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CENTER FOR
REGIONAL
ANALYSIS

Washington Area Economy: Performance and Outlook

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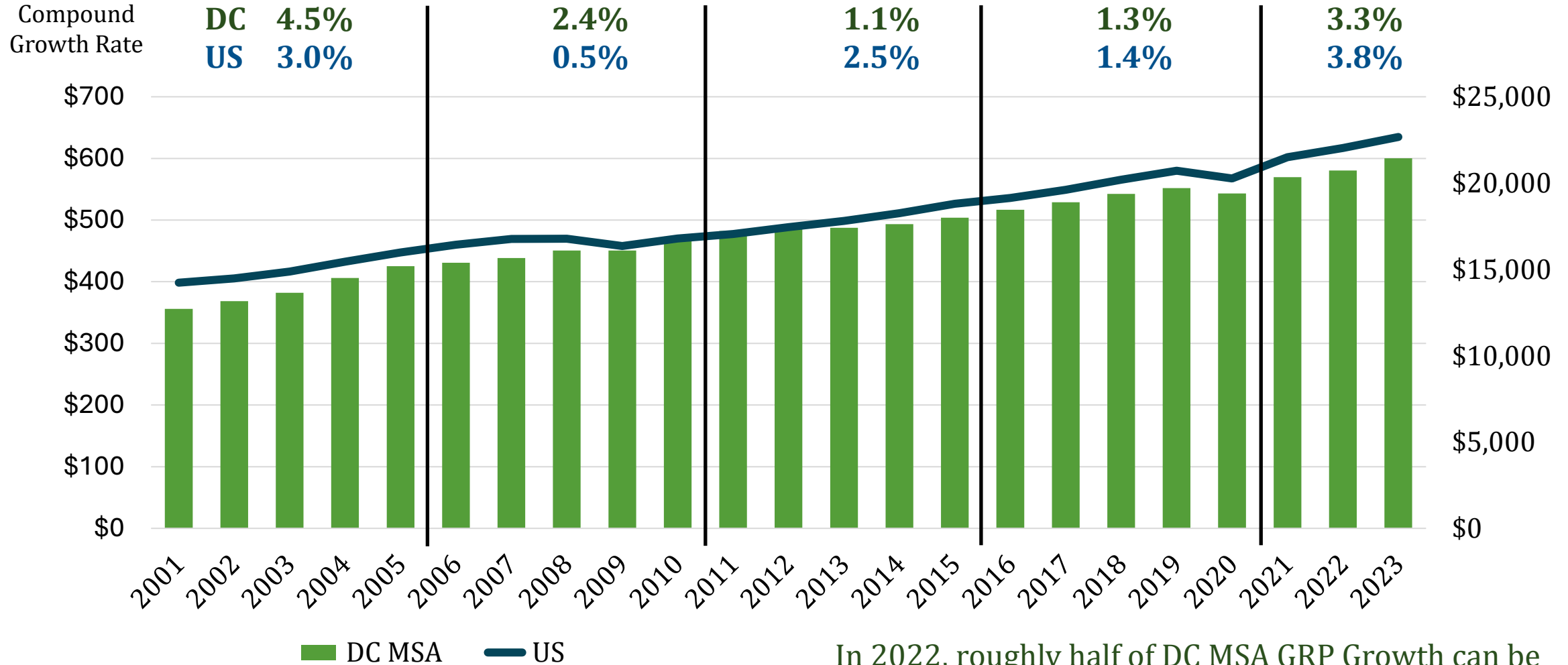
April 2026





GDP: U.S. & DC Metro

2001 - 2023 (Billions, \$2017)



In 2022, roughly half of DC MSA GRP Growth can be attributed to data centers built that year in Loudoun

