



Montgomery Planning

Research and Strategic Projects

09/23/2021

Agenda item 6

Briefing on Current Economic Trends



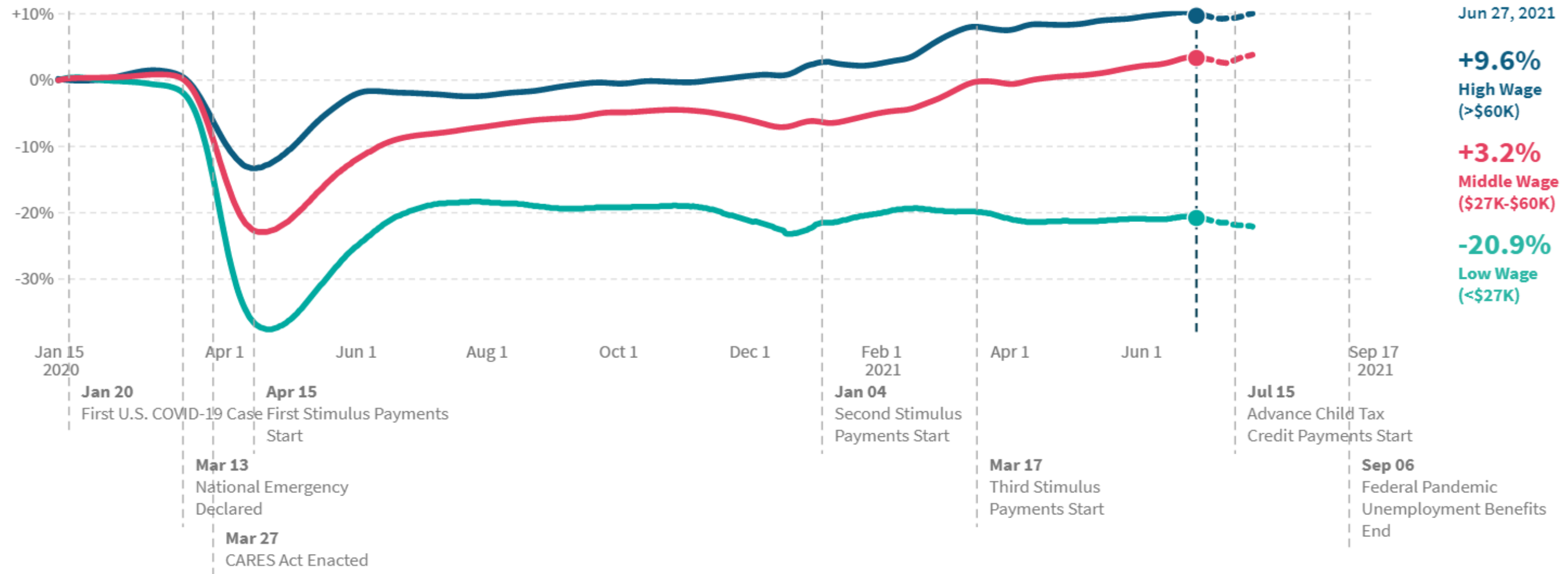
Purpose

- To describe the status and trajectory of the economy in several areas including:
 - Employment
 - Spending
 - Travel and commuting
 - Real estate
 - Inflation, and
 - Labor market dynamics

The “K-Shaped” Recovery Continues

Percent Change in Employment*

In the United States, as of June 27 2021, employment rates among workers in the top wage quartile increased by 9.6% compared to January 2020 (not seasonally adjusted).



data source: Earnin, Intuit, Kronos, Paychex

*Change in employment rates (not seasonally adjusted), indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnin, and timesheet data from Kronos. The dotted line is a prediction of employment rates based on Kronos and Paychex data.

last updated: August 10, 2021 next update expected: September 24, 2021

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Montgomery County's job losses are in line with the region and country.

