



2019 Regional Economic Snapshot

January, 2020



Atlanta Regional Commission
January 2019

Key Takeaways

Metro Atlanta's gross domestic product (GDP) has increased by 28 percent since 2010, compared to 19% growth across all US metros. From 2017-2018, though, Atlanta GDP grew by 2.5% compared to a metro US rate of 3%, and Atlanta's relative ranking (among metros) dropped

Metro Atlanta continues to be a national leader in job growth, though Atlanta's growth rate has slowed since late 2017, hovering just above the national average

Strongest year-over-year employment growth found in lower-wage sectors, including construction and leisure & hospitality

Wages are now seeing positive annual growth, but wage increases are still not only sluggish, but uneven

Home prices remain above pre-recession peak, though still well below the 20 (largest) city composite

In the short-term forecast, Metro Atlanta's GDP and average wages per worker should steadily increase

Metro Atlanta's GDP Up 28 Percent Since 2010

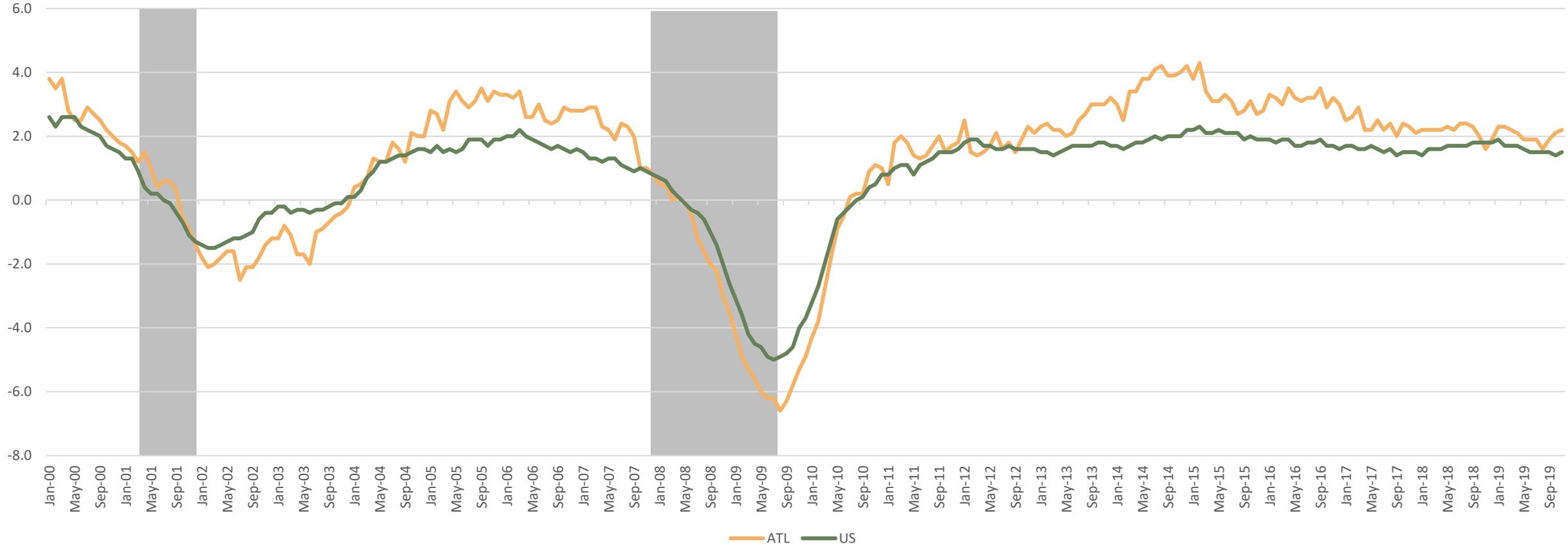
(In thousands of Chained Dollars \$2012)

Metro Area	2010	2011	2012	2013	2014	2015	2016	2017	2018	% Change: 2010-2018	% Change: 2017-2018
New York	1,346,931,810	1,345,024,001	1,401,795,910	1,402,950,092	1,432,601,929	1,458,928,746	1,480,026,829	1,508,145,135	1,532,202,227	13.8%	1.6%
Los Angeles	761,847,125	773,753,329	788,081,634	805,082,446	827,255,500	862,381,688	879,958,191	912,491,020	941,064,112	23.5%	3.1%
Chicago	539,704,813	547,499,300	561,588,192	566,499,499	576,000,060	589,049,966	594,060,750	600,421,994	611,591,128	13.3%	1.9%
San Francisco	337,823,829	339,335,749	364,594,793	377,737,541	400,781,517	424,791,715	443,866,458	472,872,746	497,195,398	47.2%	5.1%
Washington	429,589,652	439,038,605	442,624,520	440,244,140	444,372,424	454,378,772	464,734,865	471,918,848	484,792,706	12.9%	2.7%
Dallas	351,672,601	362,930,984	375,286,232	386,681,388	404,622,644	425,323,274	436,717,395	451,414,779	468,918,434	33.3%	3.9%
Houston	381,346,585	390,737,065	404,431,385	419,466,692	420,449,655	442,705,932	429,133,987	432,329,249	445,335,360	16.8%	3.0%
Boston	340,175,461	347,987,667	357,087,616	358,112,069	365,795,093	381,287,879	389,080,919	399,360,729	412,855,824	21.4%	3.4%
Philadelphia	355,280,273	357,727,769	364,699,327	367,021,946	373,817,056	383,559,415	389,389,098	388,791,070	398,674,377	12.2%	2.5%
Atlanta	278,698,042	284,227,194	287,570,424	293,812,164	307,232,862	320,160,440	334,862,045	348,681,584	357,308,437	28.2%	2.5%
Seattle	248,903,638	256,694,112	269,668,824	278,883,107	290,949,071	304,333,821	315,094,519	332,835,662	355,662,749	42.9%	6.9%
San Jose	174,393,890	187,433,129	194,167,686	213,509,528	231,295,129	254,023,744	270,803,531	289,710,772	318,998,478	82.9%	10.1%
Miami	257,860,365	258,703,992	259,070,997	265,814,998	274,987,510	286,151,043	295,529,169	306,141,923	315,031,150	22.2%	2.9%
Detroit	197,274,436	205,487,945	212,159,700	215,851,242	219,559,892	224,508,971	230,047,866	233,241,705	238,679,503	21.0%	2.3%
Minneapolis	197,700,163	202,178,526	205,223,887	209,637,747	218,244,103	222,125,886	226,438,178	231,078,542	237,140,794	19.9%	2.6%
Phoenix	181,027,408	186,397,519	192,799,880	194,105,313	197,939,483	204,031,462	210,882,969	217,895,725	227,741,337	25.8%	4.5%
San Diego	174,052,646	177,867,461	180,338,029	187,845,995	193,675,144	200,564,607	203,882,502	210,693,896	219,361,505	26.0%	4.1%
Denver	145,800,061	148,733,648	152,873,532	159,346,539	166,771,650	175,076,489	179,631,781	187,126,660	193,965,928	33.0%	3.7%
Baltimore	160,892,954	164,048,190	165,503,885	167,044,799	169,106,886	171,574,554	177,075,054	178,407,243	183,093,526	13.8%	2.6%
Riverside	128,214,518	131,711,899	132,596,838	137,290,849	142,594,292	149,872,535	154,105,682	159,582,093	164,892,302	28.6%	3.3%
St. Louis, MO	145,227,408	145,570,801	147,318,294	147,468,476	147,739,270	147,639,705	145,890,916	147,633,364	152,060,042	4.7%	3.0%
Portland	113,249,723	117,456,377	119,281,905	120,374,557	124,973,006	131,593,194	137,990,856	143,680,585	150,033,141	32.5%	4.4%
Charlotte	114,095,994	120,570,847	127,361,099	126,546,666	130,434,606	136,879,027	139,087,135	143,835,956	146,813,931	28.7%	2.1%
Tampa	118,486,088	118,718,859	120,334,797	122,399,727	124,637,915	129,796,986	133,617,728	137,030,695	141,904,761	19.8%	3.6%
Pittsburgh	120,154,459	123,385,963	125,717,789	126,976,182	129,645,804	132,482,240	132,029,512	134,322,913	138,410,497	15.2%	3.0%

Metro Atlanta's gross domestic product (GDP) has increased by 28 percent since 2010, which ranks 9th out of the 25 largest metro areas, but well behind the gains experienced by places like San Francisco, San Jose and Austin, where the economies have become increasingly reliant on technology.

