

Mt Vernon-Lee Chamber of Commerce

The Washington Area Economic Outlook

John C. McClain, AICP
Senior Fellow and Deputy Director
Center for Regional Analysis, School of Public Policy
George Mason University

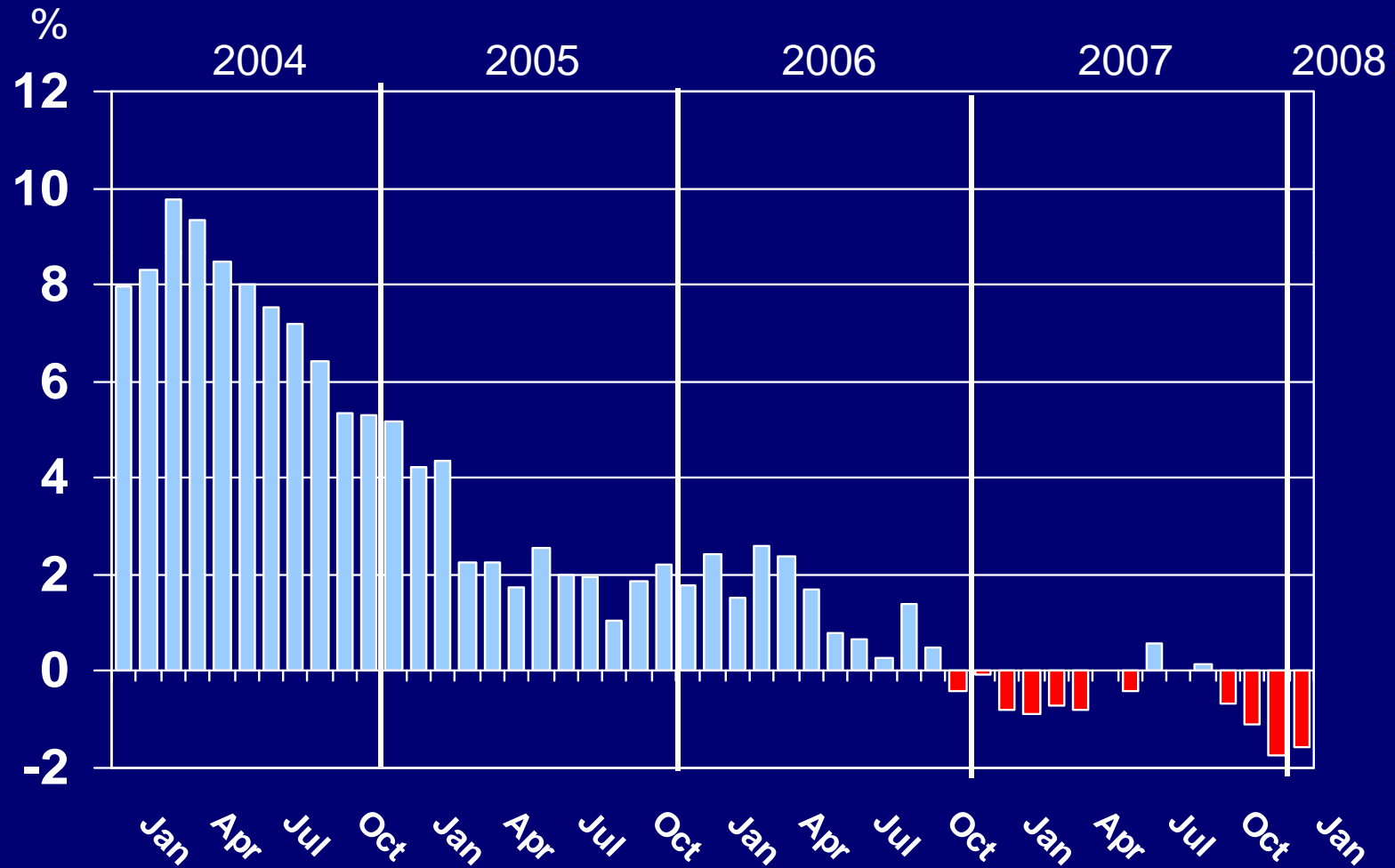
March 4, 2008

The U.S. Economy in 2008

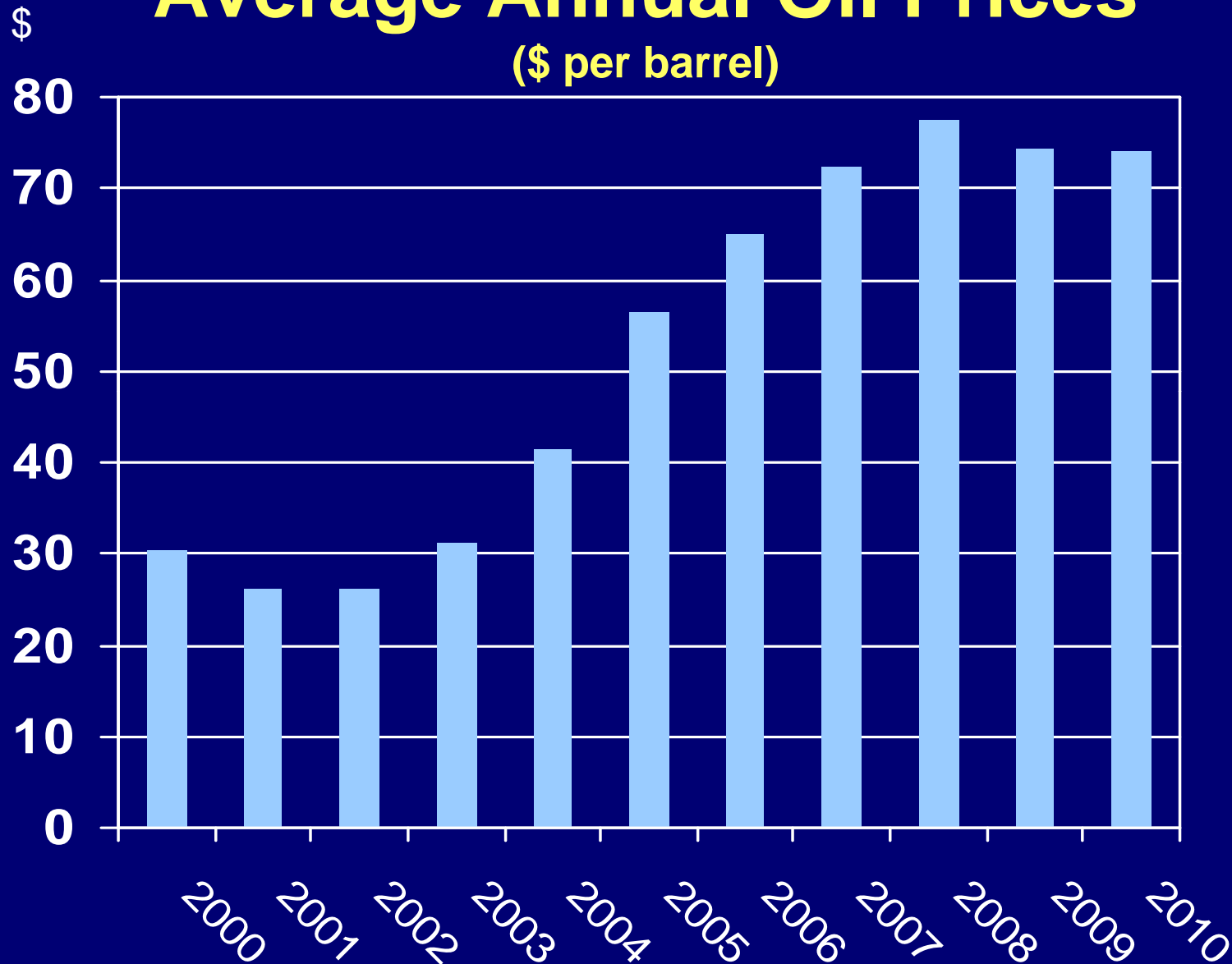
Re-establishing Momentum

U.S. Leading Index

Monthly Over-the-Year Percent Changes



Average Annual Oil Prices (\$ per barrel)