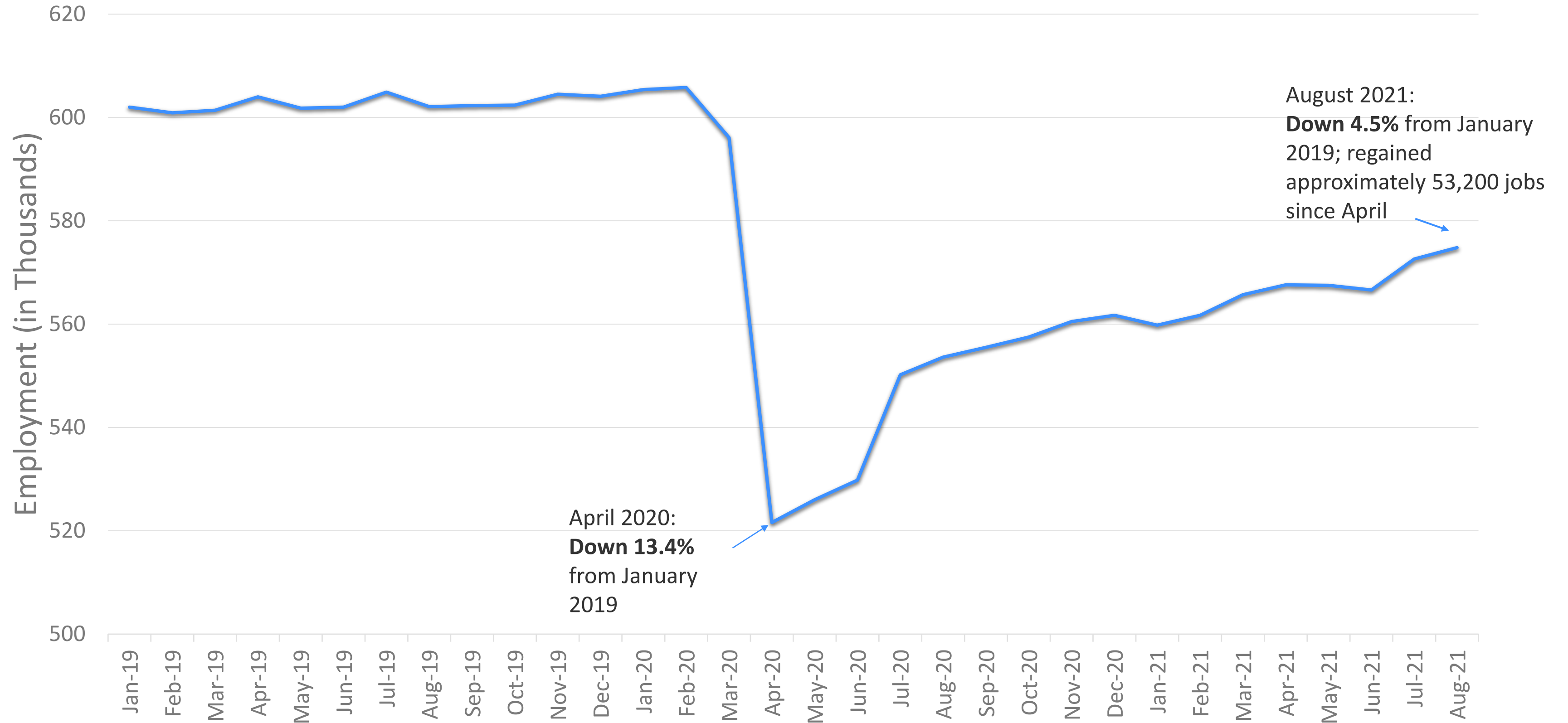
PLACE	August 2019 – August 2020				August 2020 – August 2021*			August 2019 – August 2021*	
	Employment August 2019	Employment August 2020	Change 2019-2020	% Change 2019-2020	Employment August 2021	Change 2020-2021	% Change 2020-2021	Total Change 2019-2021	Total % Change 2019-2021
Montgomery and Frederick County	605.3	553.1	-52.2	-8.6%	578.6	26	4.6%	-26.7	-4.4%
Washington D.C. Metropolitan Area	3,340.1	3,103.2	-236.9	-7.1%	3,204.9	101.7	3.0%	-135.2	-4.0%
United States	151,094.0	140,728.0	-10,366.0	-6.9%	146,856.0	6,128.0	4.1%	-4,238.0	-2.8%

- Employment in Thousands
- Includes all non-farm jobs

* August 2021 data preliminary

Total Employment remains below pre-pandemic levels.

Total Employment, Montgomery and Frederick County, 2019 to Current



(August data preliminary)

Not all sectors have been affected equally.

SUPERSECTOR	August 2019 – August 2020				August 2020 – August 2021*			August 2019 – August 2021*	
	Employment August 2019	Employment August 2020	Change 2019-2020	% Change 2019-2020	Employment August 2021	Change 2020-2021	% Change 2020-2021	Total Change 2019-2021	Total % Change 2019-2021
Total (Montgomery and Frederick Counties)	605,300	553,100	-52,200	-9%	578,600	25,500	5%	-26,700	-4%
Professional and Business Services	135,000	128,100	-6,900	-5%	135,400	7,300	6%	400	0%
Government	107,700	107,300	-400	0%	108,300	1,000	1%	600	1%
Education and Health Services	96,500	86,000	-10,500	-11%	87,500	1,500	2%	-9,000	-9%
Retail Trade	56,900	51,300	-5,600	-10%	55,700	4,400	9%	-1,200	-2%
Leisure and Hospitality	59,100	41,200	-17,900	-30%	46,900	5,700	14%	-12,200	-21%

- Overall employment declined slightly
- Professional & Business Services and Government stayed flat
- Education & Health Services and Retail declined
- Leisure and Hospitality declined precipitously

