

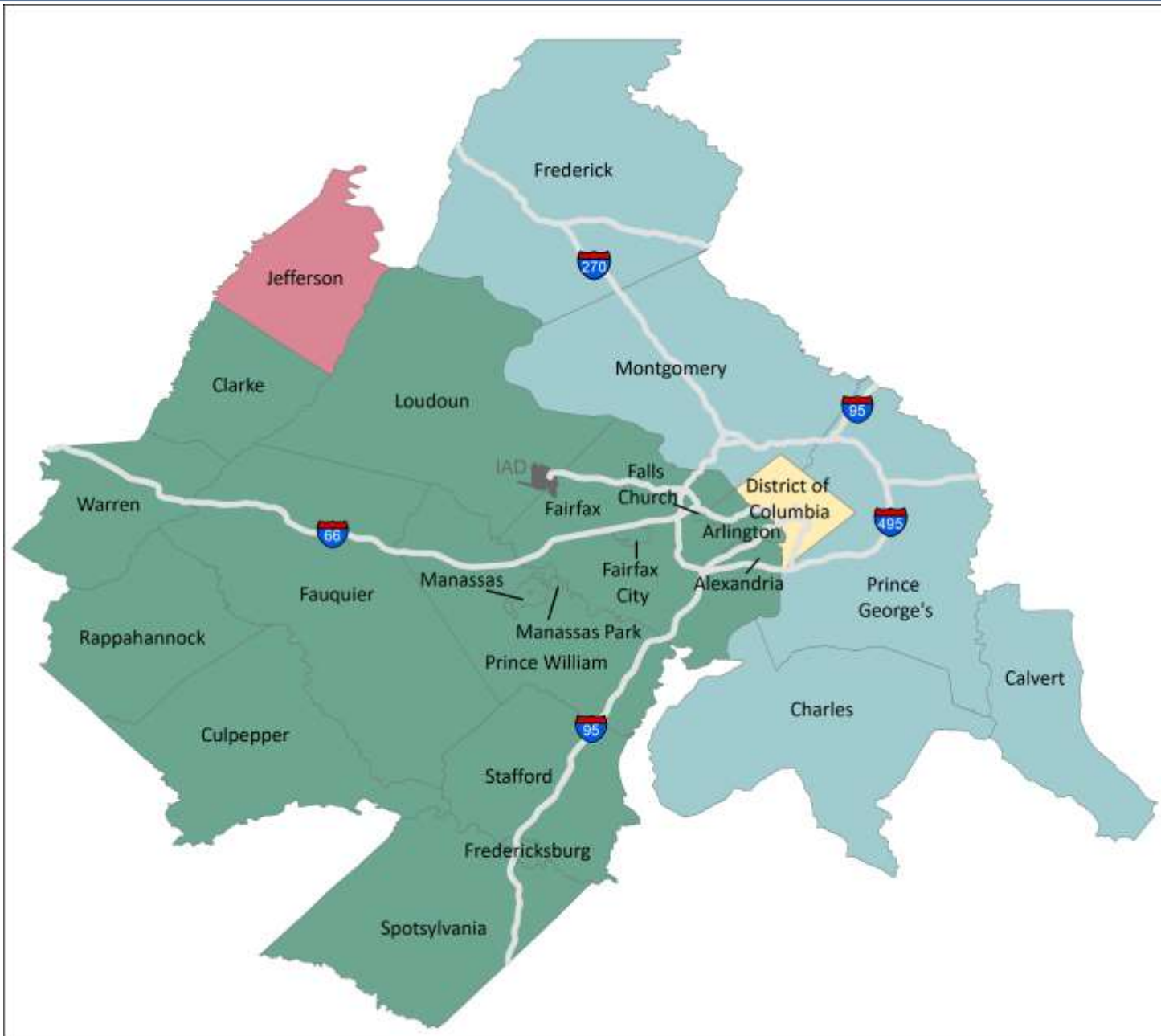
The Transformations of the Washington Region's and Arlington County's Economies

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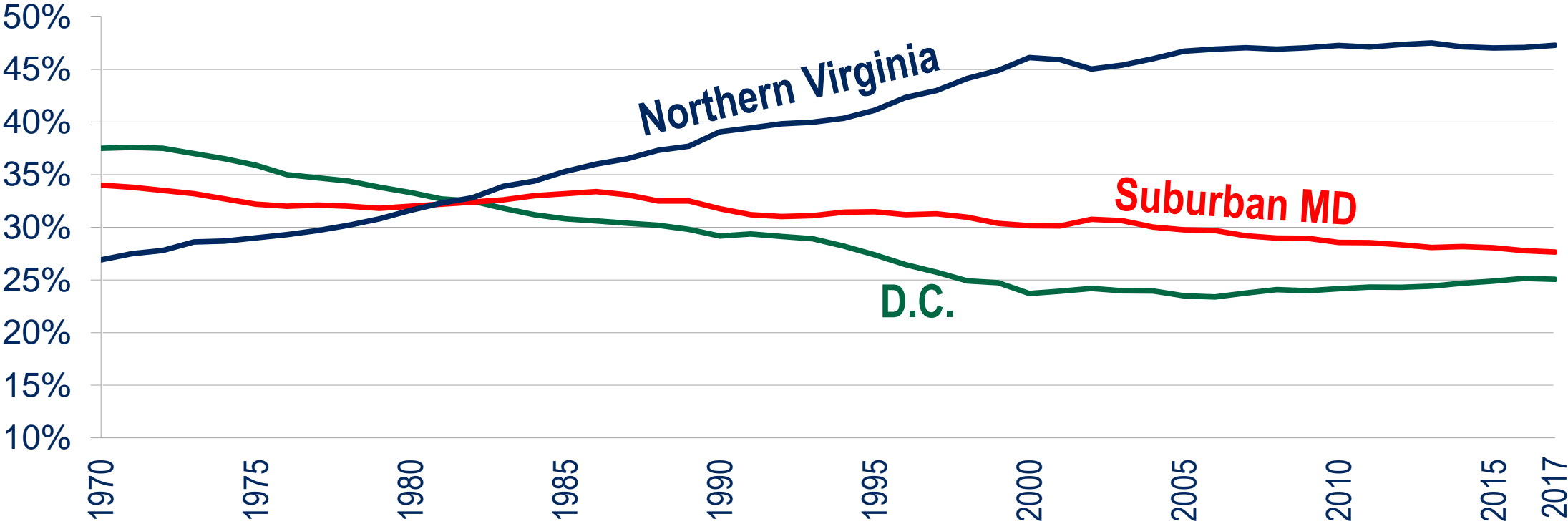
April 12, 2019