Metro Atlanta Outperforming Nation Last 6 Years

Year Over Year Percent Change in Total Employment

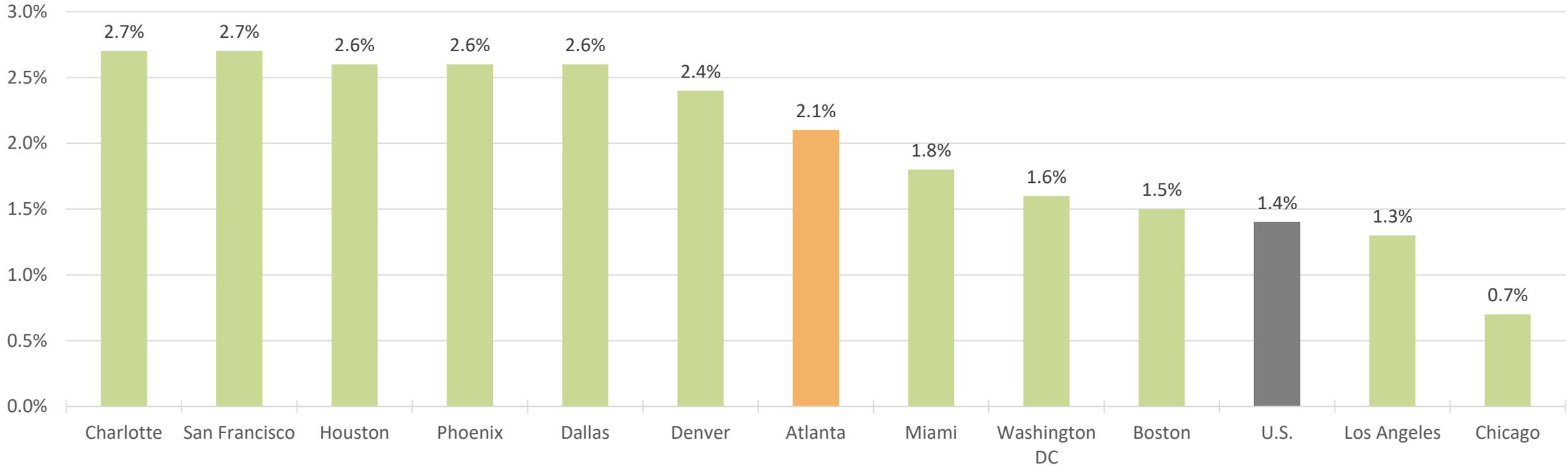


In general, metro Atlanta’s year-over-year employment growth rate has been stronger than that of the nation’s for the last six years. However, since late 2017, Atlanta’s growth rate has slowed, hovering just above the national rate and even dipping very slightly below that rate in the fall of 2018.



Metro Atlanta #7 in job growth, year-over-year

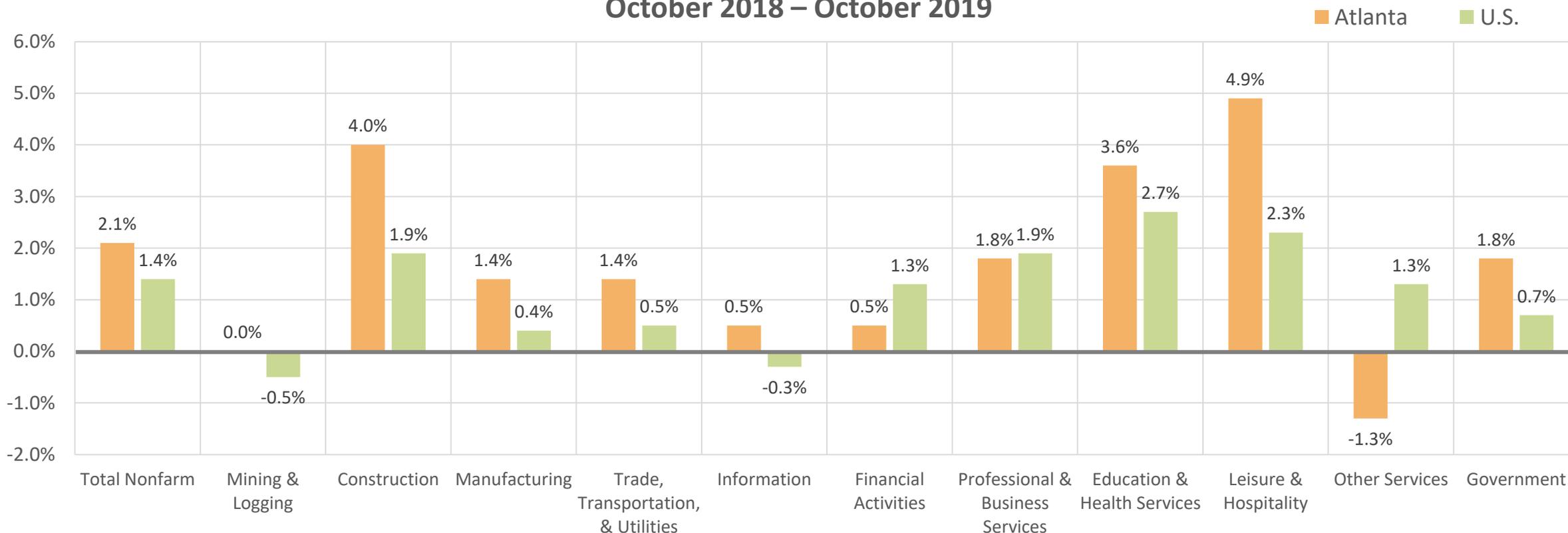
Year-Over-Year Percent Change in Nonfarm Employment
October 2018 – October 2019



Metro Atlanta ranks seventh among 12 peer metro areas in year-over-year job growth for the October 2018 to October 2019 period. Last year, Atlanta typically ranked 6th among its peers in year-over-year growth, so while the metro is still outpacing the national growth rate, Atlanta’s rate has slowed slightly compared to its peers.

Growth in Higher-Paying Sectors Slow, While Lower-Paying Sectors Soar

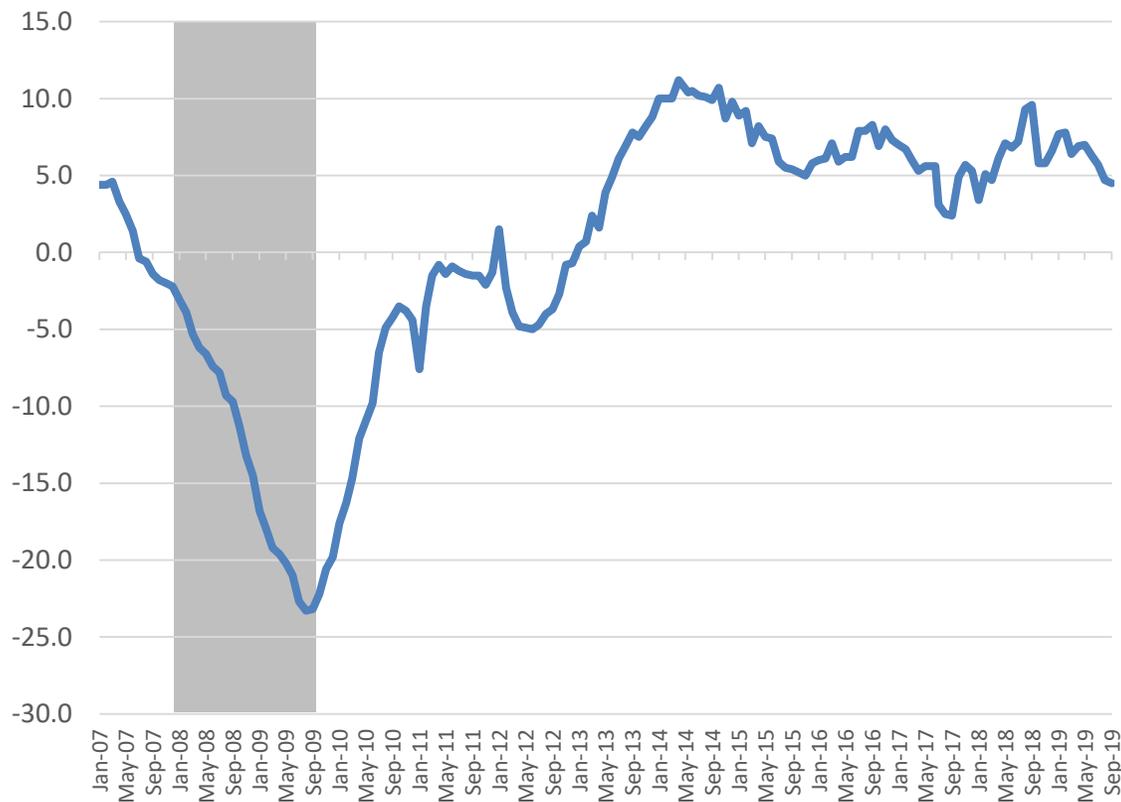
Year-Over-Year Percent Change in Employment, By Super Sector
October 2018 – October 2019



