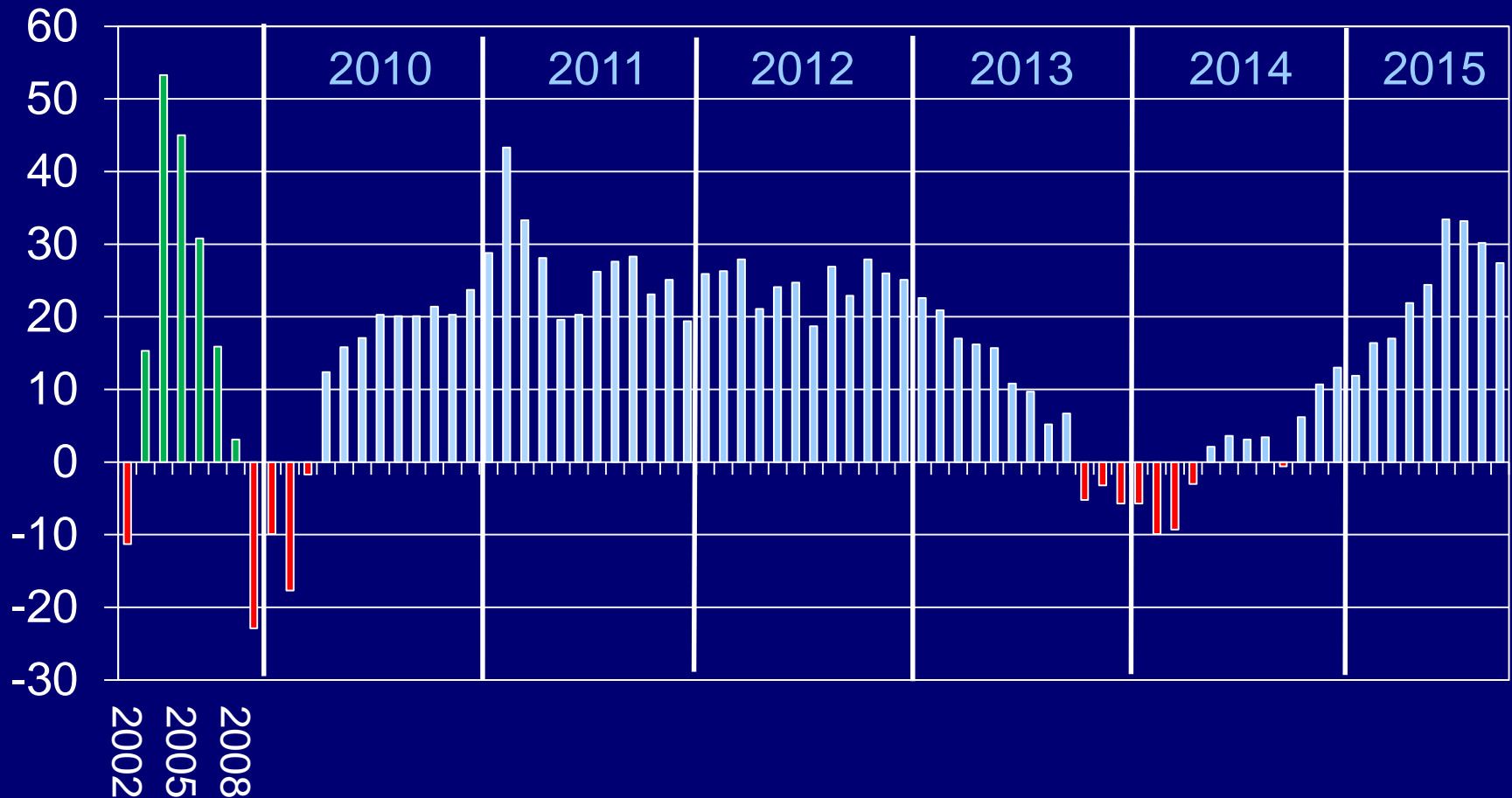


Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

# Annual Job Change Northern Virginia, 