



State of the Regional and City Economy

February 10, 2015

Sources of General Fund Revenue

- Property taxes (66%)
- **Sales, meals, transient lodging, business license and other taxes dependent on regional and local economic activity (20%)**
- Federal and State (9%)
- Fines, fees, charges for services, and other Sources (6%)

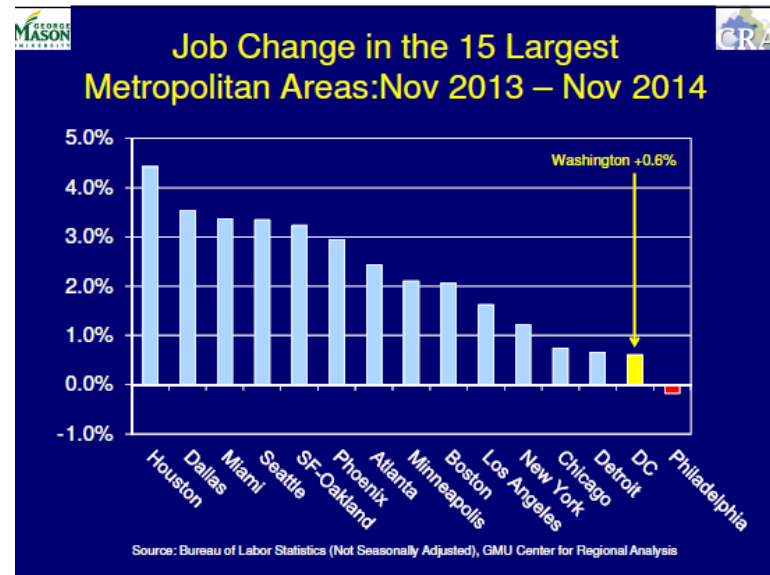
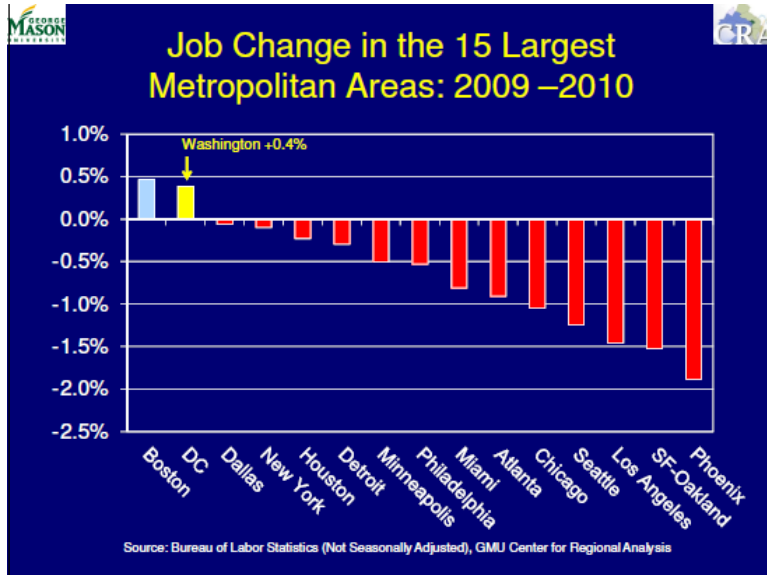


Regional Economic Activity

(Dr. Stephen S. Fuller, GMU Center for Regional Analysis, 01/15/15)

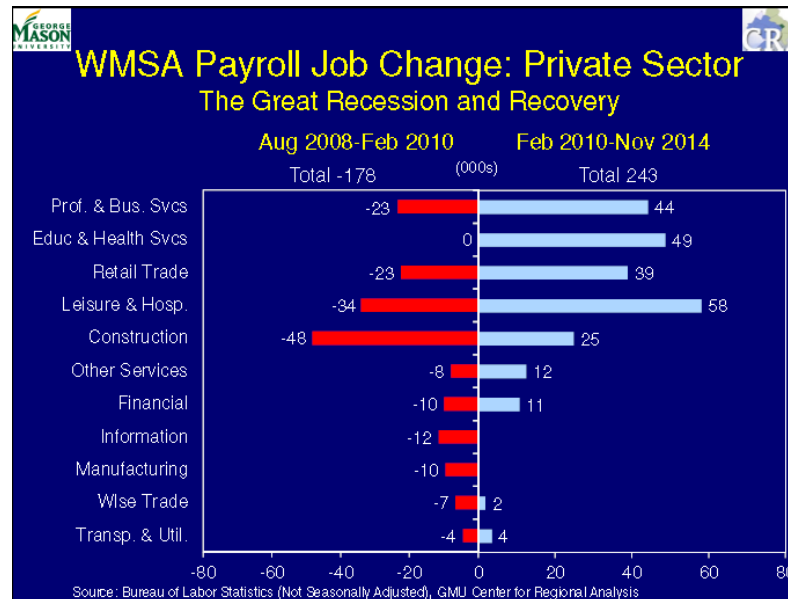
- Federal employment
 - Jobs decreased by 21,800 jobs (5.6%) 2010 - 2013
 - Payroll declined by \$2.4 billion (5.7%) FY 2010 - FY 2014
- Federal procurement
 - Outlays declined \$13.3 billion (16.1%) FY 2010 - FY 2013
 - Reduced vendors/businesses providing services to the Federal government
 - Alexandria has a larger proportion of small contractors