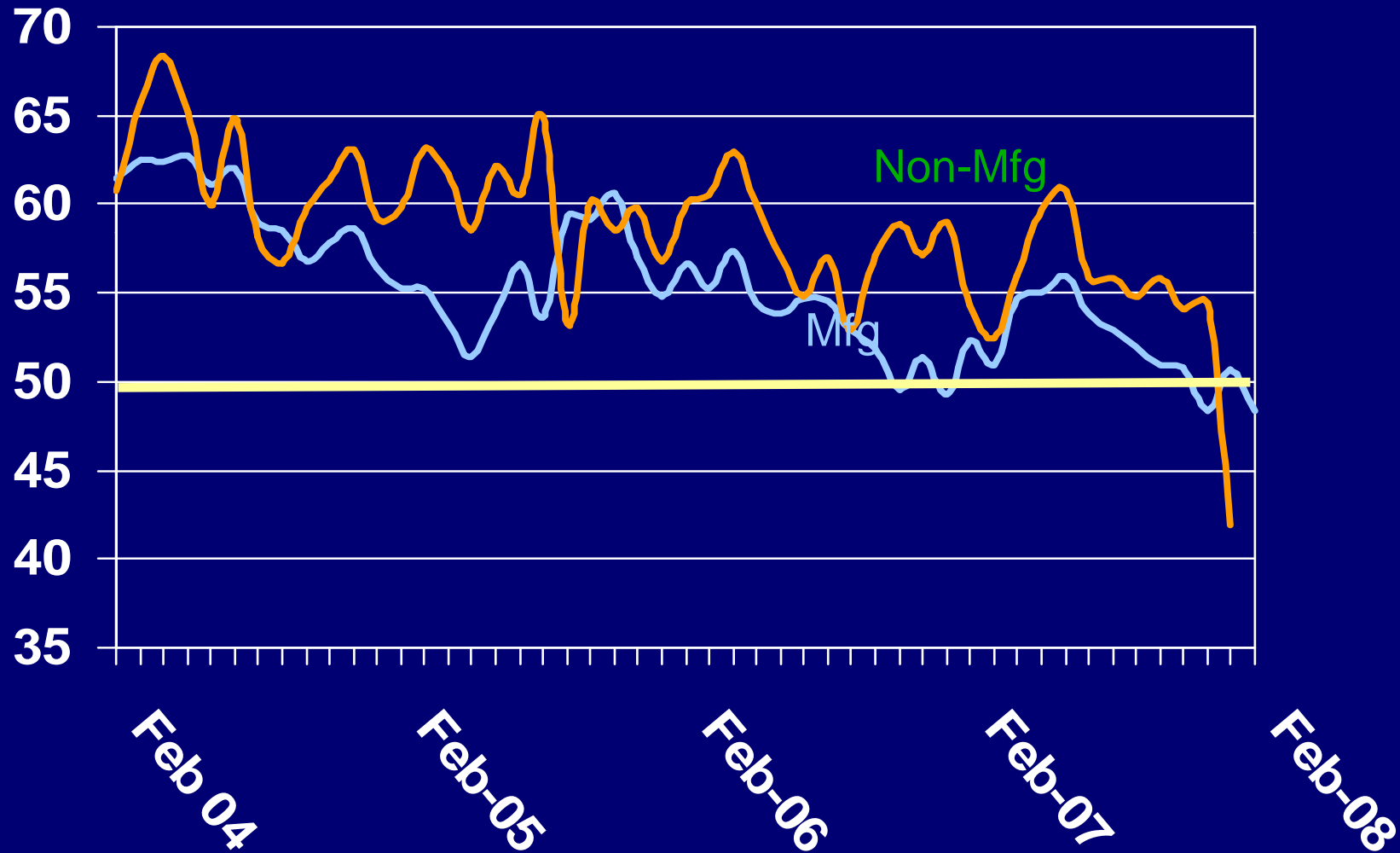


Source: Global Insight, GMU Center for Regional Analysis

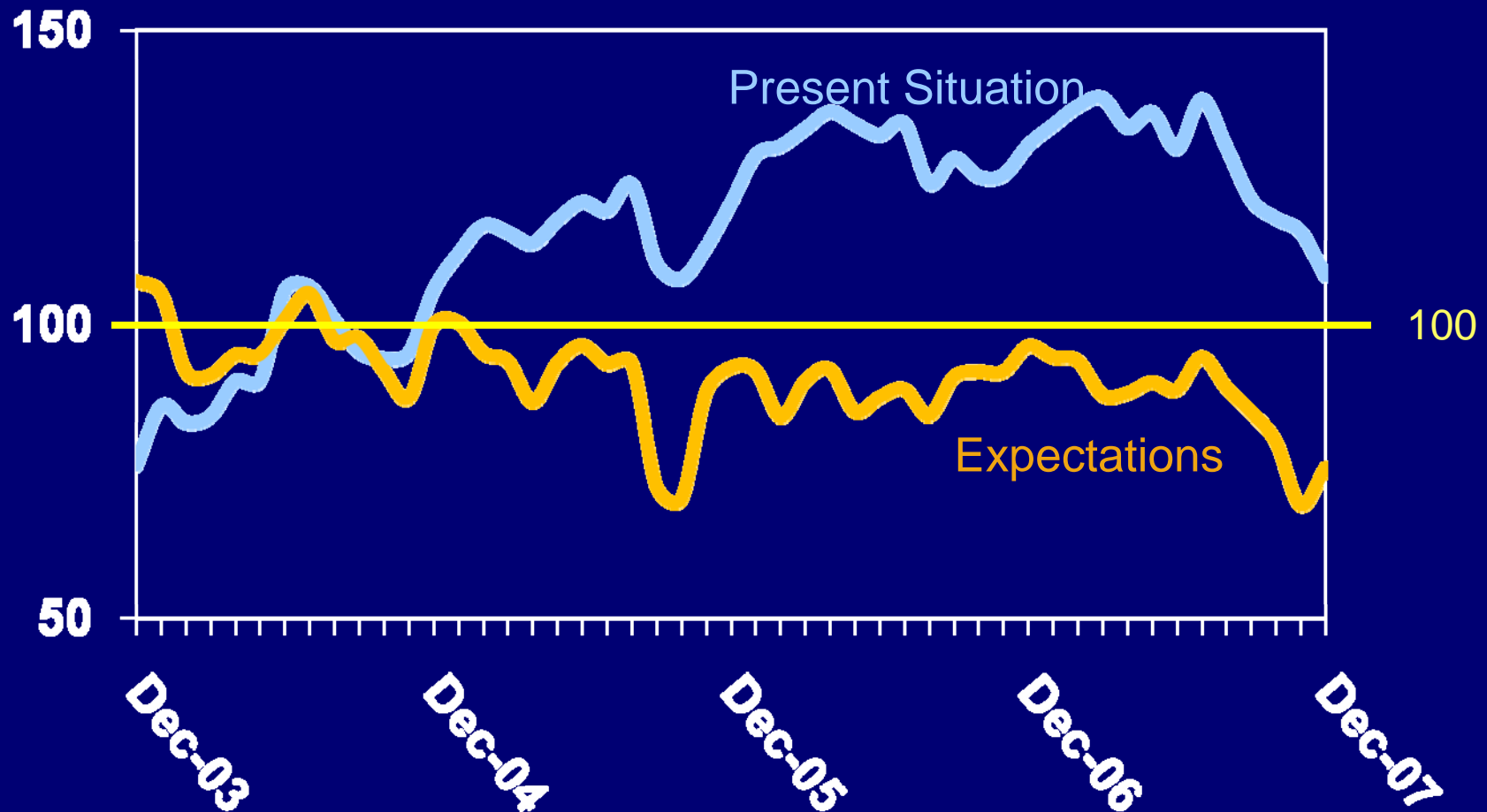
Housing Trends: New & Existing Home Sales