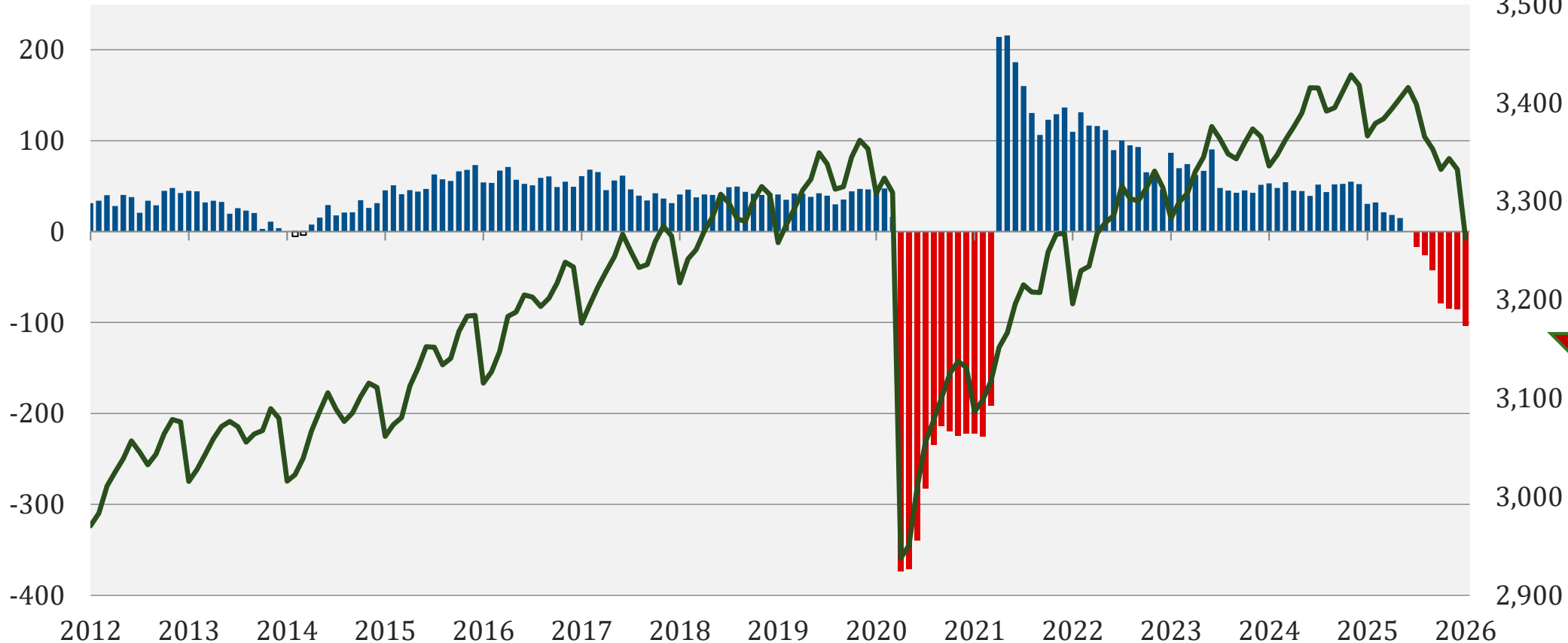


Annual Job Change Washington MSA (2012-2026)