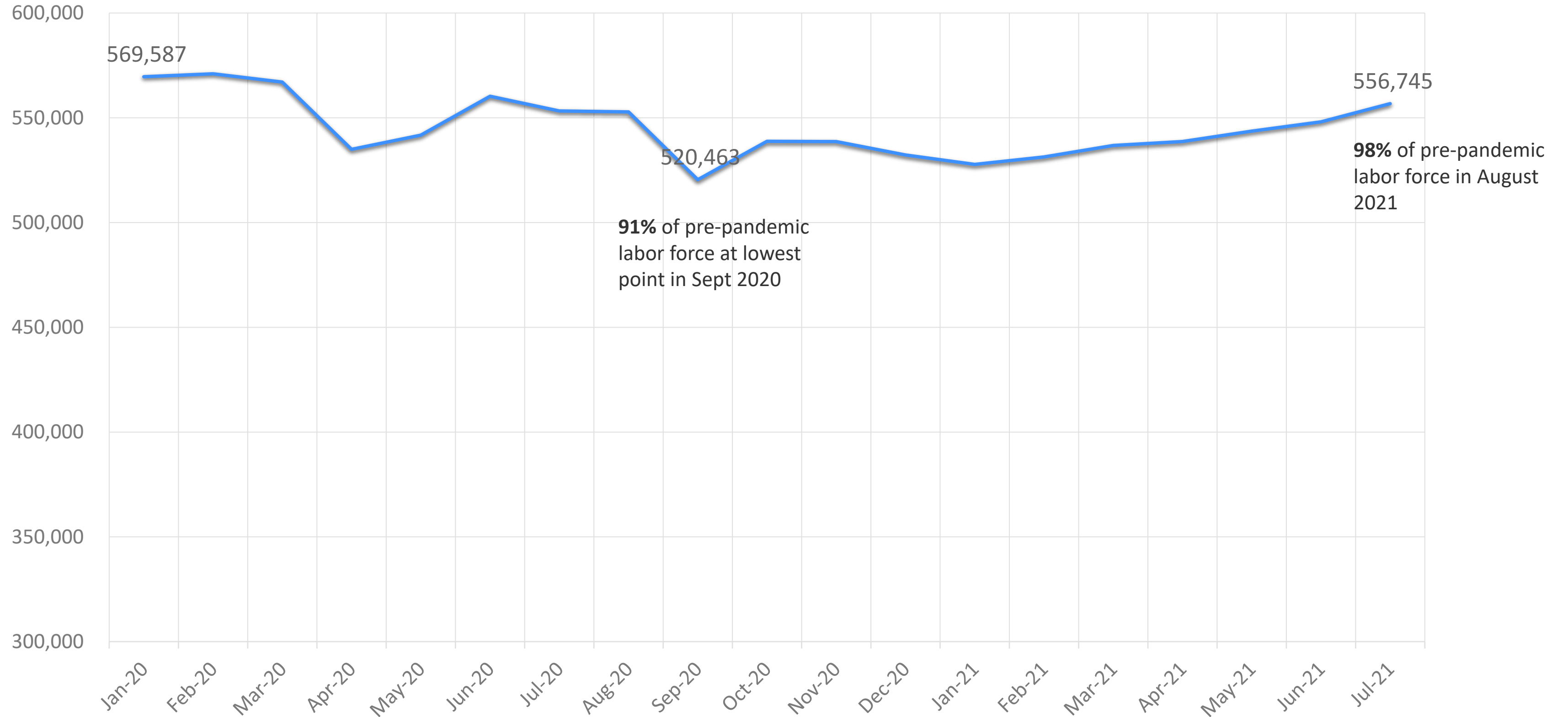
All Sectors have seen some gain since August 2020

* August 2021 data preliminary

Data source: Bureau of Labor Statistics Current Employment Statistics, State and Metro Employment

Labor force participation is rebounding.

Labor Force Participation in Montgomery County



Wages are mostly up, with higher increases in some sectors.