ISM Manufacturing and Non-Manufacturing Indices

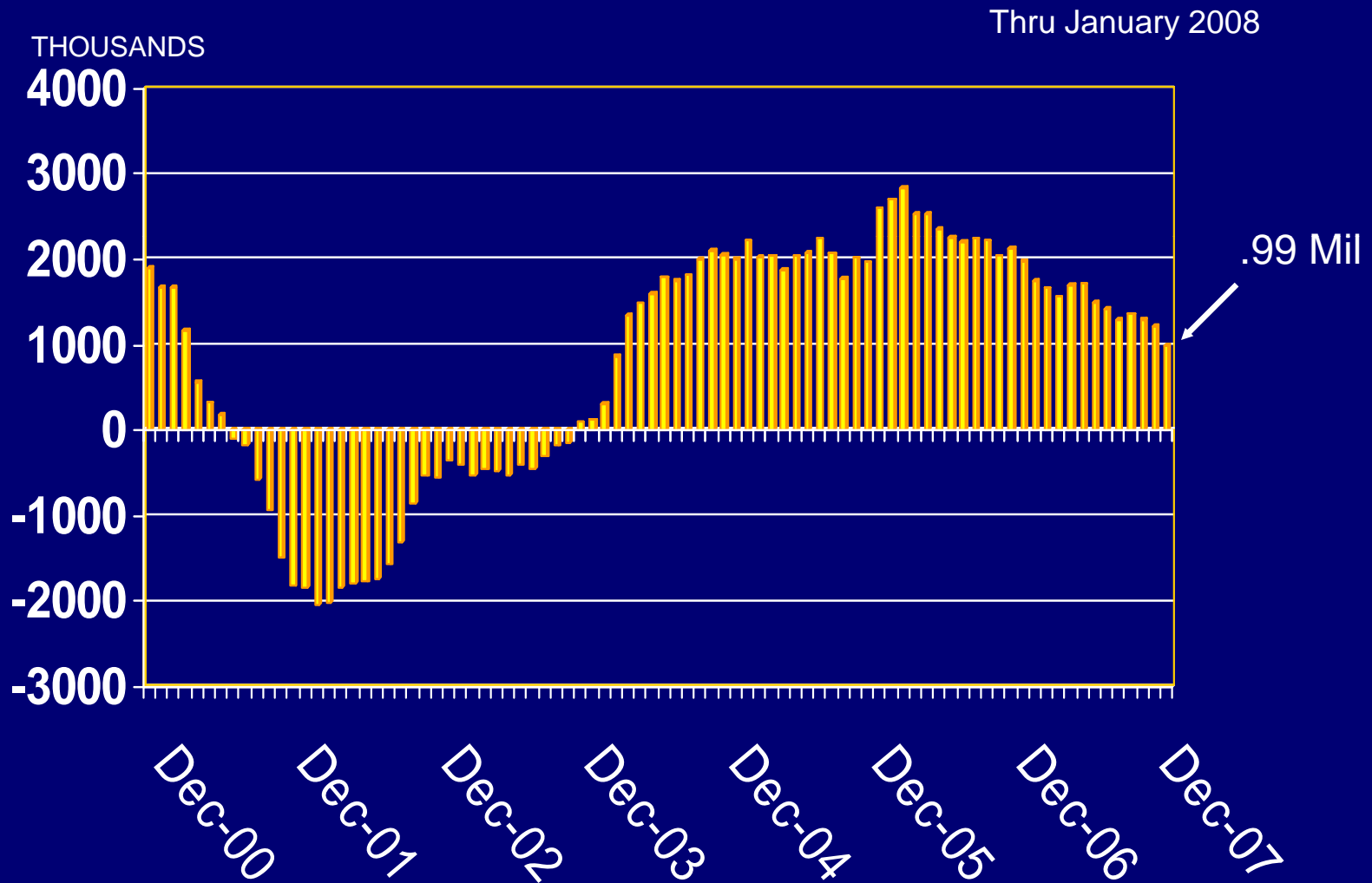


Consumer Confidence



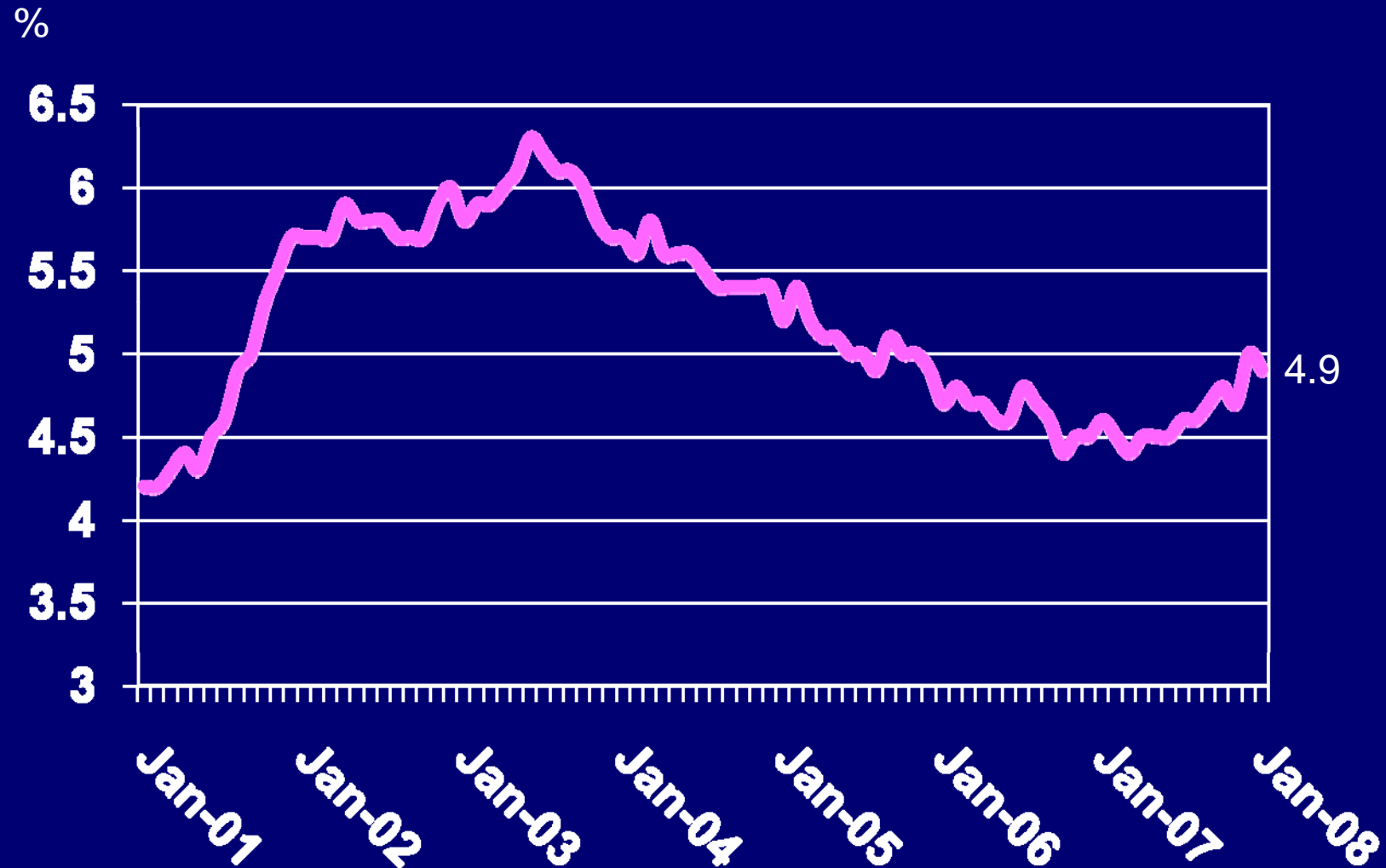
Source: Conference Board, GMU Center for Regional Analysis