Fast Facts About the Washington Region



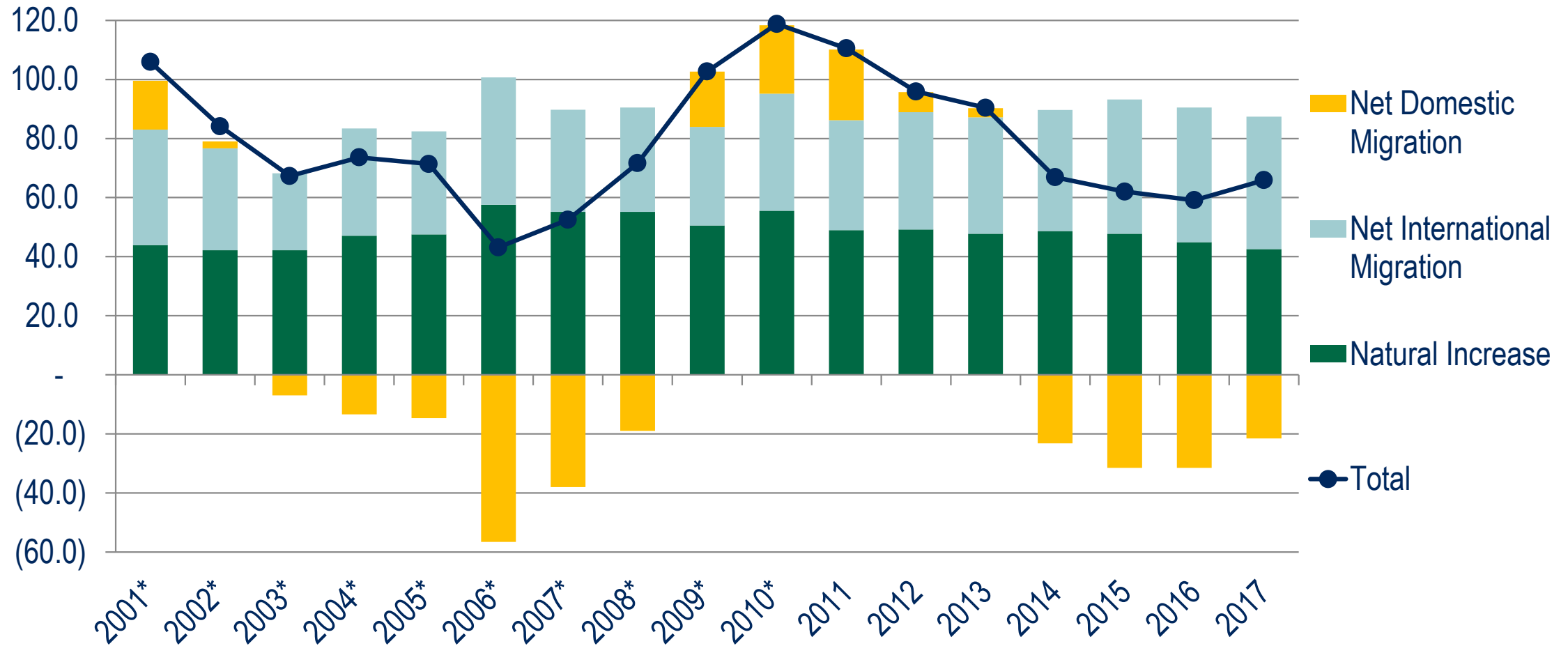
Washington Region

Percent of GRP Washington Region Economy 1970-2017



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

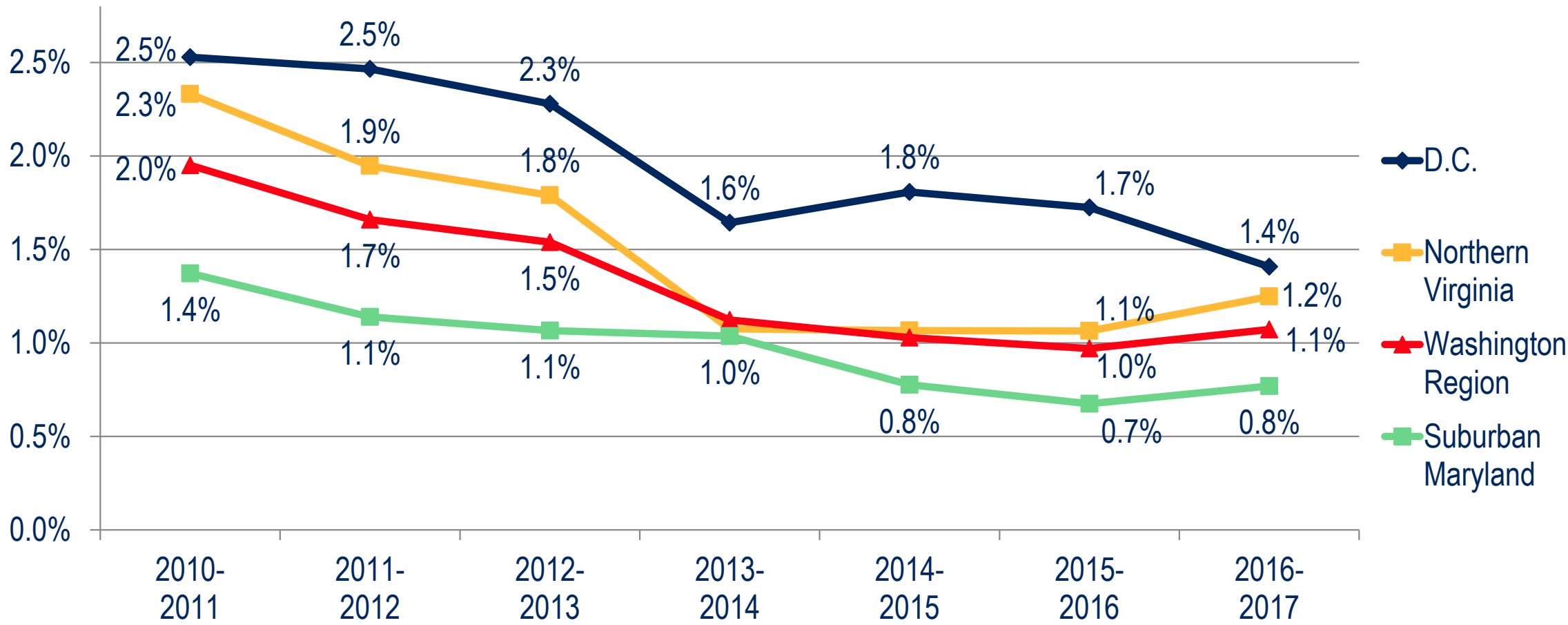
Population Growth By Component Change Washington Region (in 000s)



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

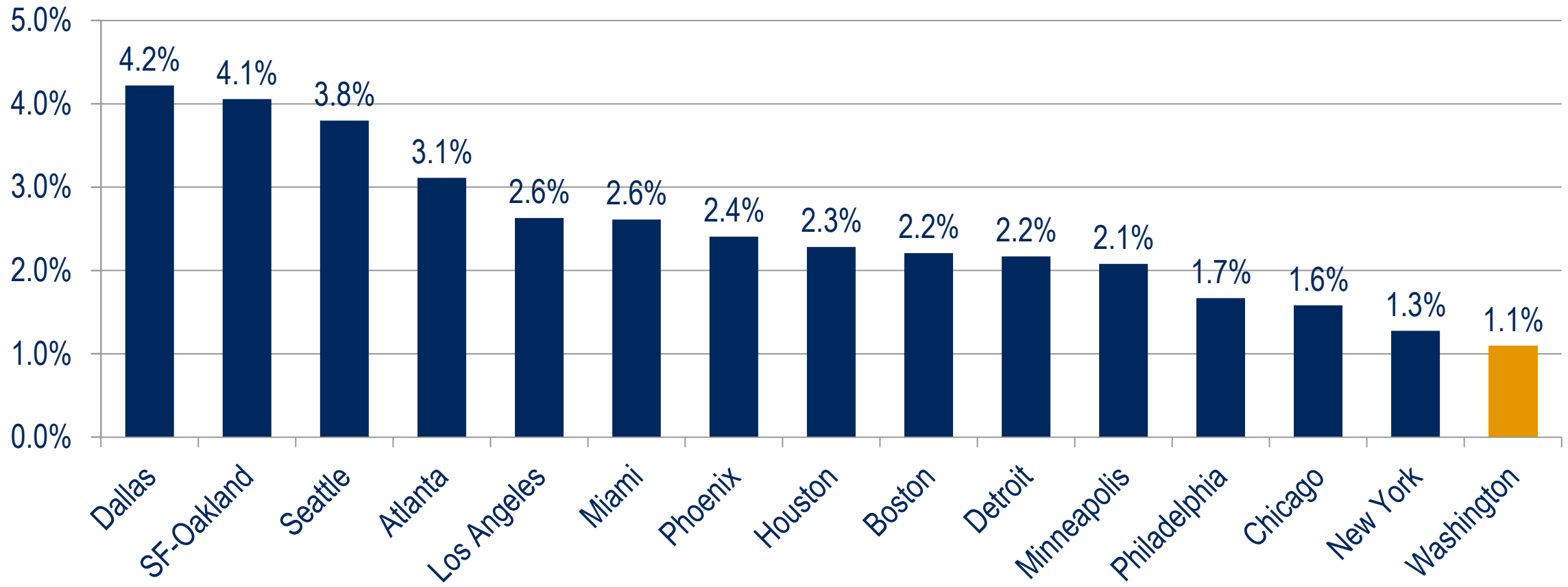
*Estimate

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



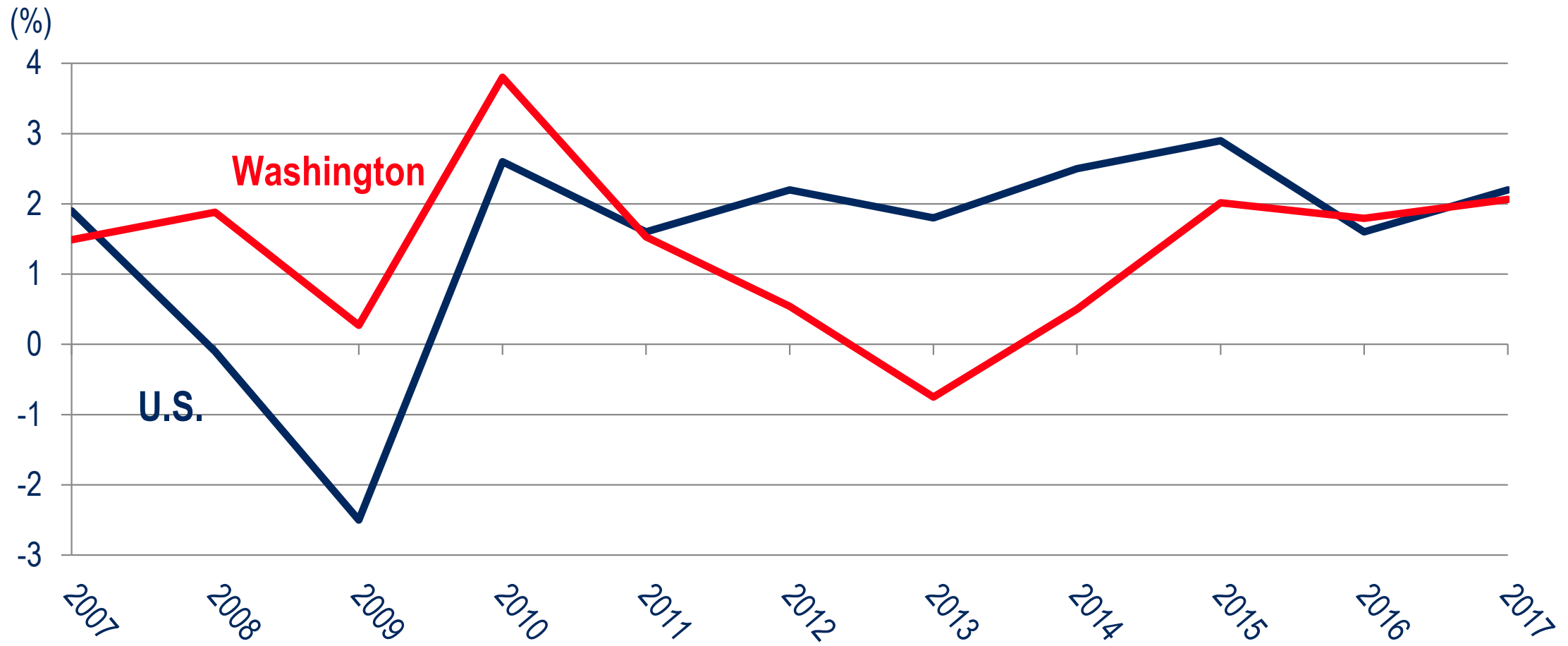
Sources: U.S. Census Bureau (v2017 Population Estimates); The Stephen S. Fuller Institute at the Schar School, GMU

Average Annual GRP Change in the Largest Metros 2010-2017 (inflation-adjusted)



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

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

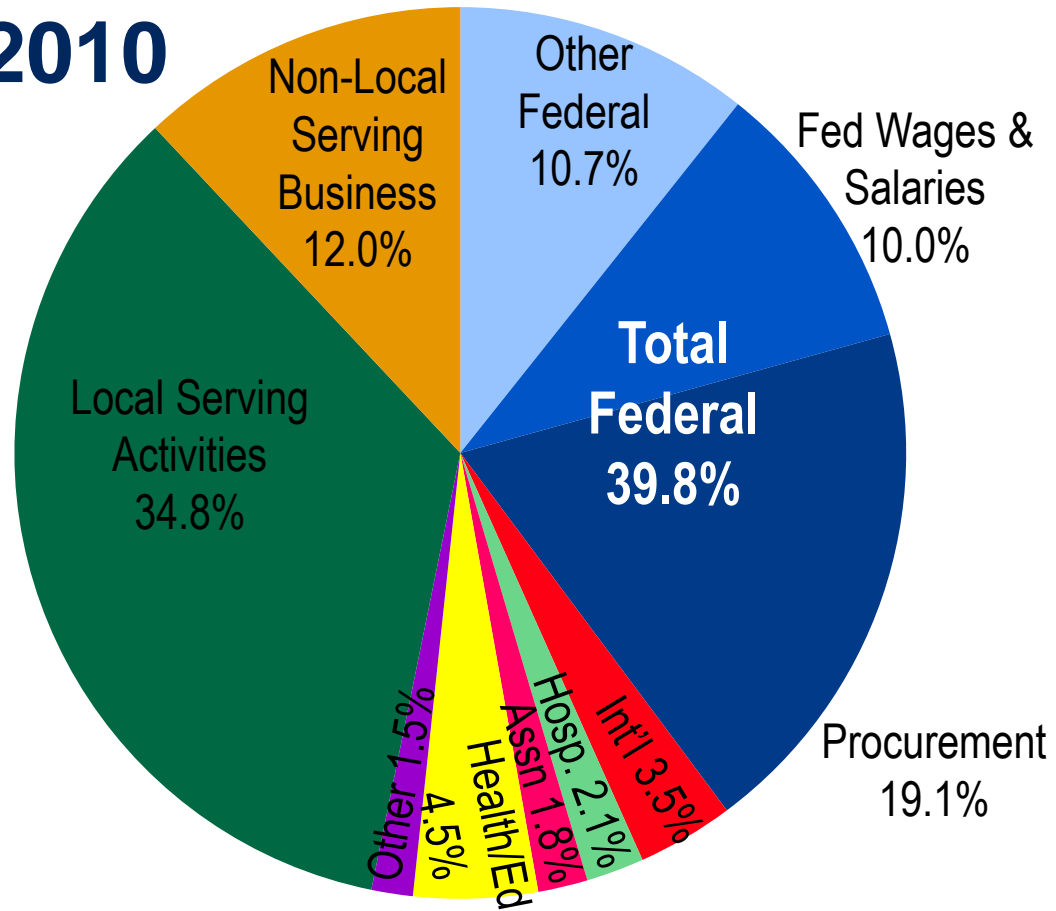


Sources: U.S. Bureau of Economic Analysis; The Stephen S. Fuller Institute at the Schar School, GMU