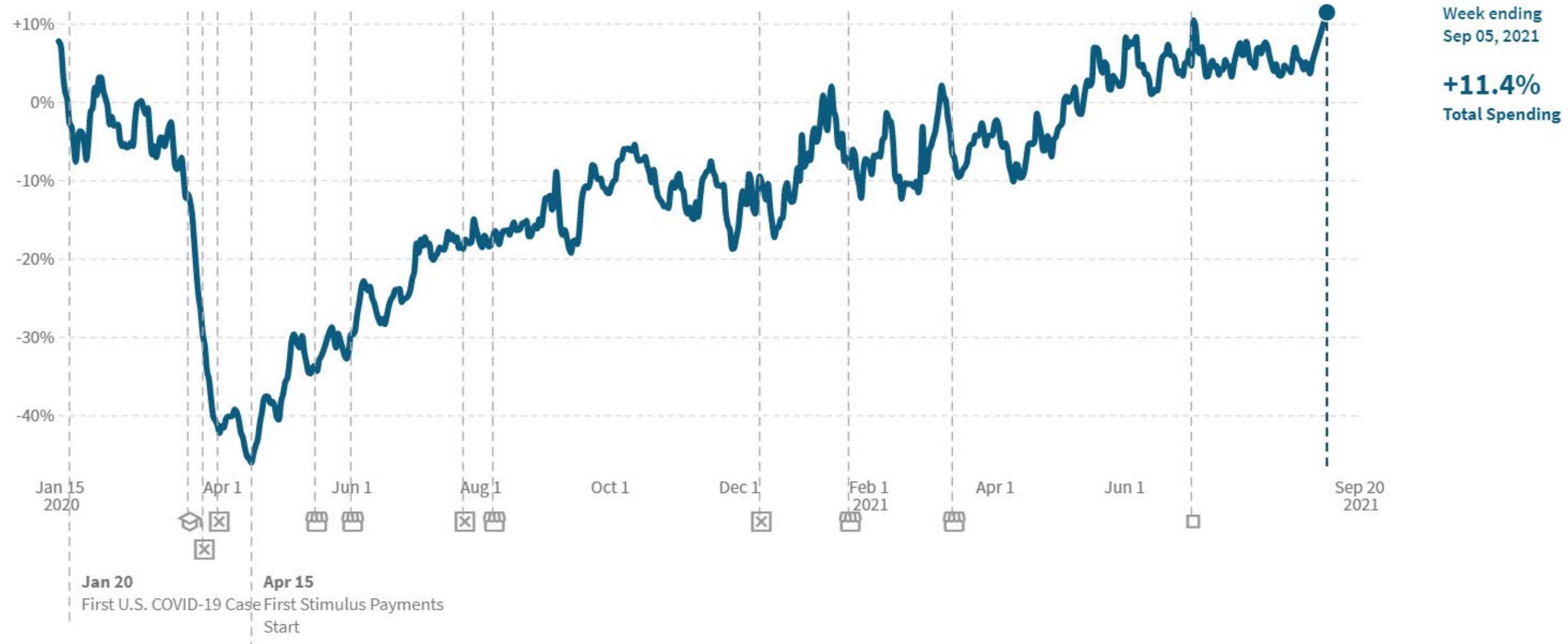
Wages and Year-over-year Wage Changes for Selected Private Industries in Montgomery County, 1st Quarter 2021

Sector	Average Weekly Wage	Avg Weekly Wage Change Year-over-Year	Year-over-Year Change in Avg Weekly Wage
All Sectors	\$ 1,963	\$355	22.10%
Accommodation and Food Services	\$ 515	-\$44	-7.90%
Retail	\$ 773	\$45	6.20%
Transportation & Warehousing	\$ 871	\$121	16.10%
Healthcare & Social Assistance	\$ 1,185	\$89	8.10%
Construction	\$ 1,388	-\$30	-2.10%
Real Estate and Rental and Leasing	\$ 2,113	\$24	1.1%
Professional & Technical Services	\$ 2,395	-\$6	-0.20%
Management of Companies & Enterprises	\$ 4,243	\$91	2.20%
Finance & Insurance	\$ 4,396	\$510	13.10%
Manufacturing	\$ 4,594	\$447	10.80%

Consumer spending in Montgomery County recovered to pre-pandemic levels around Memorial Day.

Percent Change in All Consumer Spending*

In **Montgomery**, as of **September 05 2021**, total spending by all consumers **increased** by **11.4%** compared to January 2020.



data source: **Affinity**

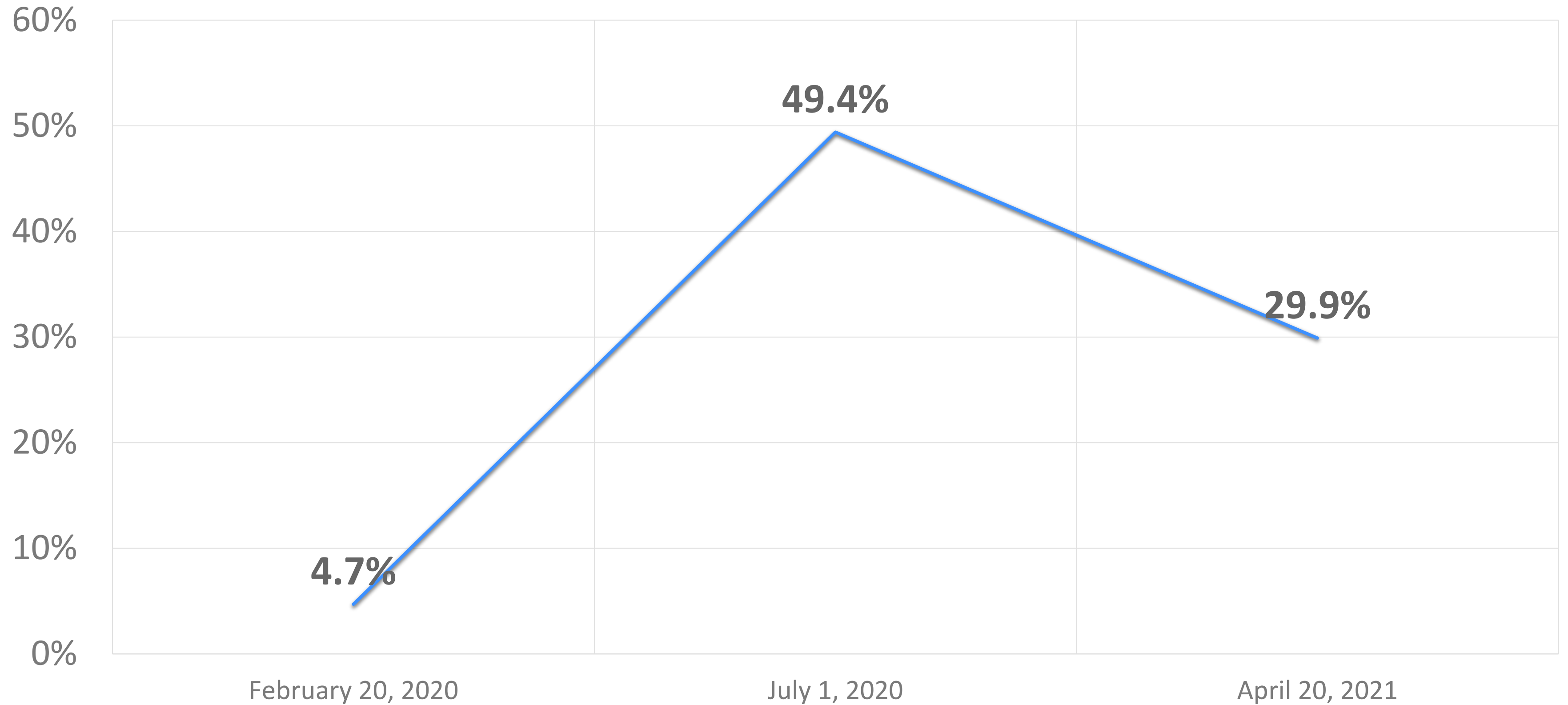
*Change in average consumer credit and debit card spending, indexed to January 4-31, 2020 and seasonally adjusted. The dashed segment of the line is provisional data, which may be subject to non-negligible revisions as newer data is posted. This series is based on data from Affinity Solutions.

