

IREM Regional Industry Forecast Lunch 2008

The Washington Area Economy: Recession or Resilience

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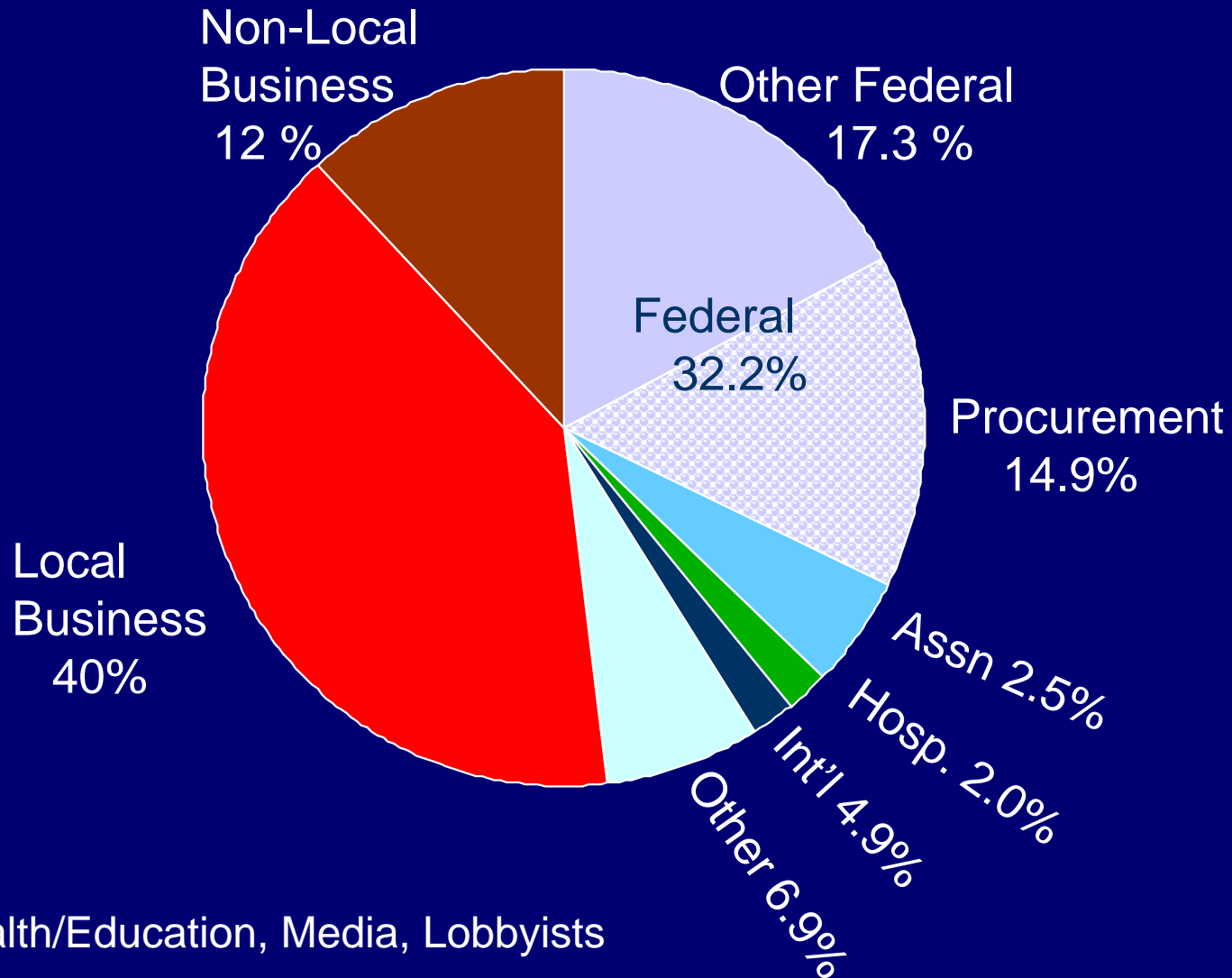
The Washington Area Economy