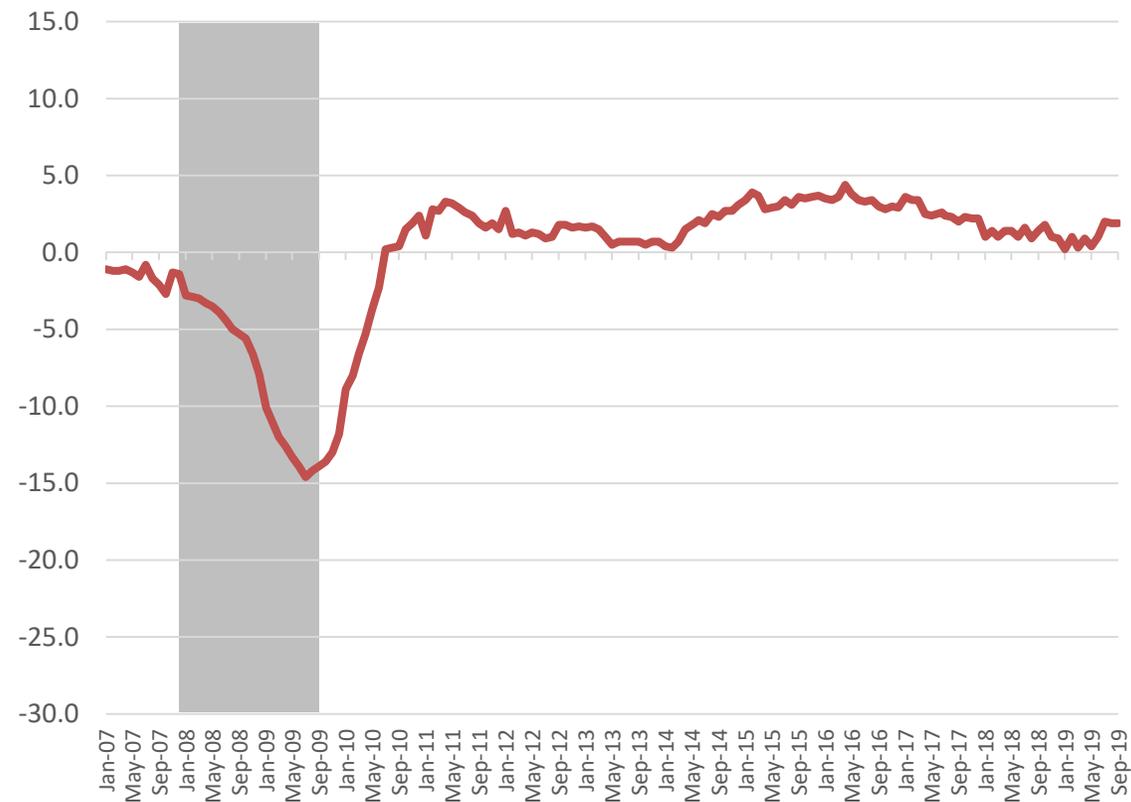
In metro Atlanta between October 2018 and October 2019, the construction, education & health services, and leisure & hospitality sectors experienced the strongest growth, significantly outpacing national growth in these sectors. The information sector in 2019 experienced a year of slow and, at times negative, growth—which mirrored national trends.

A Look at Sector-by-Sector Employment Growth (not seasonally adjusted)