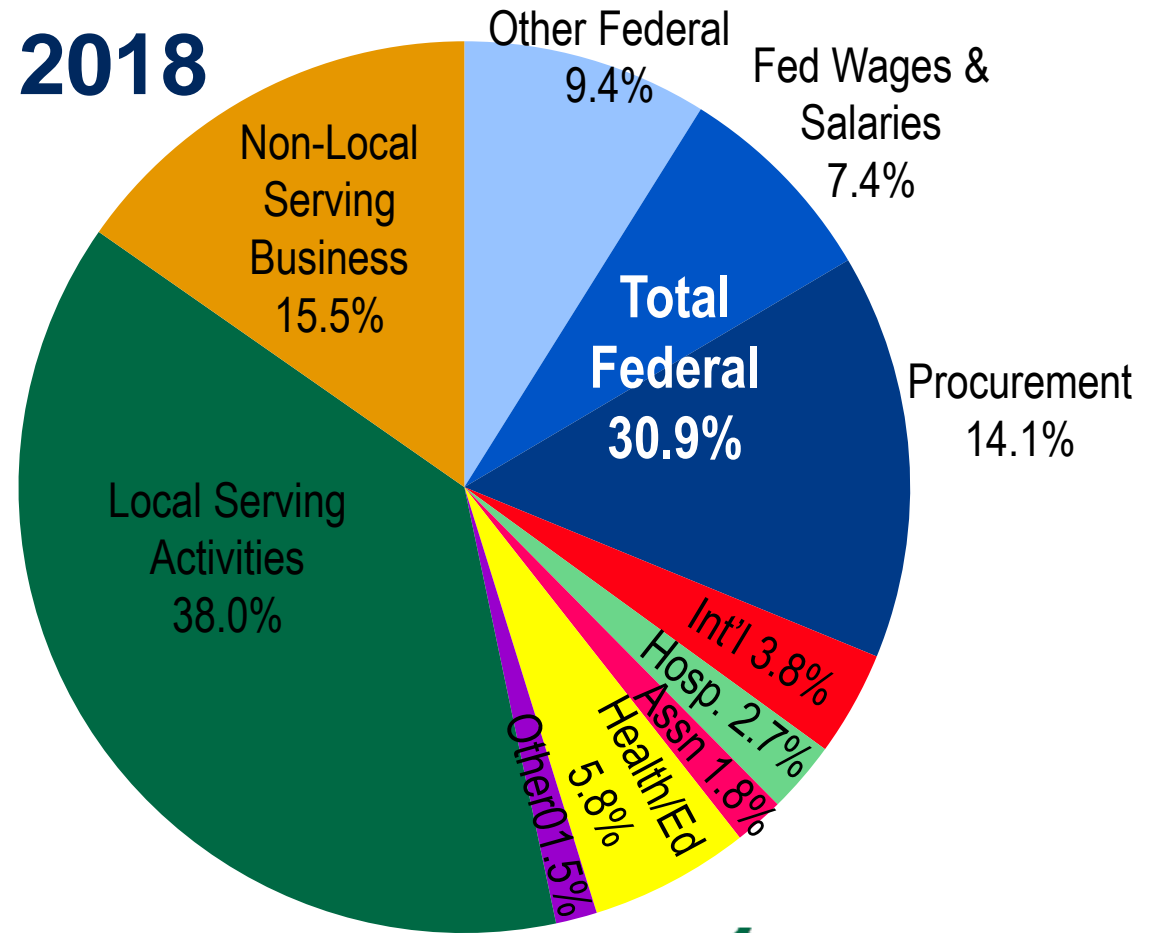
The Washington Region's Second Economic Transformation