Looking Backwards/ Looking Forwards

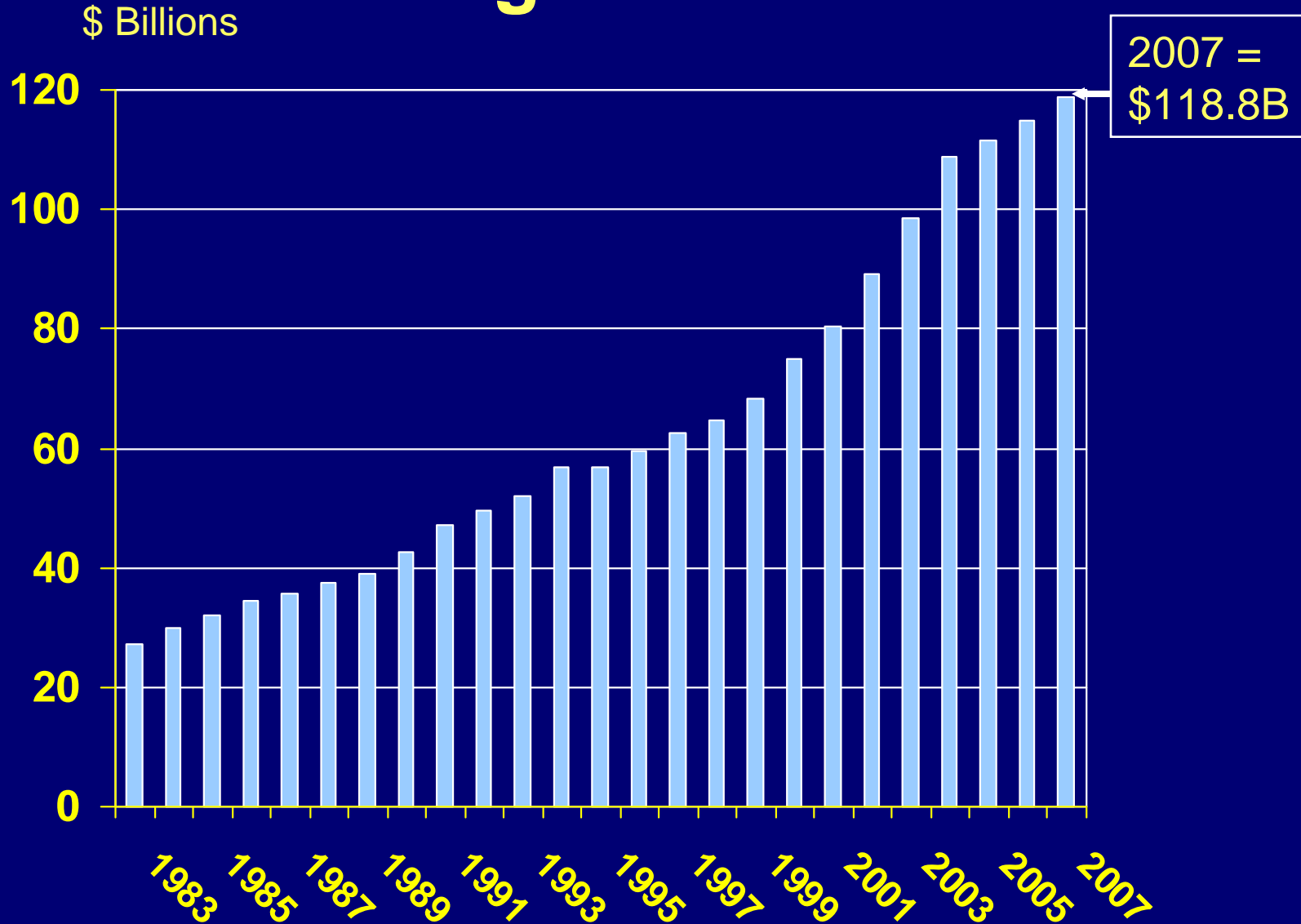
Key Questions

- What's driving the Washington area economy?
- How vulnerable are these drivers to US/Global economic forces?
- What makes the Washington area economy different from other metropolitan economies?
- Will these differences protect the local economy or worsen the slowdown in 2008?