Construction



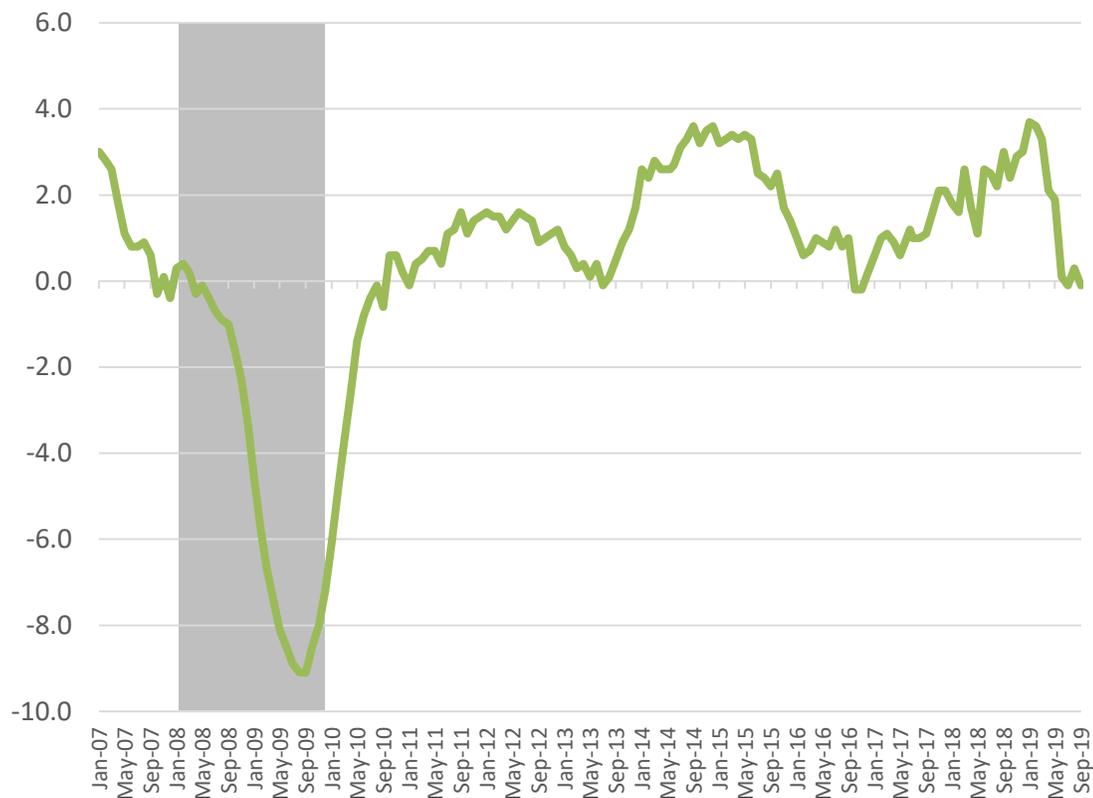
Manufacturing



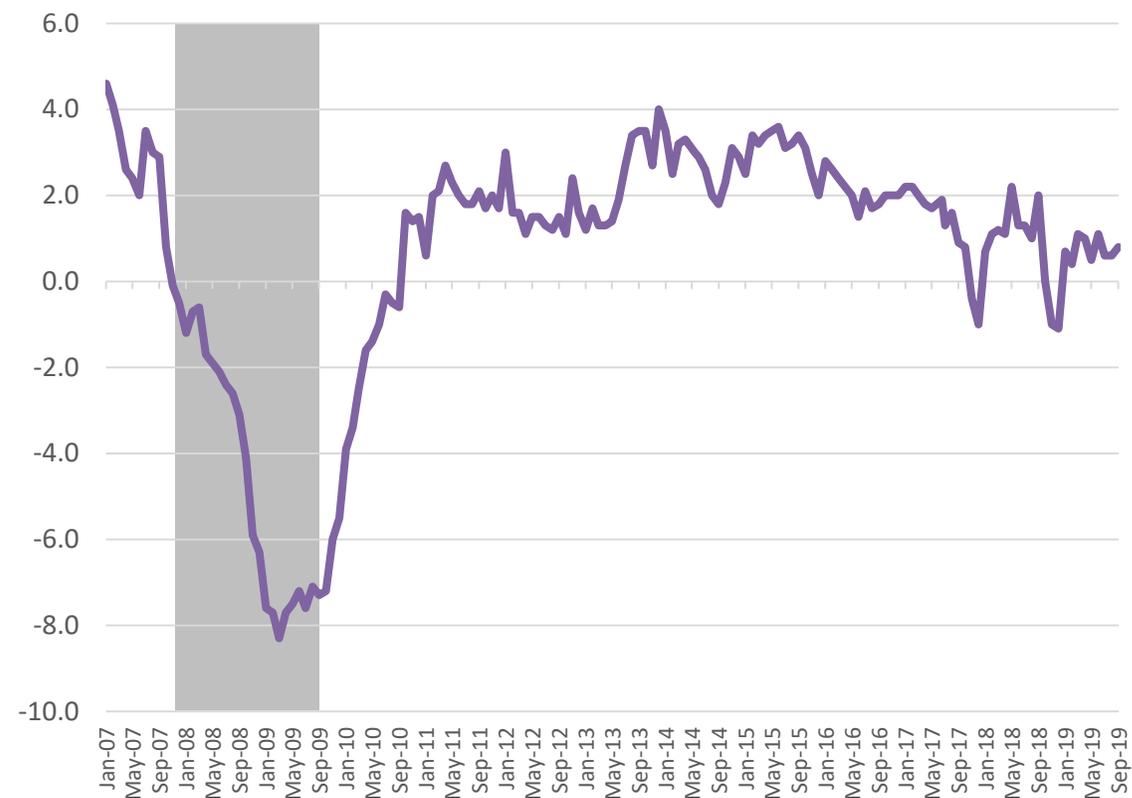
While both construction and manufacturing employment rebounded from the Great Recession, construction saw strong upticks in growth from late 2017 to mid-2018 only to retract very slightly since late 2018 (to a still healthy 5% level). Manufacturing's growth rate has hovered far lower, at between 0 and 2 percent since mid-2017.

A Look at Sector-by-Sector Employment Growth (not seasonally adjusted)

Wholesale Trade



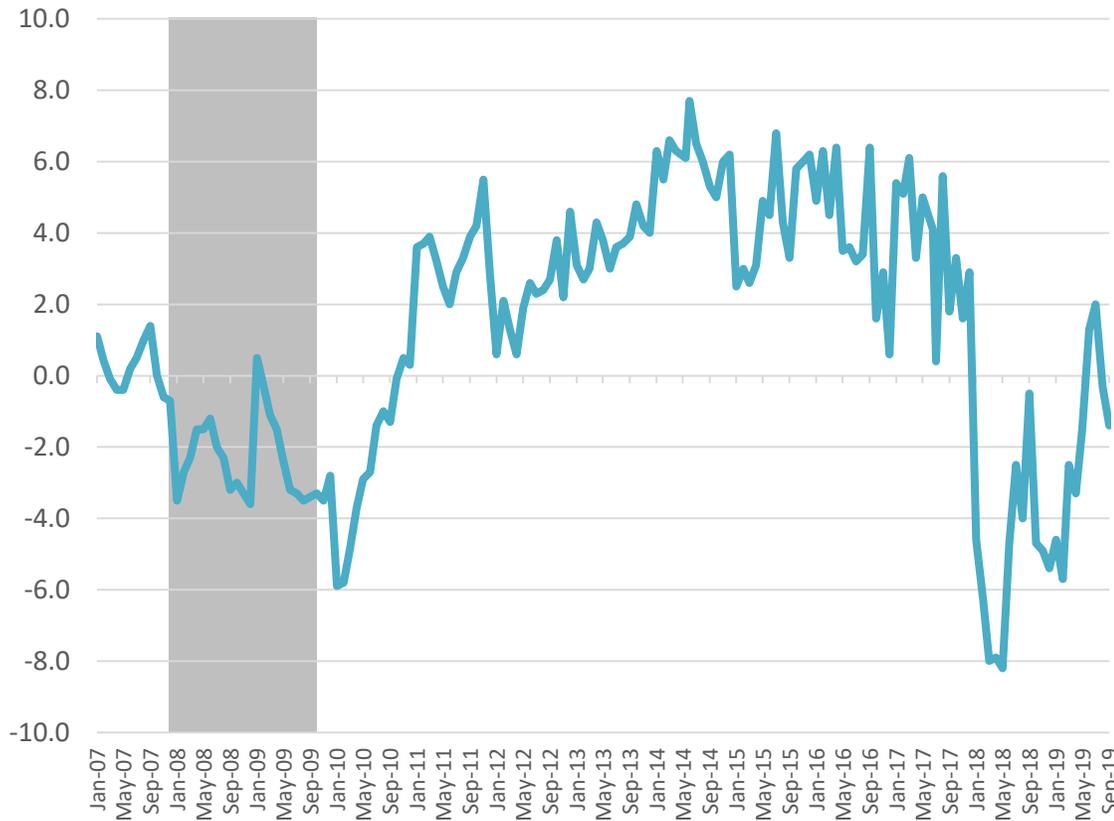
Retail



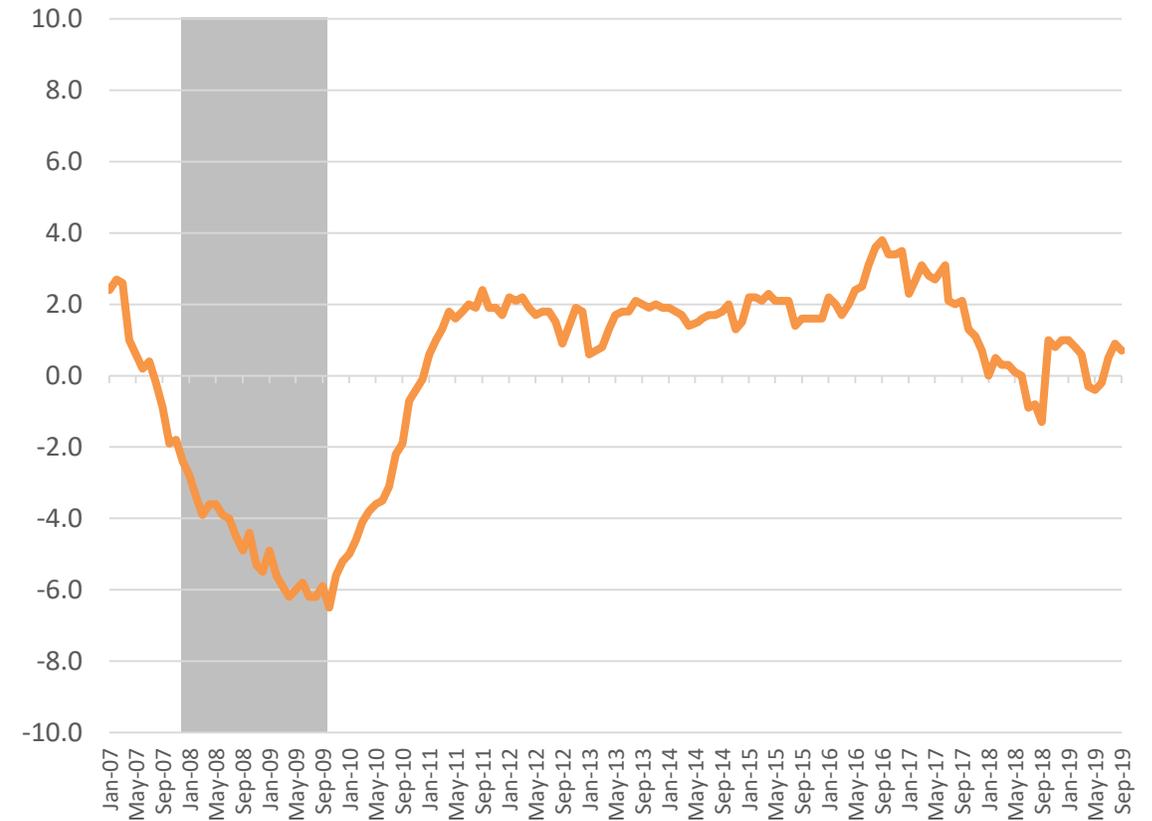
Growth in wholesale trade trended upward in 2017 and 2018 until experiencing precipitous decline over most of 2019. Employment in the retail sector has begun ticking back up into positive territory over the course of 2019 after experiencing declining growth rates during the latter half of 2018.

