

LEAD VIRGINIA

**The Economies of Virginia
and Northern Virginia**

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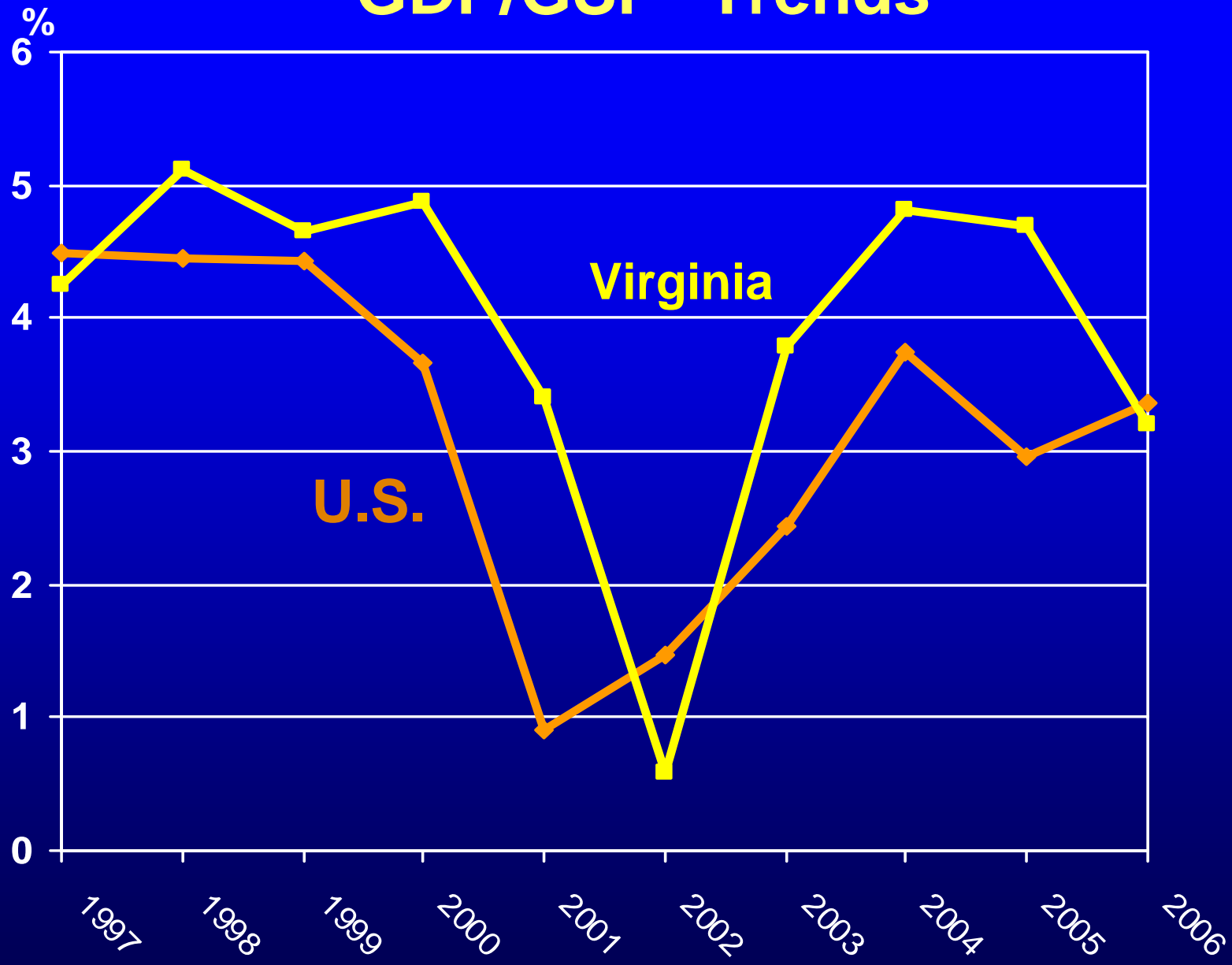
July 20, 2007

The Virginia Economy

Virginia: The Best State For Business (Forbes, 7/11/07)

- #1 Regulatory Environment
- #5 Labor Force Quality
- #6 Quality of Life
- #8 Growth Prospects
- #9 GSP per Capita
- #11 Economic Climate