last updated: **September 14, 2021** next update expected: **September 22, 2021**

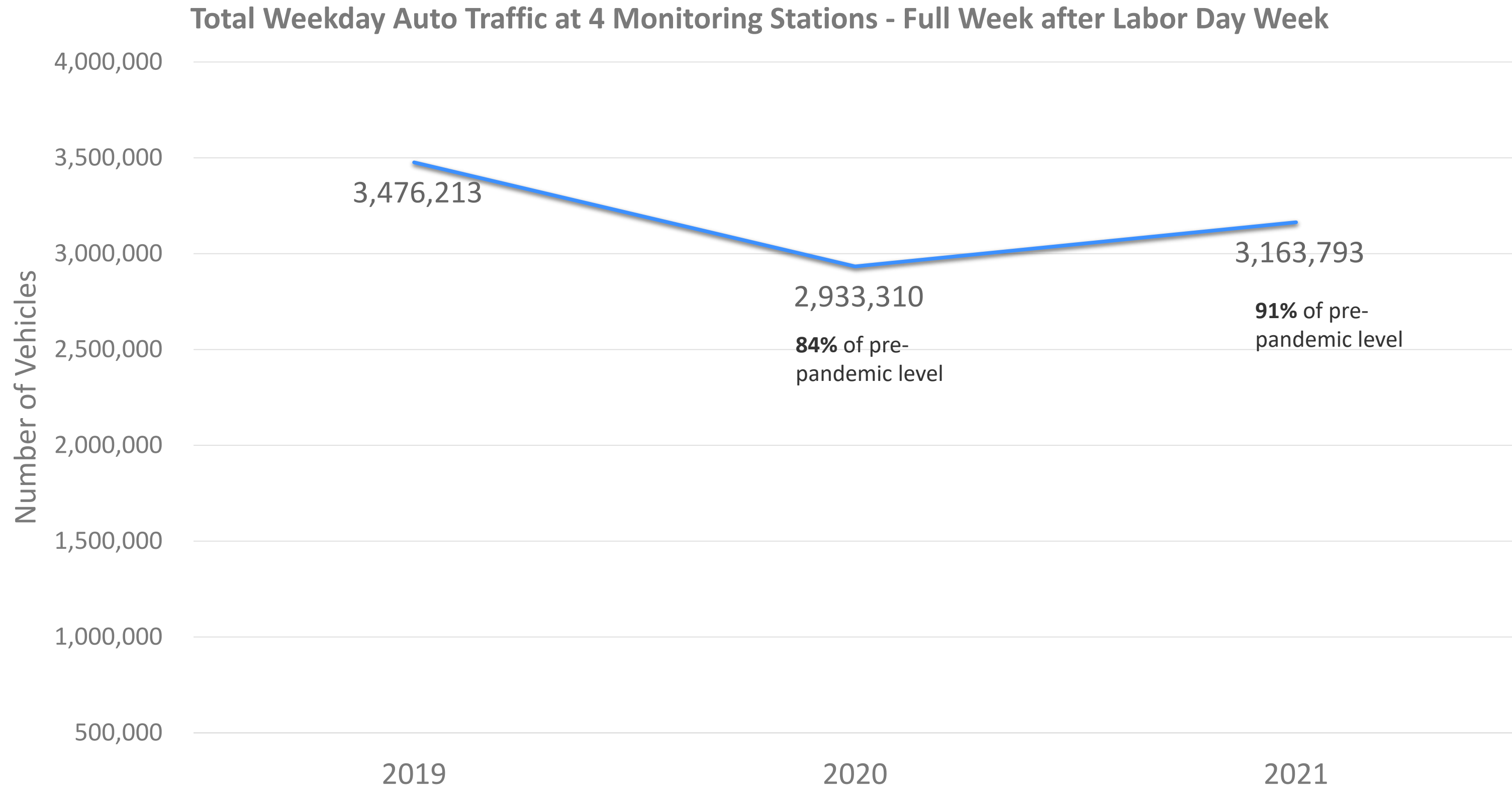
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Telework is lower than its summer 2020 peak, but still high.