thousands

thousands



■ 12-month net change — total employees

Jan 25
-
Jan 26
-103.9k
Jan 2026
Total: 3.3M



Job Change by Sector Washington MSA

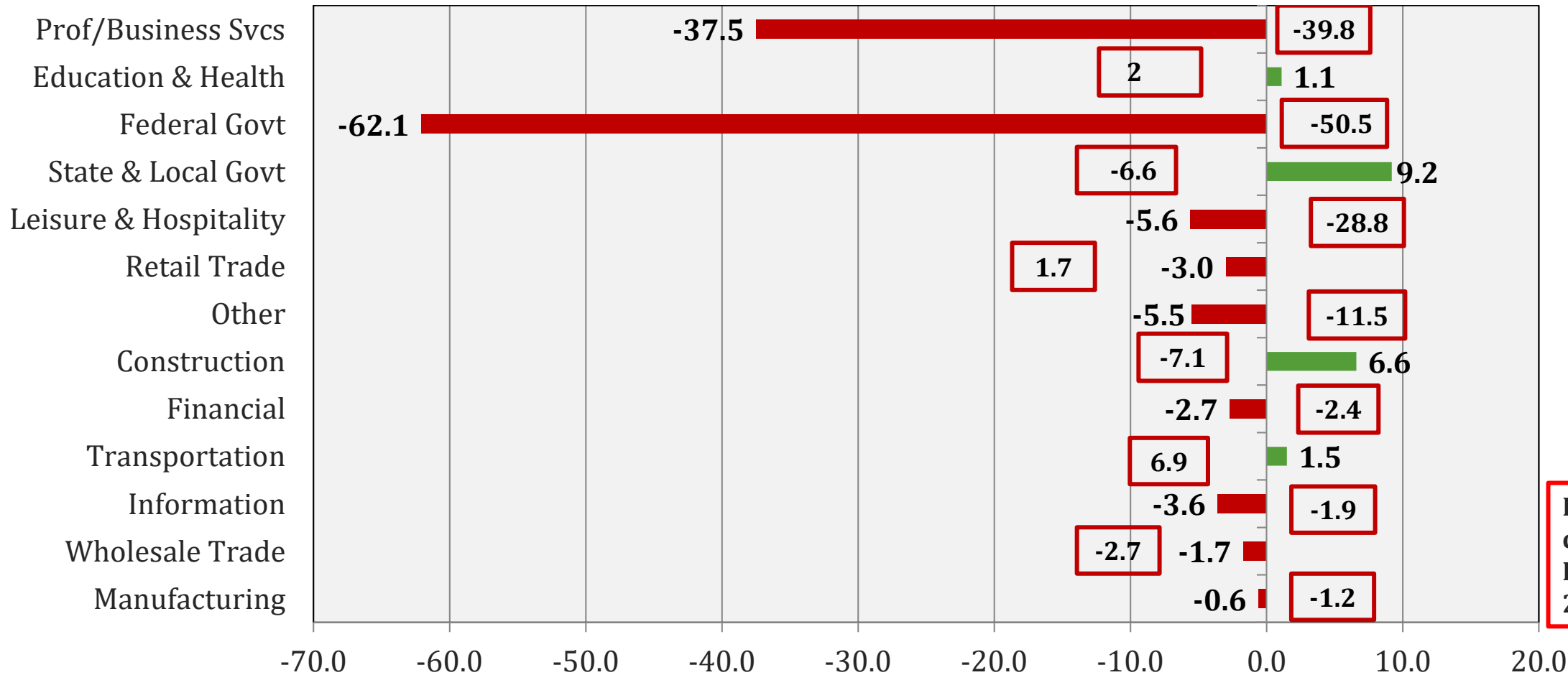
Jan 2025 - Jan 2026



(000s)