A Look at Sector-by-Sector Employment Growth (not seasonally adjusted)

Information



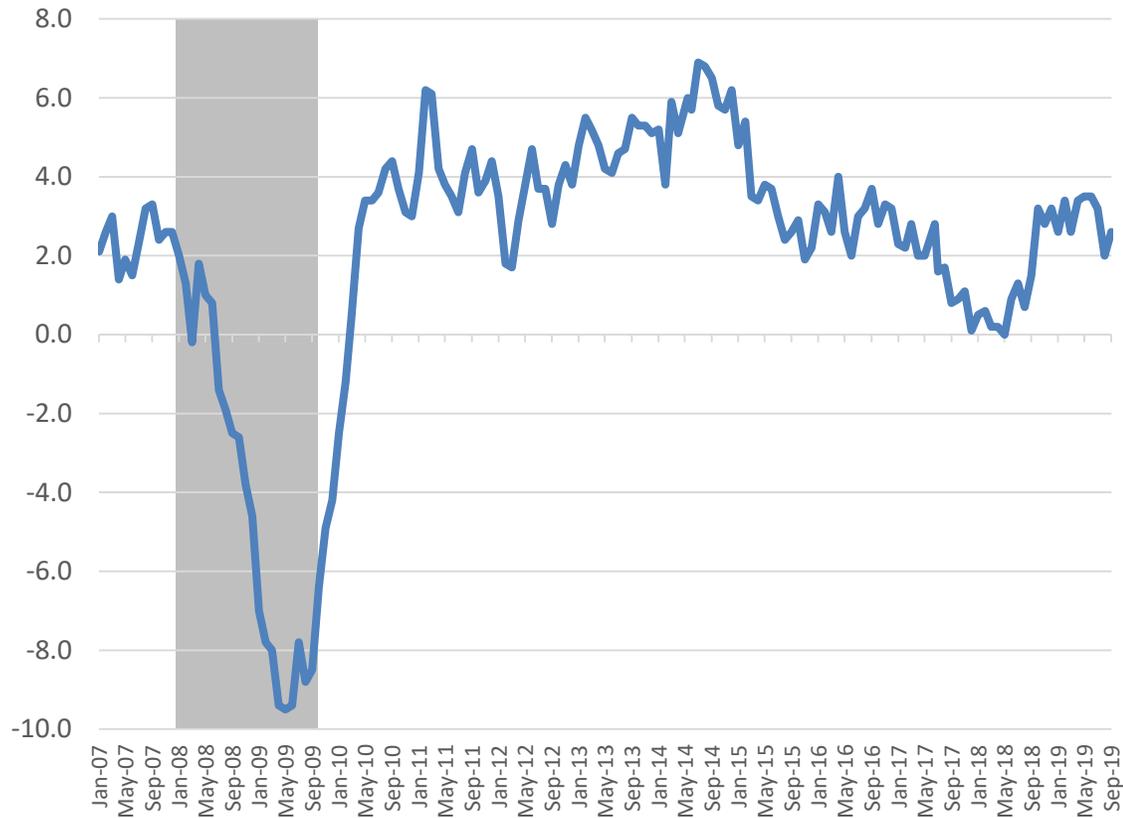
Financial Services



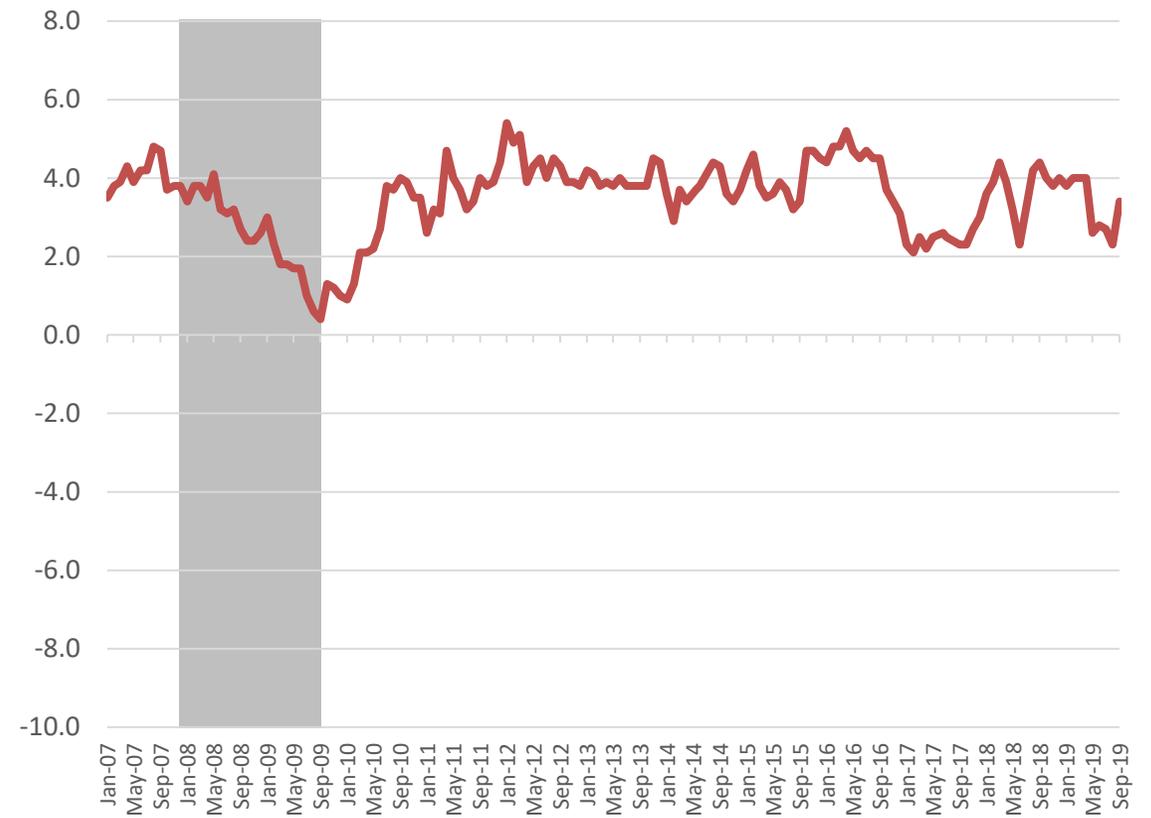
Growth rates in the Information sector have been “spiky” over the past few years, and have mostly been negative since the beginning of 2018. As for the Financial Services sector, after experiencing growth rates near or over two percent from 2011 through late 2017, growth rates have flattened, even experiencing some retraction in late 2018 and early 2019.