2002-2015

(000s) Annual Data

Annual Month over Year

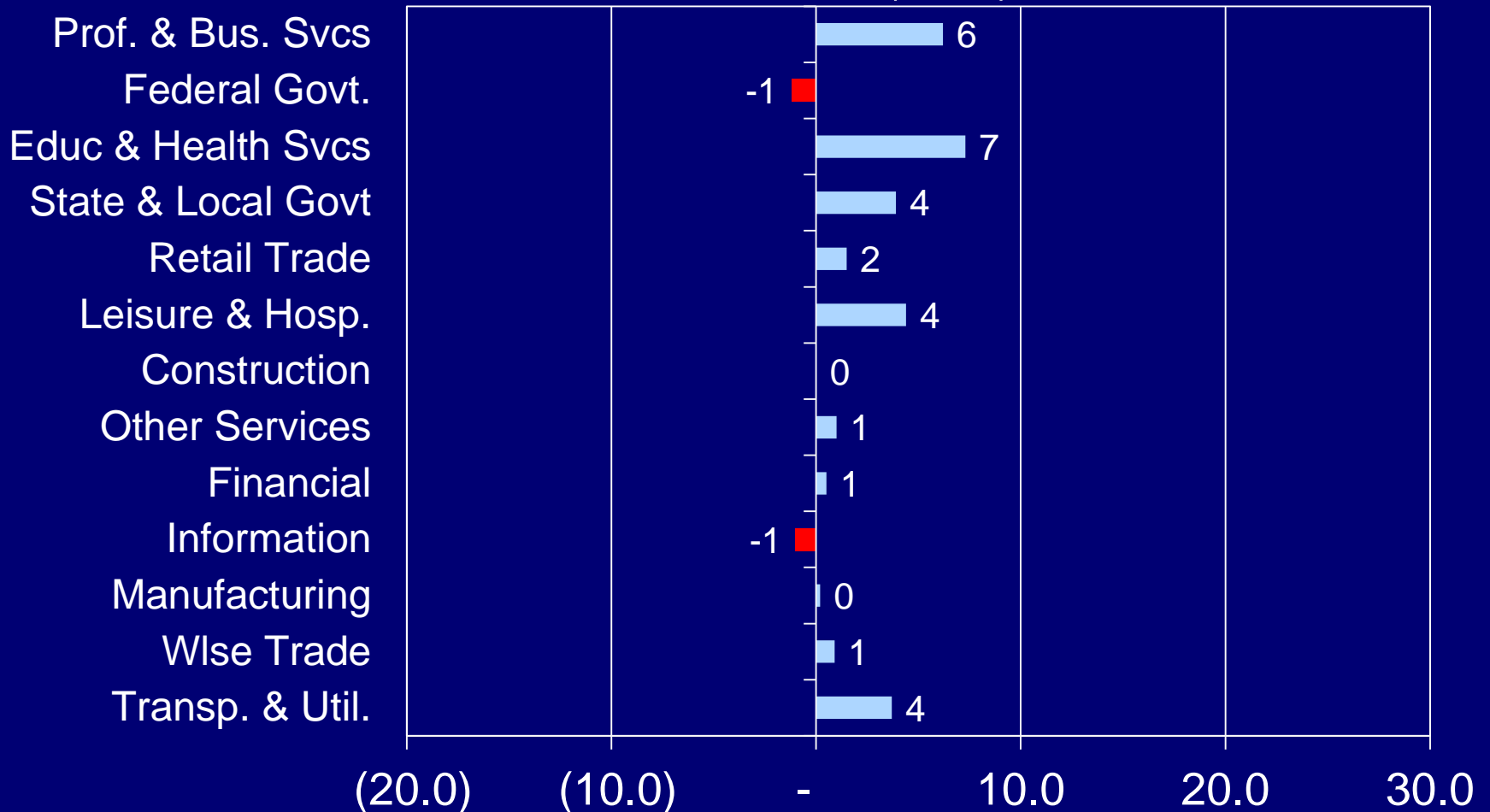


Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