The Changing Structure of the Washington Region Economy

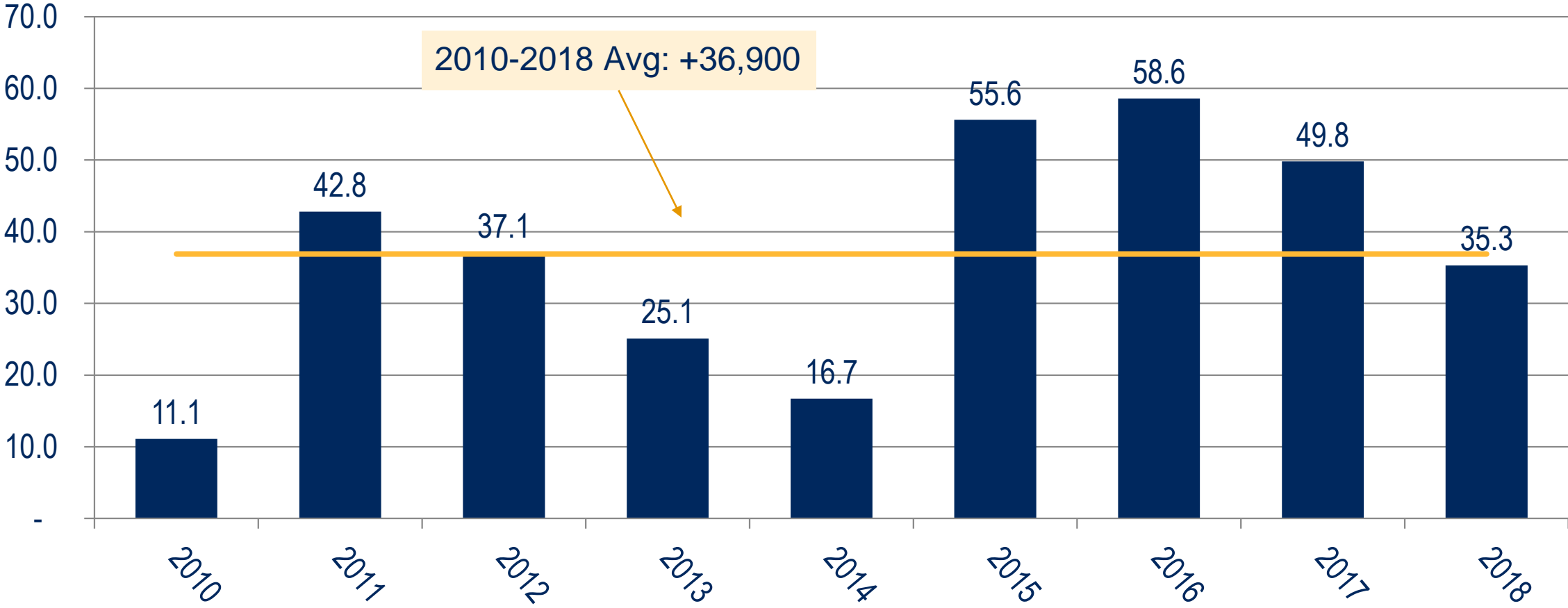
2010



2018



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

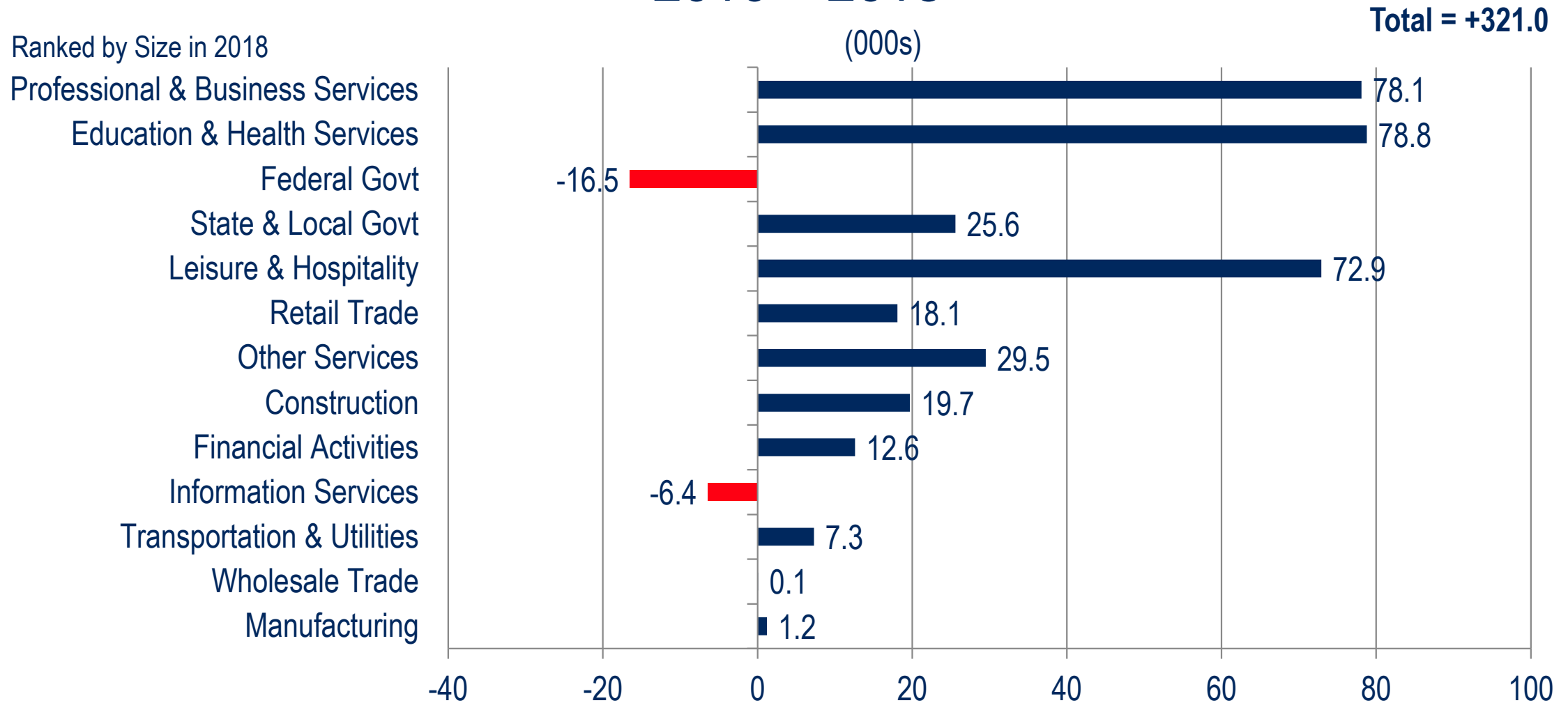


Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU

*Preliminary

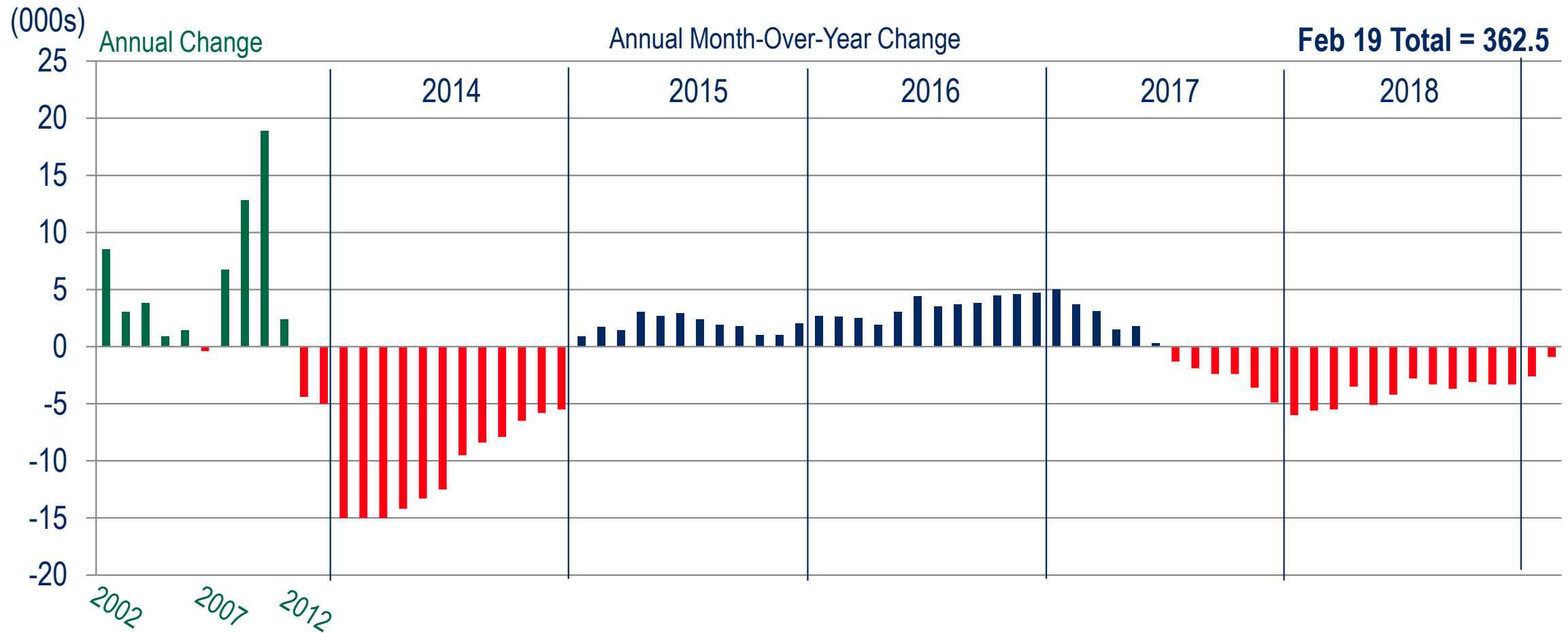
Washington MSA Job Change by Sector

2010 – 2018



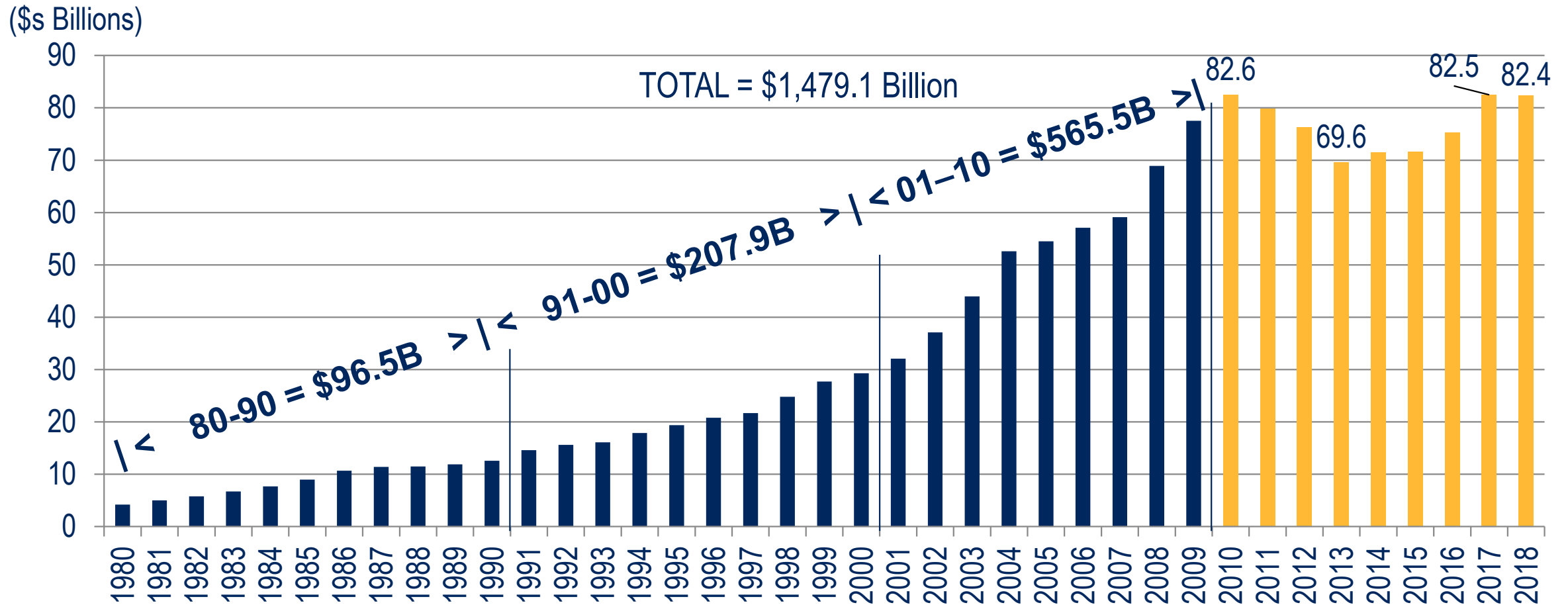
Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU

Federal Government Jobs Washington MSA



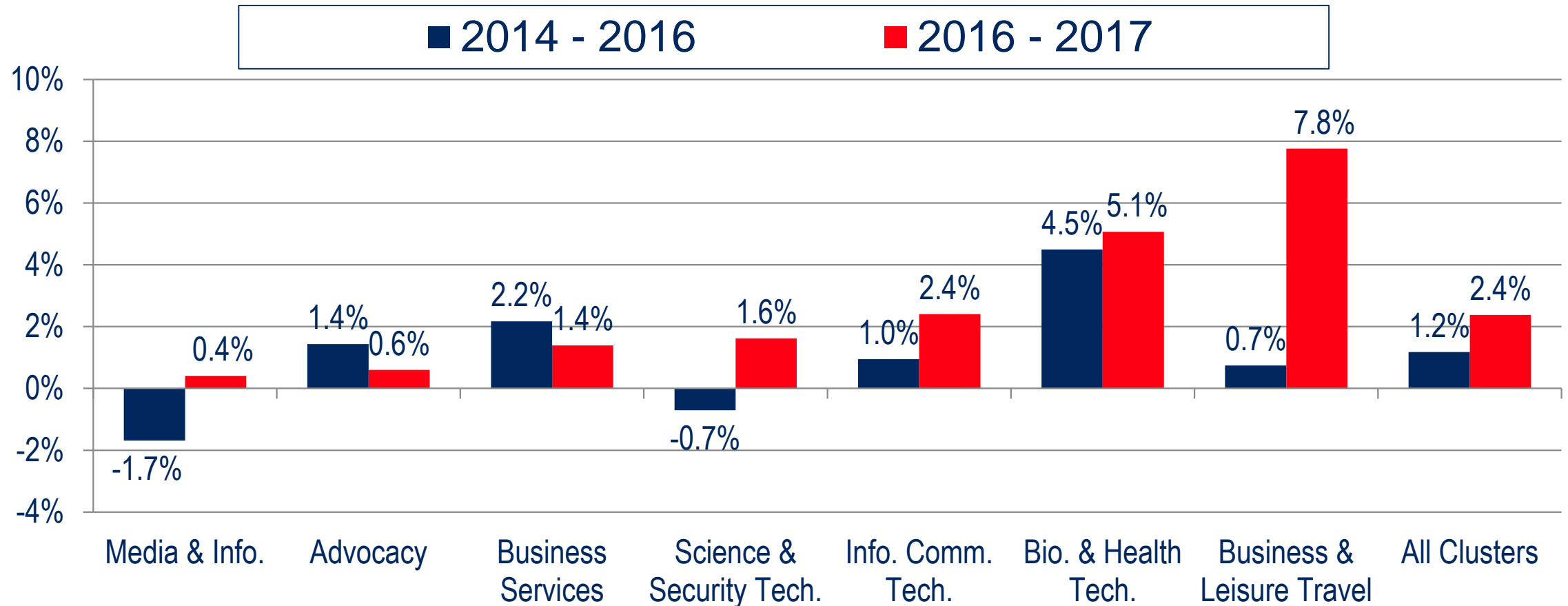
Sources: U.S. Bureau of Labor Statistics (Not Seasonally Adjusted), The Stephen S. Fuller Institute at the Schar School, GMU