Structure of the Greater Washington Economy



Total Federal Spending Washington Metro Area

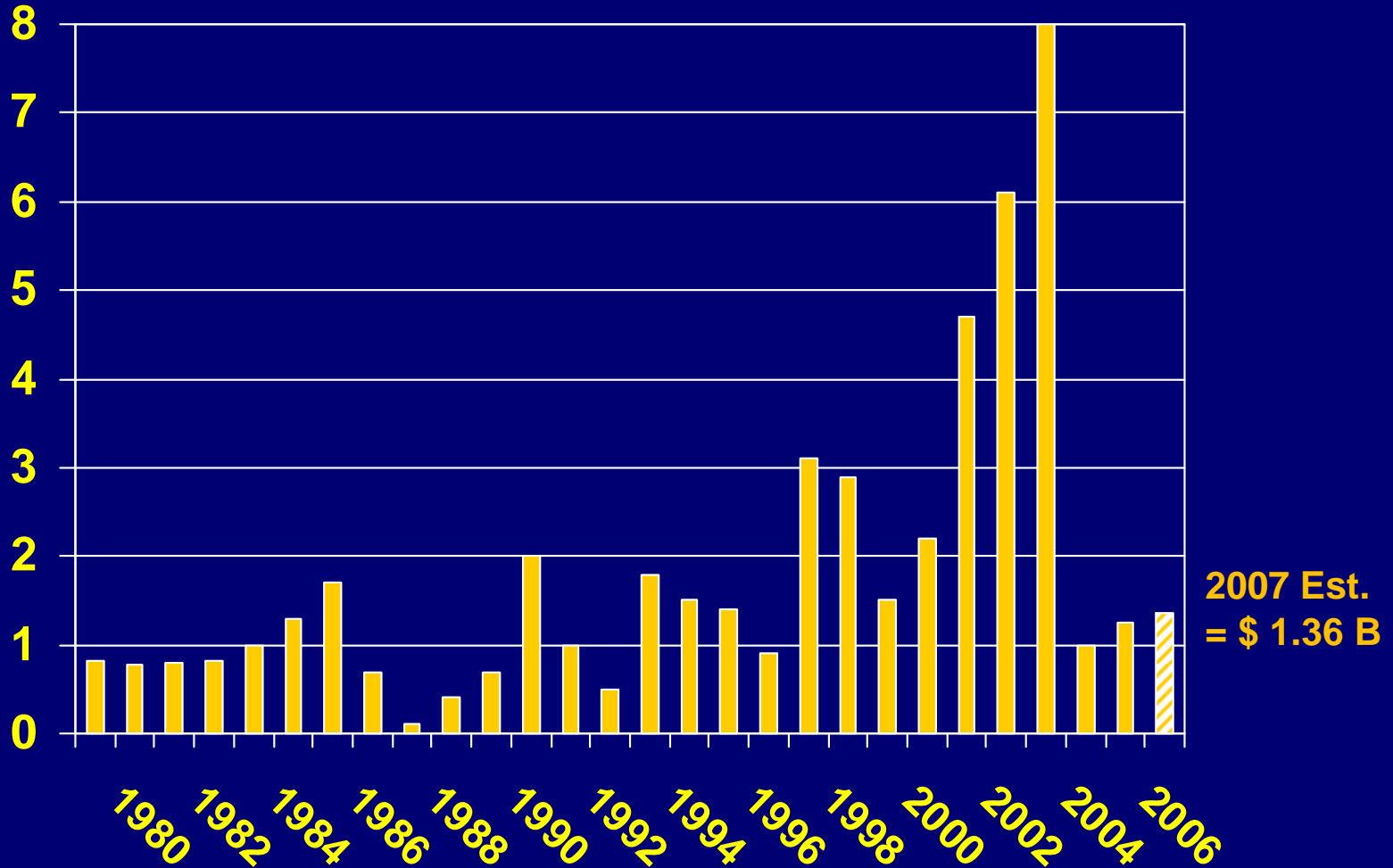


Federal Spending by Type 1983 - 2007