# Job Change by Sector Sep 2014 – Sep 2015 Northern Virginia

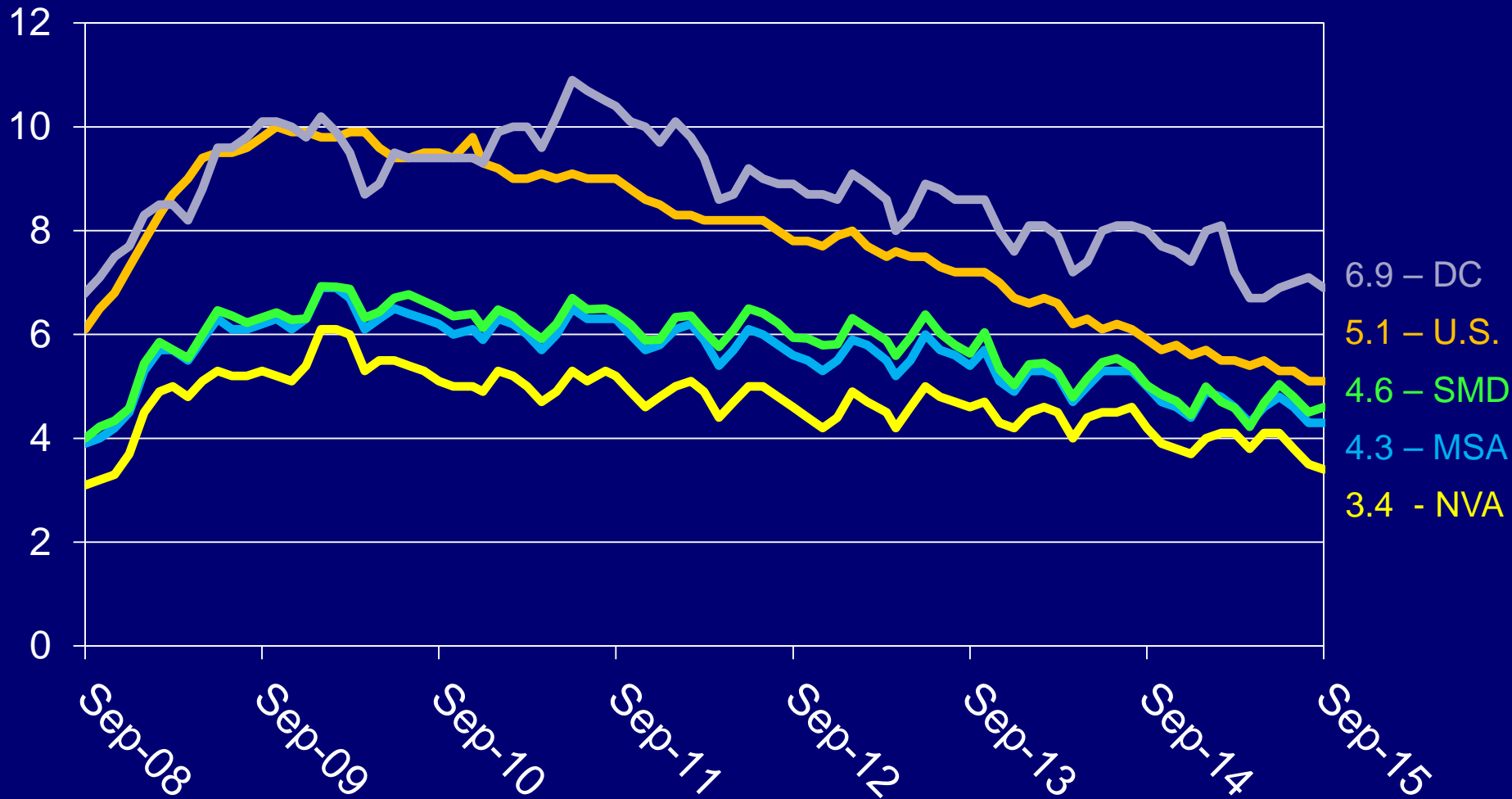
(000s)