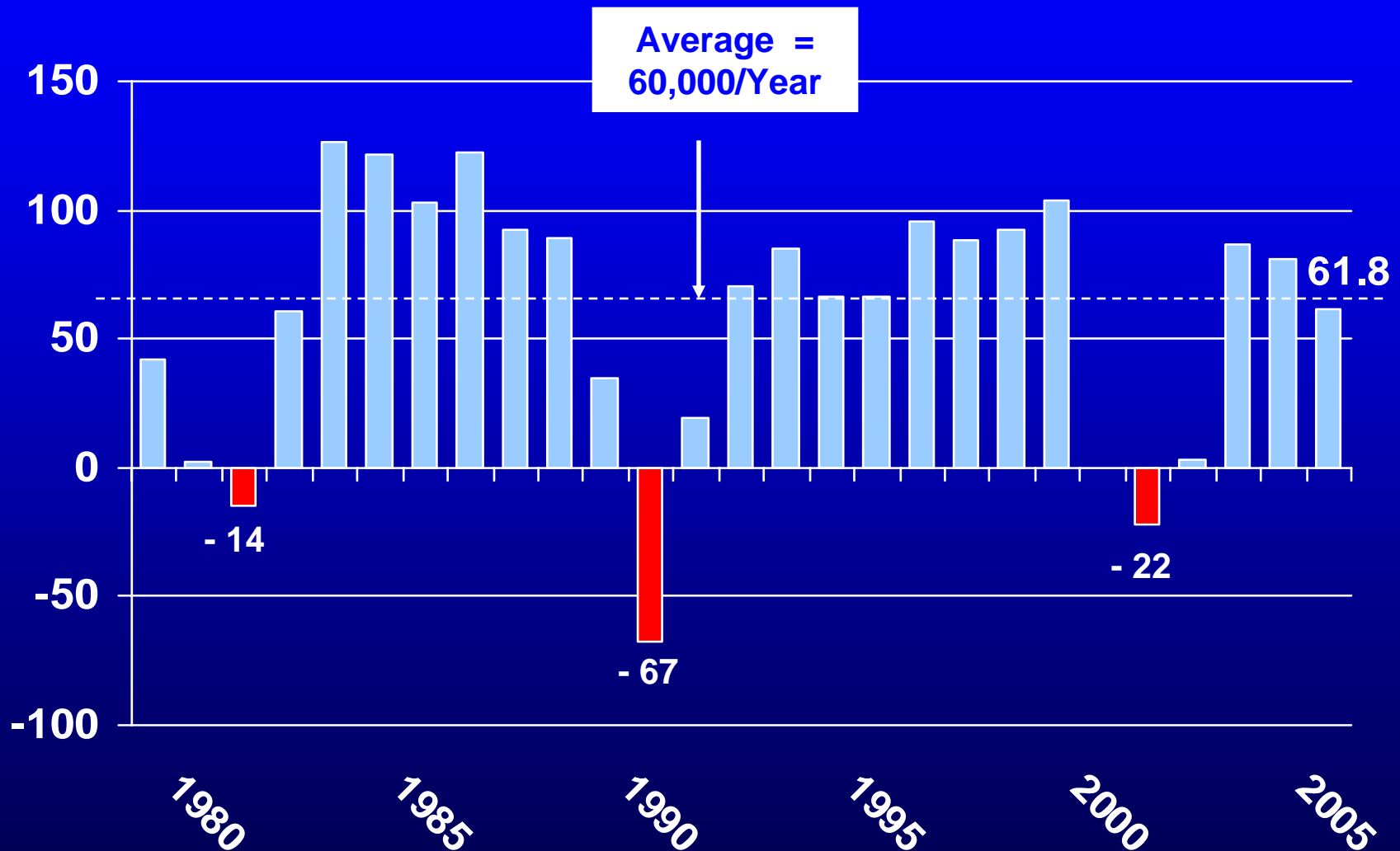
GDP/GSP* Trends



Source: U.S. BEA

*millions of chained 2000 dollars

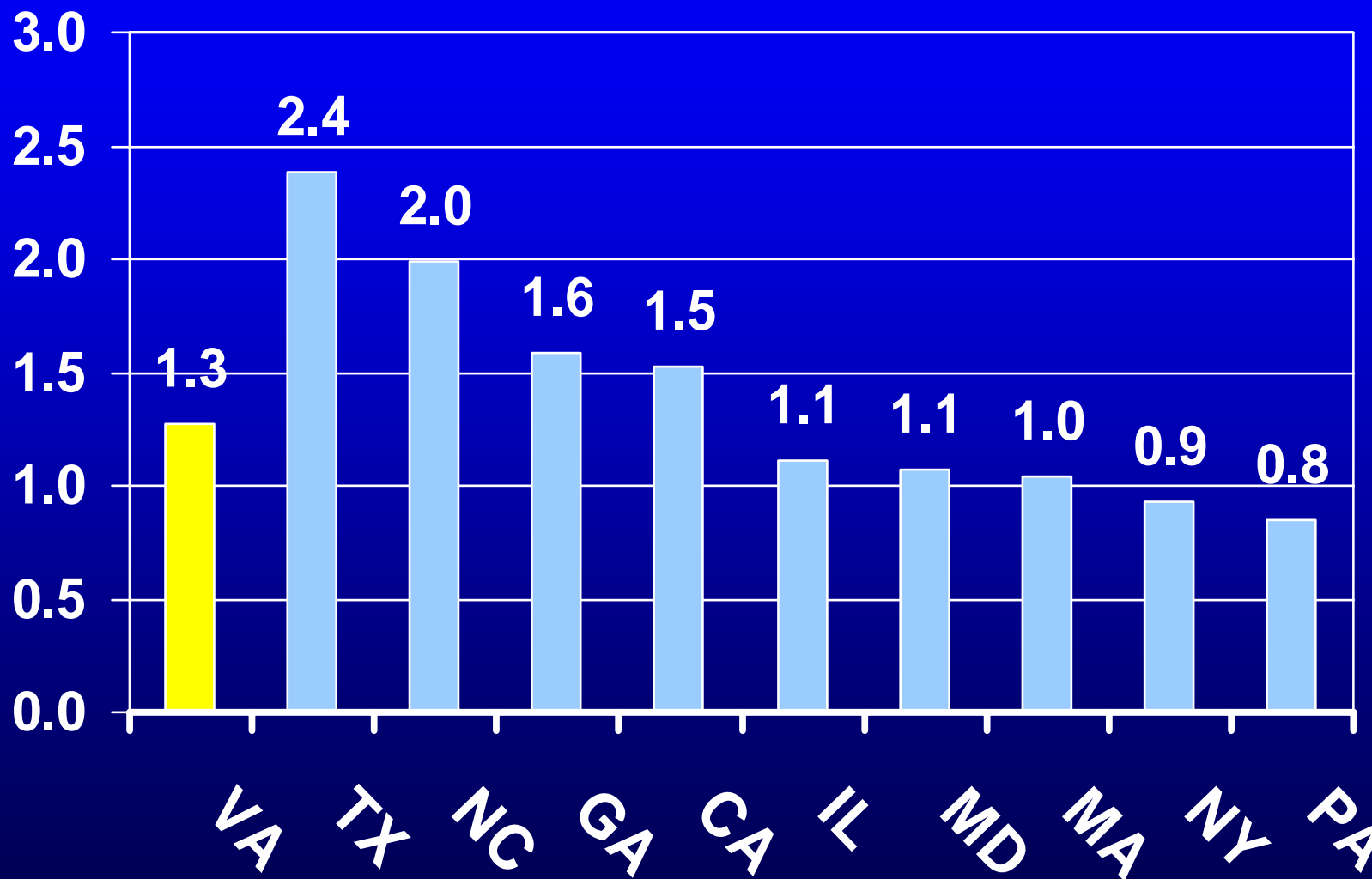
Virginia Annual Job Change: 1980 - 2006



Source: Virginia Employment Commission

Virginia and Selected States Job Change May 06 – May 07

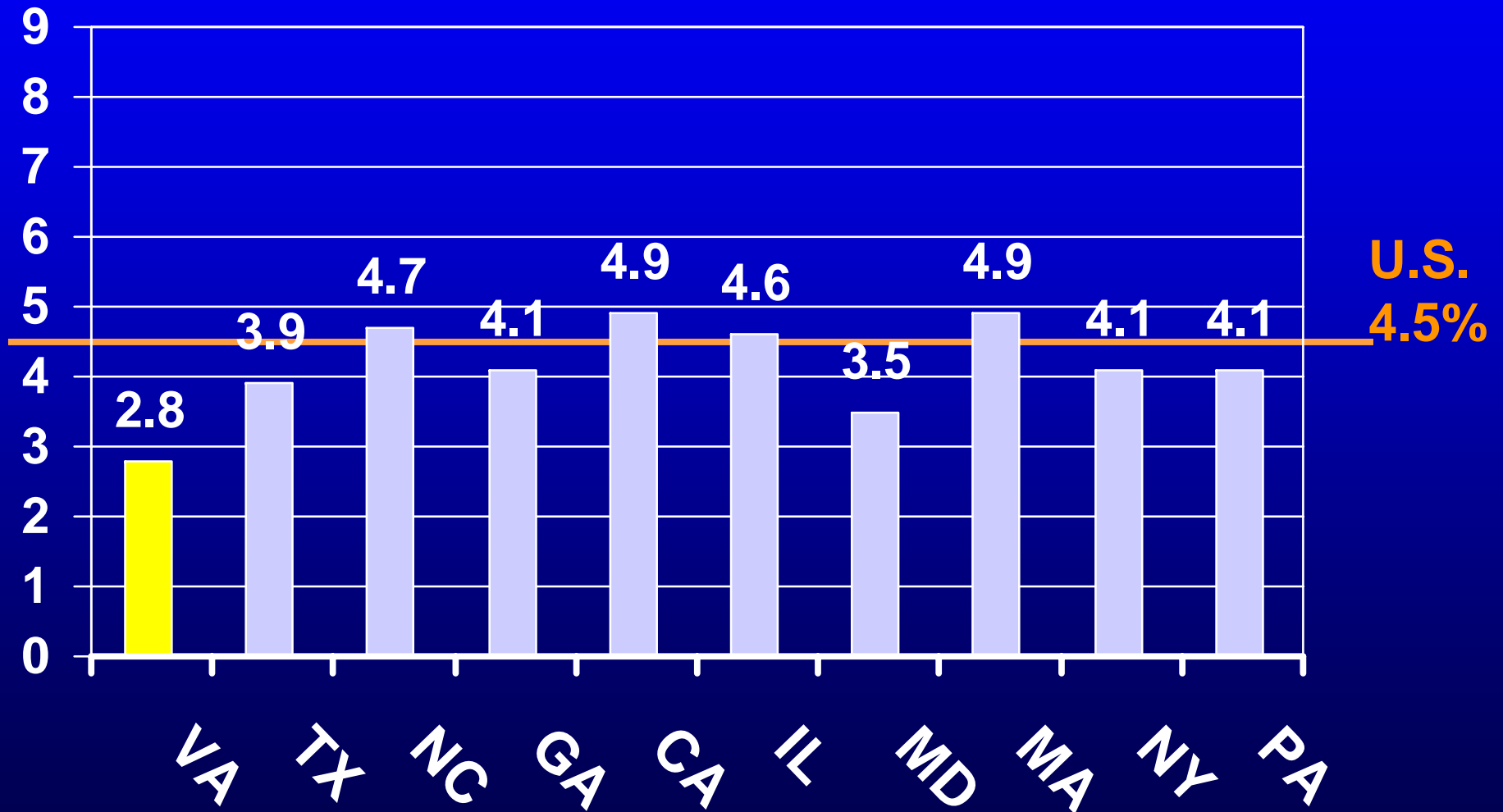
Percent



Source: U.S. BLS Not Seasonally Adjusted

Virginia and Selected States Unemployment Rate May 2007

Percentage



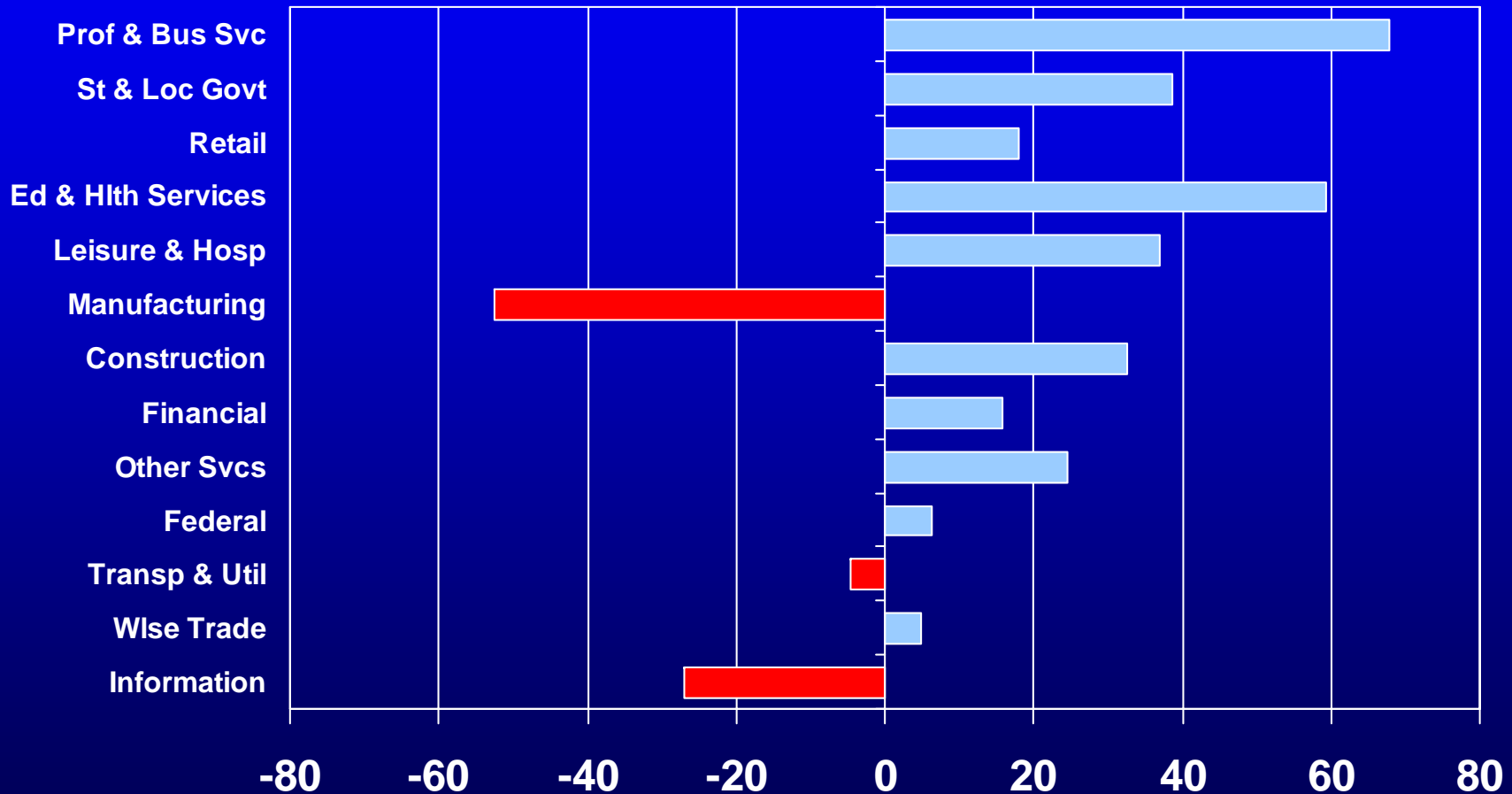
Source: U.S. BLS Not Seasonally Adjusted

Last Five Years Job Change By Sector Virginia

(000s)

(Ranked by Size of Sector)

Total = 209,700



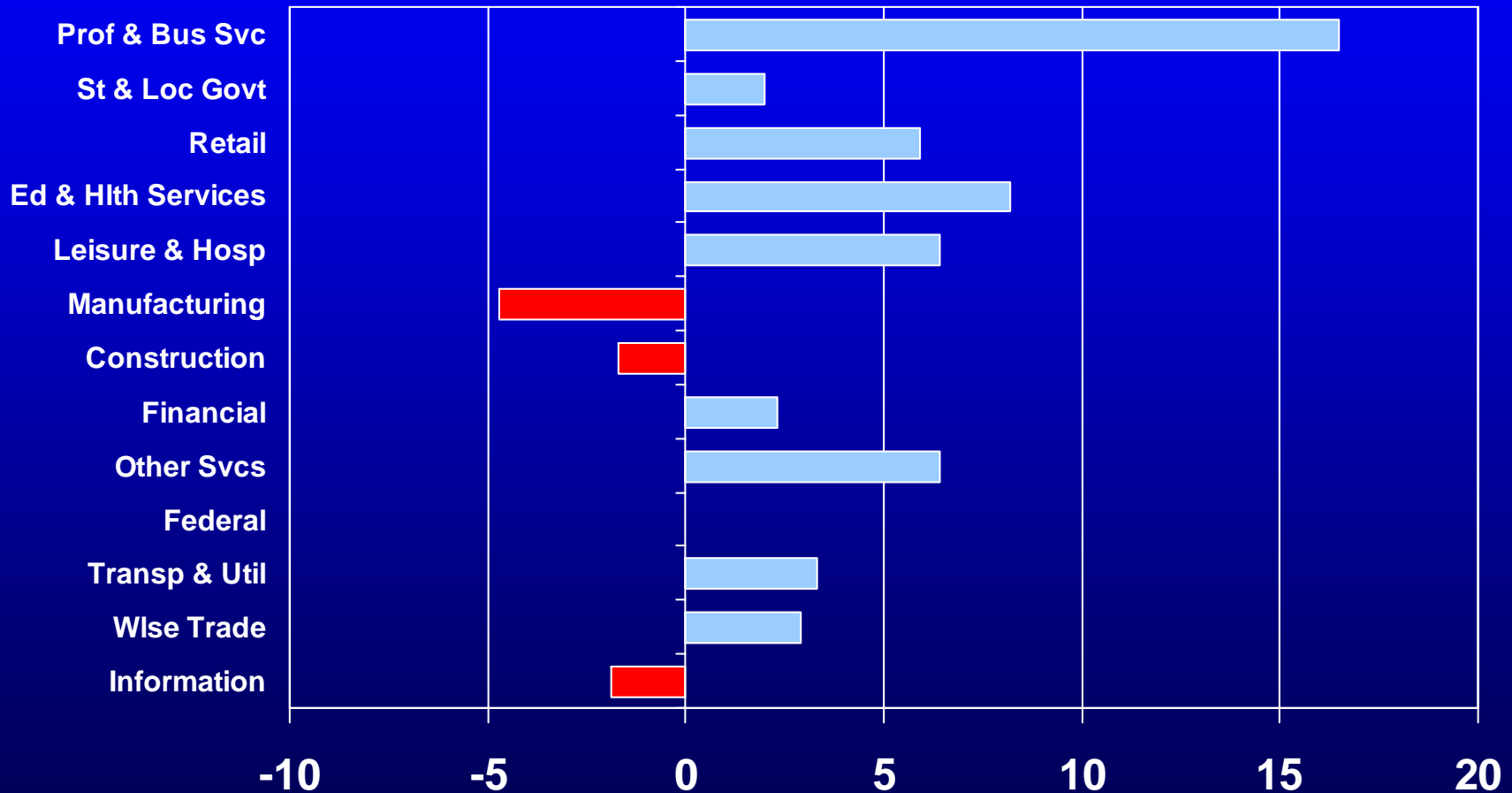
Source: Virginia Employment Commission 2001-2006

May 06 – May 07 Job Change By Sector - Virginia

(Ranked by Size of Sector)

(000s)