Regional Job Change



- Regional economy has gone from one of the fastest growing regional economies in the U.S. to the second slowest growing regional economy in the U.S.
- The Detroit economy is growing at a faster pace than the D.C. regional economy

Regional Private Sector Jobs



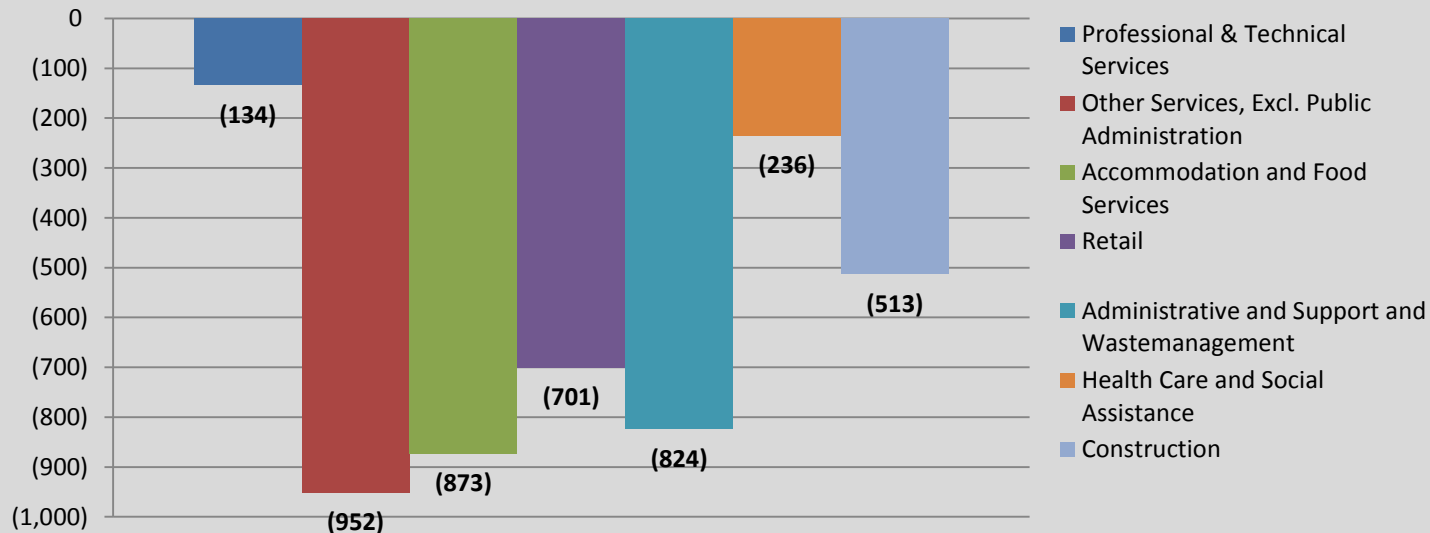
- 177,700 jobs lost worth \$28.4 billion Aug 2008 – Feb 2010
- 242,400 jobs added worth \$27.4 billion Feb 2010 – Nov 2014
- 64,700 net increase in jobs
- \$983.6 million reduction in Gross Regional Product due to lower paying jobs

Alexandria Economic Activity

- Largest net increase in private sector jobs is in the highest paying category (professional & technical)
- Number of jobs lost in the recessions has not been fully recovered
- Largest increase in private sector jobs since 2010 is in the lowest paying category (food service and accommodation)