A Look at Sector-by-Sector Employment Growth (not seasonally adjusted)

Professional & Business Services

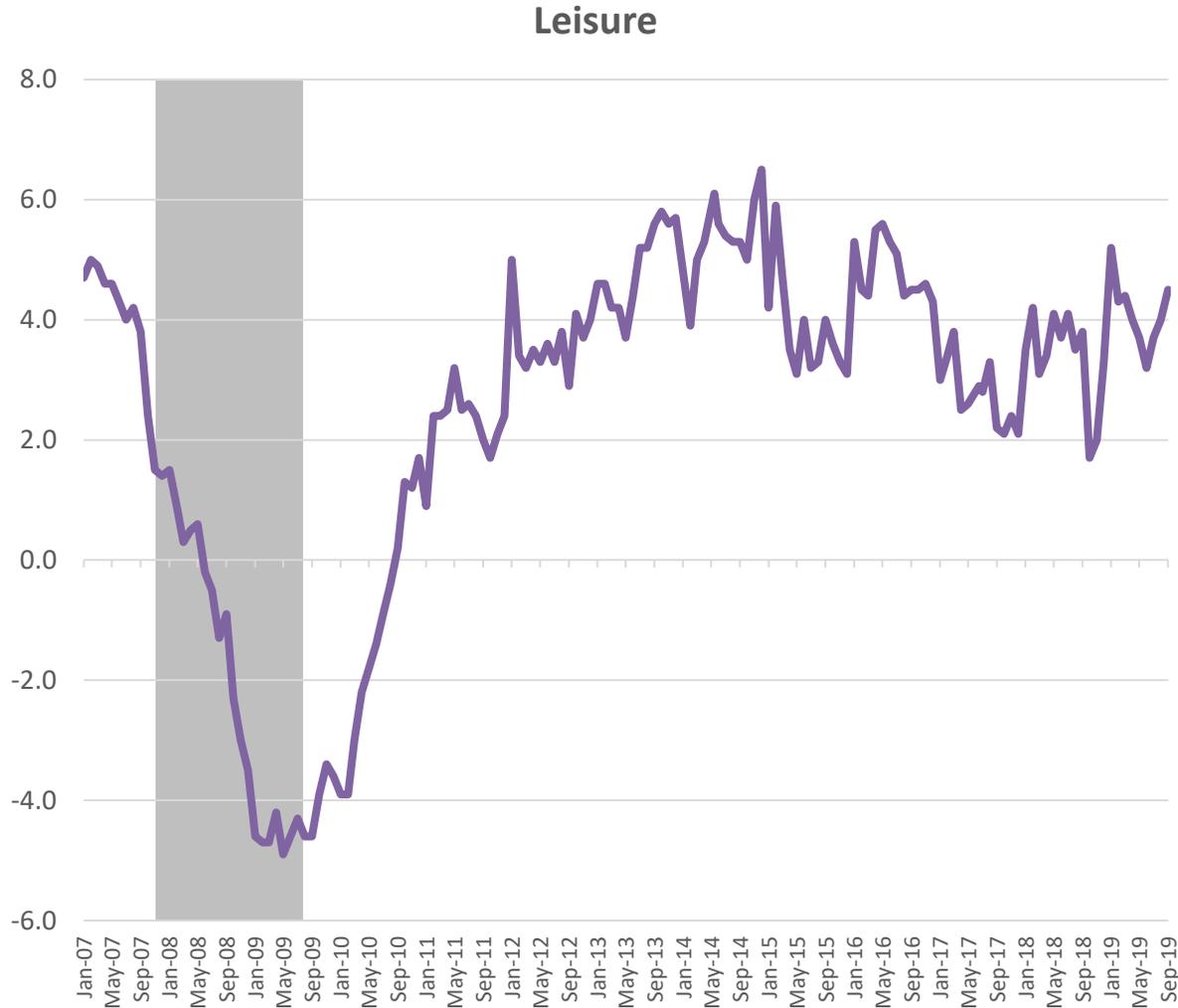


Education & Health Services



Also a high-paying sector, the Professional & Business Services sector experienced declining growth rates (near flat) for most of 2018 only to pick back up to over two percent year-over-year in 2019. Education and Health Services, although a bit spiky, has remained relatively stable at or above two percent year-over-year growth each year since the Great Recession ended.

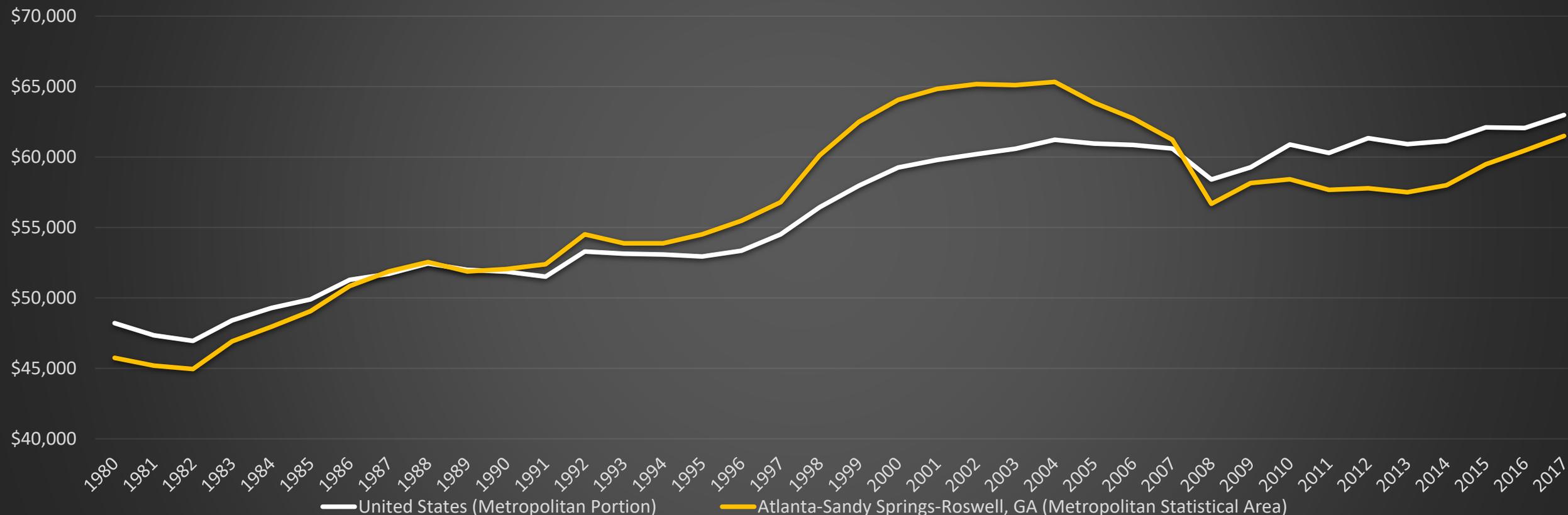
A Look at Sector-by-Sector Employment Growth (not seasonally adjusted)



Employment growth in the Leisure & Hospitality sector has bounced up and down for several years but has remained at or above two percent year-over-year growth since the beginning of 2012.