Total = 42,300



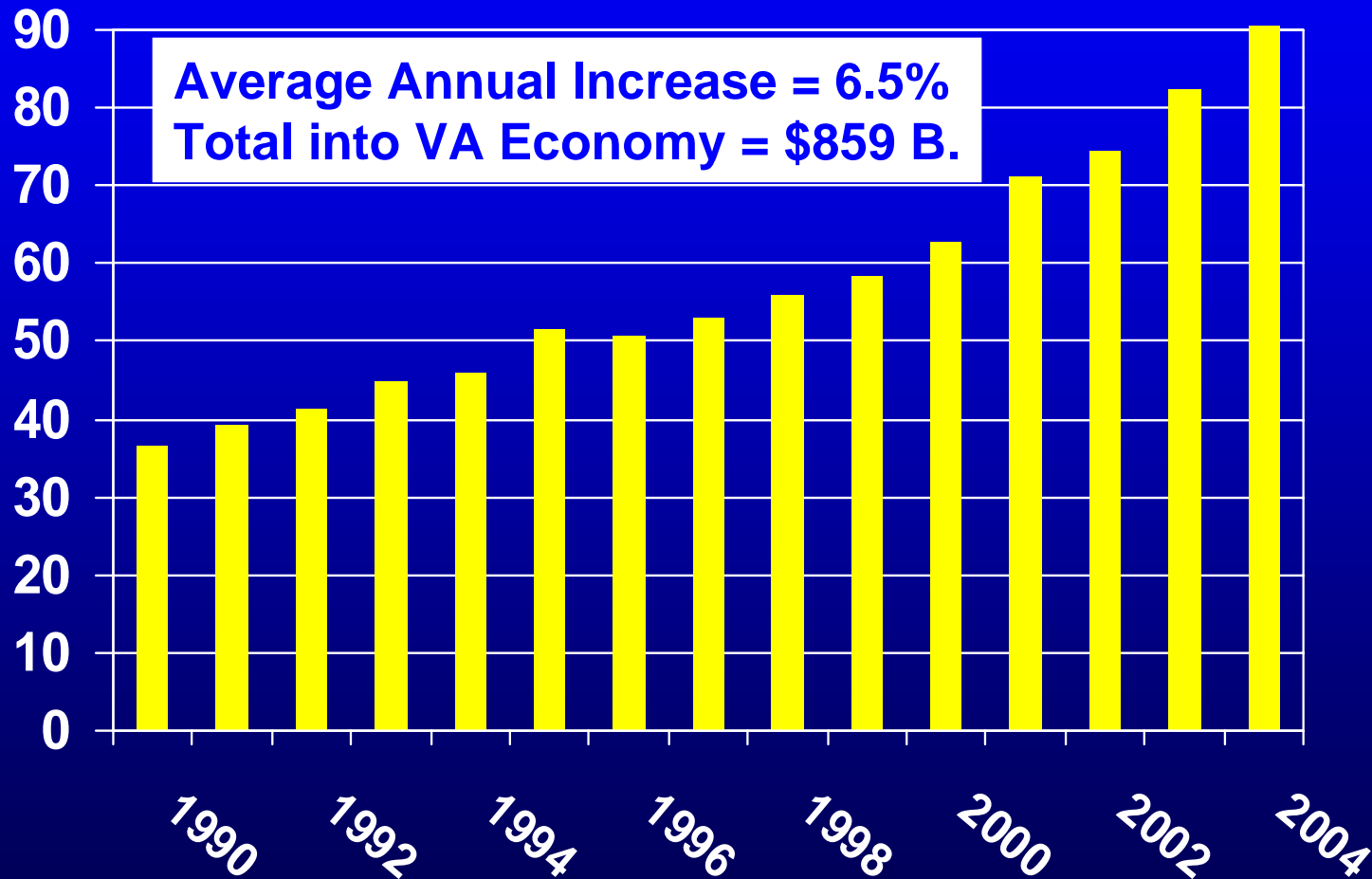
Source: Virginia Employment Commission

The Importance of Federal Spending to the Virginia Economy

Total Federal Spending in Virginia

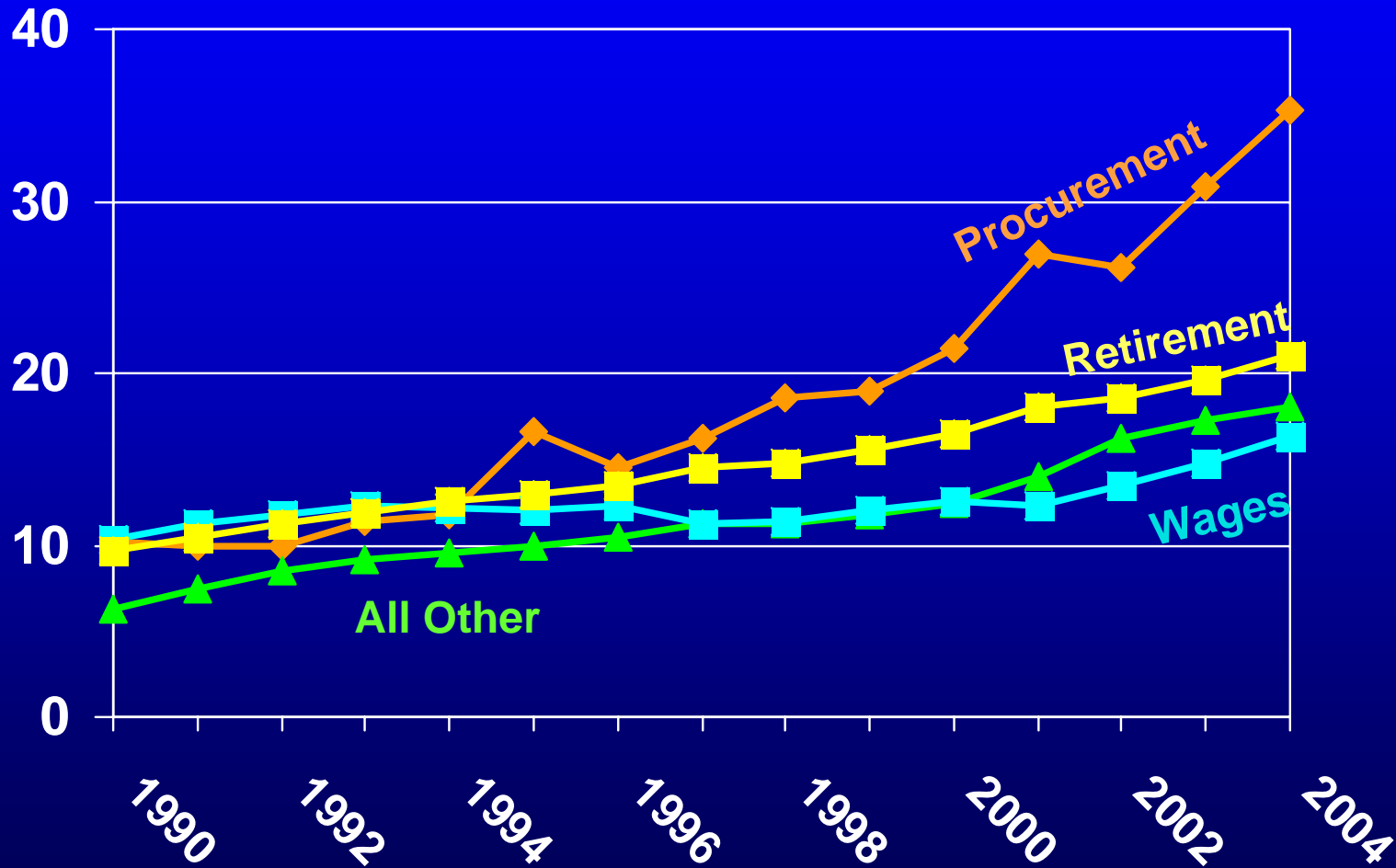
Billions Current \$

03-04 Change
= +8.2B\$, 10%



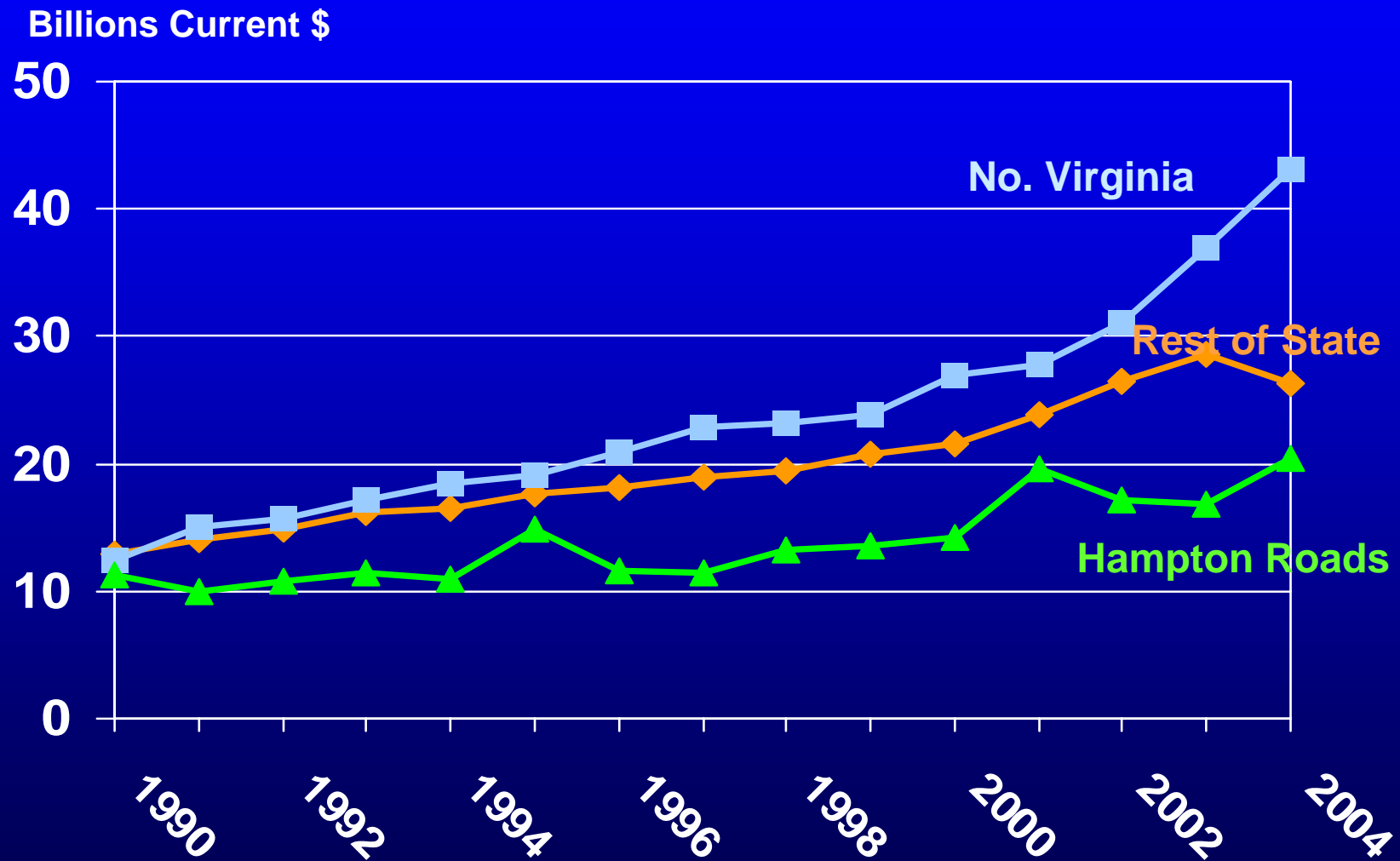
Federal Spending by Type Virginia

Billions Current \$



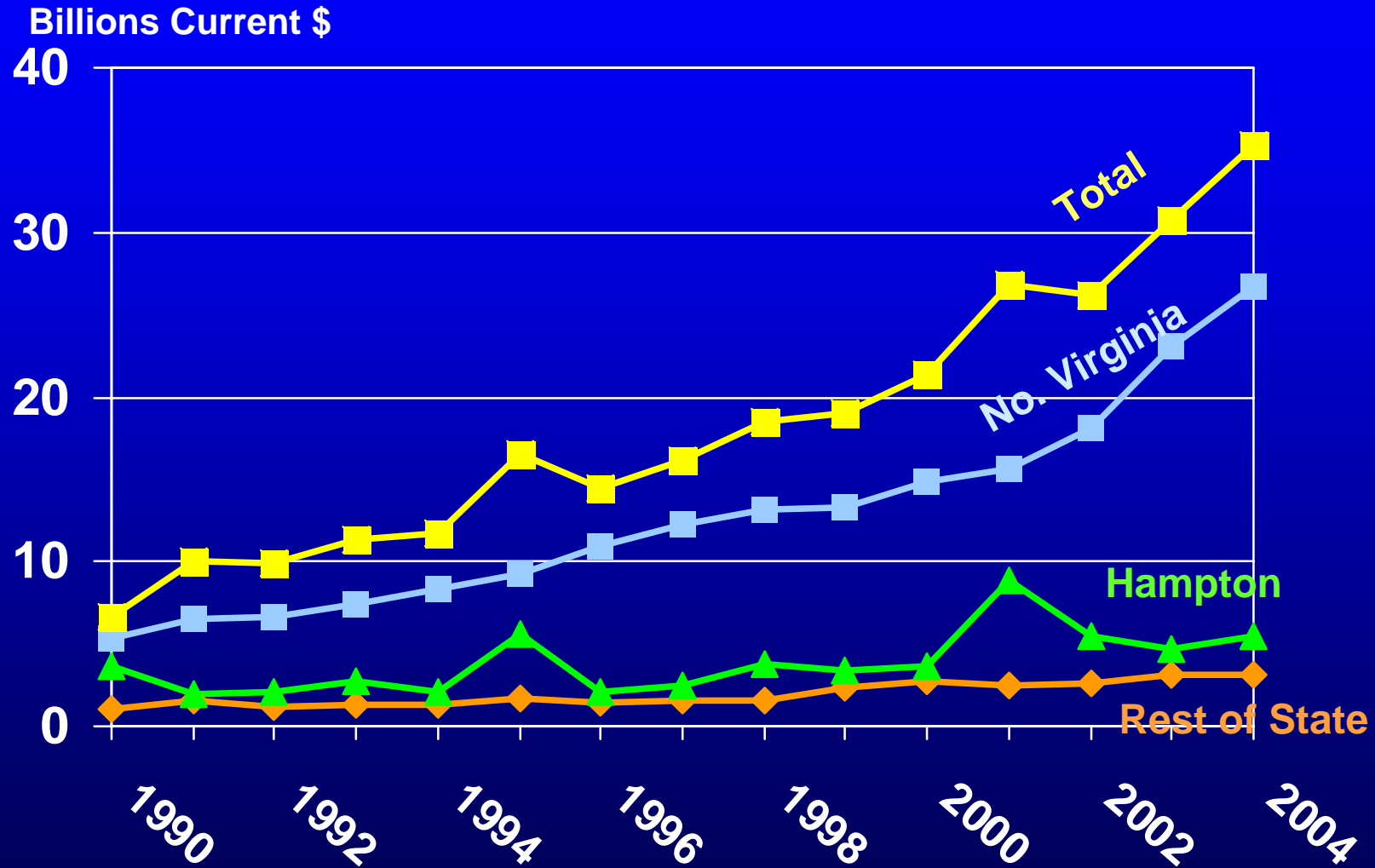
Source: U.S. Census Bureau Consolidated Federal Funds Report