Annual Change in Jobs - US



Source: BLS Establishment Survey

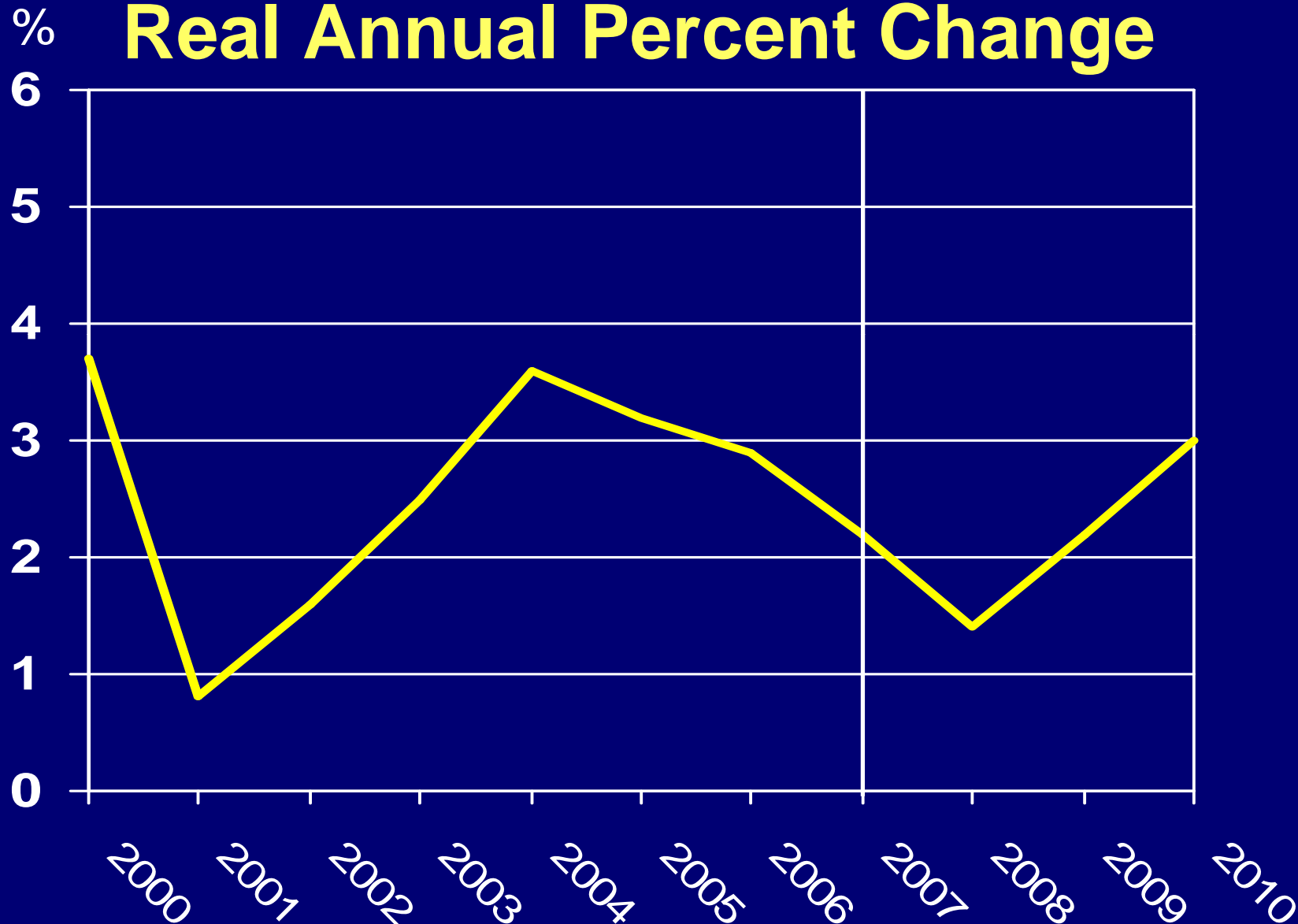
U.S. Unemployment Rate



Source: BLS, Seasonally Adjusted

GDP 2000 - 2010

Real Annual Percent Change



The Washington Area Economy

Current Performance

Key Questions

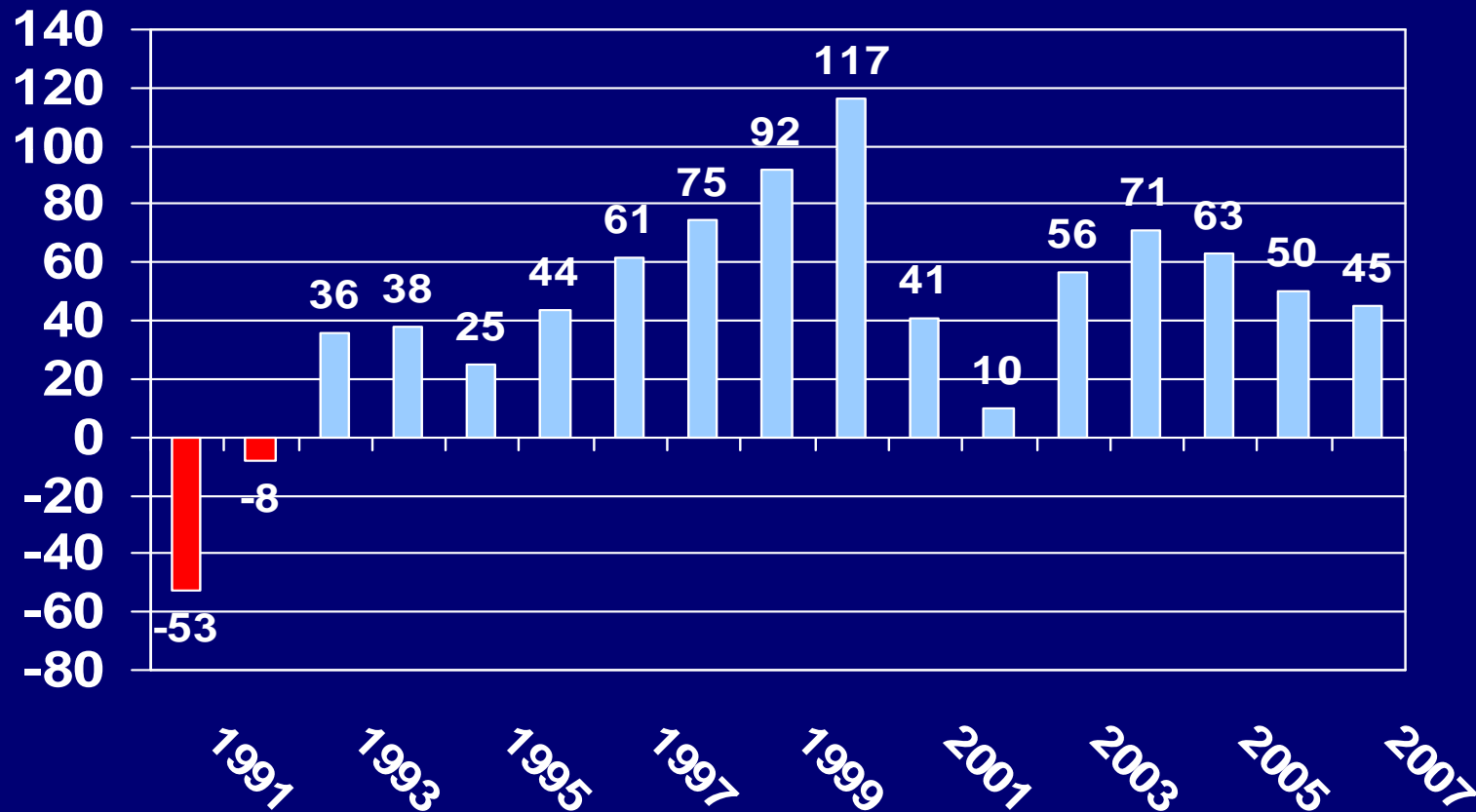
- What's driving the Washington area economy?
- What makes the Washington area economy different from other metropolitan economies?
- Will these differences protect the local economy or worsen the slowdown in 2008?