Percent of Maryland Workers Teleworking



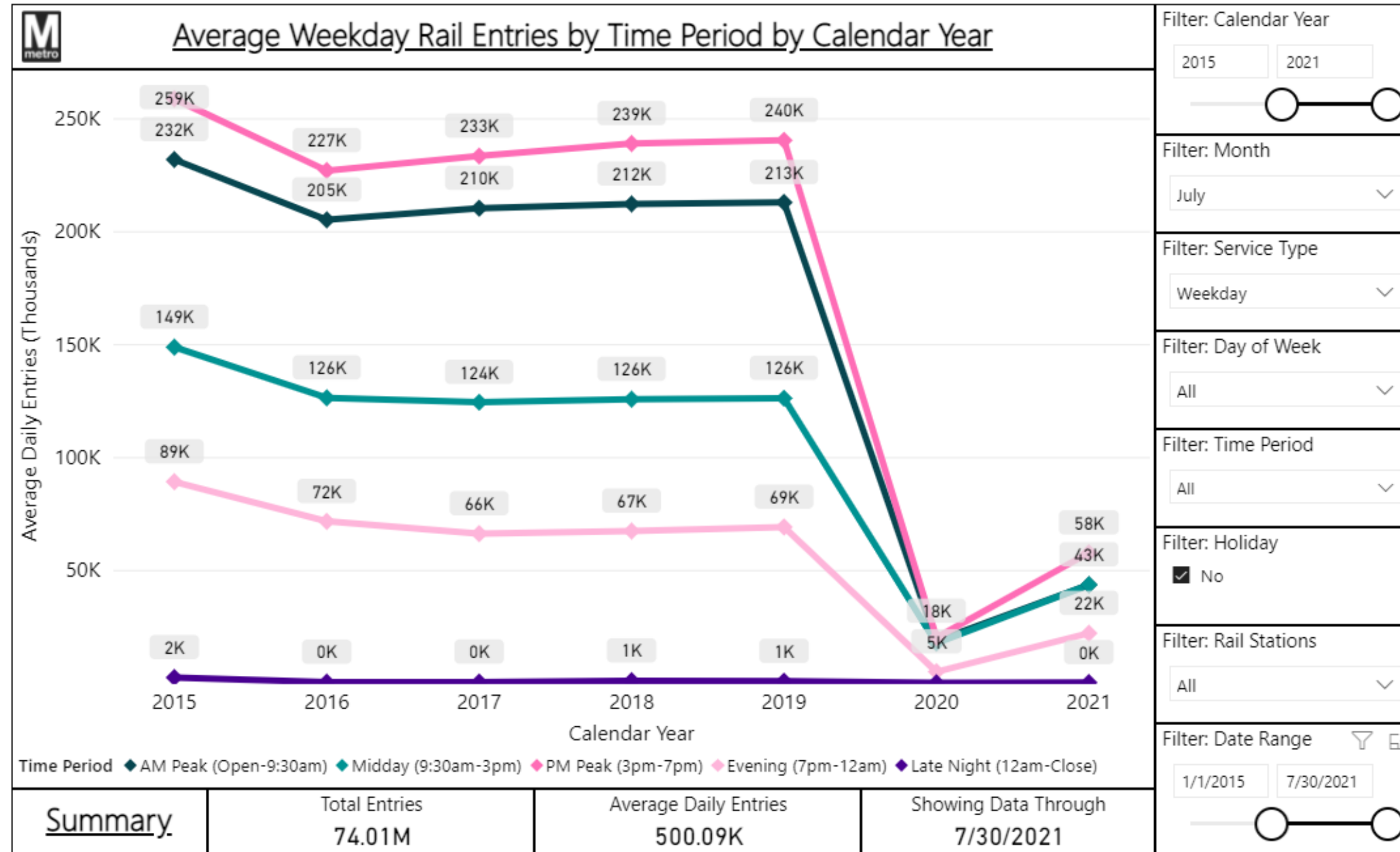
Auto traffic has nearly returned to pre-pandemic levels.



Data source: Maryland Department of Transportation State Highway administration Internet Traffic Monitoring System; https://maps.roads.maryland.gov/itms_public/;
Monday through Friday volumes were added for all four stations except for I-210 South of Middlebrook because Monday and Tuesday data were not available for 2020. For this location, only Wednesday through Friday were tallied for each year.