Local Private Sector Jobs

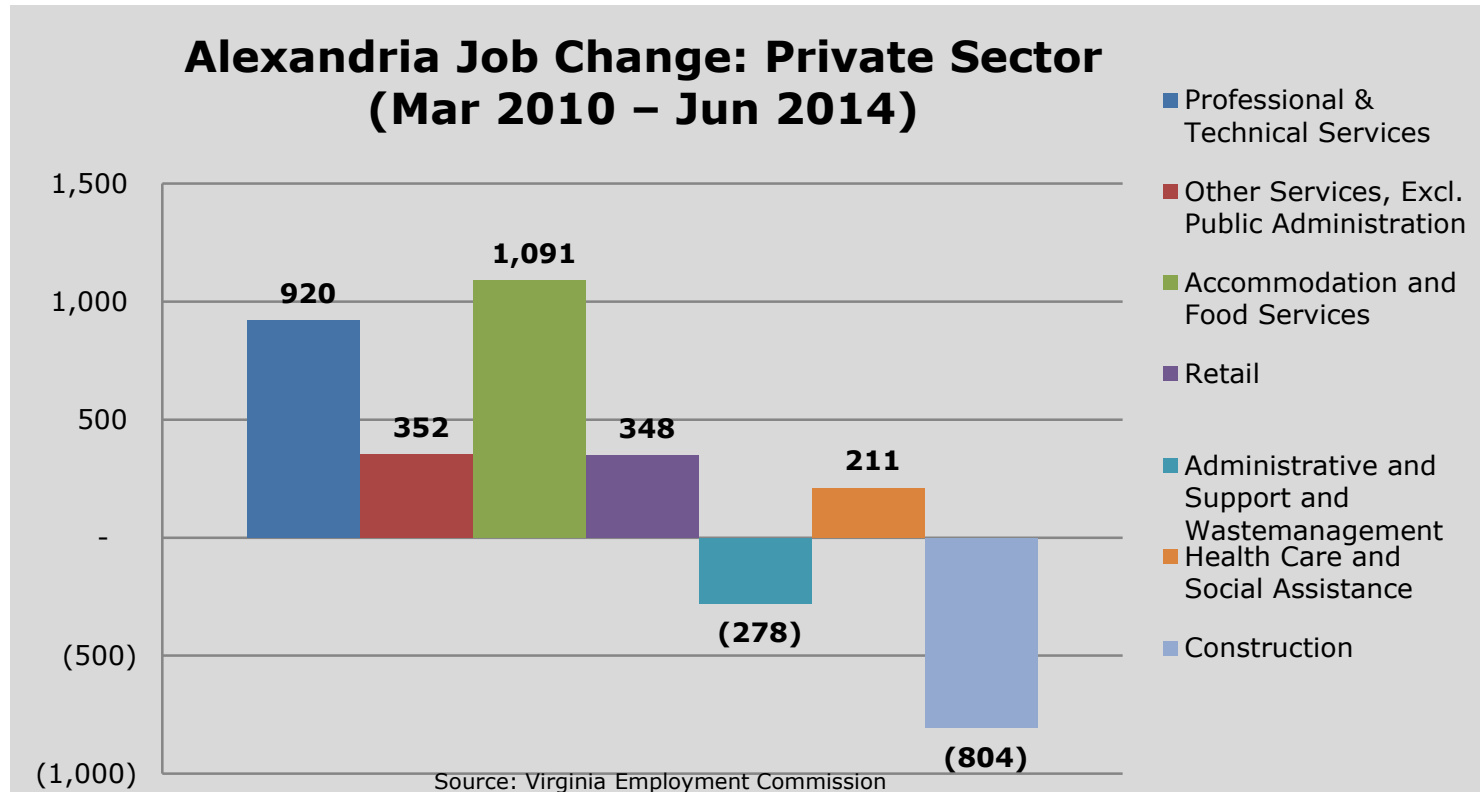
Alexandria Job Change: Private Sector
(Aug 2008 – Mar 2010)