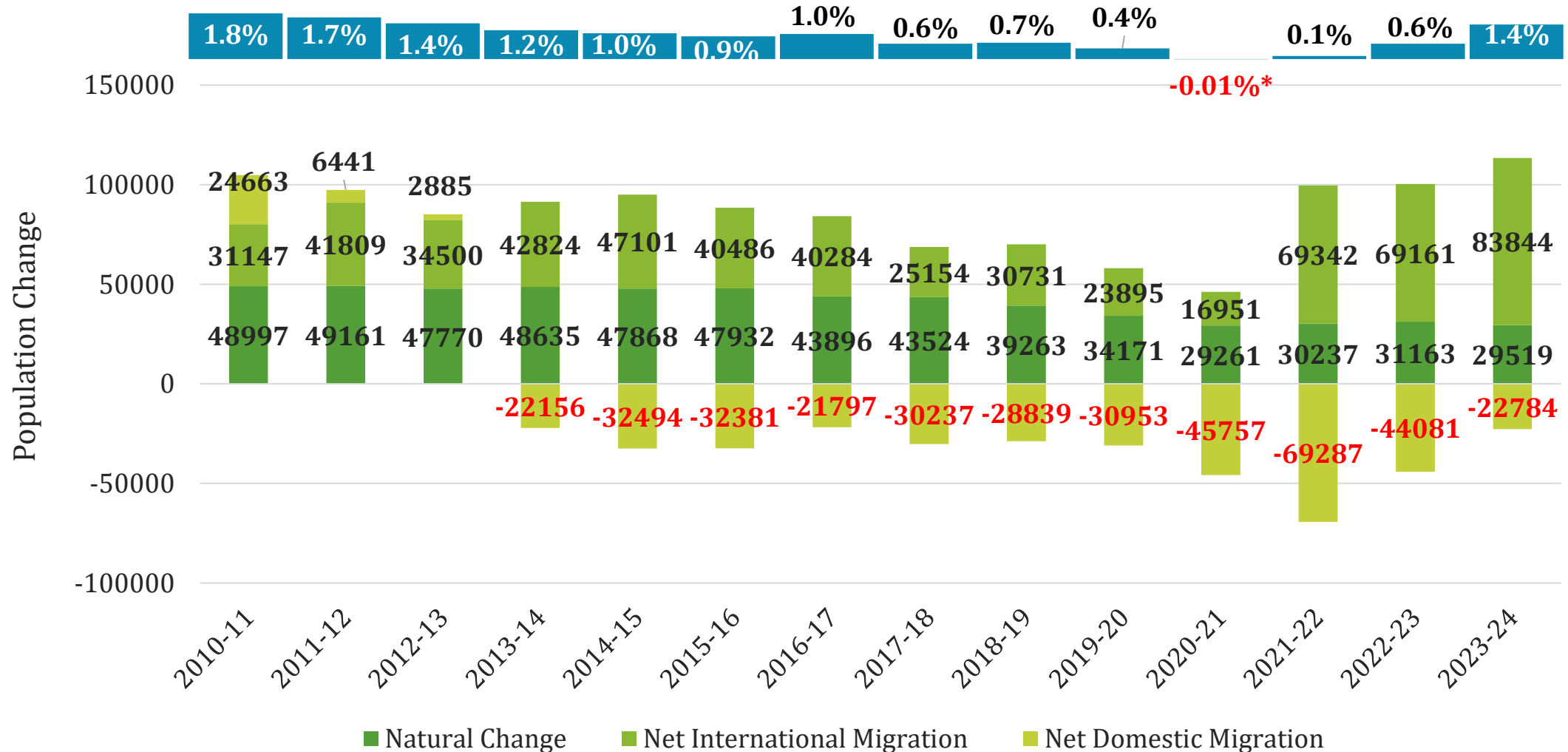
(Ranked by Size in 2024)