Total Federal Spending in Virginia by Area



Source: U.S. Census Bureau Consolidated Federal Funds Report

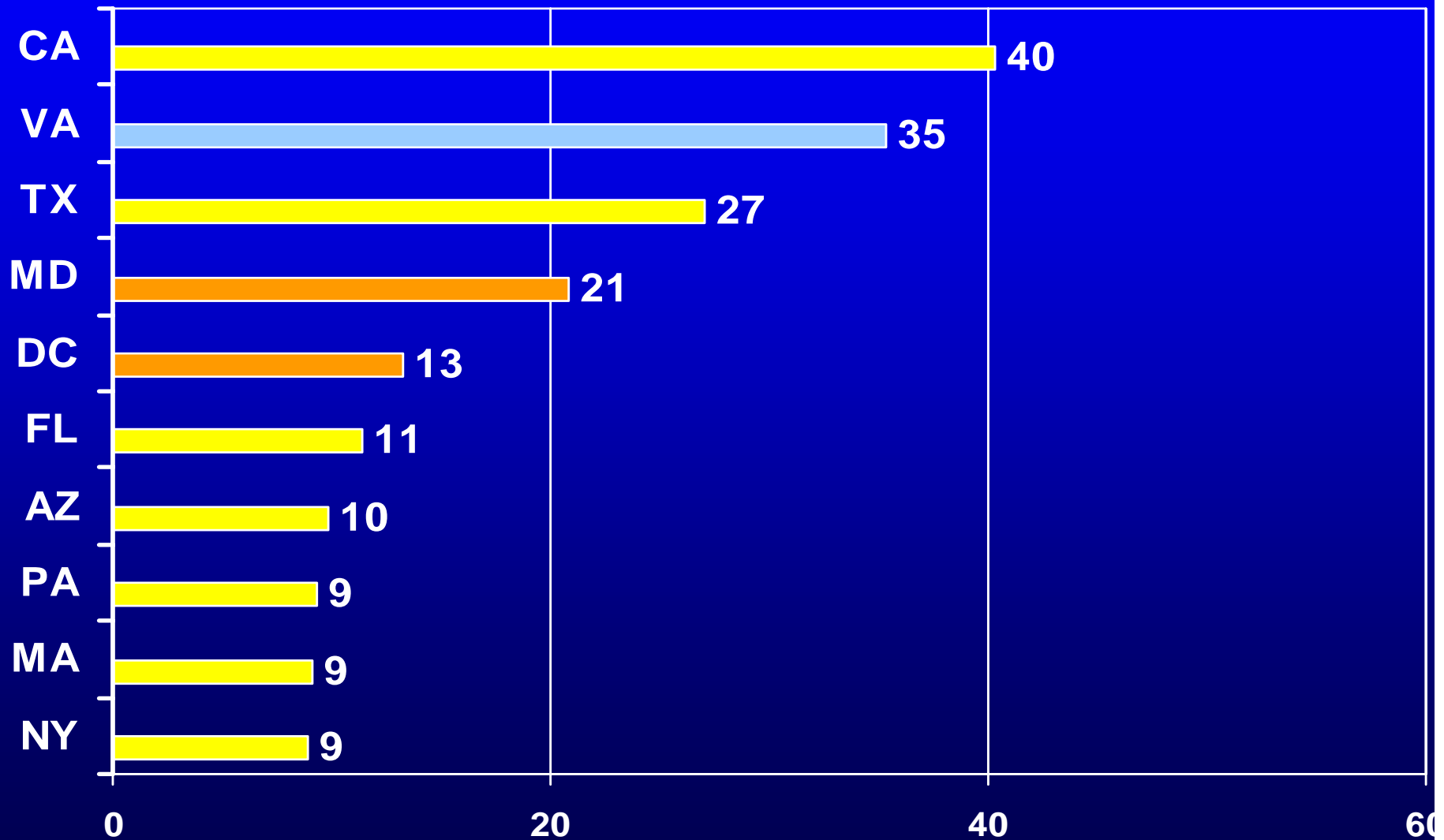
Federal Procurement in Virginia



Source: U.S. Census Bureau Consolidated Federal Funds Report

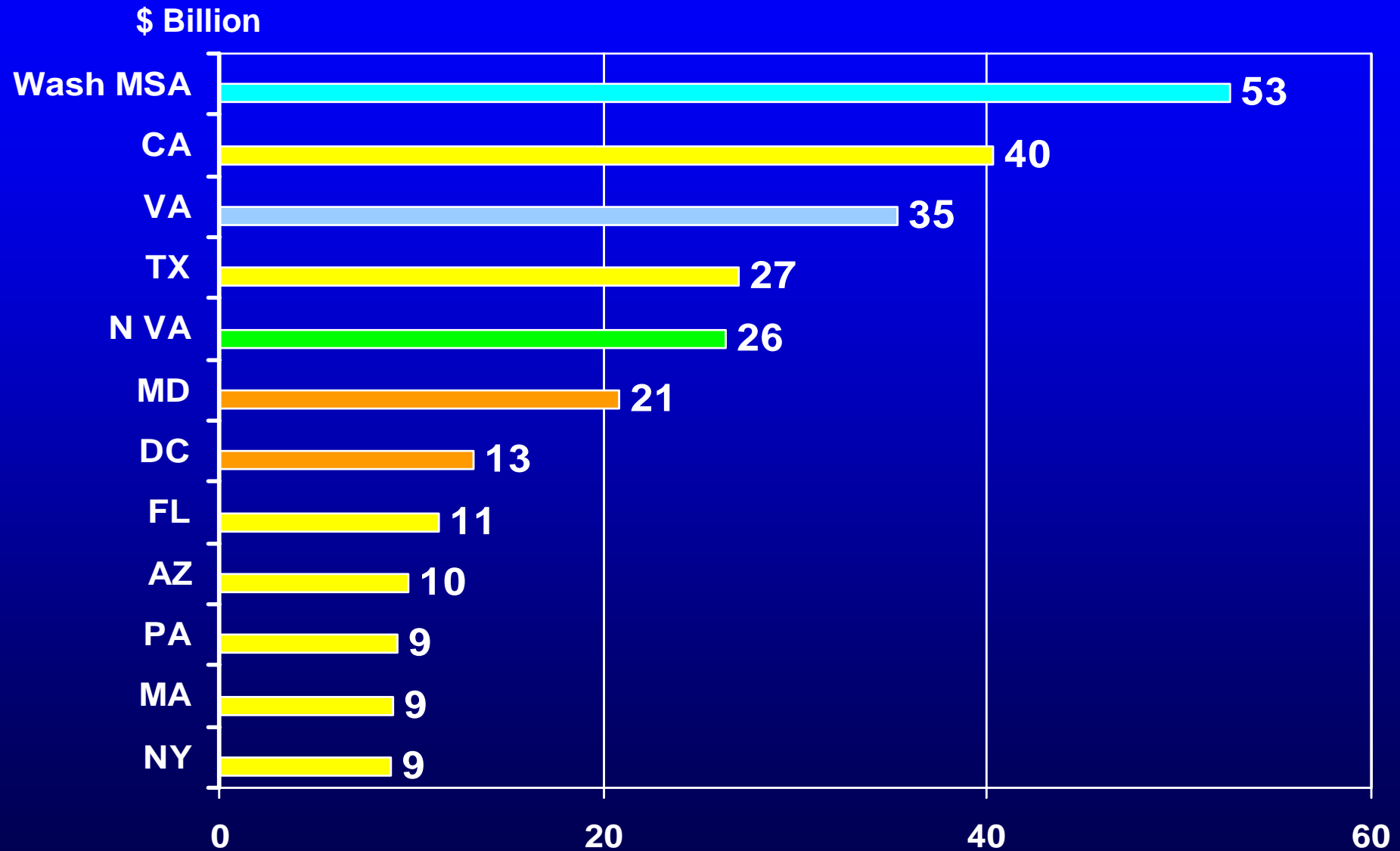
2004 Federal Procurement

\$ Billion



Source: U.S. Census Bureau Consolidated Federal Funds Report

2004 Federal Procurement



Source: U.S. Census Bureau Consolidated Federal Funds Report

The Northern Virginia Economy

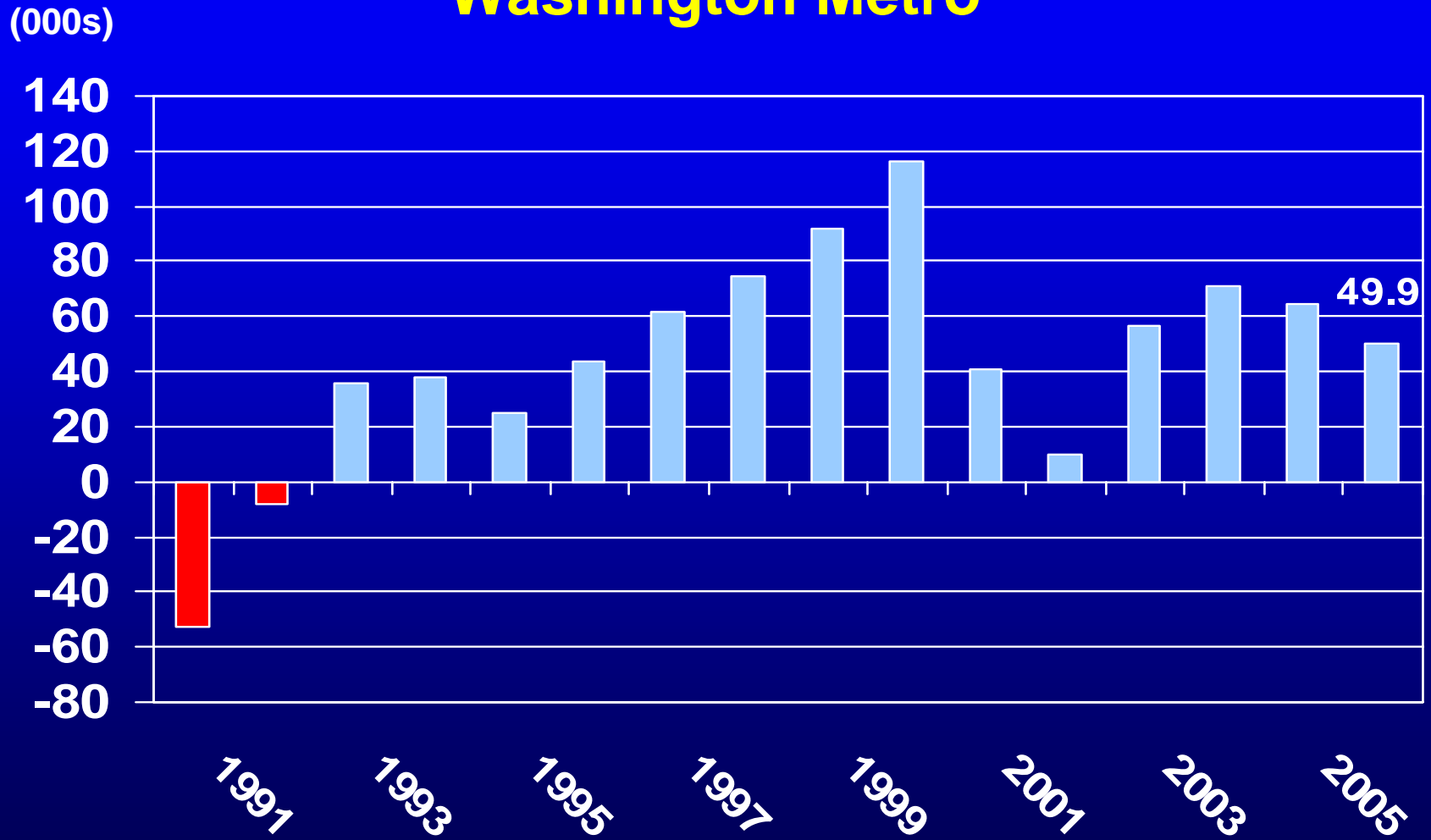
Northern Virginia Jurisdictions

	2006 Population Estimates
Arlington	199,776
Alexandria	136,974
Fairfax*	1,043,664
Prince William**	405,783
Loudoun	268,817
Stafford	120,170
Spotsylvania	119,529
Fauquier	66,170
Clarke	14,565
Warren	36,102
TOTAL	2,411,550