Federal Spending by Type 1983 - 2007

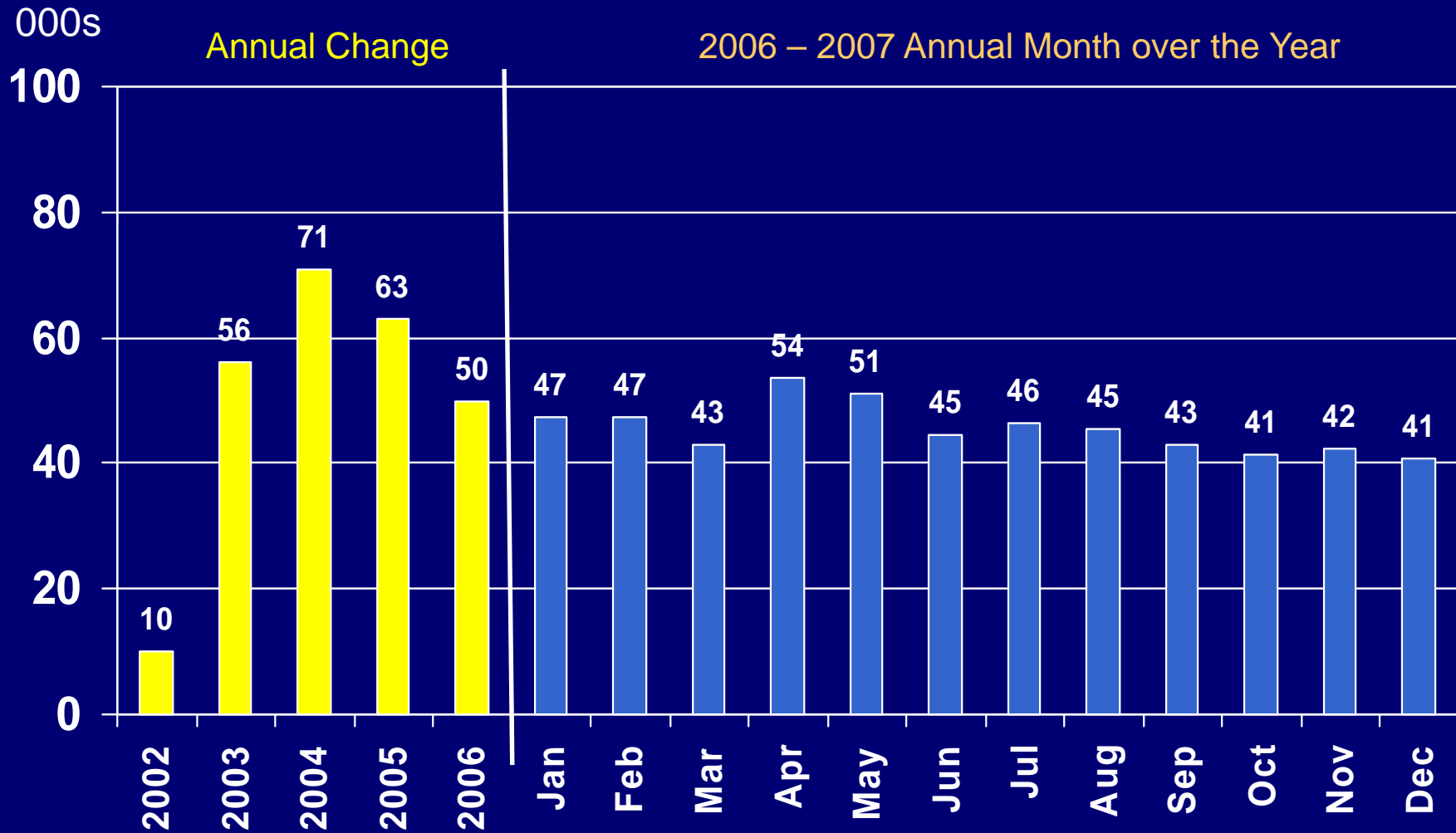


Annual Change in Jobs 1991 – 2007 Washington Metro

Thousands



Annual Job Change Washington Metro



15 Largest Job Markets Ranked by Unemployment Rate December 2007



The Washington Area Residential Market

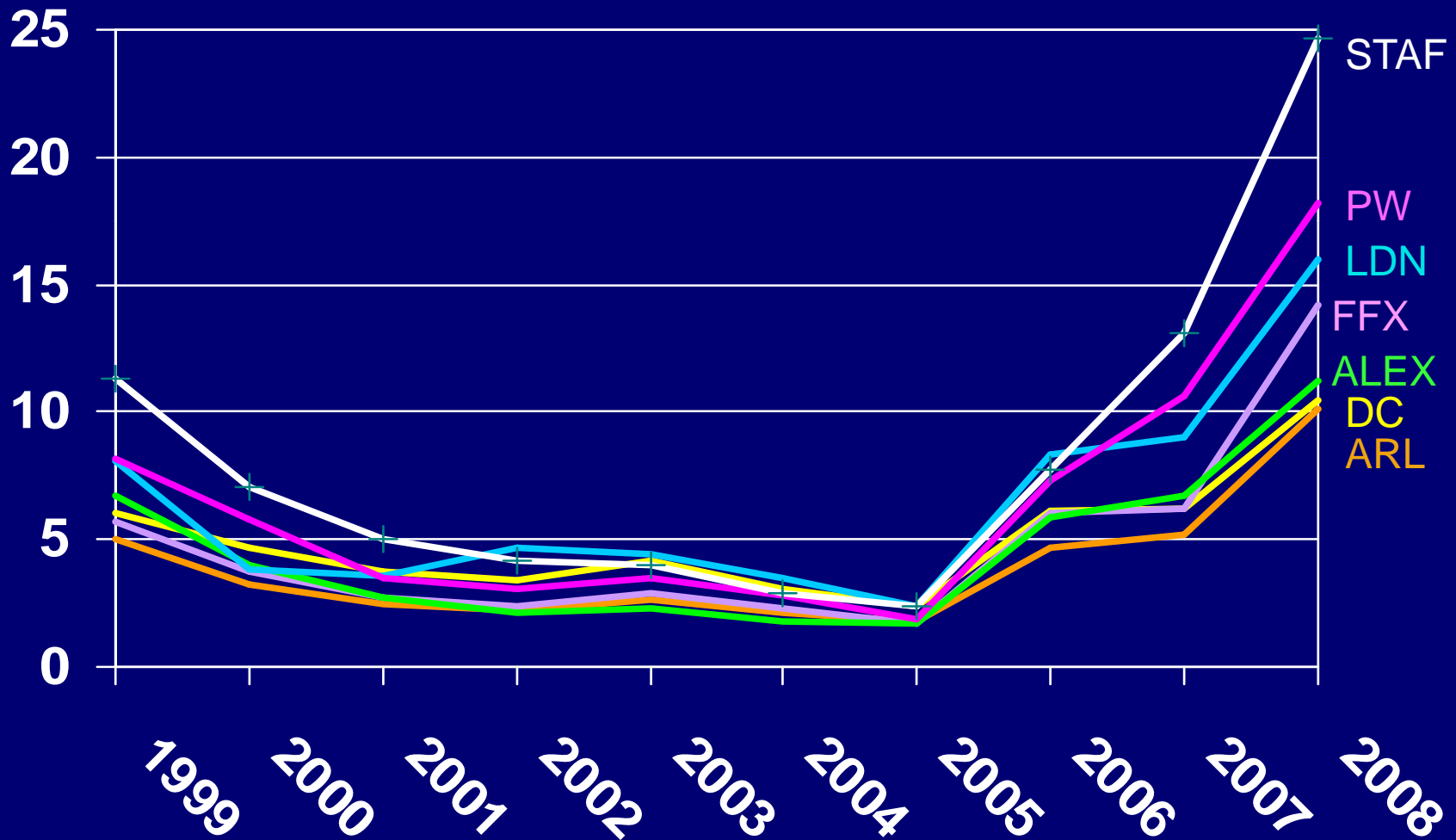
Sales and Total Active Listings Washington MSA, January Each Year