Annual Change in Federal Procurement Spending Washington Metro Area

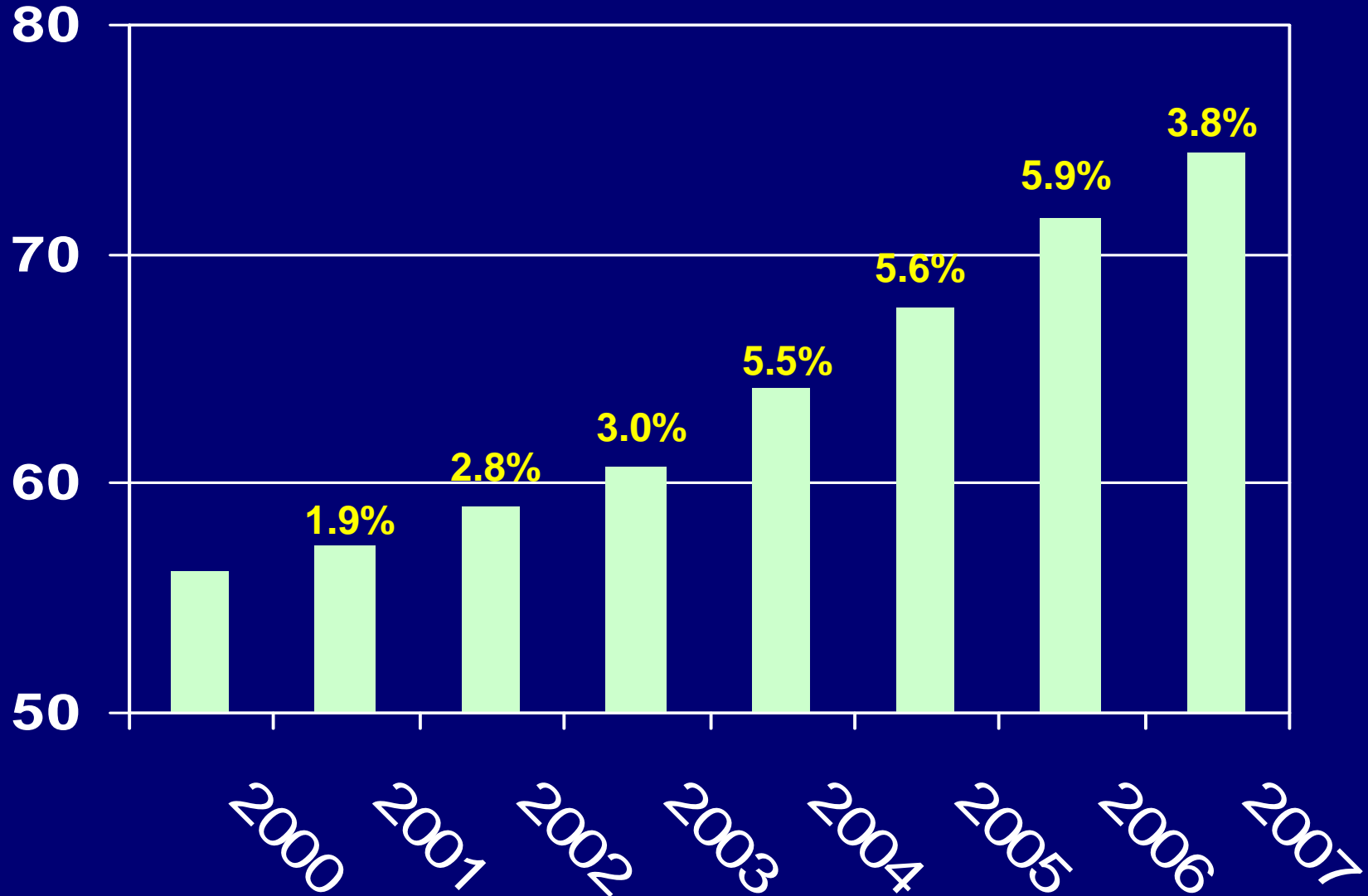
\$ Billions



2007 Est.
= \$ 1.36 B