Source: U.S. Census Bureau *includes cities of Fairfax and Falls Church

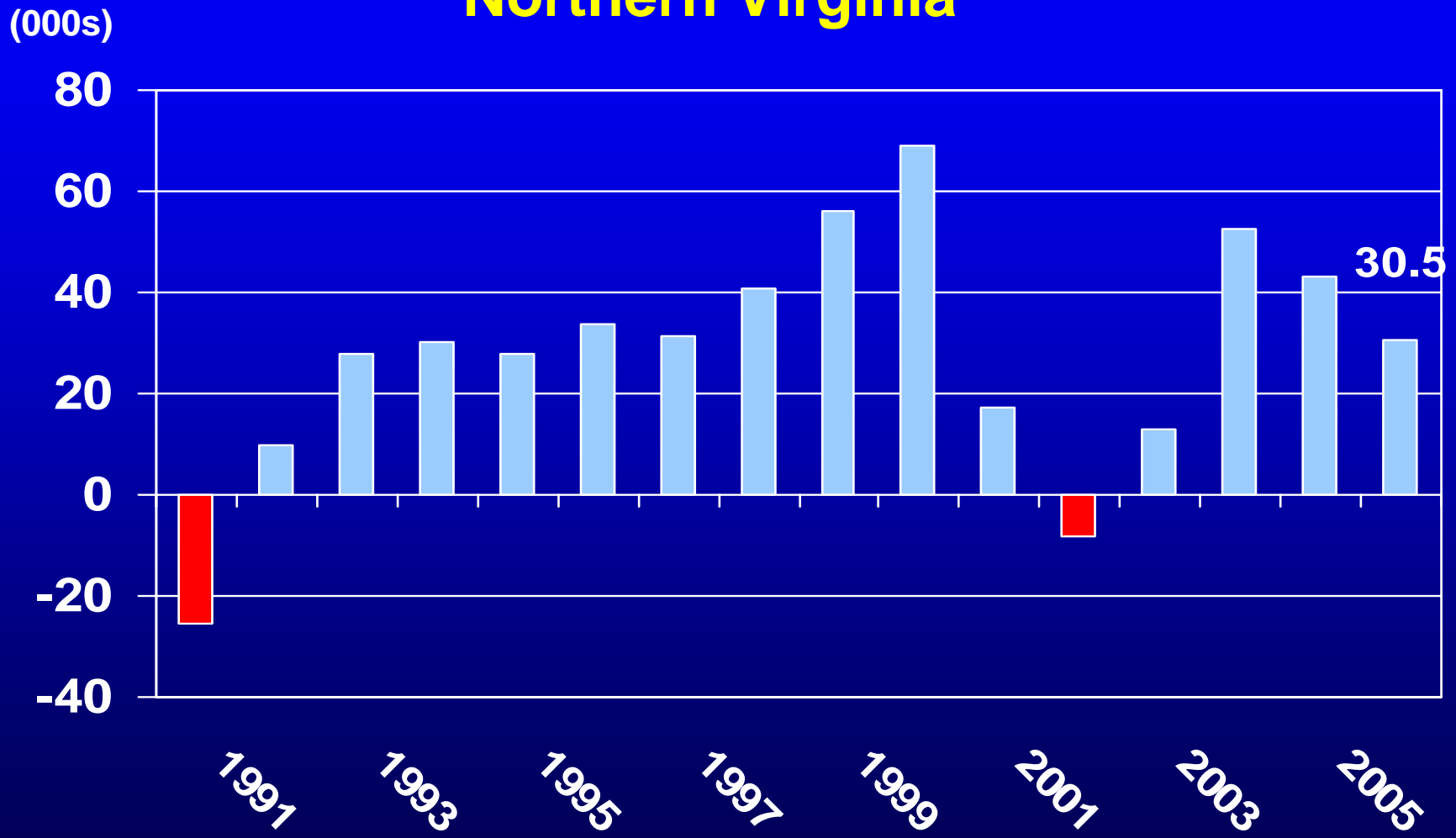
** includes cities of Manassas and Manassas Park