Federal Procurement in the Washington Region, 1980-2018



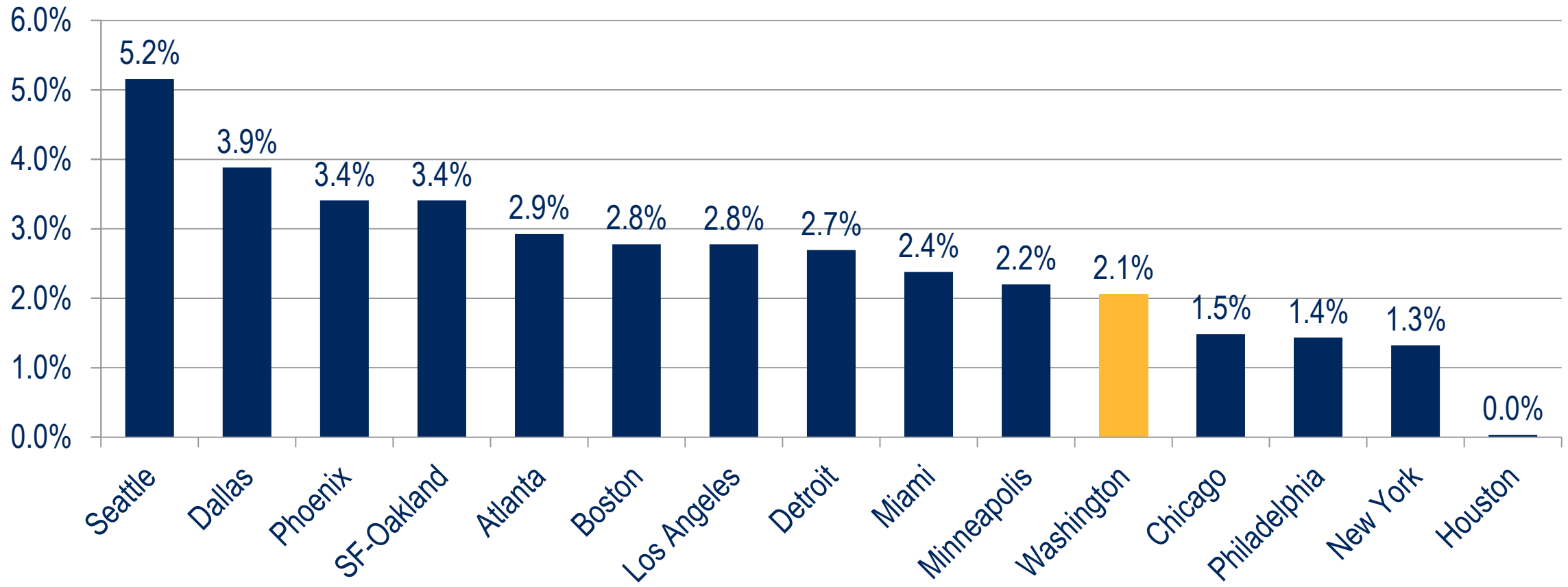
Source: US Census, Consolidated Federal Funds Report and USAspending.gov, The Stephen S. Fuller Institute at the Schar School, GMU

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

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

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	+321.0
GRP Value	\$145,711	\$110,397

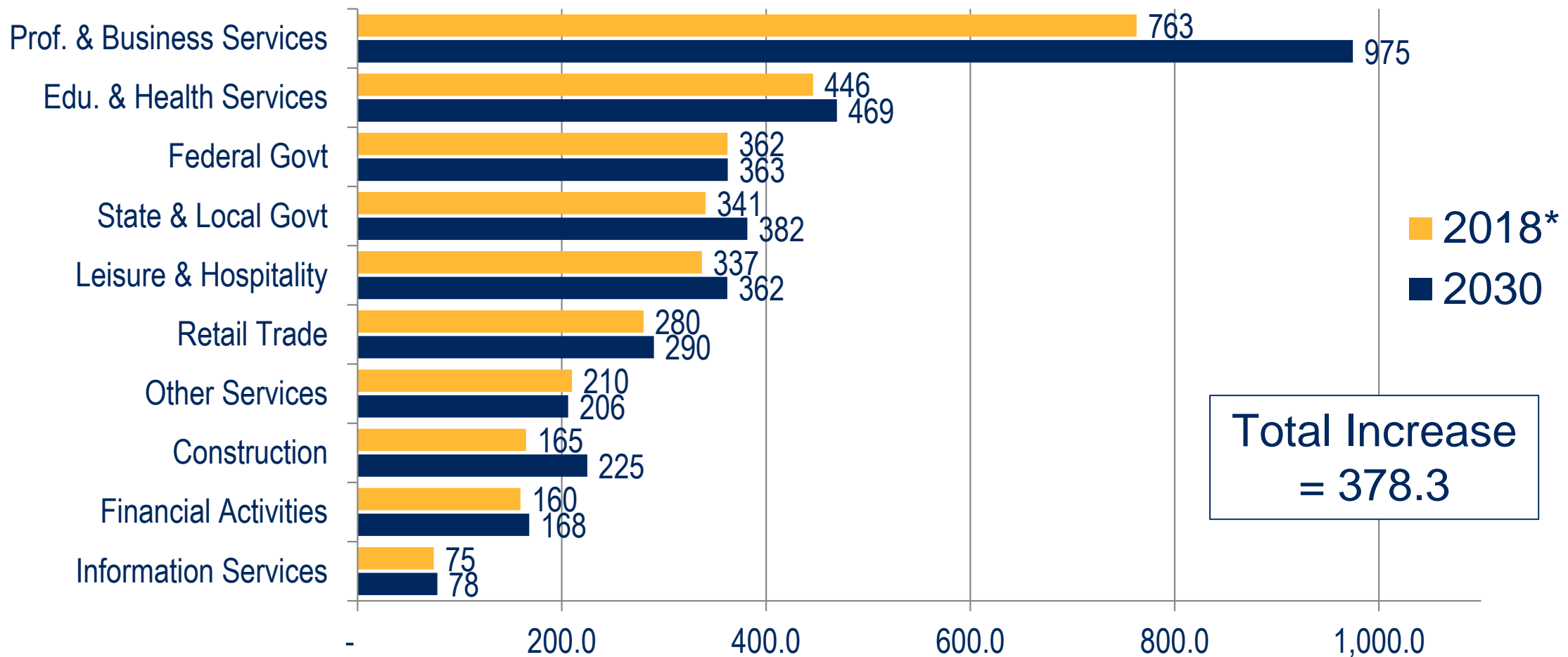
Source: IHS Economics; The Stephen S. Fuller Institute at the Schar School, GMU

*Gross Regional Product

The Washington Region's Economic Outlook for the Next Decade?

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

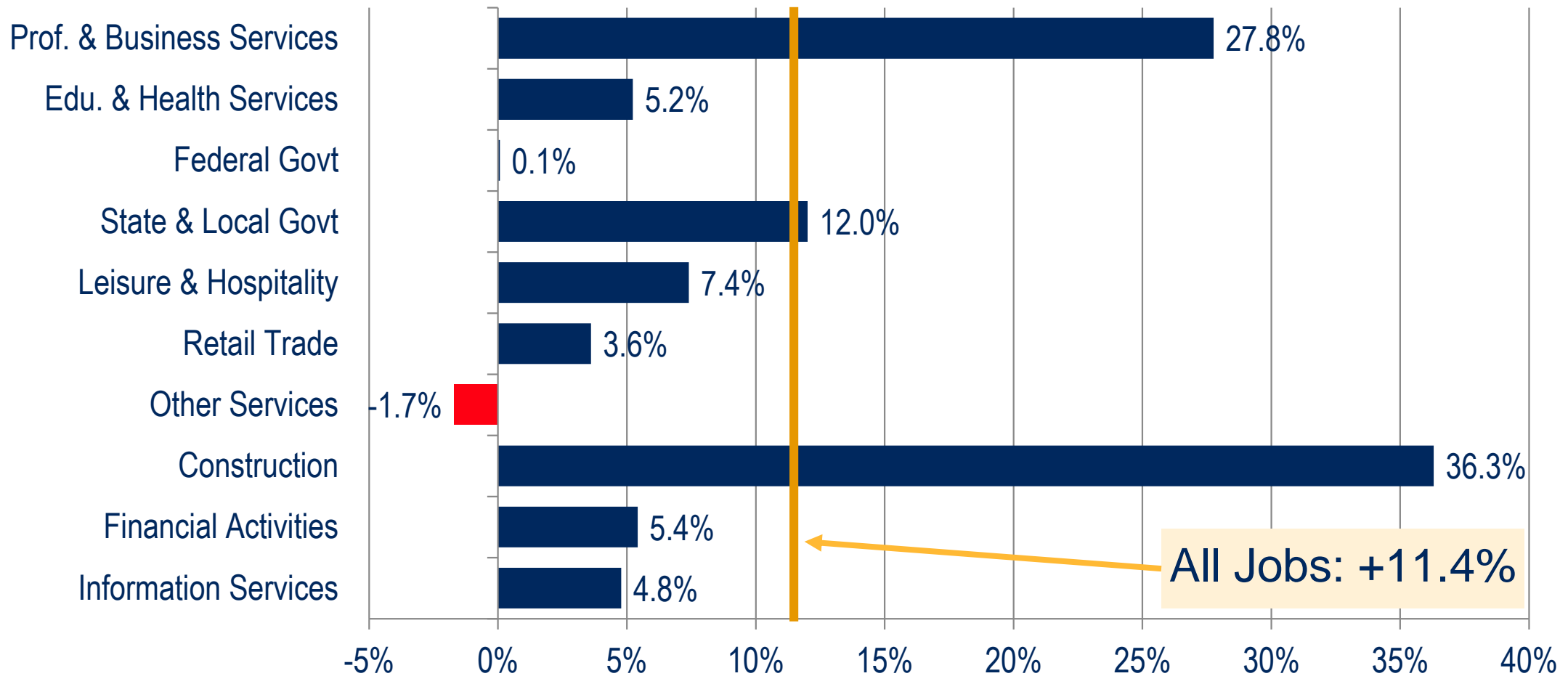
Job Growth in the Washington Region: 2018 - 2030

	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

Job Change in the Washington Region

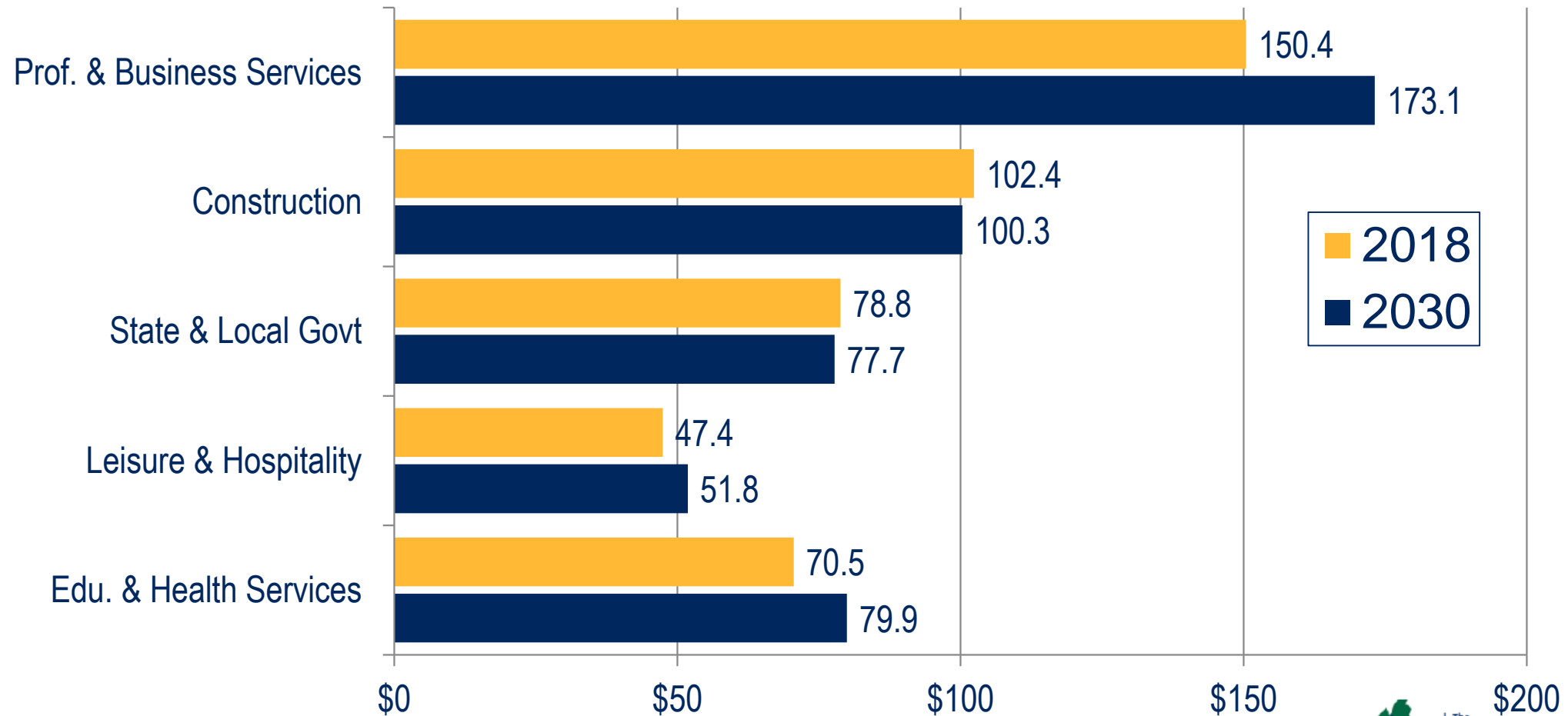
Select Sectors: 2018 – 2030 (Ranked by Size in 2018)