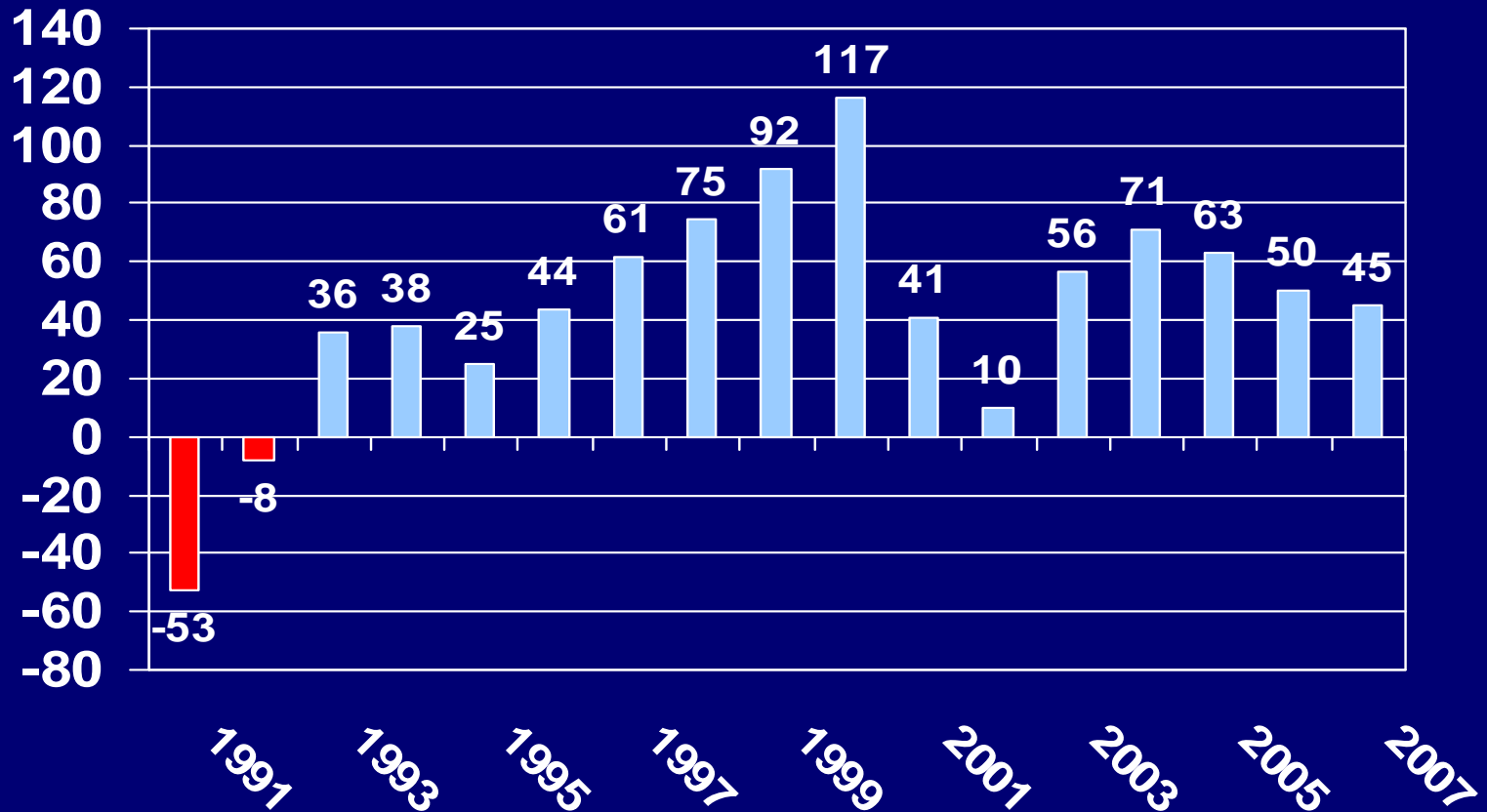
Washington Area Retail Sales

\$ Billions



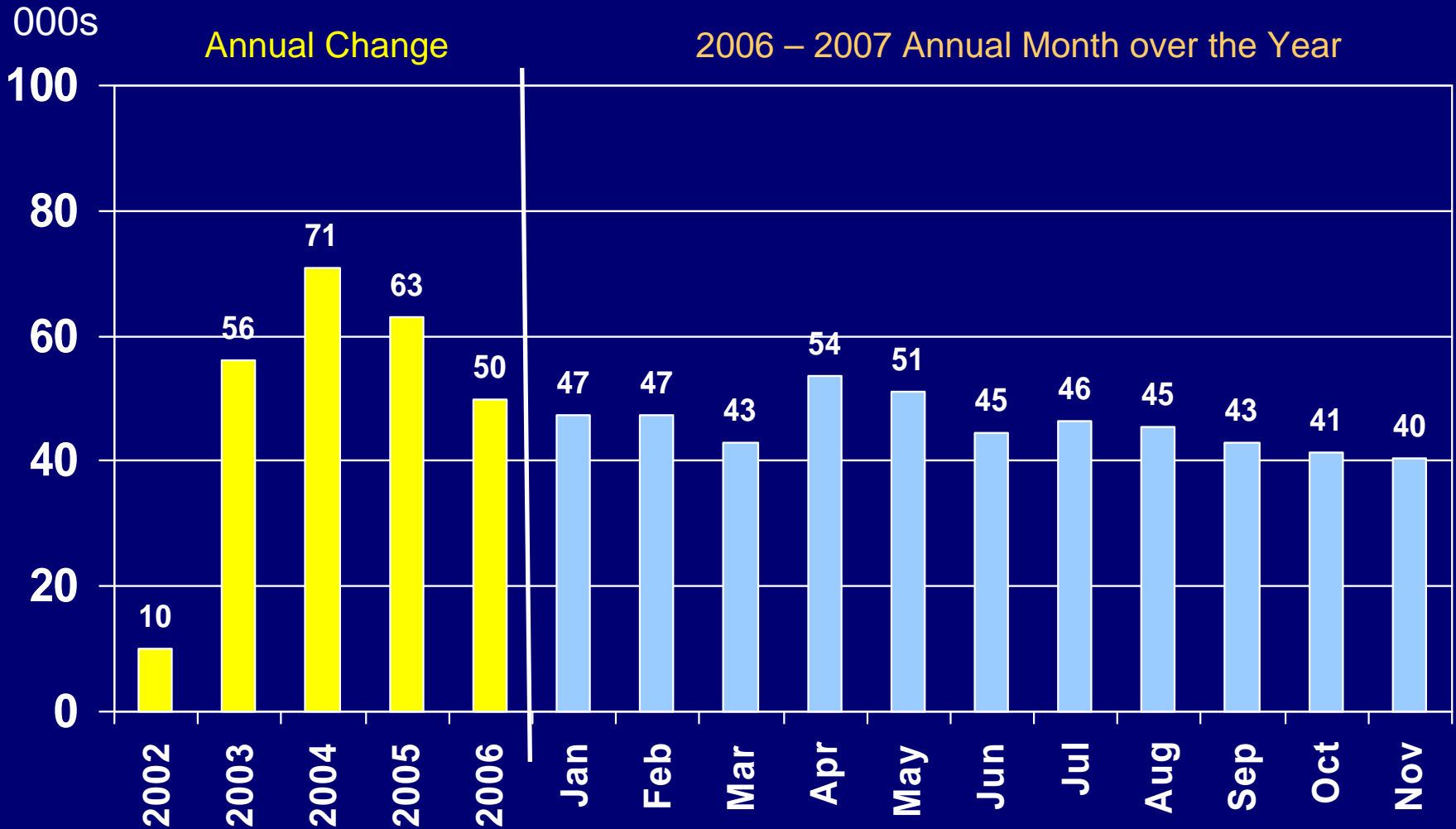
Annual Change in Jobs 1991 – 2007 Washington Metro