Annual Job Change 1991 – 2005 Washington Metro



Source: U.S. BLS, CRA

Annual Job Change 1991 – 2006 Northern Virginia

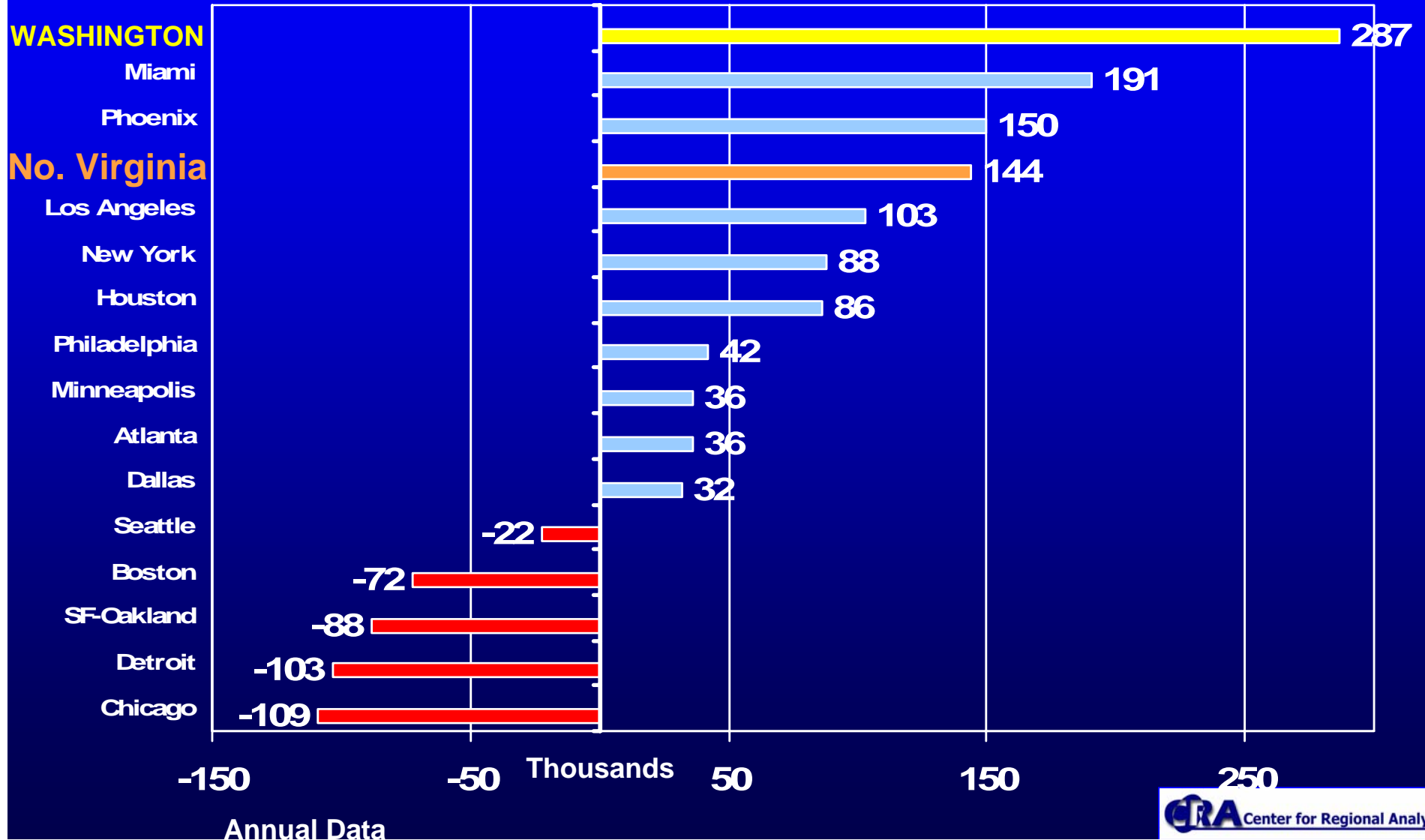


Source: U.S. BLS, CRA

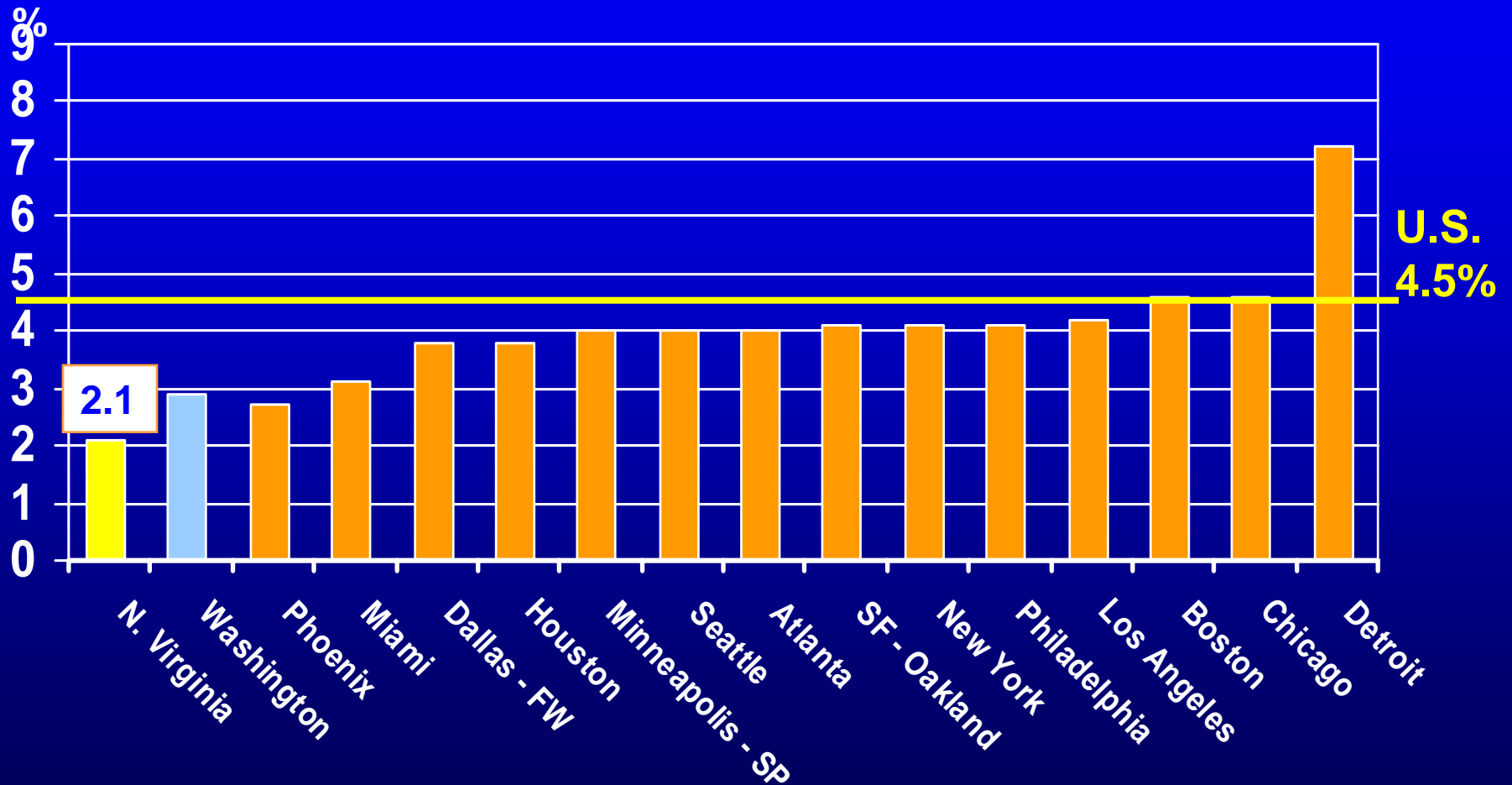
Metro Comparisons

Job Change Last Five Years

15 Largest Metro Areas

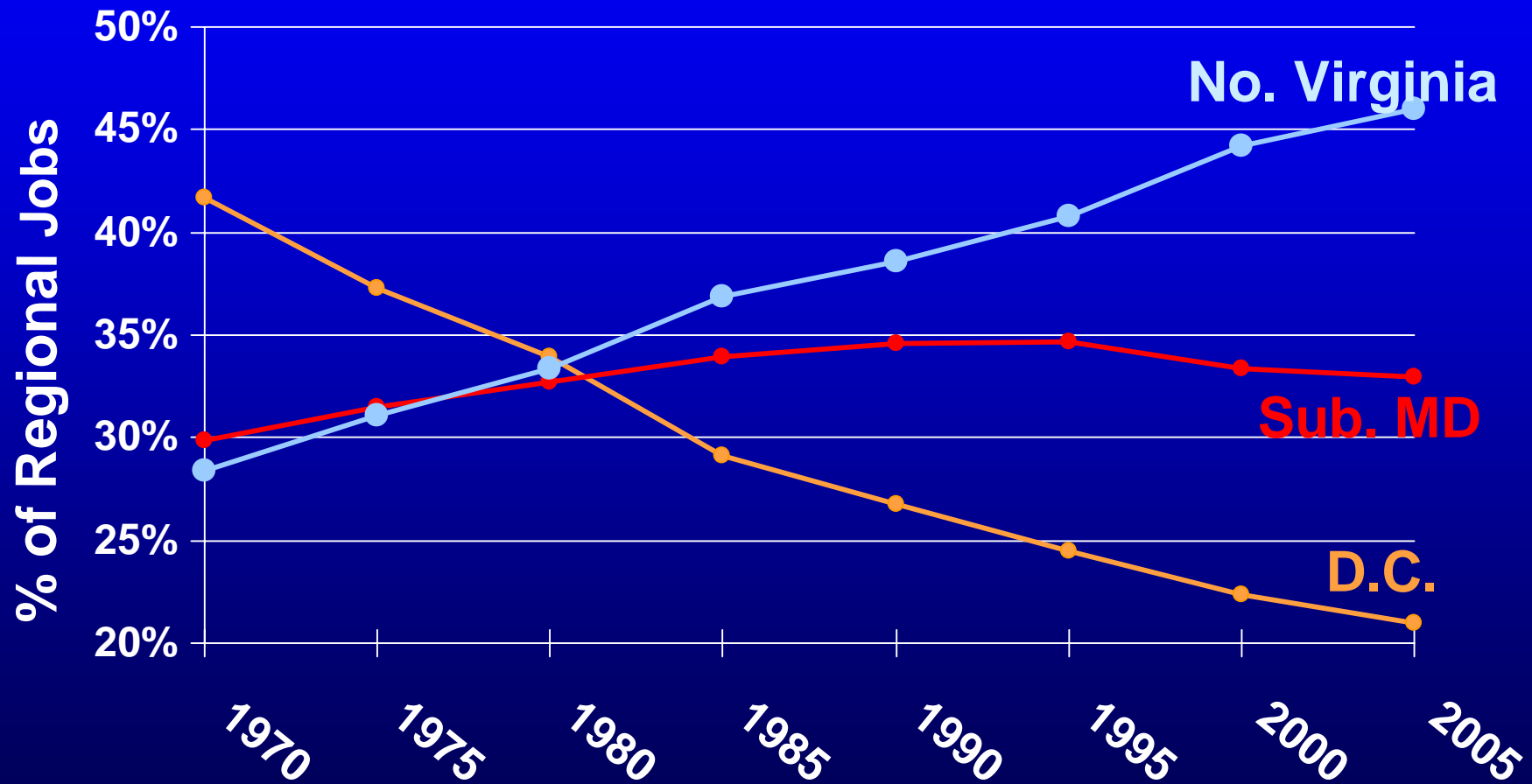


15 Largest Job Markets Ranked by Unemployment Rate May 2007

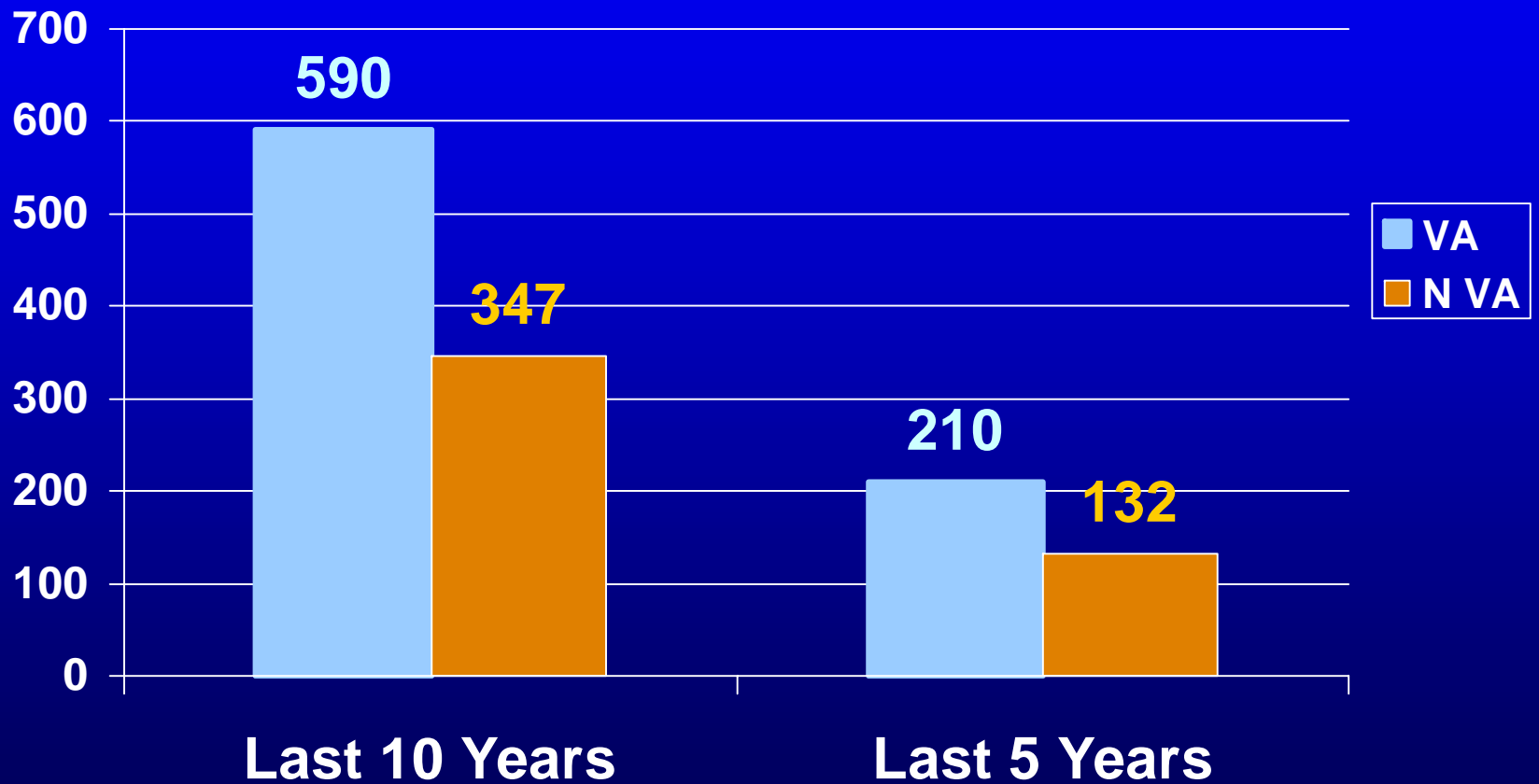


Source: U.S. BLS Not seasonally adjusted

Share of Washington Area Jobs: 1970-2005



Job Growth in Virginia and Northern Virginia



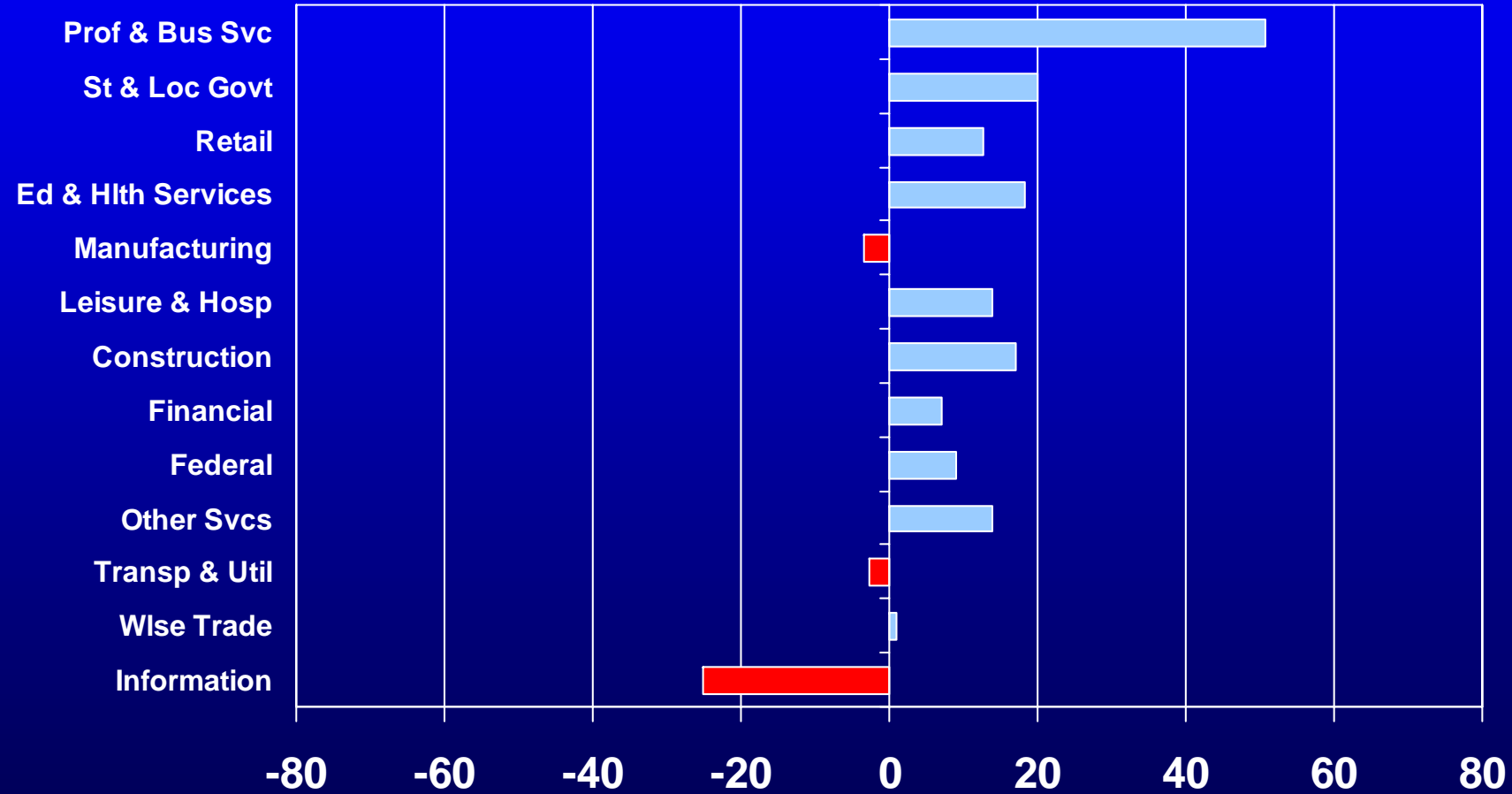
Source: U.S. BLS, VEC

Last Five Years Job Change By Sector Northern Virginia

Total = 132,300

(Ranked by Size of Sector)

(000s)

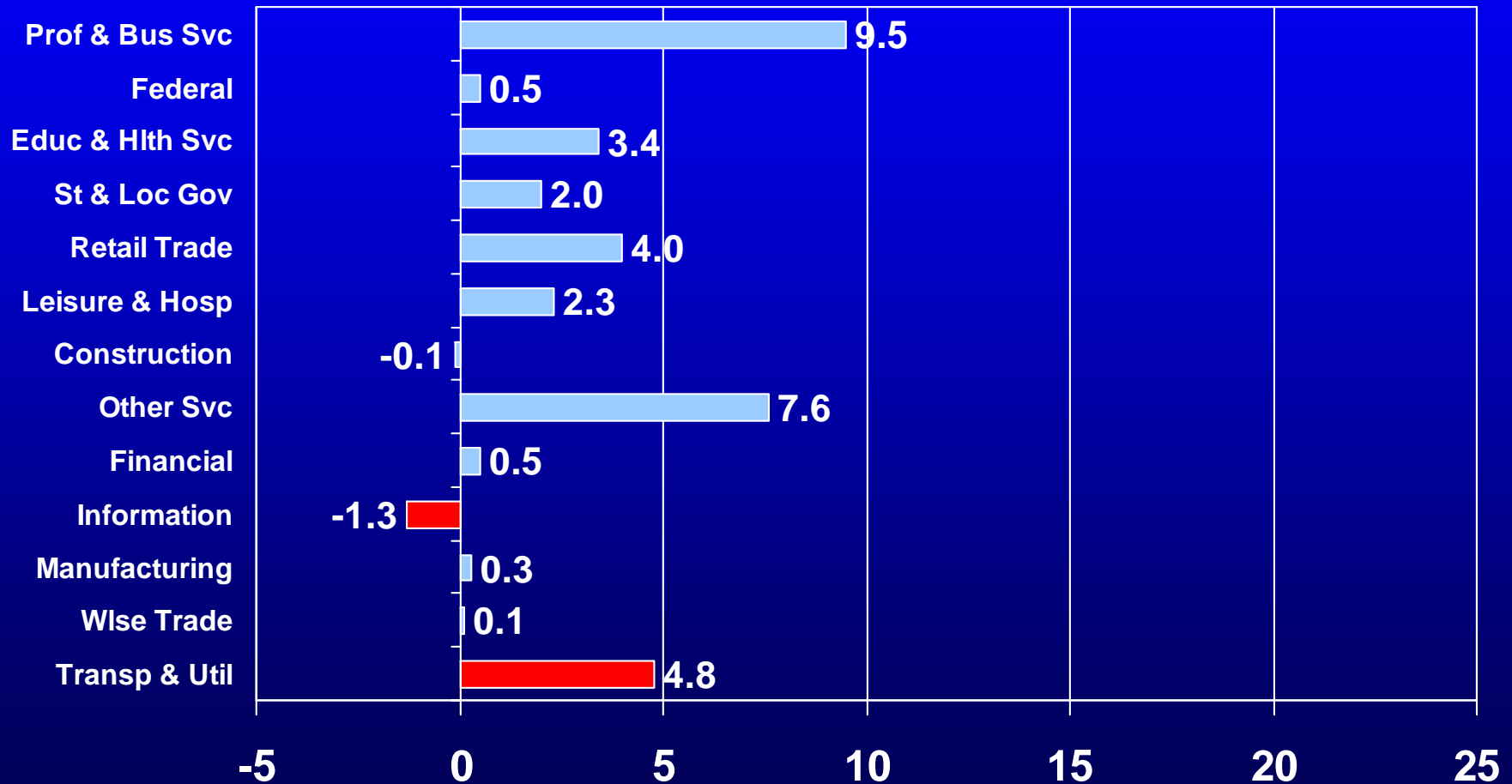


May 06 – May 07 Job Change By Sector – No VA

(000s)