Source: MRIS, GMU Center for Regional Analysis

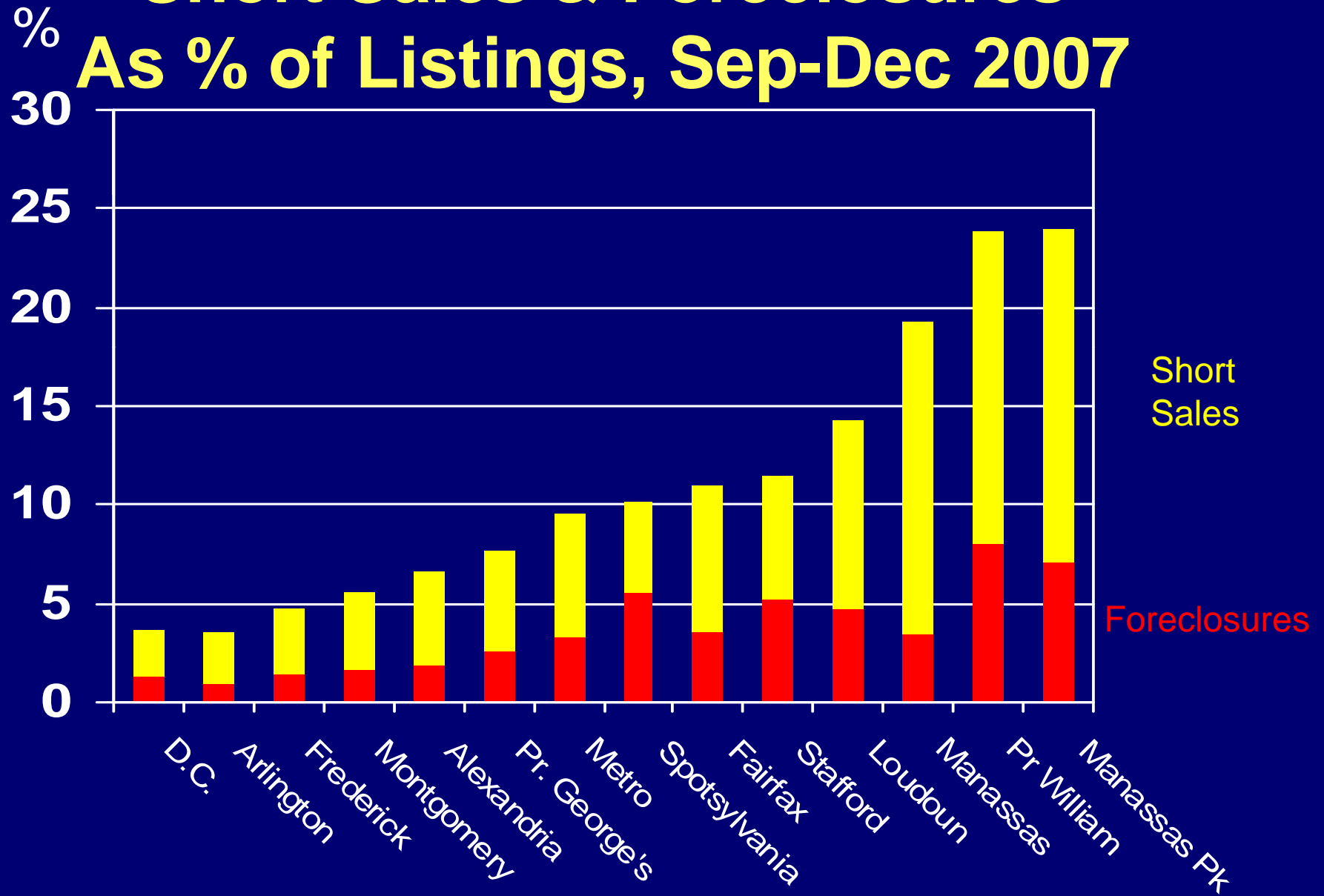
Total Active Listings per Sale

January Each Year

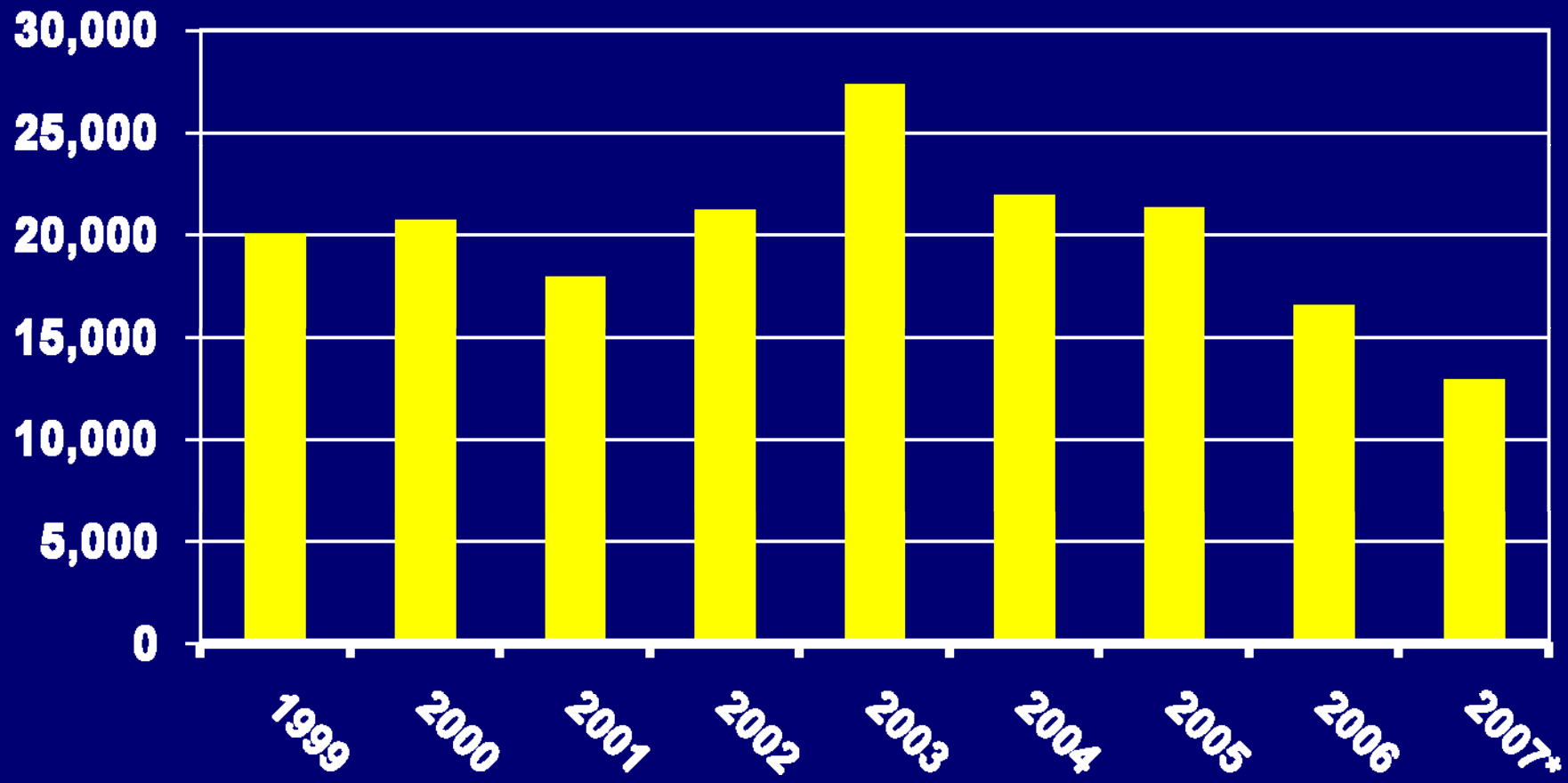


Source: MRIS, GMU Center for Regional Analysis

Short Sales & Foreclosures As % of Listings, Sep-Dec 2007



New Housing Units Sold Washington Metro Area



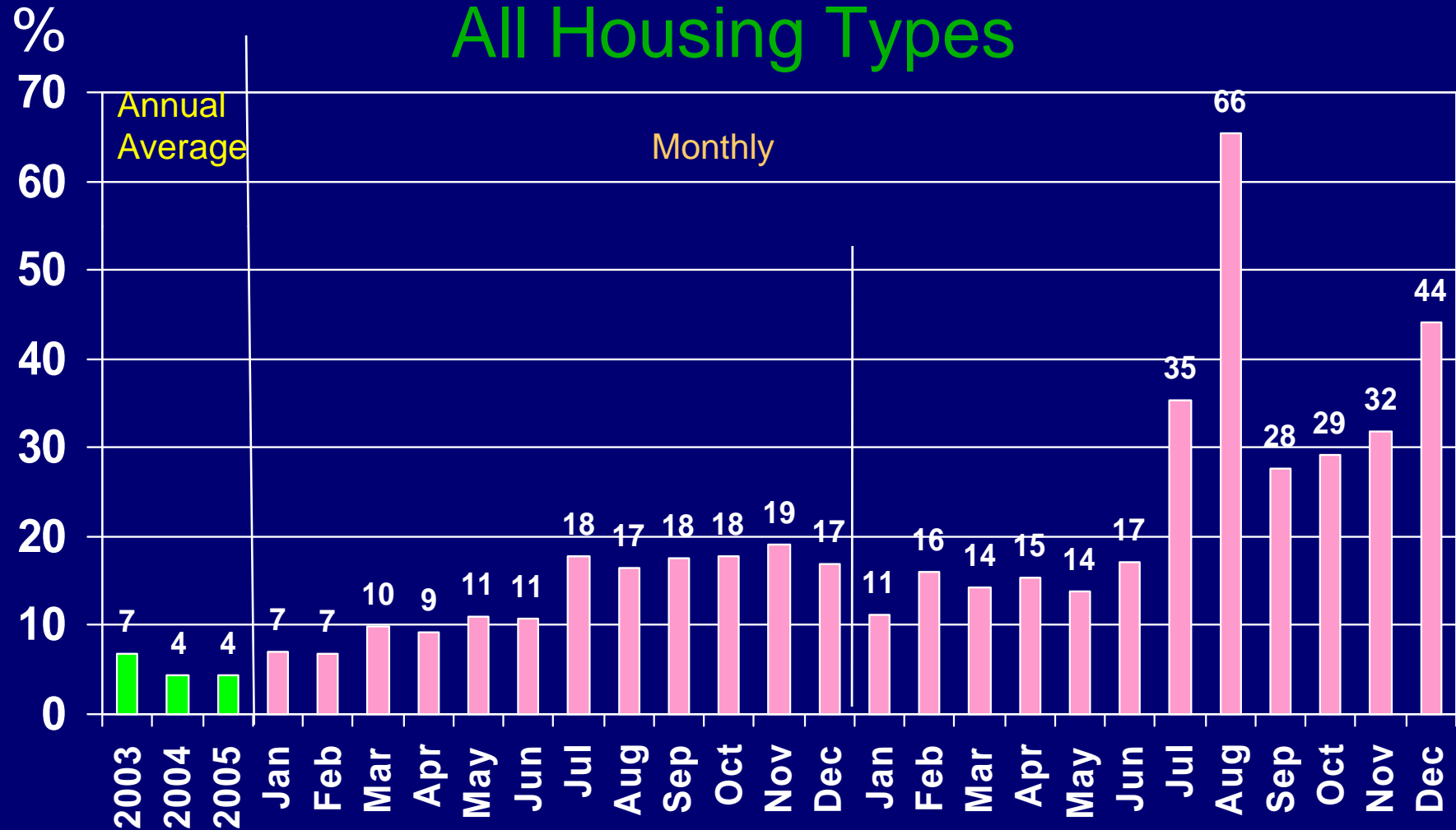
Source: Hanley-Wood, GMU Center for Regional Analysis