Thousands

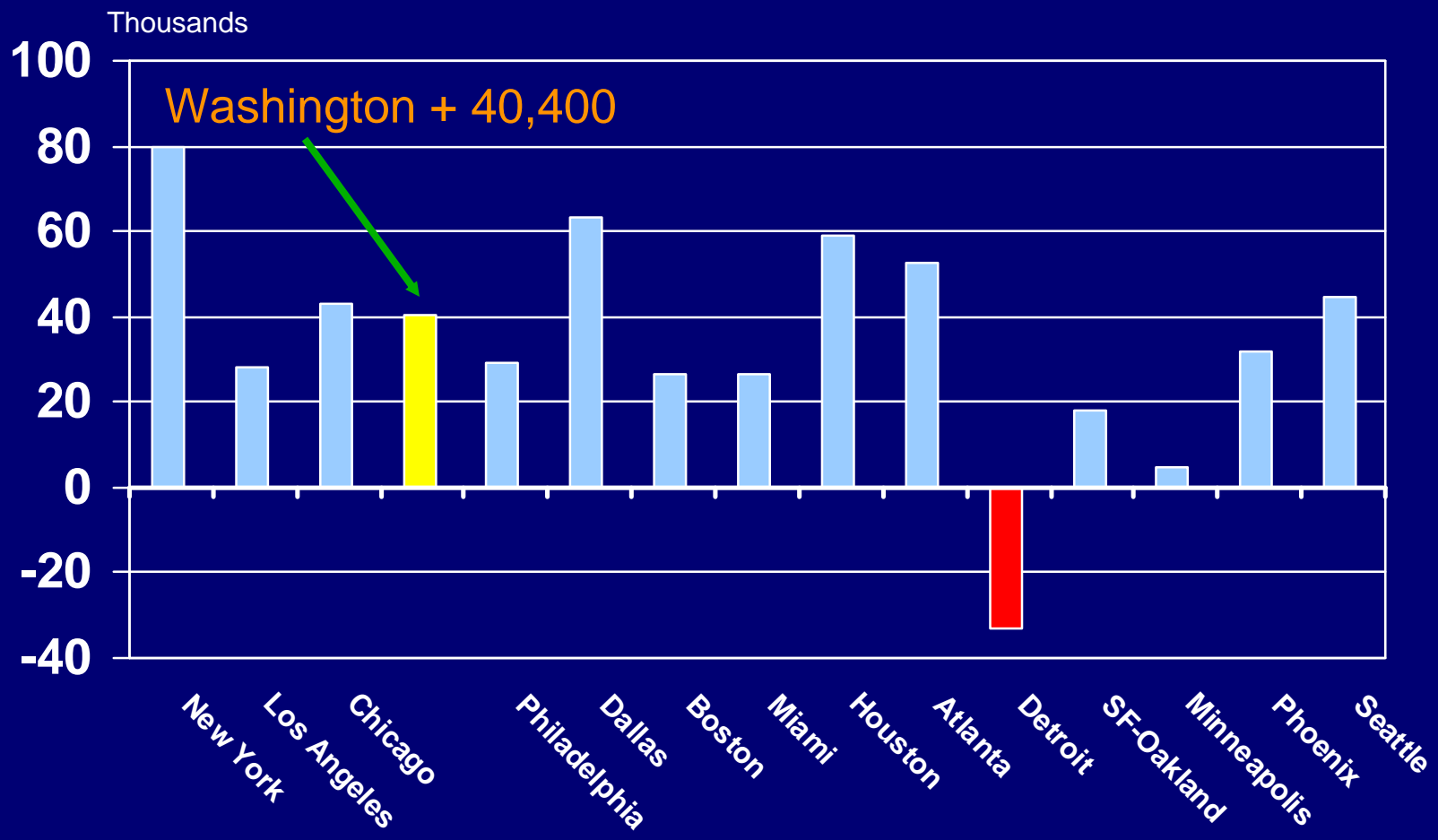


Source: BLS, GMU Center for Regional Analysis

Annual Job Change Washington Metro



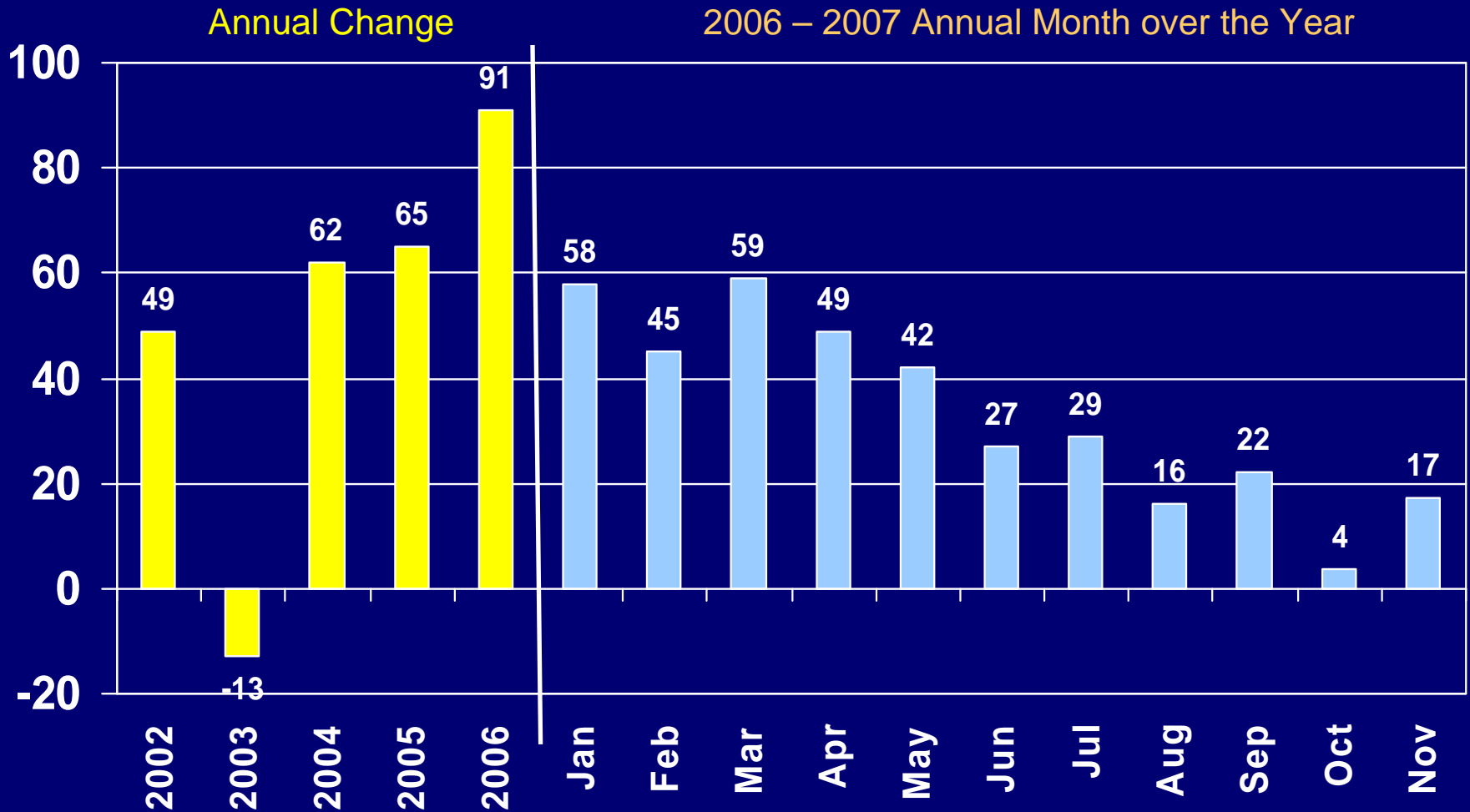
15 Largest Job Markets Job Change Nov 06 – Nov 07