Total = -104k



Employment
change since
February
2020

Elements of Population Change Washington MSA



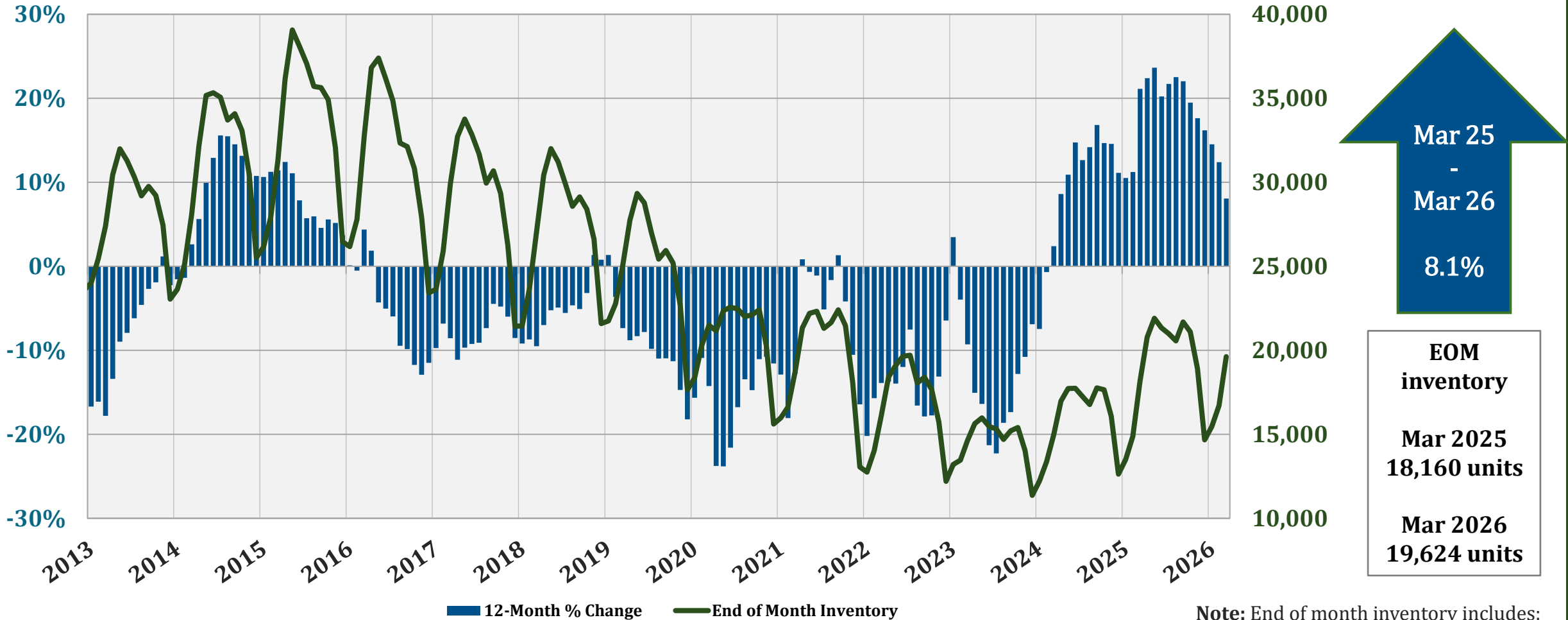
Source: U. S. Census Bureau, Population Estimates Program . *PEP Vintage 2020 used for 2020 population estimate.



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Inventories of Existing Homes

Washington MSA MOTYC (2013-2026)