Total = 23,900

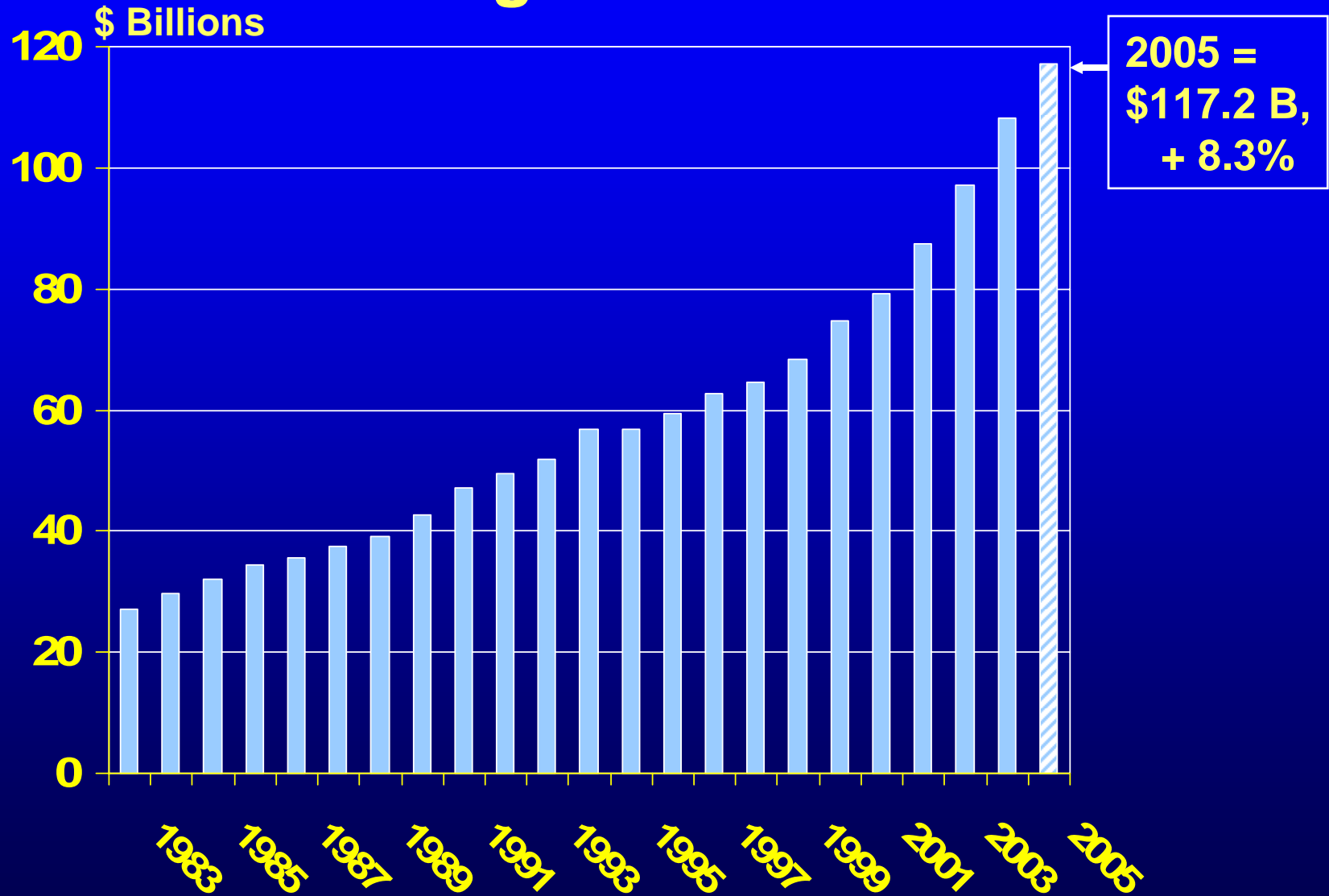
(Ranked by Size of Sector)



Source: VEC

The Importance of Federal Spending to the Northern Virginia Economy

Total Federal Spending Washington Metro Area

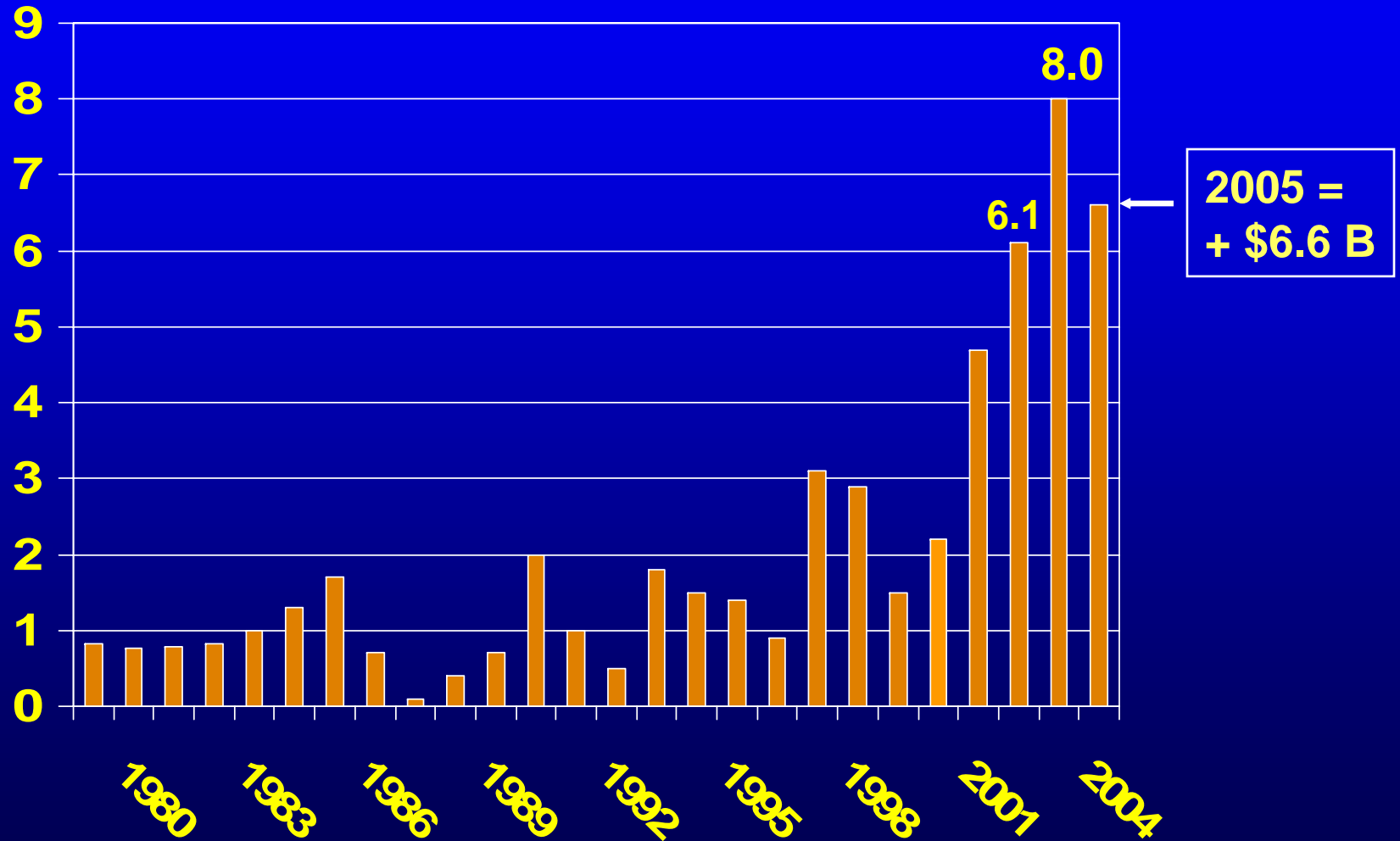


Federal Spending by Type 1983 - 2004



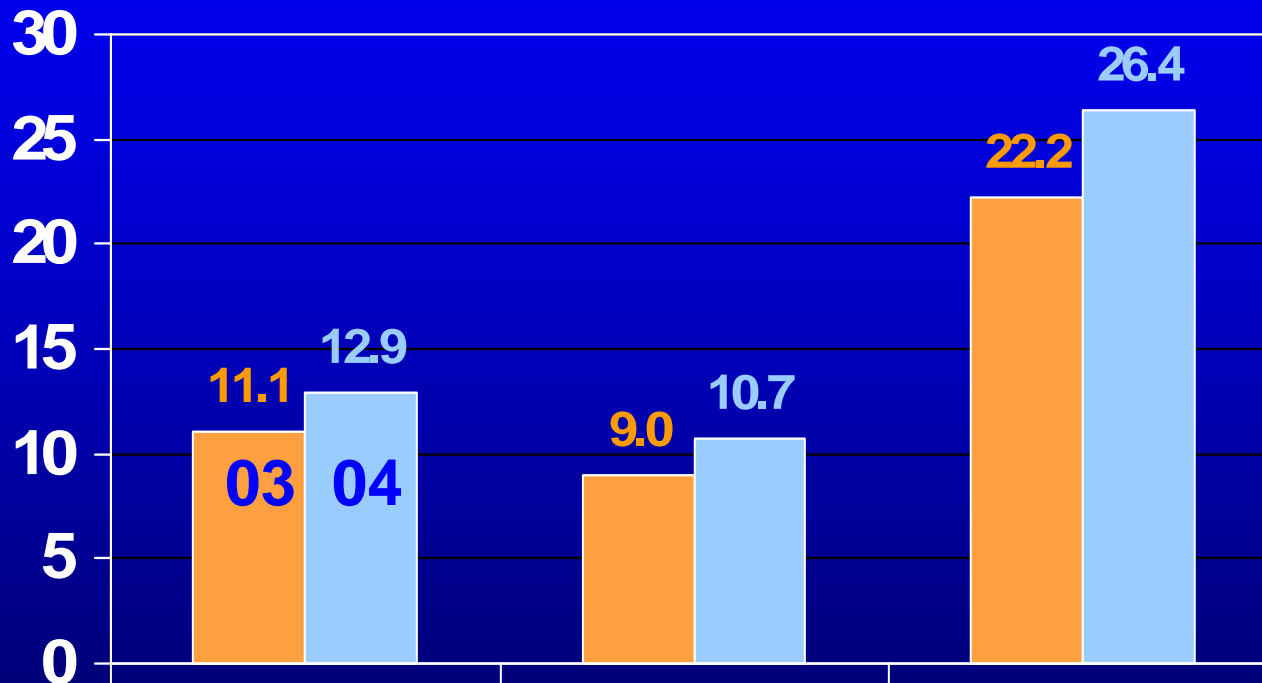
Annual Change in Federal Procurement Spending Washington Metro Area

\$ Billions



2003-2004 Federal Procurement Spending by Sub-state Area (\$\$ in Billions)

\$ Billions



D.C.