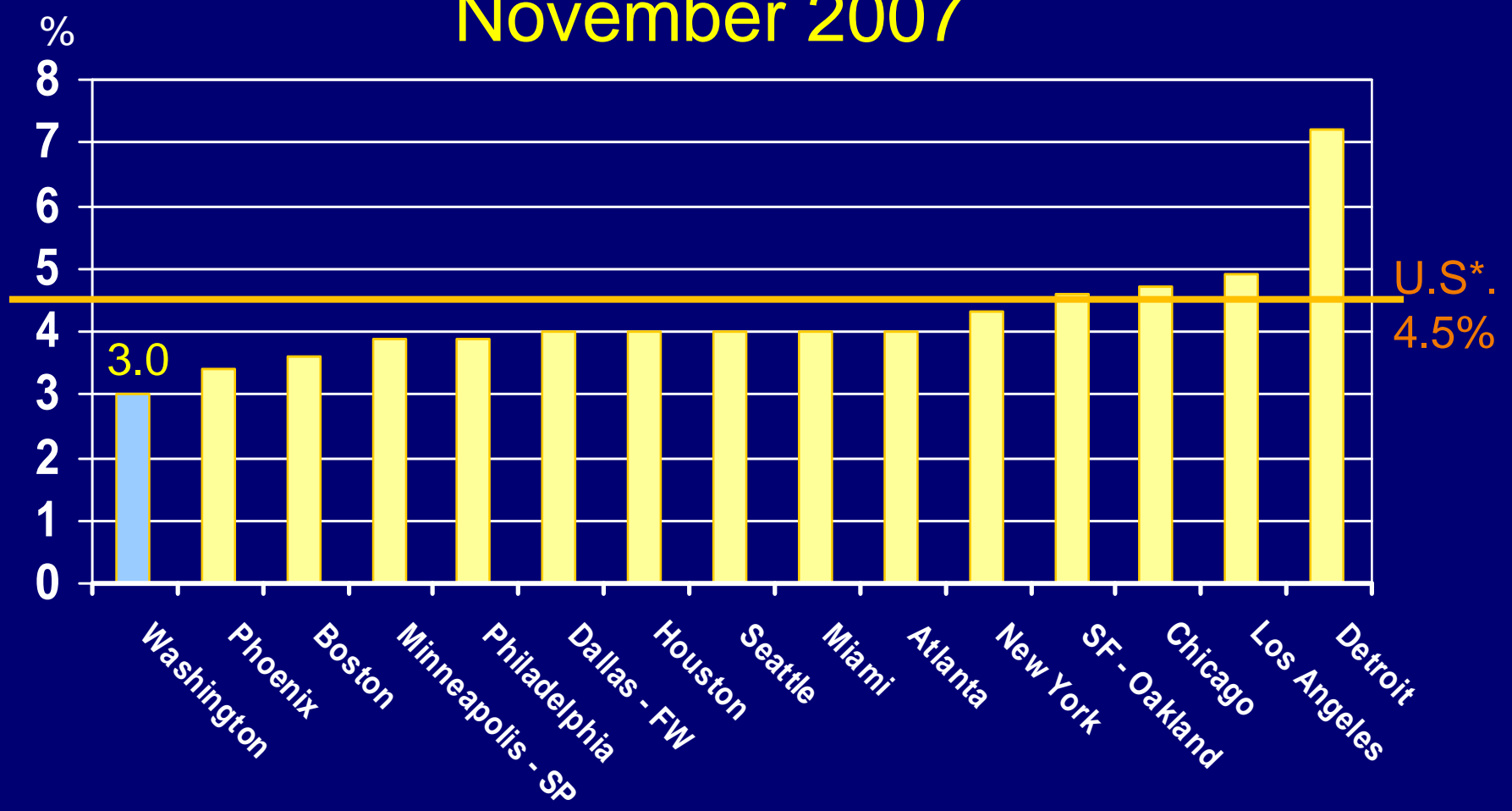
Ranked by Total Jobs

Source: BLS, GMU Center for Regional Analysis

Annual Change in Employed Washington Metro



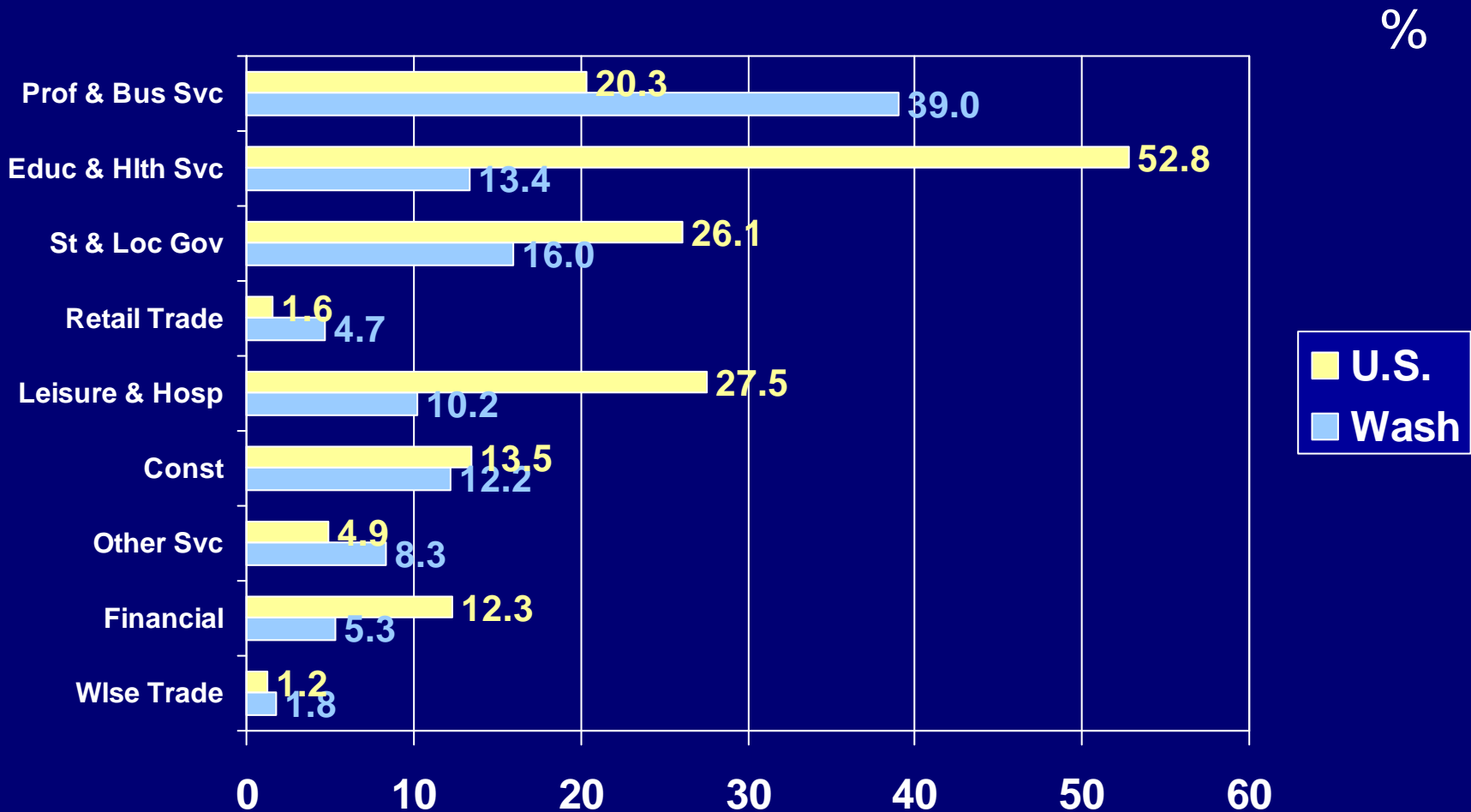
15 Largest Job Markets Ranked by Unemployment Rate November 2007