Source: Virginia Employment Commission

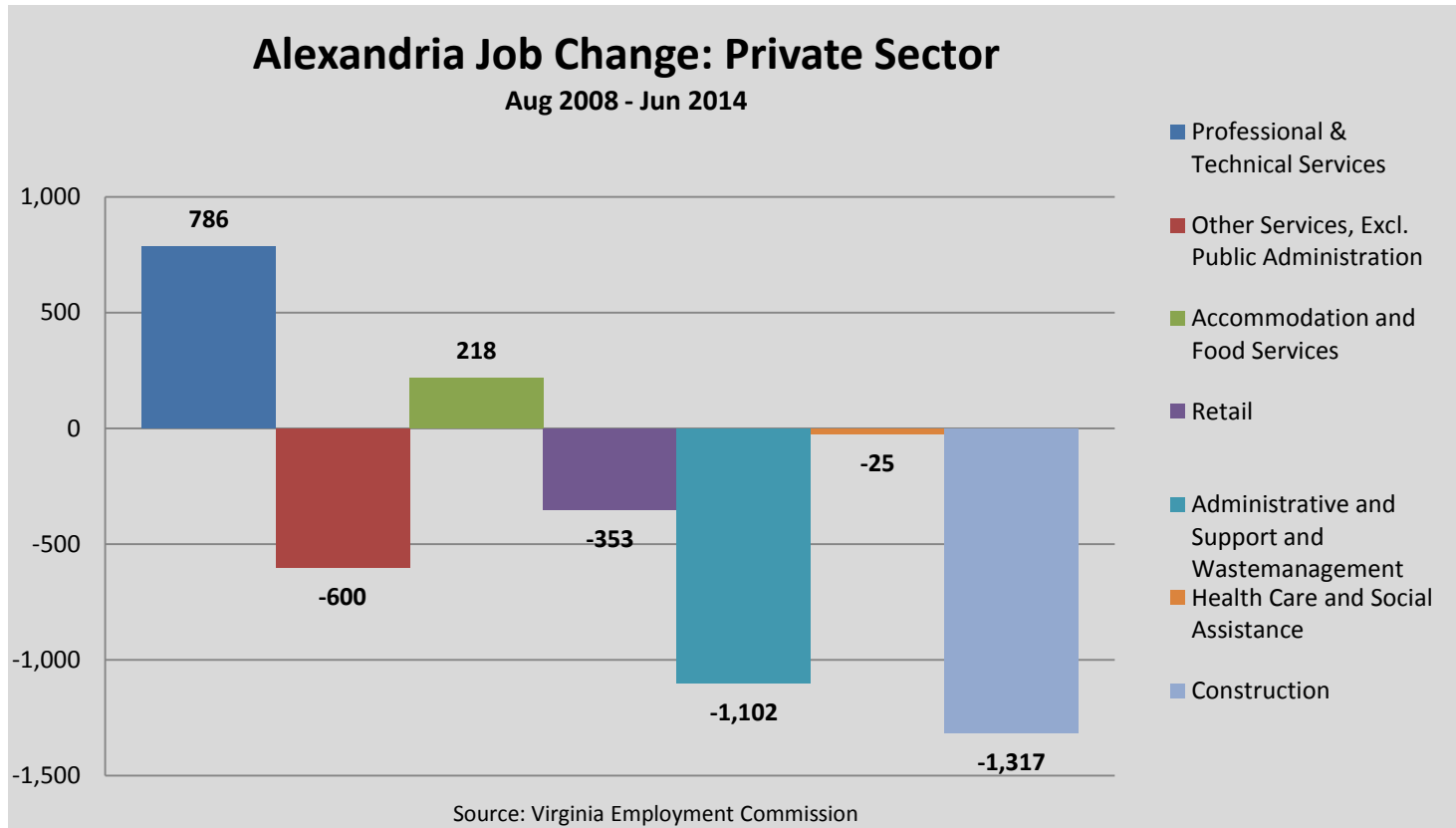
- 4,233 private sector jobs lost Aug 2008 – Mar 2010
- Over half in accommodation and food service; administrative, support, and waste management; and other services

Local Private Sector Jobs



- 1,840 private sector jobs added Mar 2010 – Jun 2014
- More than half in accommodation and food service

Local Private Sector Jobs



- During August 2008 - June 2014 time period Alexandria lost 2,393 jobs, while the Washington D.C region gained 64,700 jobs

Local Private Sector Jobs

August 2008 – June 2014

Category	Net Job Change	Average Wage	Payroll Value
Professional & Technical Services	786	\$98,696	\$77,575,056
Other Services, Excl. Public Administration	-600	67,184	(40,310,400)
Accommodation and Food Services	218	24,544	5,350,592
Retail	-353	37,128	(13,106,184)
Administrative and Support and Waste management	-1,102	41,288	(45,499,376)
Health Care and Social Assistance	-25	51,064	(1,276,600)
Construction	-1,317	\$57,668	(75,948,756)
Total	-2,393		(\$93,215,668)
Source: Virginia Employment Commission			

Why is the Economy Important to City Revenues?

- Consumption-based taxes are derived from business activity and consumer spending
- Less federal spending and congressional bill consideration means less travel, hotel nights and meals
- Underemployment – Lower wages mean less buying power against the growing cost of living
- Although the City's number of businesses reporting taxable sales increased from calendar year 2012 to calendar year 2013, the overall taxable sales reported for 2013 declined by 1% or \$11.9 million
- Impact of increased internet based sales of goods, materials, and hotel rooms continue to negatively impact sales tax, transient lodging and BPOL taxes