* Annualized

New Housing Contract Kick-Out Rate

Washington MSA

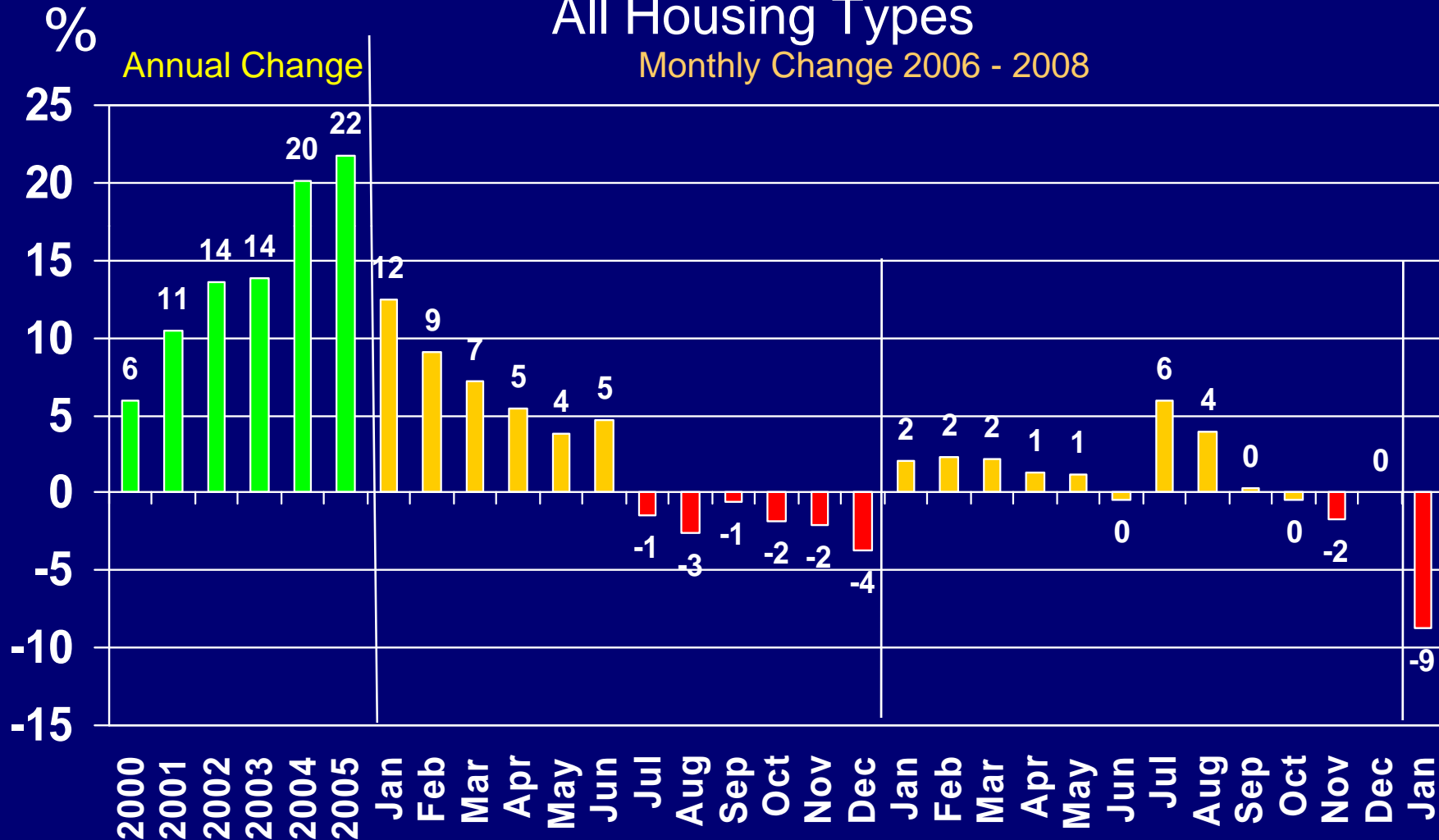
All Housing Types



Average Sales Price Percent Change Washington MSA

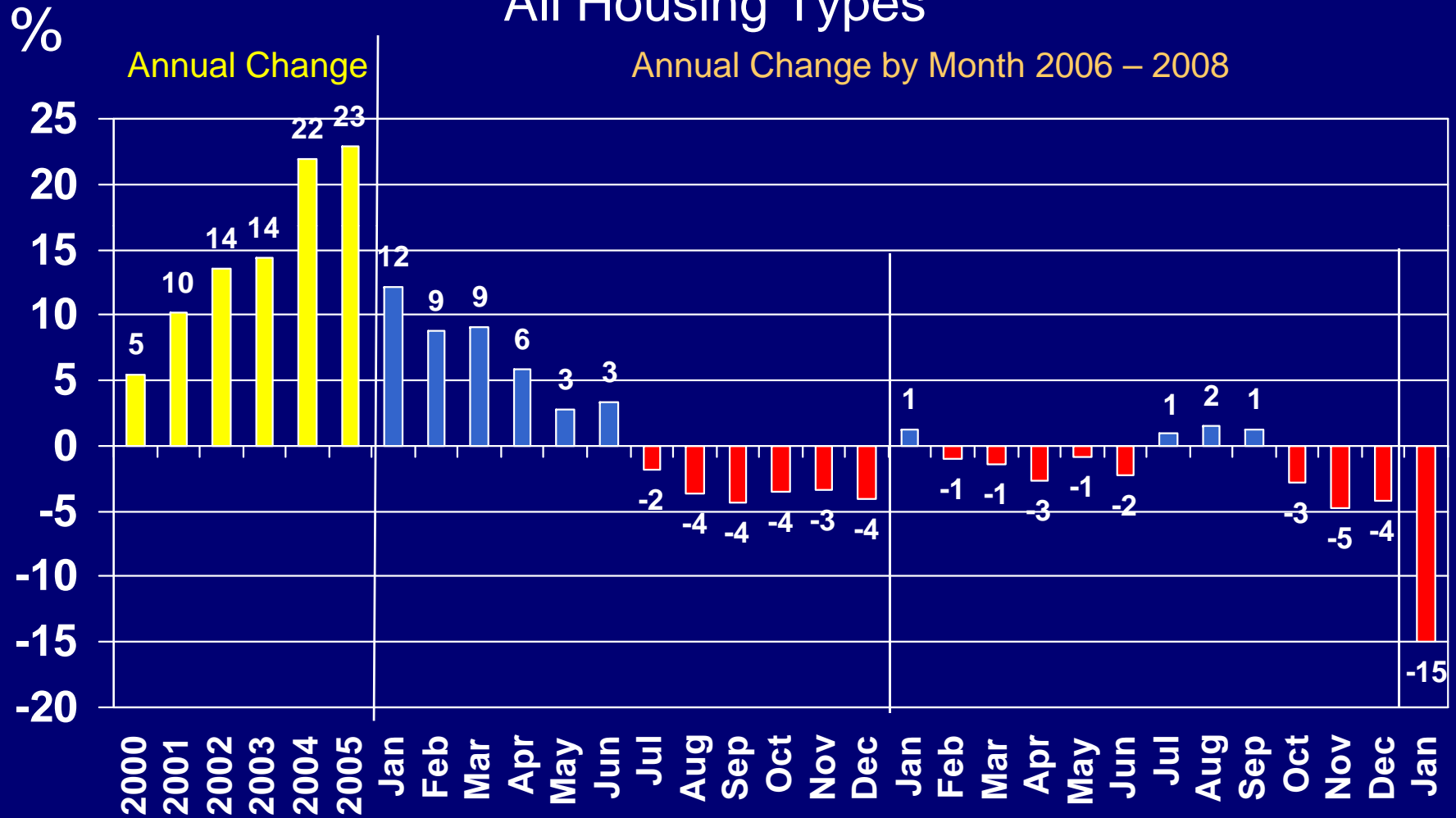
All Housing Types

Monthly Change 2006 - 2008



Average Sales Price Percent Change Northern Virginia

All Housing Types



Area Economic Forecast

2008 - 2011

Employment Change by Sub-state Region (000s)