Data not seasonally adjusted

* U.S. Seasonally Adjusted = 4.7%

Share of Job Growth By Sector U.S. and Washington MSA

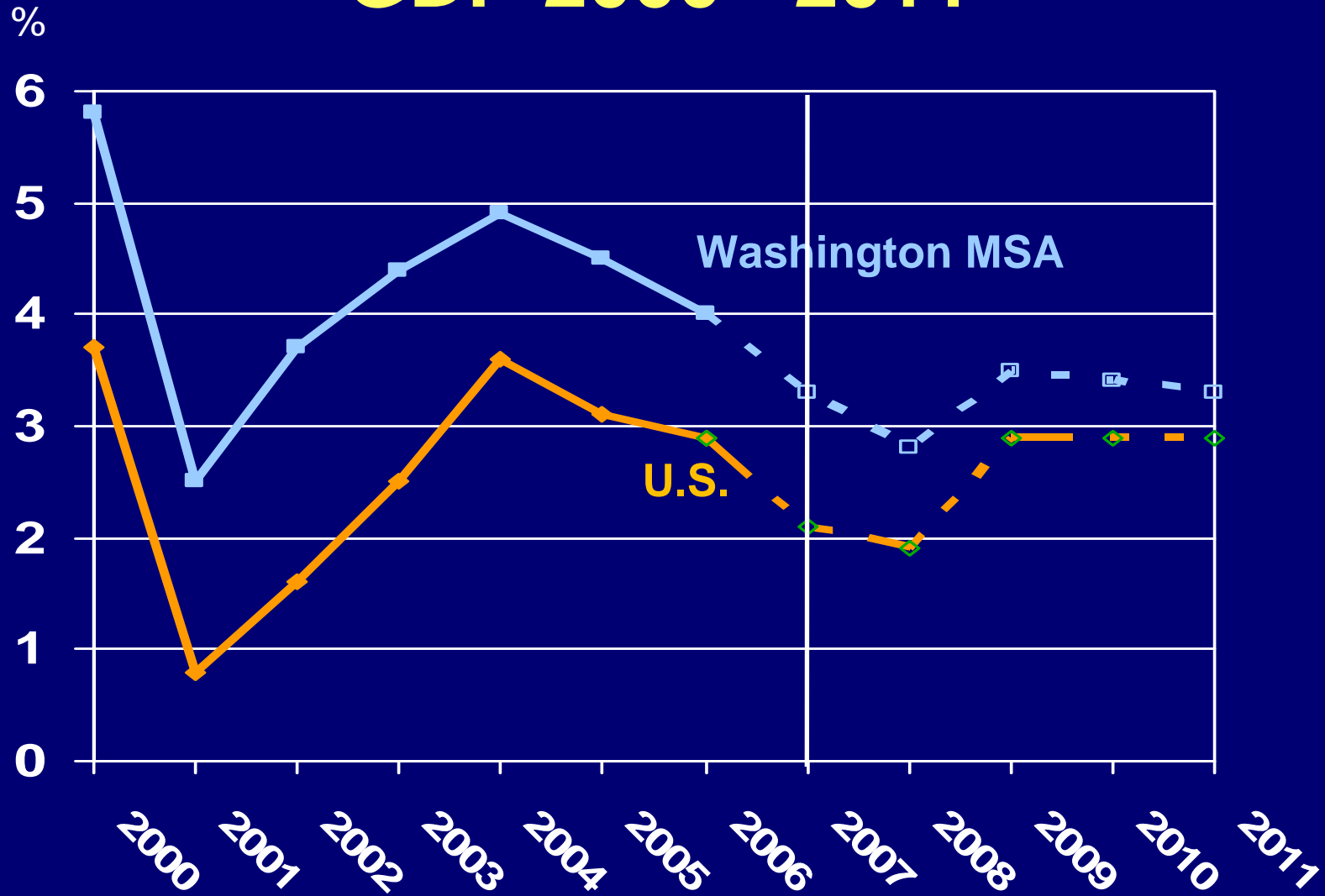


Only sectors with job growth are shown

Area Economic Forecast

2008 - 2011

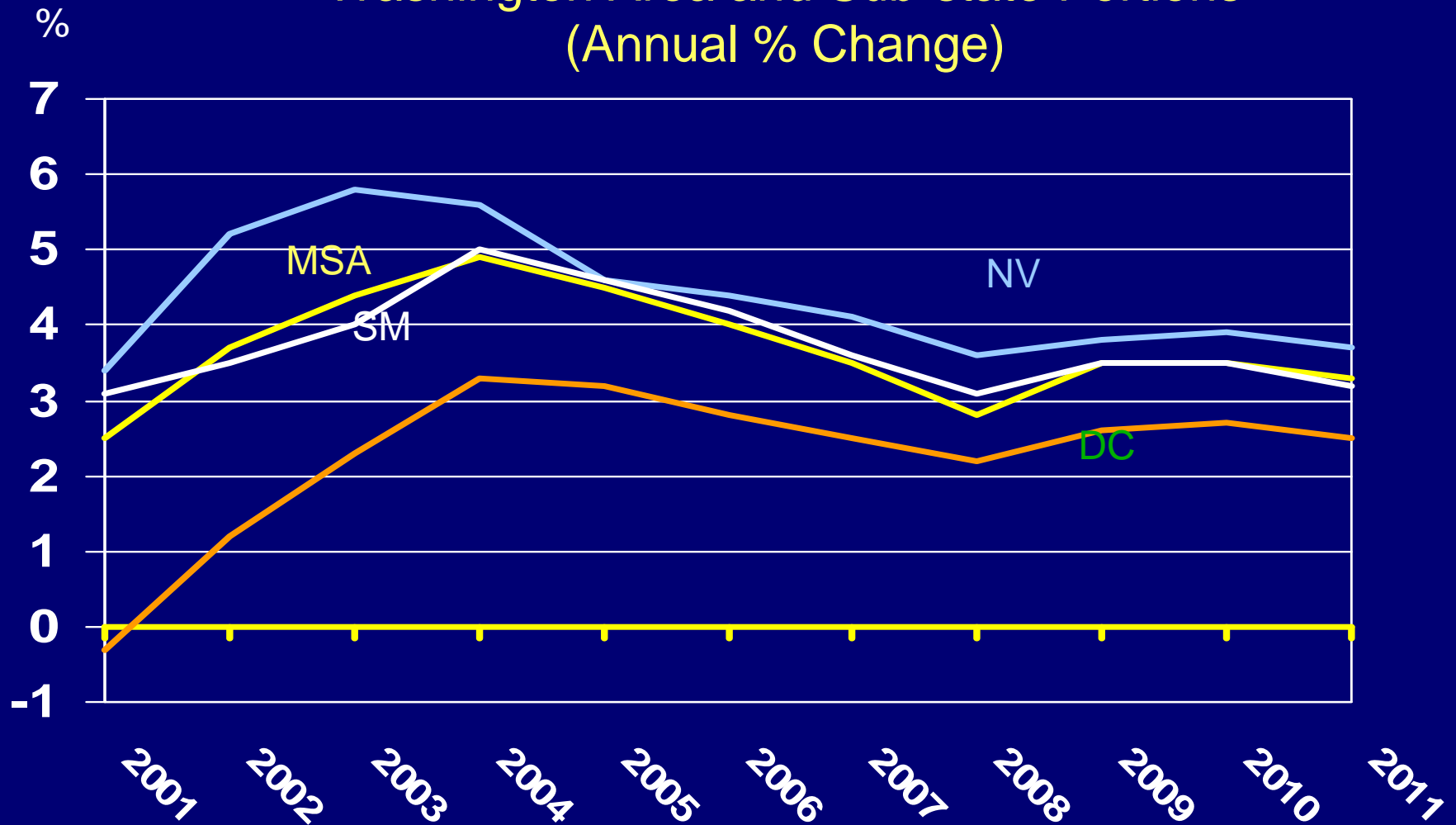
GDP 2000 - 2011



Source: Global Insight, GMU Center for Regional Analysis

Economic Outlook (GRP) – 2011

Washington Area and Sub-state Portions
(Annual % Change)



Employment Change by Sub-state Region (000s)

	2006	2007	2008	2009	2010	2011
D.C.	6.1	10.4 (5.3)*	7.1	6.5	5.0	5.0
S. MD	10.6	10.3 (10.5)*	10.0	11.5	12.5	13.0
No. VA	30.5	22.7 (28.7)*	20.5	21.0	24.0	25.5
REGION	47.2	43.4 (44.5)*	37.6	39.0	41.5	43.5
	1.6%	1.5%	1.2%	1.3%	1.3%	1.4%

* CRA Mid-2007 Forecast

Average Annual Change 1990-2007 = 44,900

Based on 2006 BLS Benchmarked Data.

Threats to the Washington Area Economy's Future Performance

- Slowing Federal spending
- Continuing weakness in real estate market
- Increasing oil prices
- Shortage of qualified workers
- Slowdown in consumer spending

**The “R” Word
stands for
RESILIENT**

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