Total 27,400



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

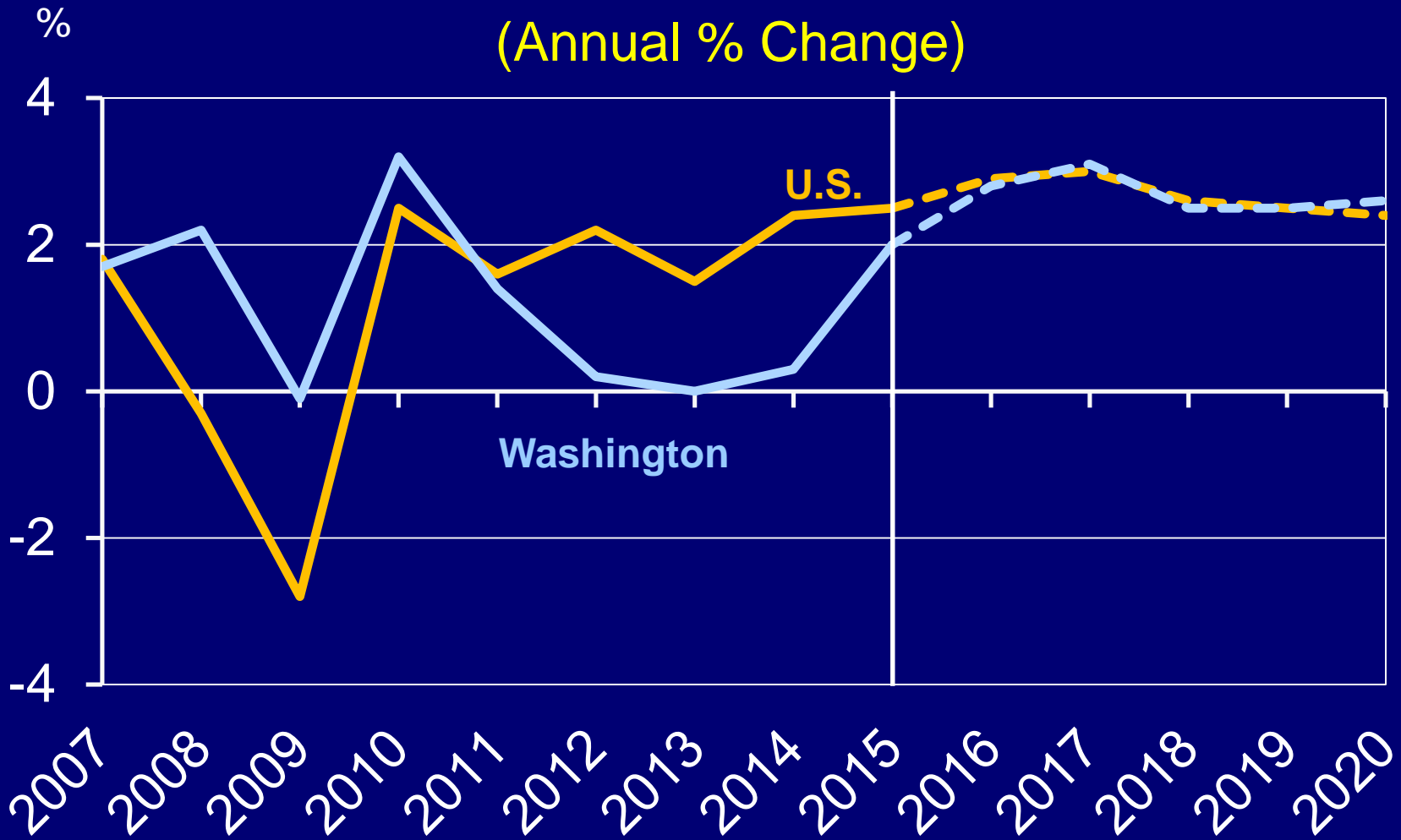
# Unemployment Rates in the WMSA By Sub-State Area, 2008-2015