Suburban
Maryland

Northern
Virginia

+ 16.3%

+19.1%

+19.1%

Federal Spending in 2004: U.S. and Washington MSA (\$ in billions)

	TOTAL		PROCUREMENT	
	Amount	% Chg 03-04	Amount	% Chg 03-04
U.S.	\$2,162.2	4.9%	\$339.7	3.8%
Washington Metro	108.2	11.4%	52.6	19.0%
% Of U.S. in 04	5.0%		15.5%	

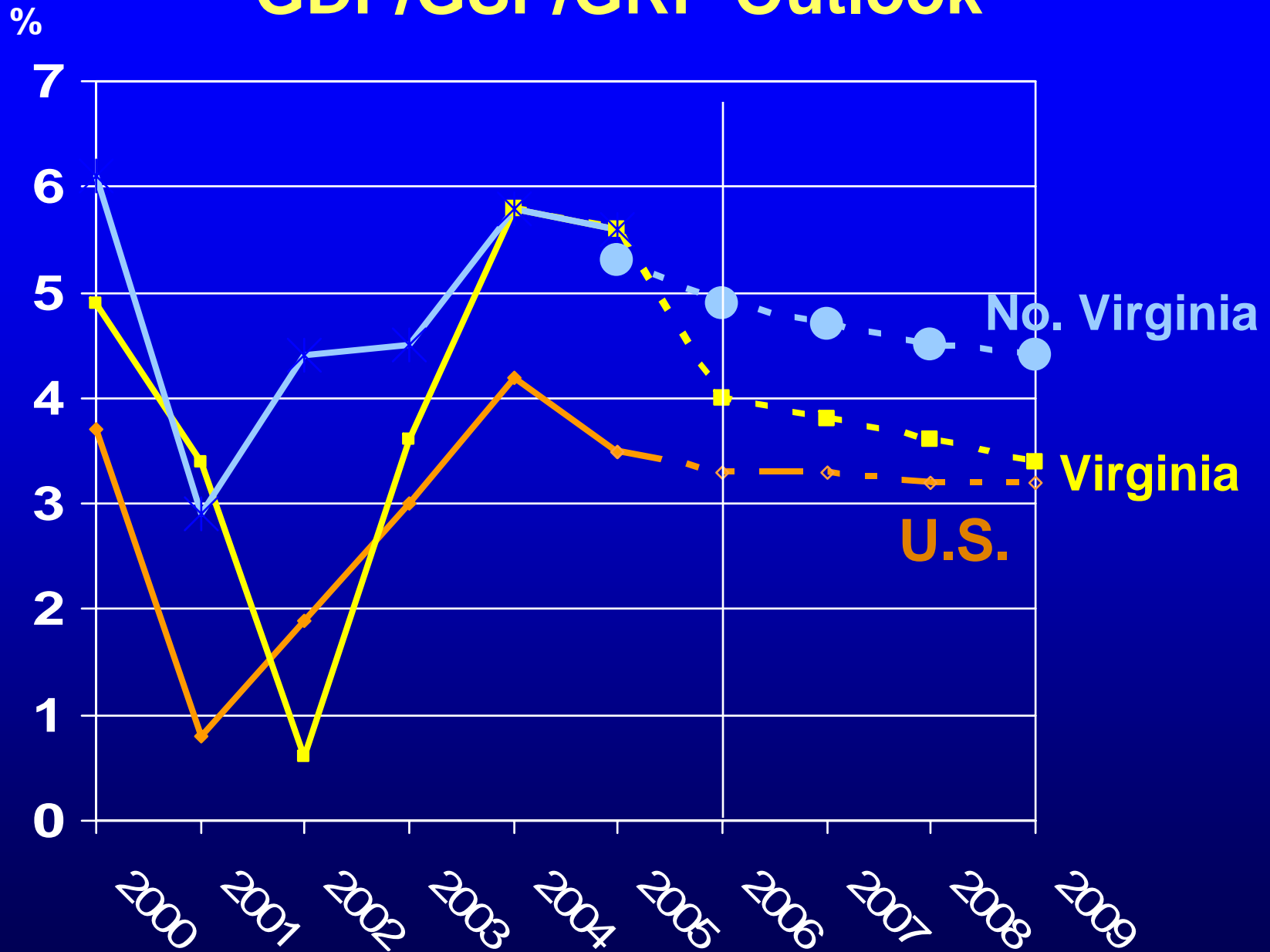
**68.6% of the 2003-2004 increase in Federal
Procurement nationally was in the Washington MSA**

Federal Procurement and Jobs (\$1 billion = 7,000 jobs)

- In FY 2004, Federal Procurement in Northern Virginia was \$26.4 Billion which translates into 185,000 jobs**
- Growth from FY 2003 to FY 2004 was \$4.24 Billion = growth of 30,000 jobs**

The Outlook for 2007+

GDP/GSP/GRP Outlook



Job Change in Virginia And Northern Virginia

	Virginia	Northern Virginia
Annual Average 96-06	59,000	34,700
2003	3,300	12,800
2004	86,300	52,600
2005	80,700	44,600
2006	61,800	30,500
2007	72,000*	35,000*

*CRA projections

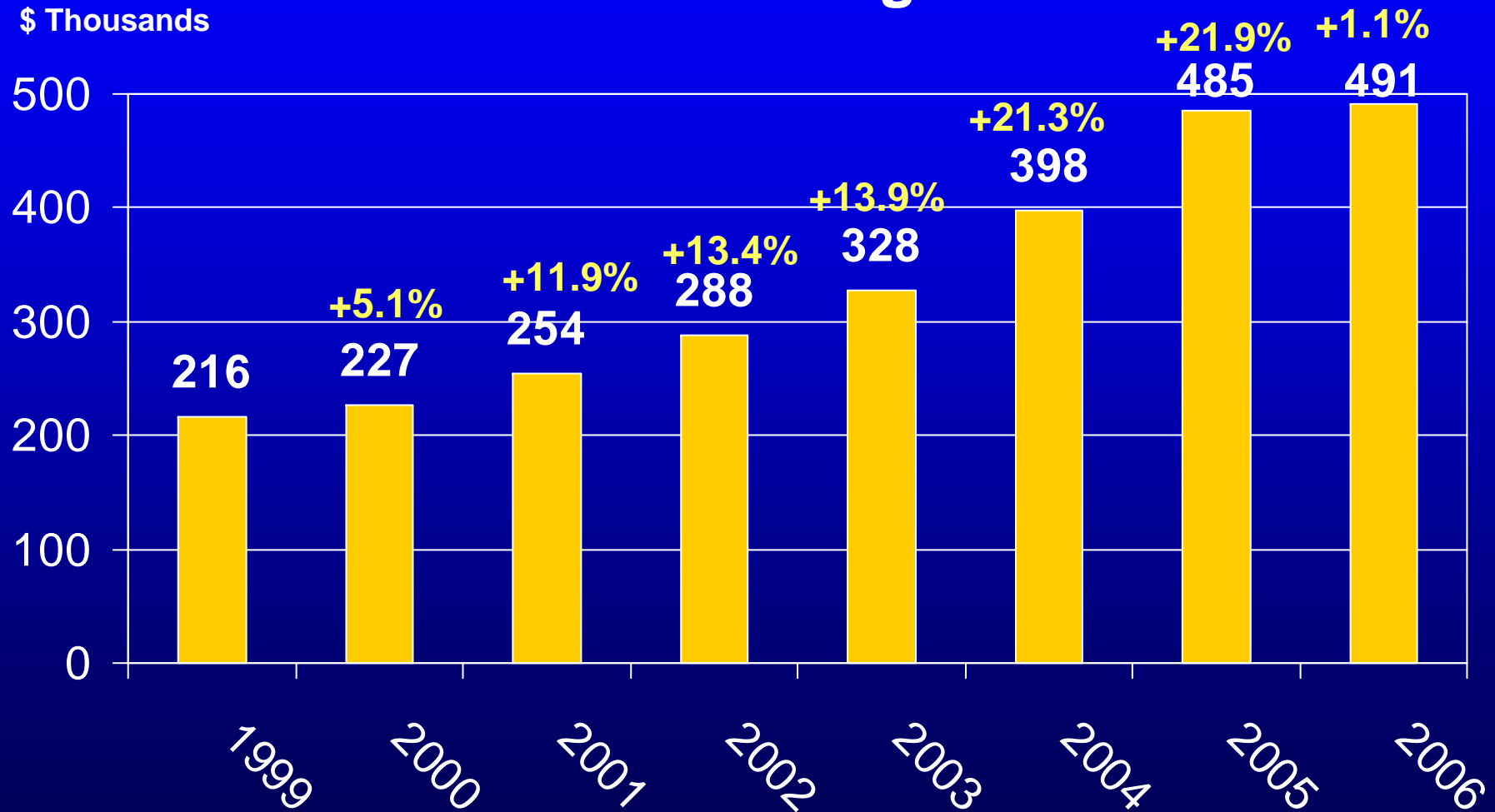
Wild Cards / Threats to Northern Virginia and Virginia Economies

- National/International Factors
 - Economy
 - Terrorism
- Workforce
- Housing Affordability ✓
- Transportation Infrastructure
- BRAC

Average Sales Price Existing Houses Northern Virginia

'99 - '06
129%

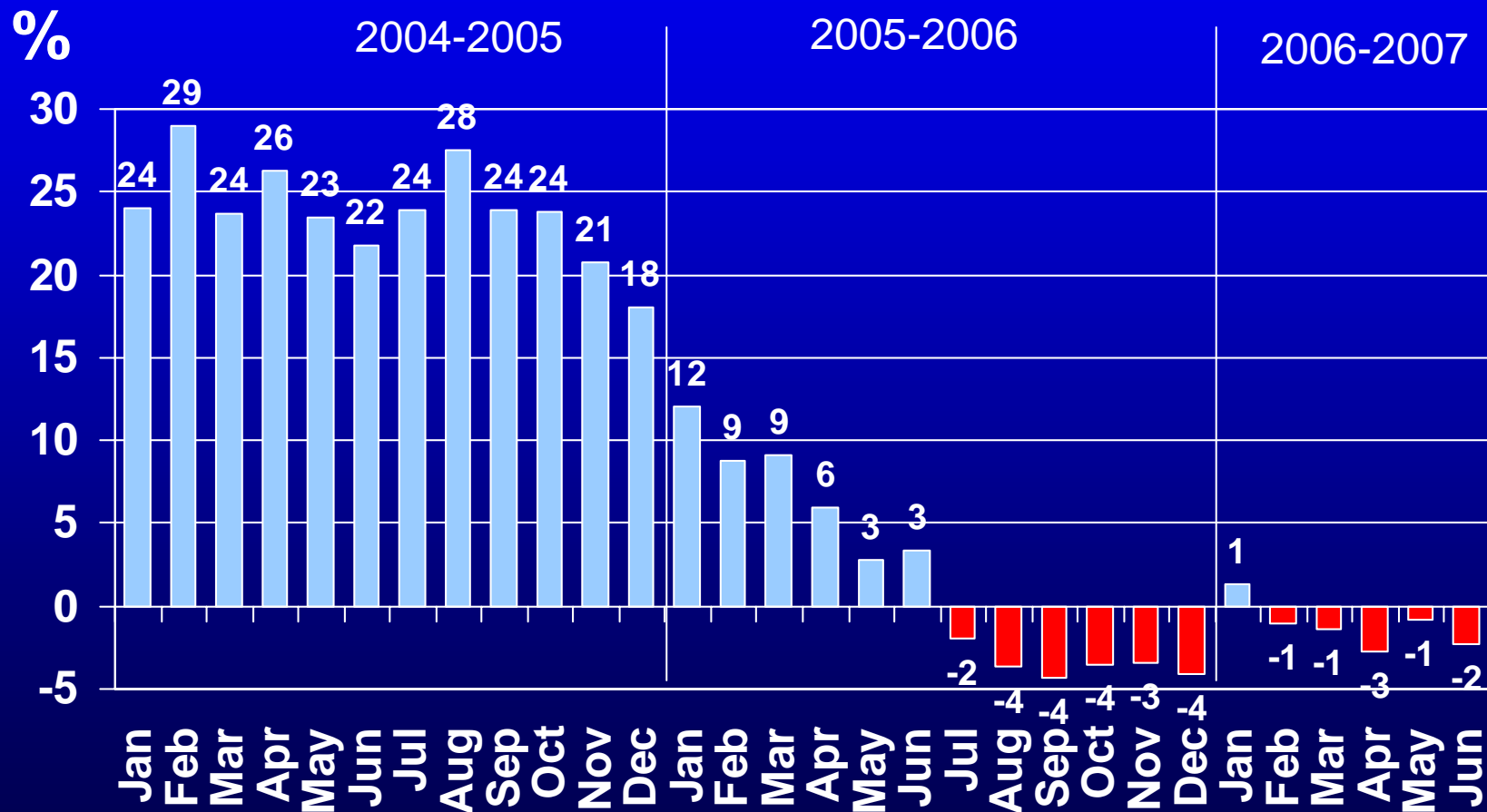
\$ Thousands



Source: MRIS, GMU Center for Regional Analysis

Average Sales Price Percent Change Month-over-the-year, 2004 - 2007

Northern Virginia
All Housing Types



Source: MRIS, GMU

Average Price of a Single-Family Detached Home for Sale in June 2007

Jurisdiction	List Price
Arlington County	\$866,100
Alexandria City	833,100
Fairfax County	773,400
Loudoun County	698,900
Prince William County	512,700

Source: MRIS, CRA



www.cra-gmu.org