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)



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

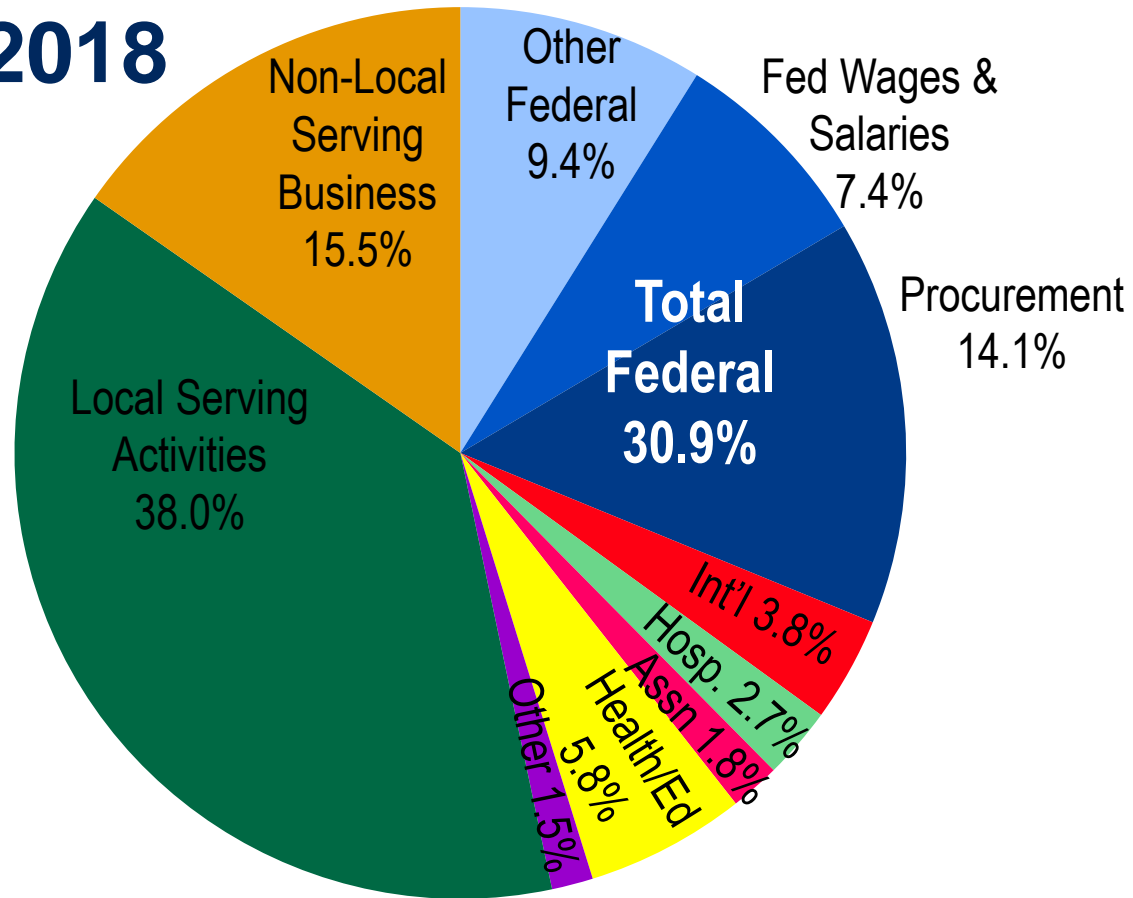
	Job Change (000s)	GRP* Value
Recession	-180.5	\$145,711
Expansion	+321.0	\$110,397
Forecast	+337.3	\$159,918

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

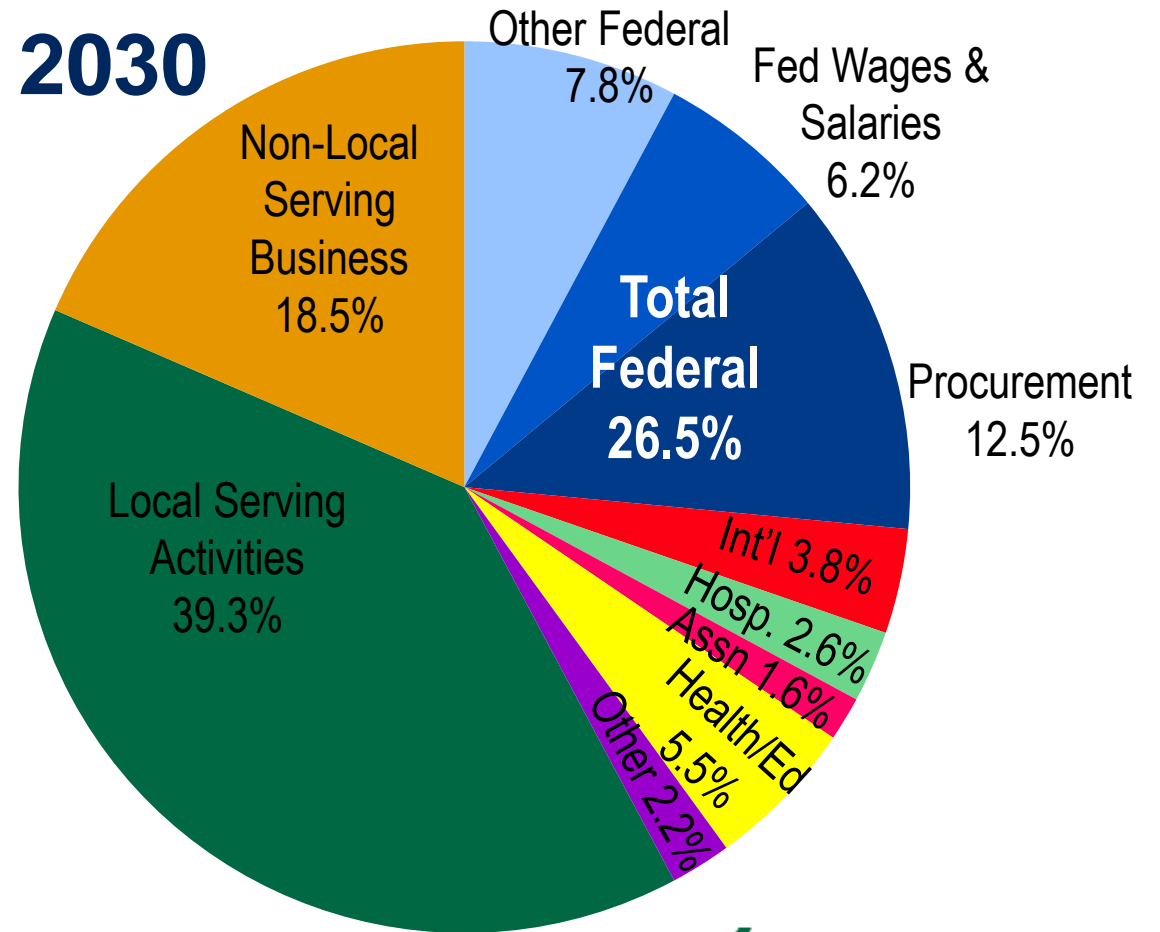
*Gross Regional Product

The Changing Structure of the Washington Region Economy

2018



2030



How will Amazon's HQ2 impact the Washington region's and Arlington County's economies?

The Economic Impacts of Amazon's HQ2: Construction Outlays

	<u>Arlington County</u>	<u>Washington Region</u>
<u>Construction \$s</u>		
Direct Outlays	\$2.7 - \$4.1 billion	\$2.7 - \$4.1 billion
Total Output*	\$3.2 - \$4.8 billion	\$4.1 - \$6.2 billion
Personal Income	\$260 - \$390 m	\$1.3 - \$1.9 billion
Jobs Supported	2,500-3,800	25,900-39,400

Sources: VEDP, The Stephen S. Fuller Institute at the Schar School, GMU *reflect County and WMSA multipliers of 1.183 and 1.5241 respectively

The Economic Impacts of Amazon's HQ2: Post-Construction Outlays

	<u>Arlington County</u>	<u>Washington Region</u>
<u>Post-Construction \$s</u>		
Direct Outlays	\$1.3 – \$2.0 b	\$2.5 - \$3.8 billion
Total Output*	\$1.7 – \$2.5 b	\$4.2 – 6.4 billion
Personal Income	\$124 - \$186 m	\$1.2 - \$1.9 billion
Jobs Supported	1,150 – 1,735	38,400 – 58,375

Sources: VEDP, The Stephen S. Fuller Institute at the Schar School, GMU *reflects Arlington and MSA multipliers of 1.273 and 1.6804 respectively

The Net Annual Fiscal Benefits of Amazon's HQ2 (in 2017 dollars)