Mar 25
-
Mar 26
8.1%

EOM
inventory

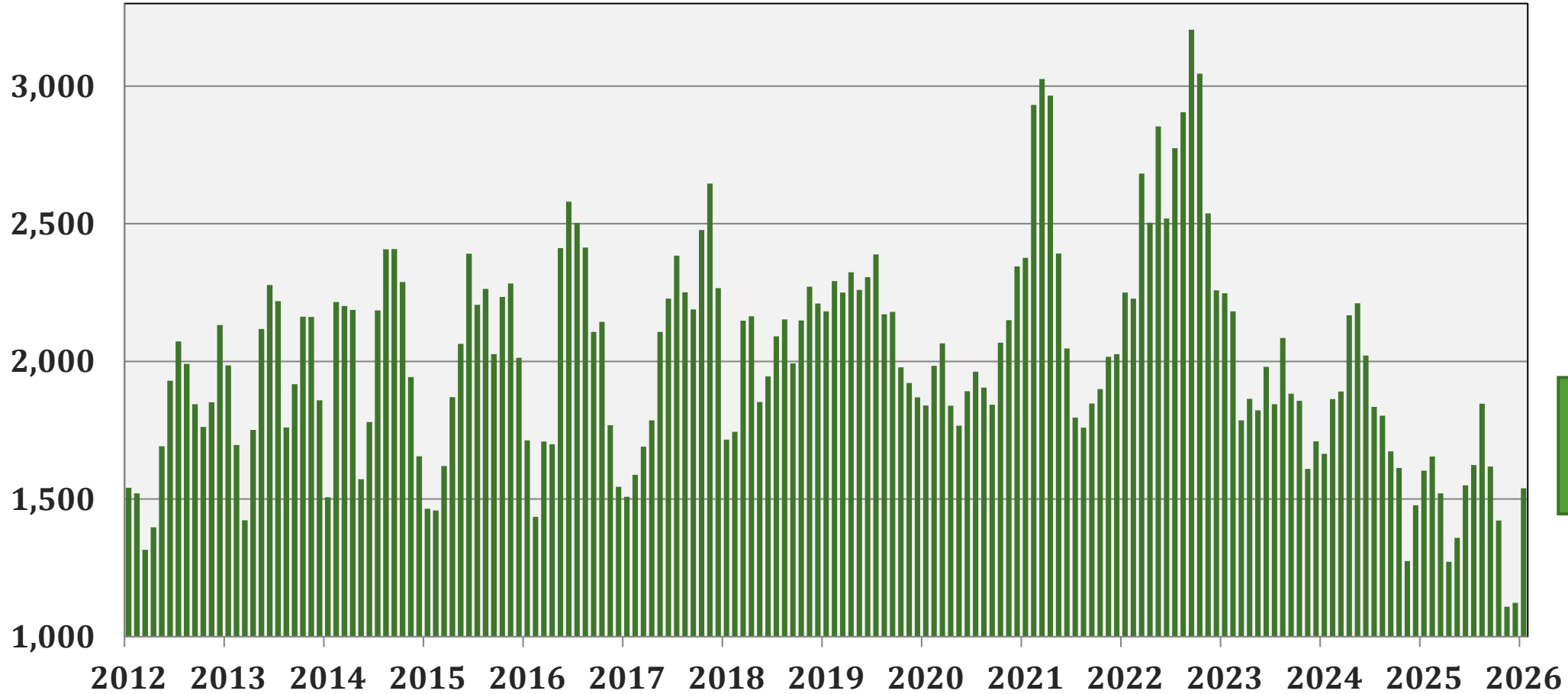
Mar 2025
18,160 units

Mar 2026
19,624 units

Note: End of month inventory includes:
(1) All Pending Listings and (2) Active Listings.