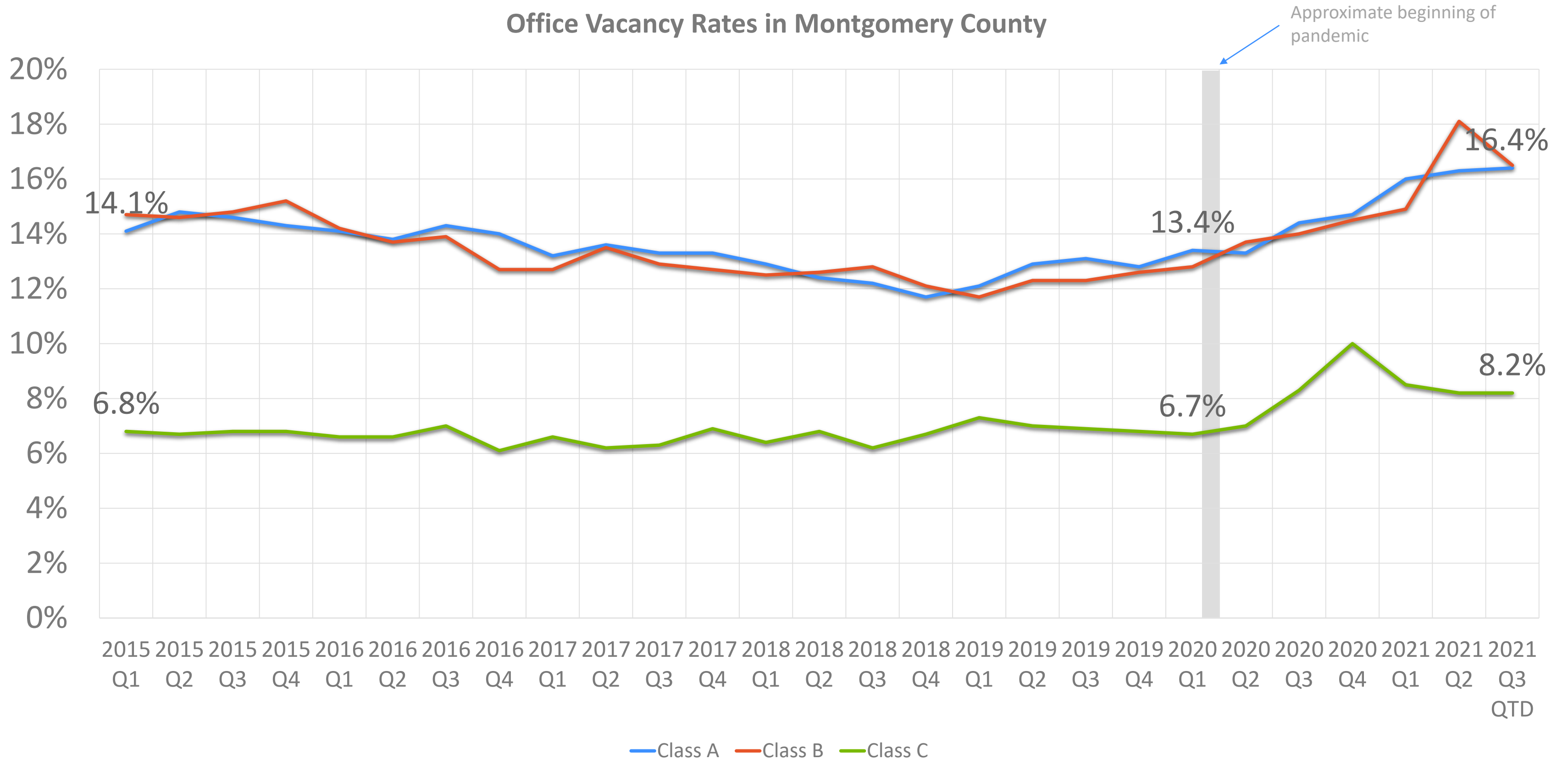
Transit ridership remains down significantly but has rebounded slightly in 2021.

Rail Ridership Data Viewer



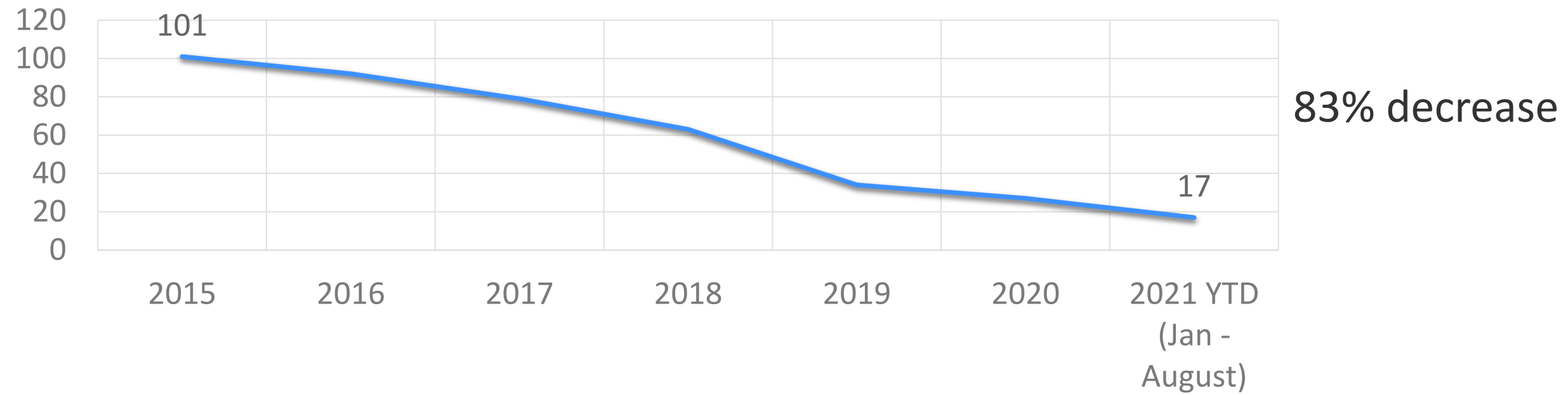
Commercial real estate vacancy remains high.