@ 25,000 Jobs

@ 37,850 Jobs

Arlington County

\$26.4 million

\$39.6 million

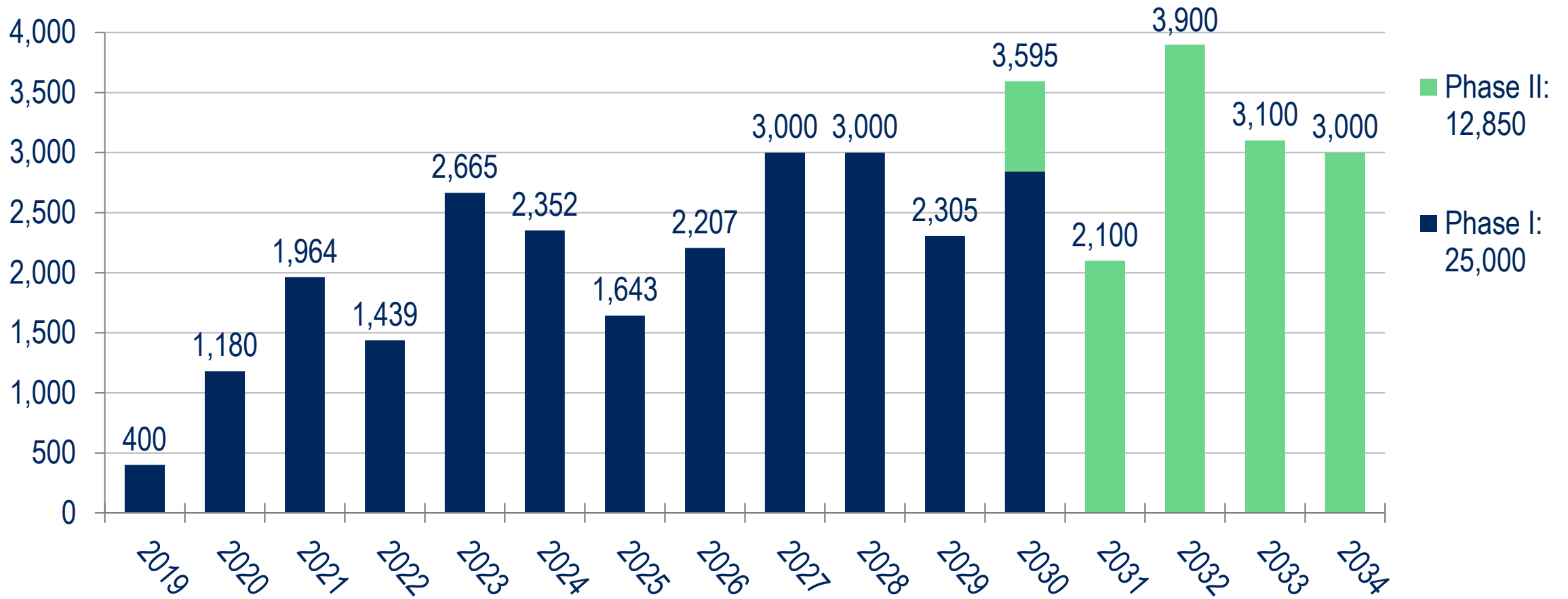
Commonwealth of
Virginia*

\$162 million

\$243 million

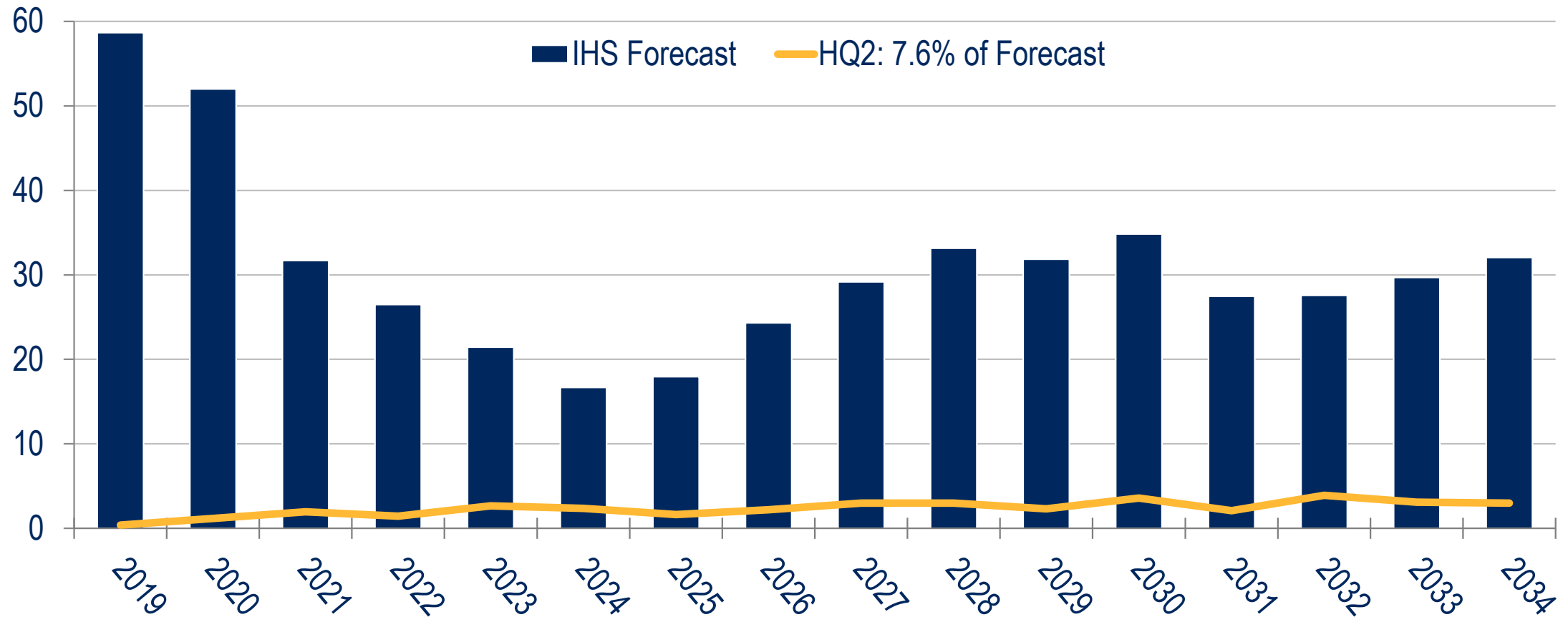
Sources: VEDP, The Stephen S. Fuller Institute at the Schar School, GMU
*individual income and sales and use taxes = 81.3% of total state revenues.

HQ2 Employment Schedule



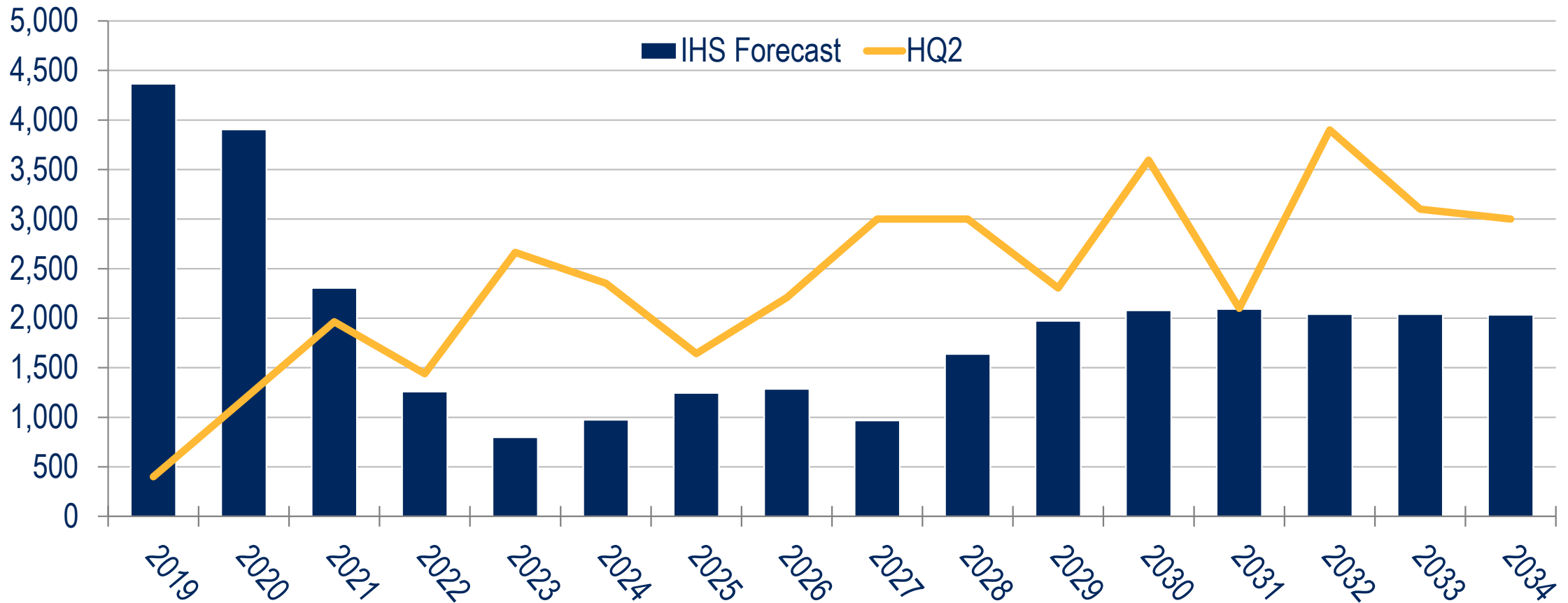
Sources: Commonwealth of Virginia MOU; The Stephen S. Fuller Institute at the Schar School, GMU

IHS Forecast of Job Growth vs Amazon Job Growth Washington Region (in 000s)



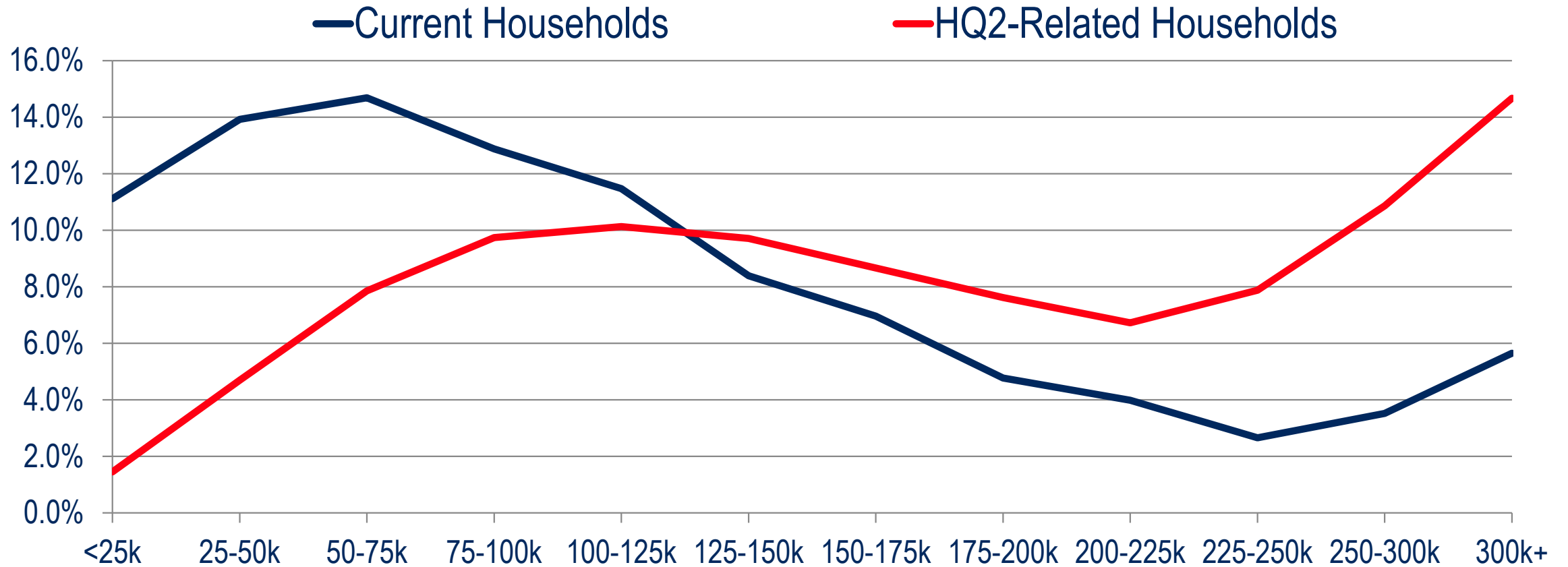
Sources: Commonwealth of Virginia MOU; IHS Markit; The Stephen S. Fuller Institute at the Schar School, GMU