Local Wages Less than National Wages

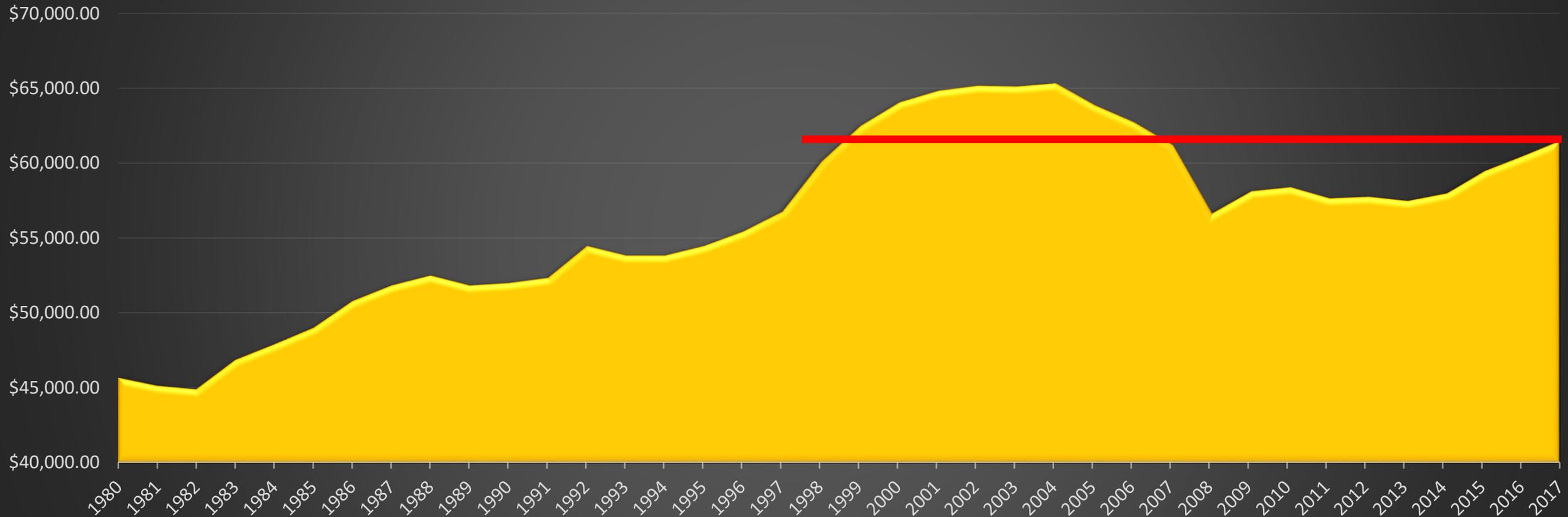
Average Earning Per Job (\$2017)



For 16 years between 1991 and 2007, the average job paid more in metro Atlanta than did the average job in other metropolitan areas. The Great Recession reversed that trend, and although slowly catching up, the average earnings remain less in metro Atlanta than in other metropolitan areas.

In Real Terms, Wages Are At 1999 Levels

Average Earning Per Job – Metro Atlanta (\$2017)

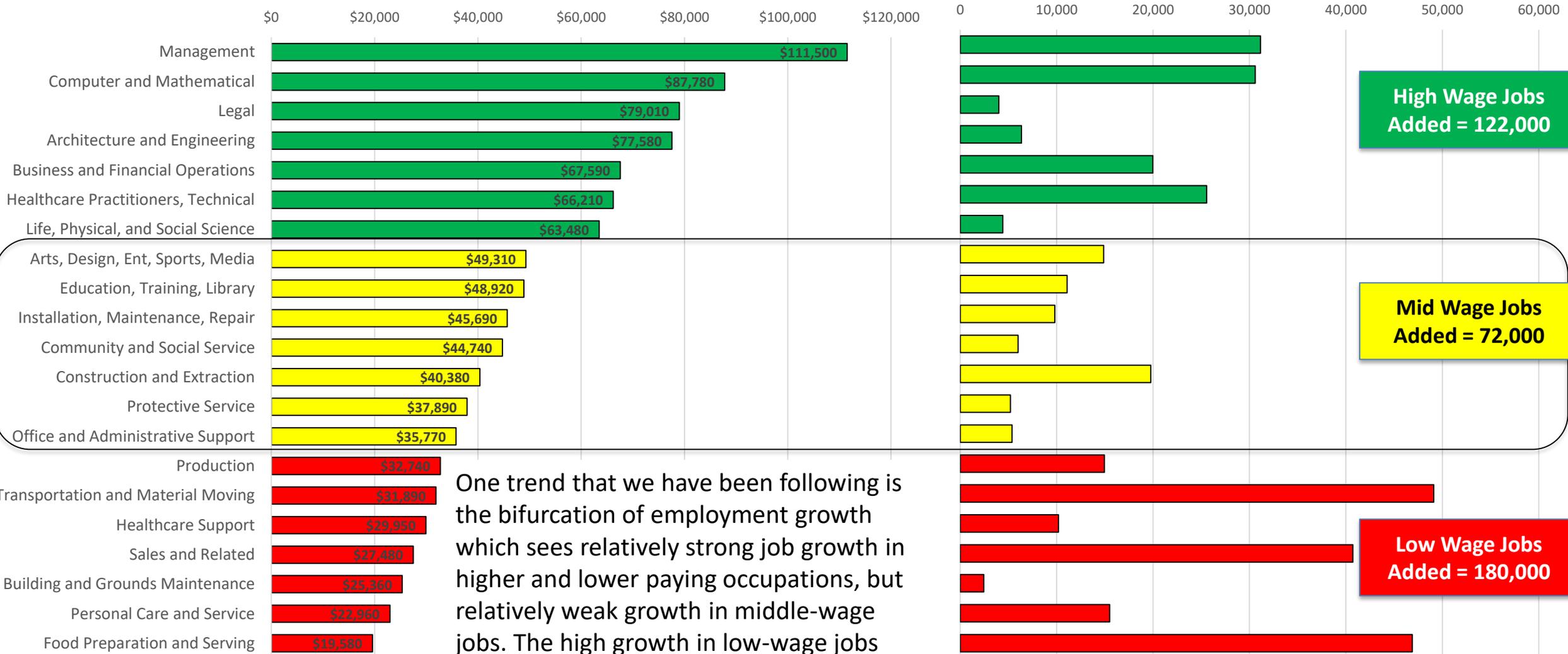


In real terms, the average job today in metro Atlanta pays about the same as it did in 1999.

Where Did Middle Wage Jobs Go?

Median Wage, 2018

Total Change in Jobs, 2013-2018



High Wage Jobs Added = 122,000

Mid Wage Jobs Added = 72,000

Low Wage Jobs Added = 180,000

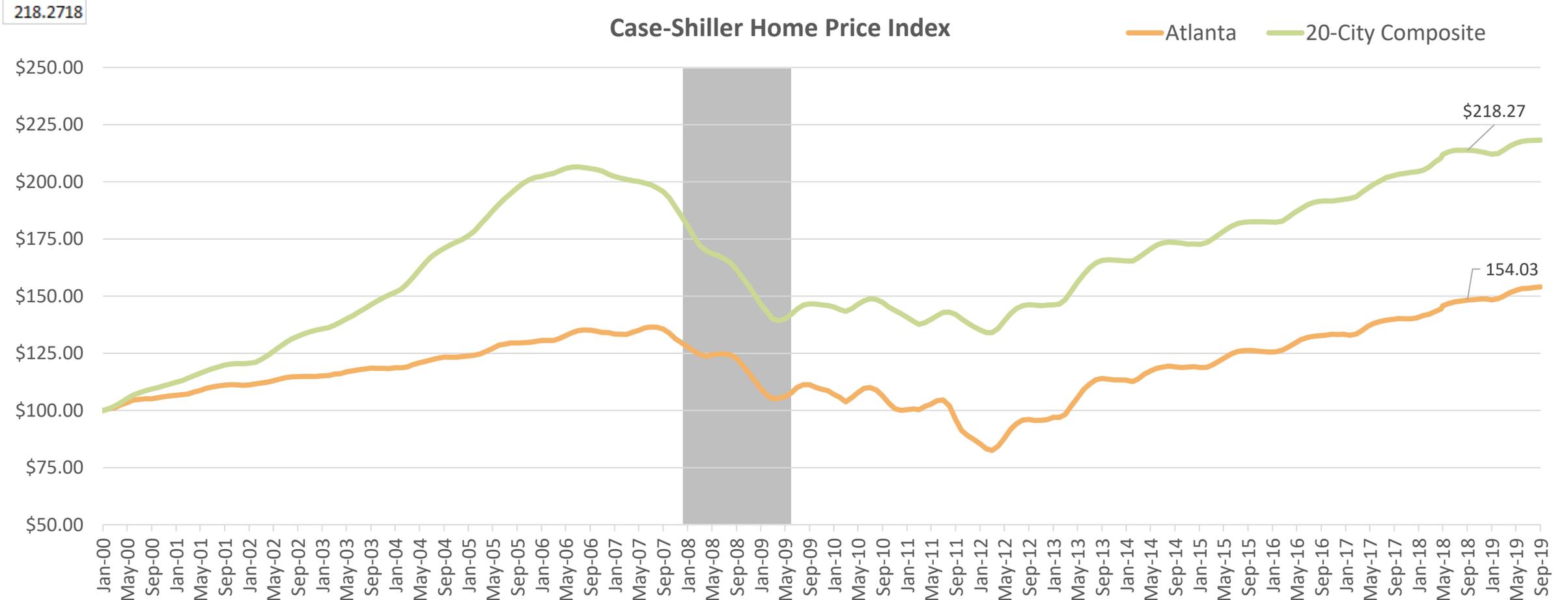
One trend that we have been following is the bifurcation of employment growth which sees relatively strong job growth in higher and lower paying occupations, but relatively weak growth in middle-wage jobs. The high growth in low-wage jobs help explain the relative sluggishness in overall wage growth.