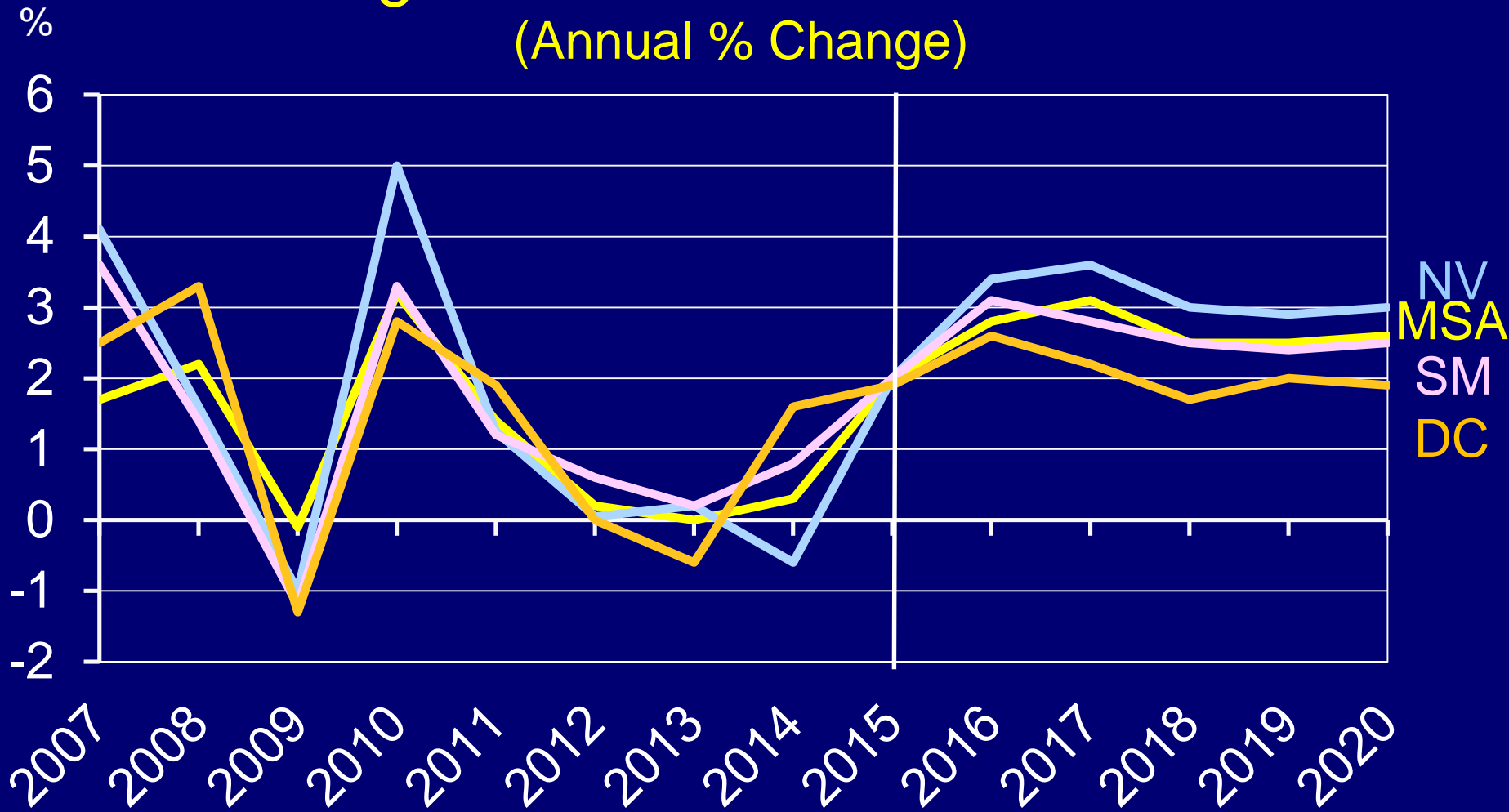
Source: Bureau of Labor Statistics (Region - Not Seasonally Adjusted, US – Seasonally Adjusted)