IHS Forecast of Job Growth vs Amazon Job Growth Arlington County

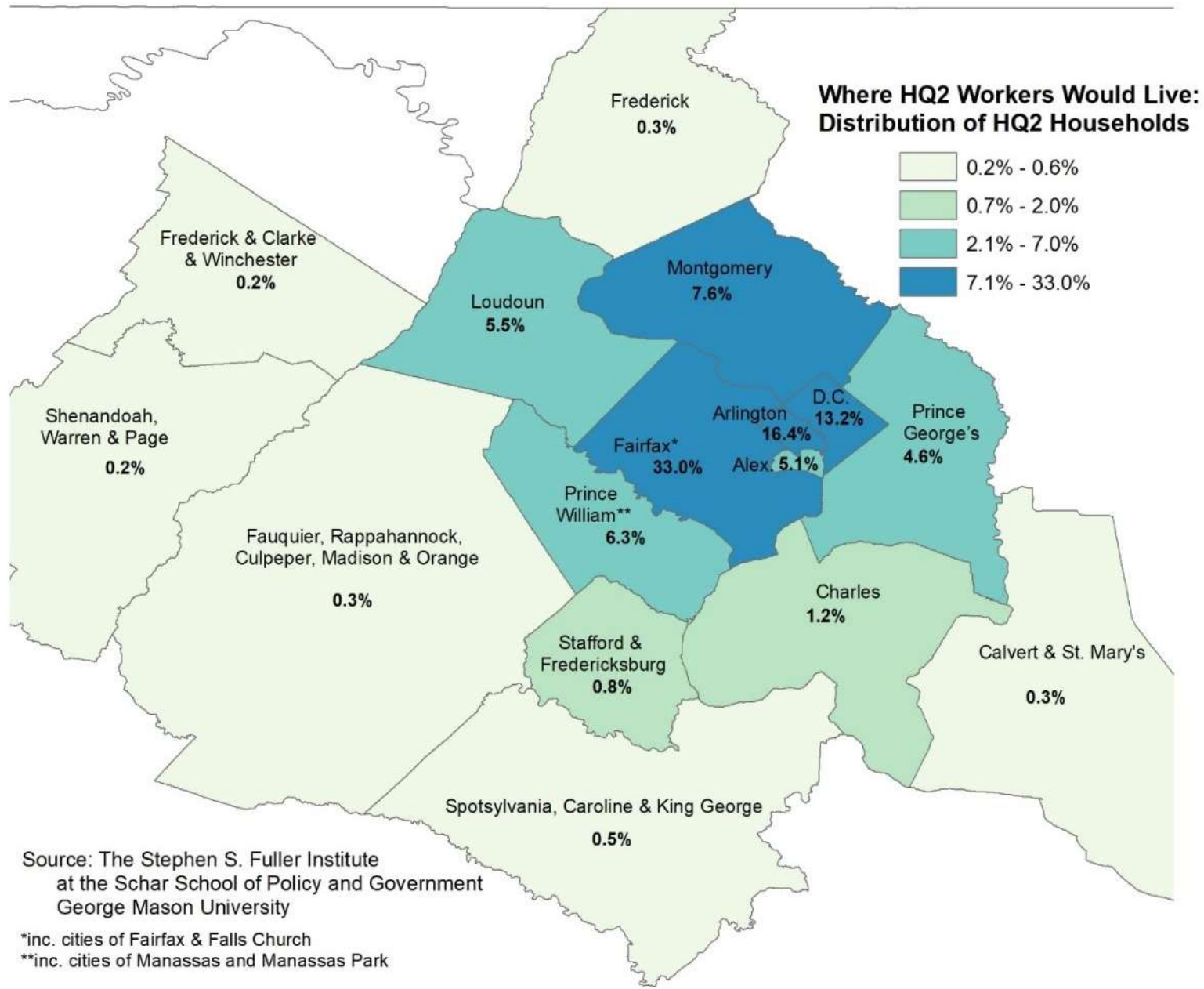


Sources: Commonwealth of Virginia MOU; IHS Markit; The Stephen S. Fuller Institute at the Schar School, GMU

Distribution of Households by Household Income Washington Region



Sources: U.S. Census Bureau (2014-2016 ACS Microdata); The Stephen S. Fuller Institute at the Schar School, GMU
NOTE: in 2016 \$s



Amazon-Related Household at Full Build-Out

Assumes 37,850 HQ2 jobs

	Household w/ an HQ2 Job	Households w/ a Job Supported by HQ2 Spending (1)	Total
Arlington County, VA	6,097	766	6,862
Rest of Northern Virginia	19,219	14,104	33,323
Rest of Virginia	642	14,967	15,609
D.C.	4,909	469	5,377
Maryland	6,047	1,515	7,562
Elsewhere	363	508	871
Total (2)	37,276	32,328	69,604

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

(1) Includes payroll and operations expenditures

(2) A small share of the workers holding HQ2-related jobs are anticipated to cohabitate either with another HQ2-related worker or become part of an existing household. Therefore, the number of households is projected to be fewer than the number of jobs. Only the indirect and induced jobs located in the Commonwealth were analyzed.

Amazon-Related Owners in Select Jurisdictions

Assumes 37,850 HQ2 jobs, includes indirect & induced effects

	Owners at Full Build-Out	Closed Sales in 2017
Virginia		
Arlington County	2,071	3,030
Alexandria City	1,085	2,580
Fairfax County*	13,698	16,300
Prince William County**	4,013	8,330
Loudoun County	3,665	6,630
D.C.	2,410	8,900
Maryland		
Montgomery County	2,737	12,430
Prince George's County	1,886	10,230

Sources: RealEstate Business Intelligence, LLC; The Stephen S. Fuller Institute at the Schar School, GMU

*Includes the cities of Fairfax and Falls Church ** Includes the cities of Manassas and Manassas Park

Amazon-Related Renters in Select Jurisdictions

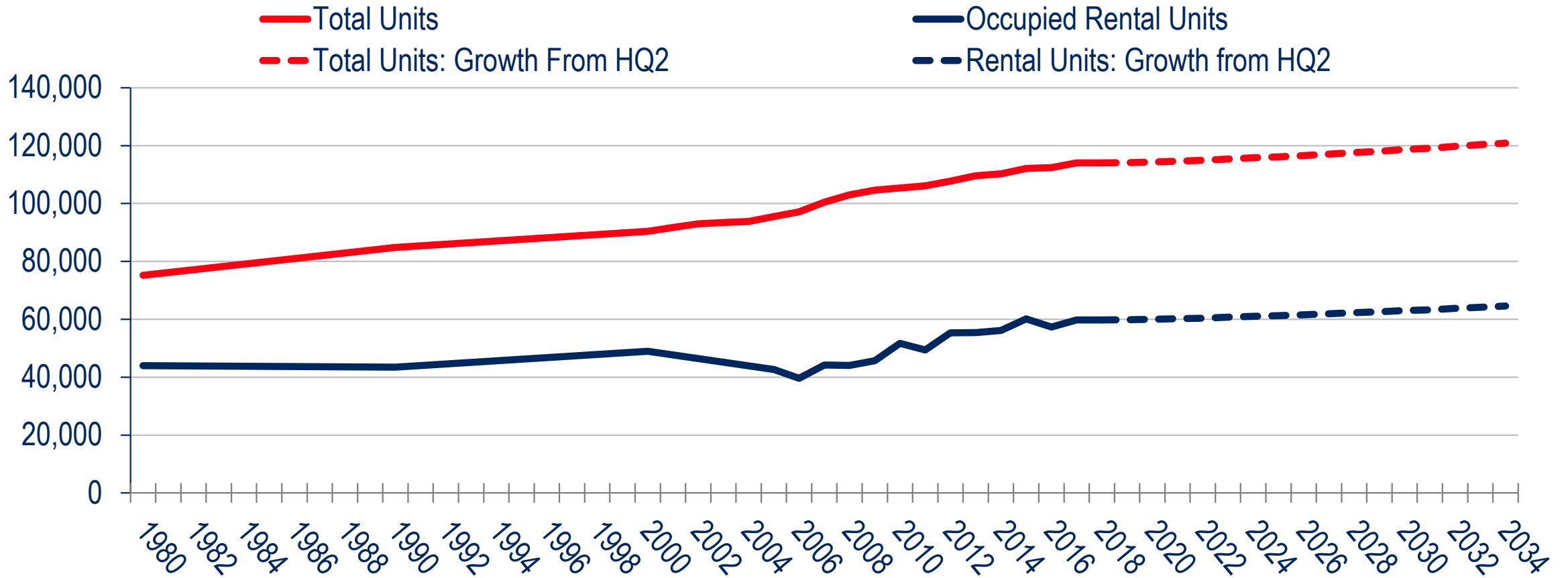
Assumes 37,850 HQ2 jobs, includes indirect & induced effects

	Renters at Full Build-Out	Renters in 2016	% HQ2 Renters of Total Renters
Virginia			
Arlington County	4,792	57,133	8.4%
Alexandria City	1,528	41,808	3.7%
Fairfax County*	4,893	134,425	3.6%
Prince William County**	1,087	49,891	2.2%
Loudoun County	716	25,552	2.8%
D.C.	2,968	169,875	1.7%
Maryland			
Montgomery County	625	132,098	0.5%
Prince George's County	396	121,333	0.3%

Sources: U.S. Census Bureau (2016 ACS Microdata); The Stephen S. Fuller Institute at the Schar School, GMU

*Includes the cities of Fairfax and Falls Church ** Includes the cities of Manassas and Manassas Park

Housing Units and Rental Units Arlington County, 1980-2034



Sources: 1980, 1990, 2000 Decennial Census; Intercensal and v2017 Housing Unit Estimates; 2005-2017 ACS; The Stephen S. Fuller Institute at the Schar School, GMU

Thank You & Questions

For monthly reports on the Washington region's economic performance go to:

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