Washington MSA Building Permits 2012-2026, Three-Month Moving Average

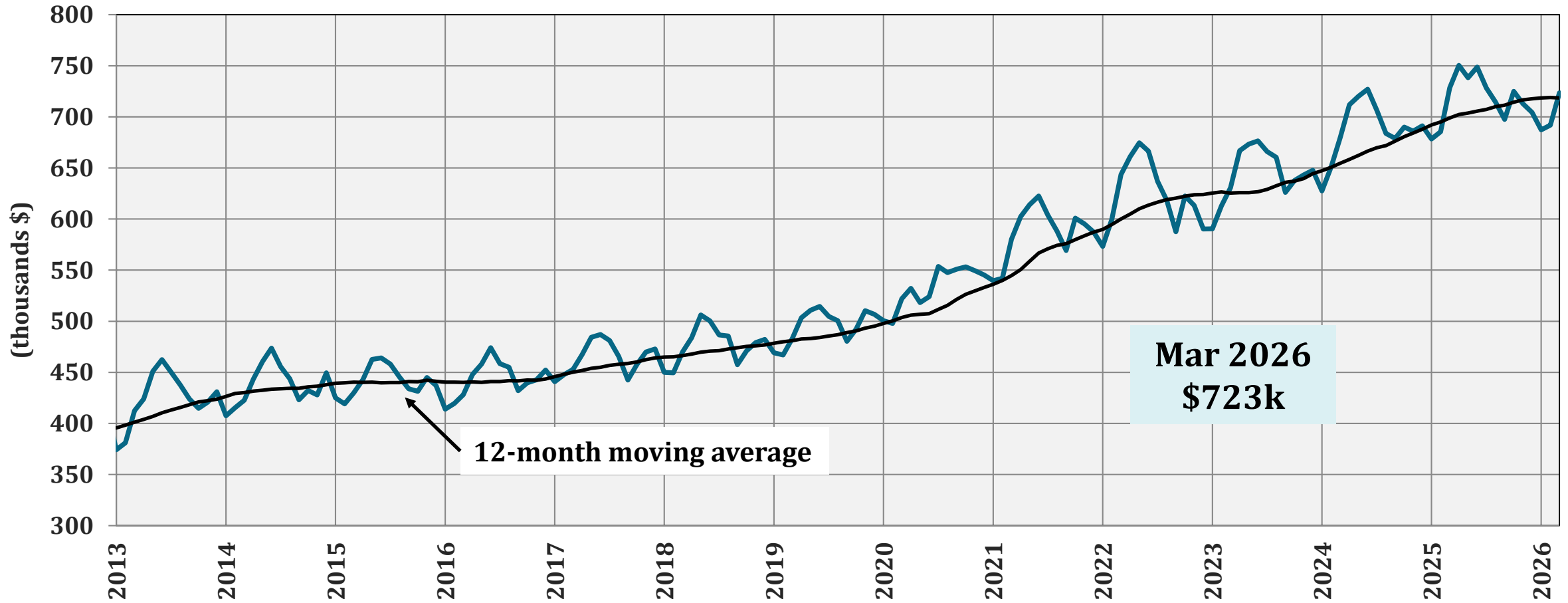


Jan 2026
2313
permits
issued

1540
3 mo avg



Average Home Sales Price Washington MSA



D.C. Metro Outlook

- **Jobs: +/-**
 - Federal employment may rise
 - Federal spending support defense, security, AI contracting
 - Offset by spillover effects of 2025 job losses (household, contractor spending)
- **Known Unknowns**
 - Retaining displaced workers
 - Nat'l Guard impact on tourism
 - Relocation of agencies
 - Timing of industry pivot
 - Data center fights



Economic Development Basics

- All three elements (legs) are needed for balanced ED strategy
- Important Site Selection Factors
 - Availability and cost of skilled labor usually most important
 - Availability/costs of electric power rising
 - Business taxes
 - Ease of navigating local bureaucracy
 - Other infrastructure
 - Quality of life





Area Development 2025 Metro Rankings



Metro Area/Division	Rank Among Largest	Overall Rank	Prime Workforce Rank	Economic Strength Rank
Las Vegas-Henderson-North Las Vegas, NV MSA	1	54	352	32
Indianapolis-Carmel-Greenwood, IN MSA	2	99	216	120
Miami-Miami Beach-Kendall, FL Metro Div	3	103	599	21
Nashville-Davidson--Murfreesboro--Franklin, TN MSA	4	245	332	258
West Palm Beach-Boca Raton-Delray Beach, FL Metro Div	5	264	769	74
New York-Jersey City-White Plains, NY-NJ Metro Div	6	269	802	63
Fort Lauderdale-Pompano Beach-Sunrise, FL Metro Div	7	294	727	117
San Antonio-New Braunfels, TX MSA	8	307	320	355
Fort Worth-Arlington-Grapevine, TX Metro Div	9	310	698	148
Arlington-Alexandria-Reston, VA-WV Metro Div	33	747	844	530
Washington, DC-MD Metro Div	50	888	833	845

AI: Supportive Infrastructure, Economic Driver, or Both

- As we discuss strategies and actions for addressing the many issues and dynamics of AI and the Workforce, we need to consider that the AI industry is far from monolithic.
- Our regional economic positioning is highly dependent on the market characteristics and potential in each segment and its related industry verticals
 - AI-enabled Cybersecurity
 - Defense & Intelligence AI
 - AI for Government Services
 - AI Infrastructure & Cloud
 - AI Governance & Trust
 - Computer Visioning
 - Autonomous Systems
 - AI in Financial Services
 - Health & Life Sciences AI
 - Natural Language Processing
 - AI-Enabled Data Analytics
 - Edge AI and IoT Intelligence

Among these, where are our existing and potential competitive advantages?



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