# Economic Outlook for the Washington Metropolitan Area: 2015-2020

# U.S. GDP and Washington Area GRP 2007 – 2015 – 2020 (Annual % Change)



# Economic Outlook (GRP), 2007-2020 Washington Area and Sub-State Areas (Annual % Change)



# Employment Change in the WMSA by Sub-State Area (000s)

	2013	2014	2015*	2016	2017	2018	2019	2020
<b>D.C.</b>	13.0	6.5	14.3	15.7	11.0	12.7	11.7	11.0
<b>Sub. MD</b>	6.1	11.1	20.0	22.4	20.1	16.9	15.8	14.8
<b>No. VA</b>	8.9	1.3	24.6	28.3	26.7	19.0	17.9	16.8
<b>REGION</b>	28.0	18.9	58.9	66.4	57.8	48.6	45.4	42.6

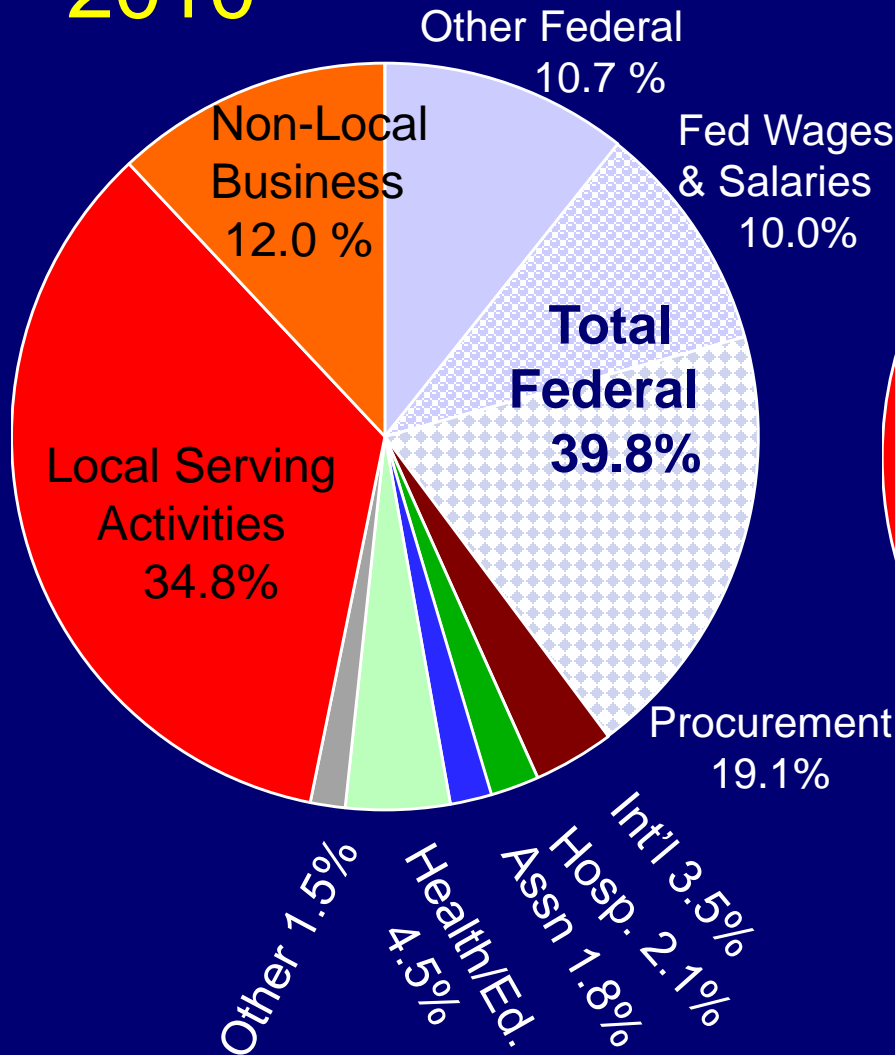
Average Annual Change 1990-2010 = 36,000

Source: BLS, IHS Economics, GMU Center for Regional Analysis (August 2015); \*estimated based on first half-year performance.