Average Hourly Wage by Selected Occupation

In exploring wages by selected occupations, wages for lower-wage occupations pay less in metro Atlanta than they do in the nation as a whole.

Occupation	Atlanta Area	United States
Financial Managers	\$74.02	\$70.59
General and Operations Managers	\$59.01	\$59.96
Management Analysts	\$46.39	\$45.38
Computer Systems Analysts	\$44.91	\$45.00
Accountants and Auditors	\$37.70	\$37.89
Registered Nurses	\$35.19	\$36.30
Customer Service Representatives	\$17.94	\$17.53
Construction Laborers	\$17.17	\$19.40
Retail Salespersons	\$12.60	\$13.61
Cashiers	\$10.21	\$11.17
Cooks, Fast Food	\$10.06	\$10.89
Waiters and Waitresses	\$9.82	\$12.42

Home Prices Exceed Pre-Recession Peak

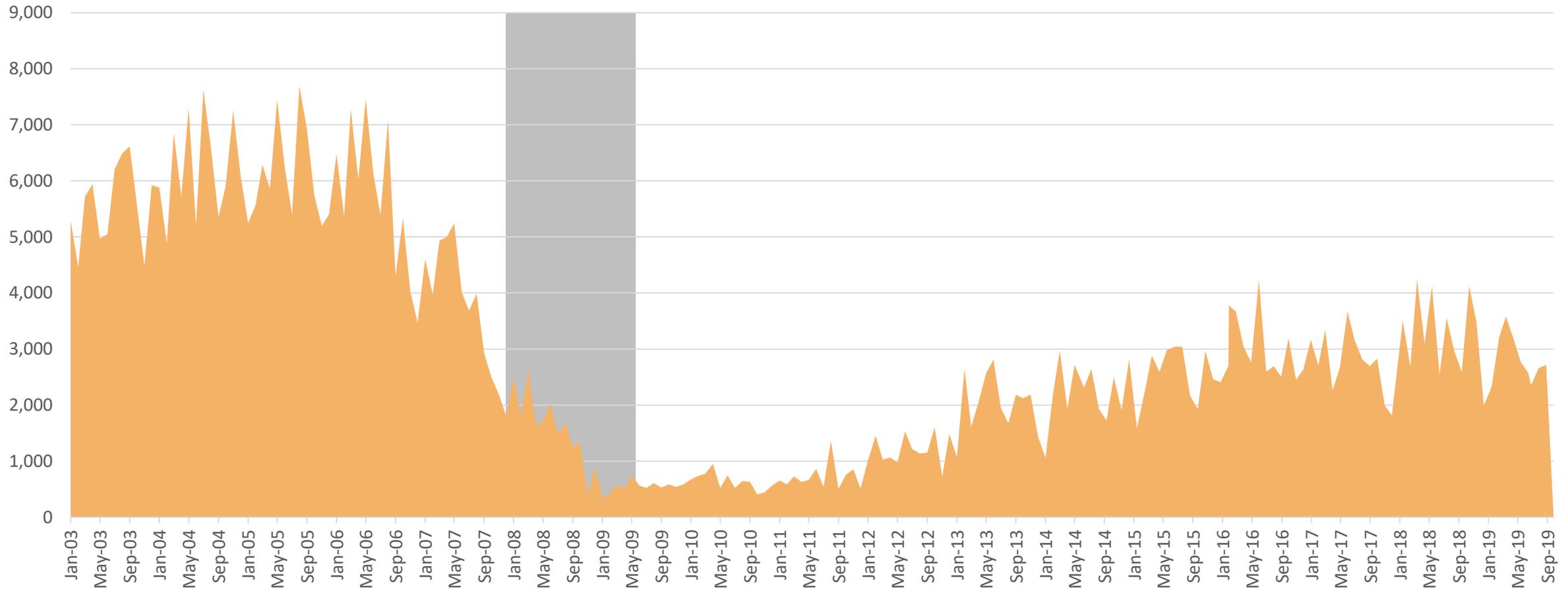


Home prices in metro Atlanta are higher today than during they were at Atlanta’s pre-recession peak--they have been for the last 30 months (per Case-Shiller). However, home prices in Atlanta are still lower than the 20 largest city composite prices.



Total Residential Units Authorized by Building Permit

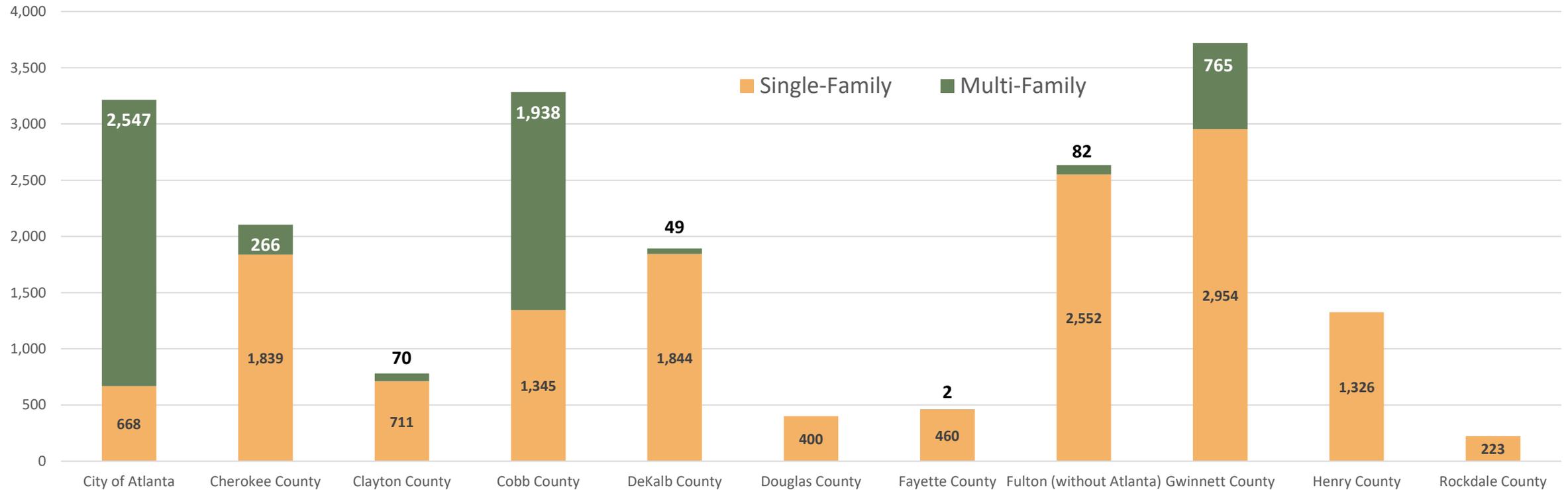
Metro Atlanta Residential Units Permitted, 2003 – Current



Switching to the housing market –the number of units permitted remains significantly lower when compared to pre-recession levels.

Total Residential Units Authorized by Building Permit, by Jurisdiction

Number of Residential Units Permitted, 2019, through October



Looking at local jurisdiction trends, Gwinnett County issued the most permits authorized residential units in 2019 (through October), with the vast majority of those being single-family. Both Cobb and the City of Atlanta have issued more than 3,000 units through October, but the majority of those are multi-family units.

In the short-term, ARC's REMI econometric model predicts that...

Atlanta GDP will grow, on average, **2.4% year over year** from 2020 through 2030, from **\$429 billion to \$532 billion***

Average annual wages will increase **12% from 2020 to 2030**, from **\$53,050 to \$59,350***

*fixed 2020 dollars