	2006	2007	2008	2009	2010	2011
D.C.	6.1	10.4	7.1	6.5	5.0	5.0
S. MD	10.6	10.3	10.0	11.5	12.5	13.0
No. VA	30.5	22.7	20.5	21.0	24.0	25.5
REGION	47.2	43.4	37.6	39.0	41.5	43.5

1.6%

1.5%

1.2%

1.3%

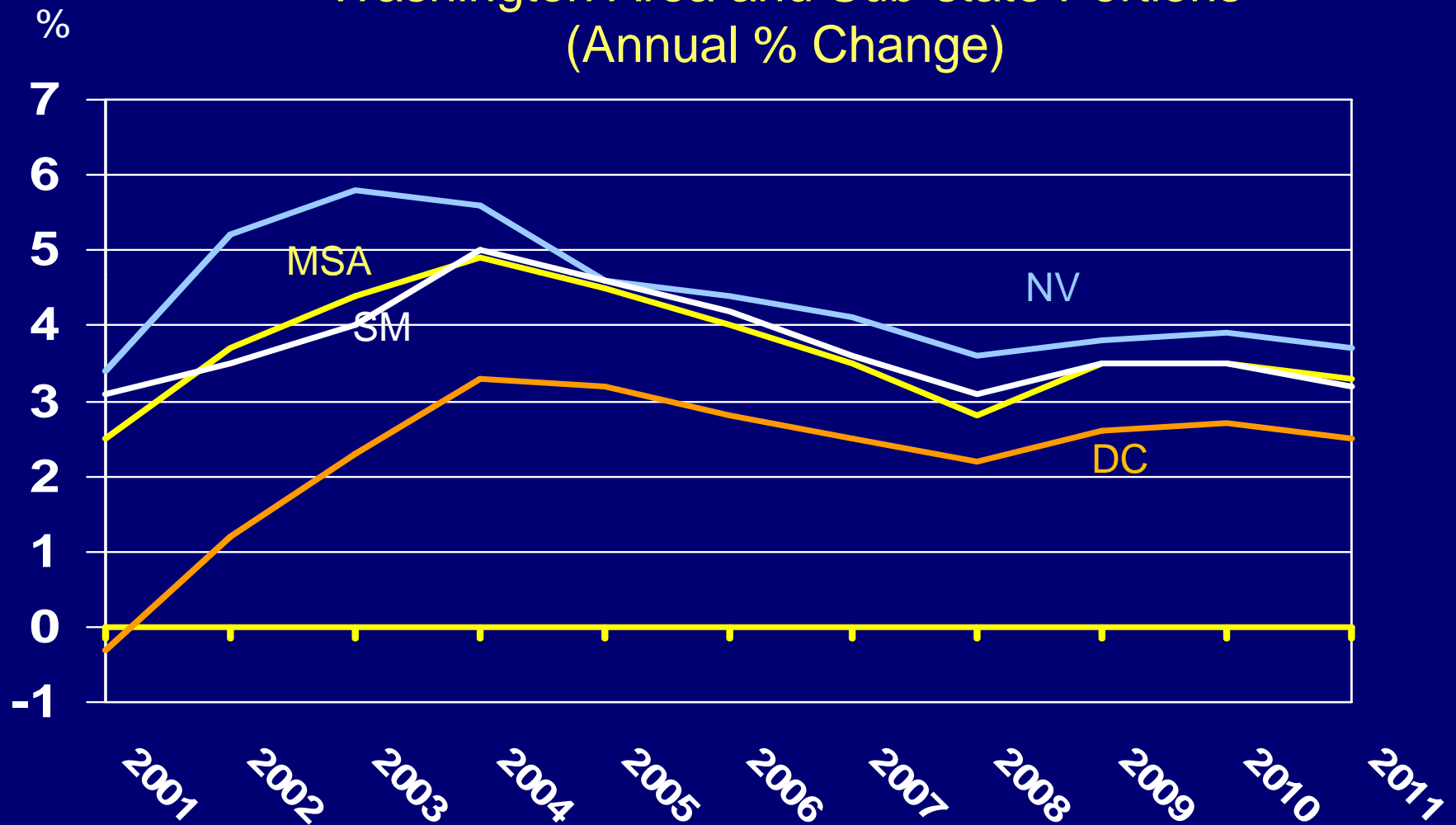
1.3%

1.4%

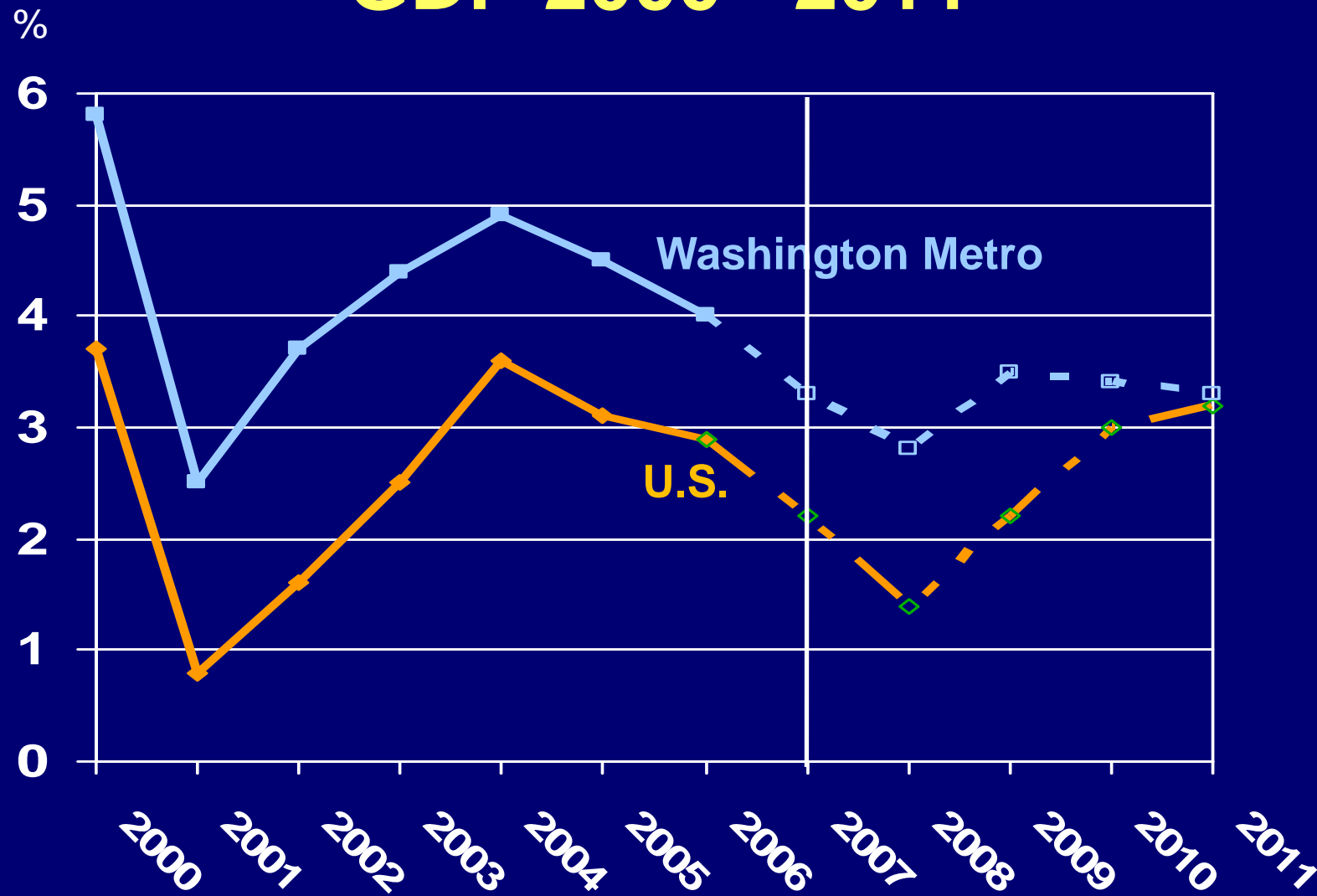
Average Annual Change 1990-2007 = 44,900

Economic Outlook (GRP) – 2011

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



GDP 2000 - 2011



Source: Global Insight, GMU Center for Regional Analysis

Threats to the Washington Area Economy's Future Performance

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

**The “R” Word
Means
RESILIENT
for the Washington Economy**

www.cra-gmu.org