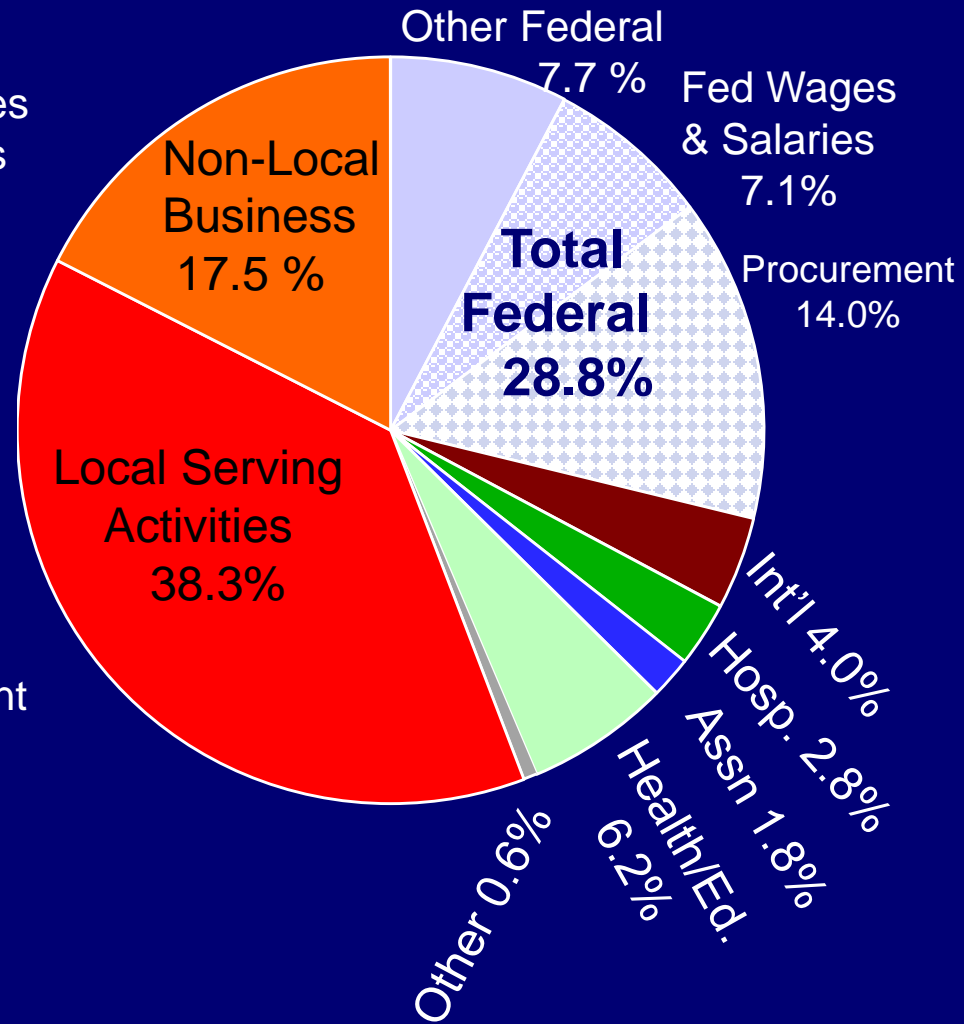
NOTE: The regional totals do not include Jefferson, WV.

# Structure of the Greater Washington Economy

2010



2020



# Thank You Questions

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