Office Vacancy Rates in Montgomery County

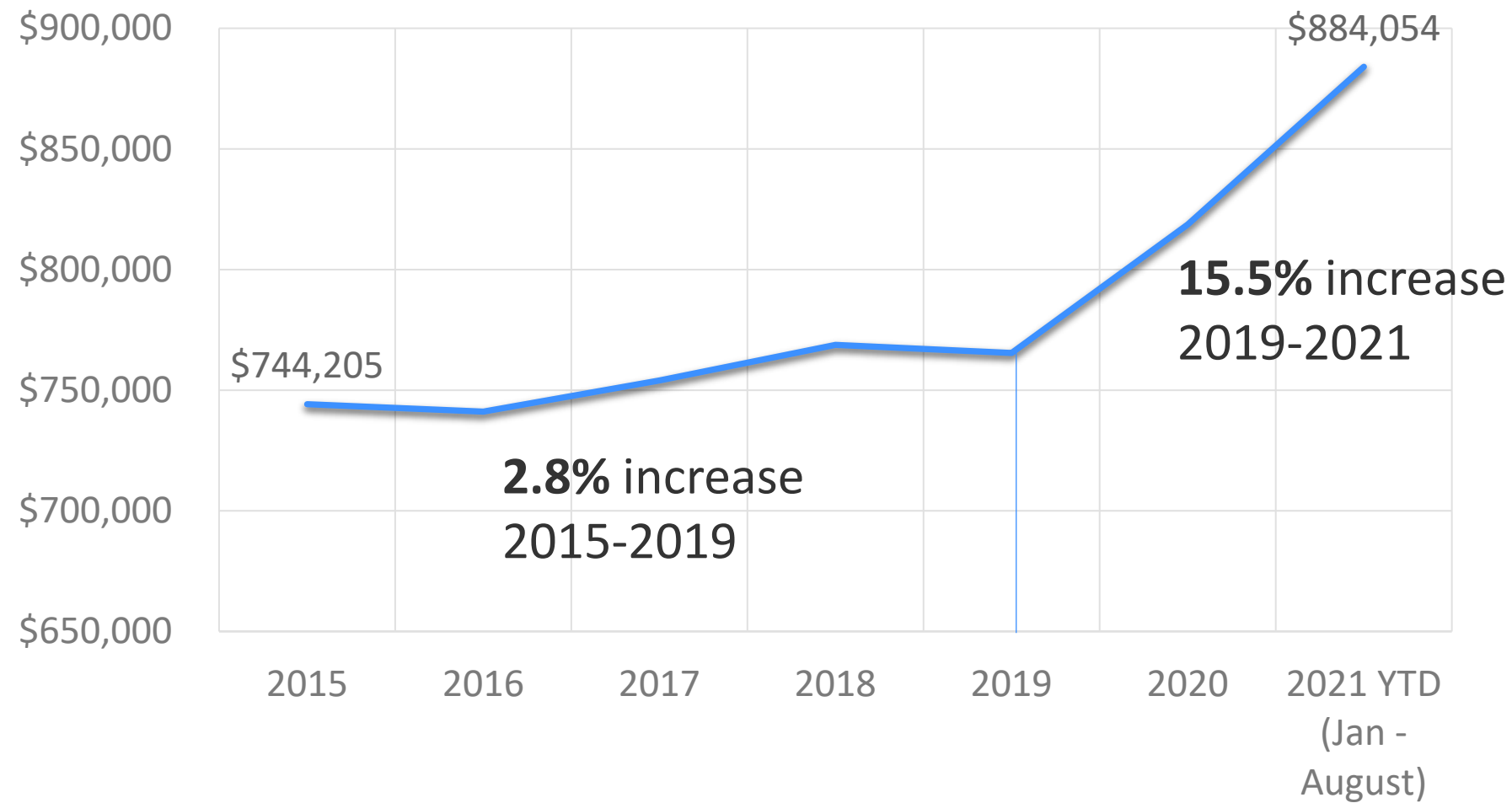


The for-sale residential market is extremely competitive.

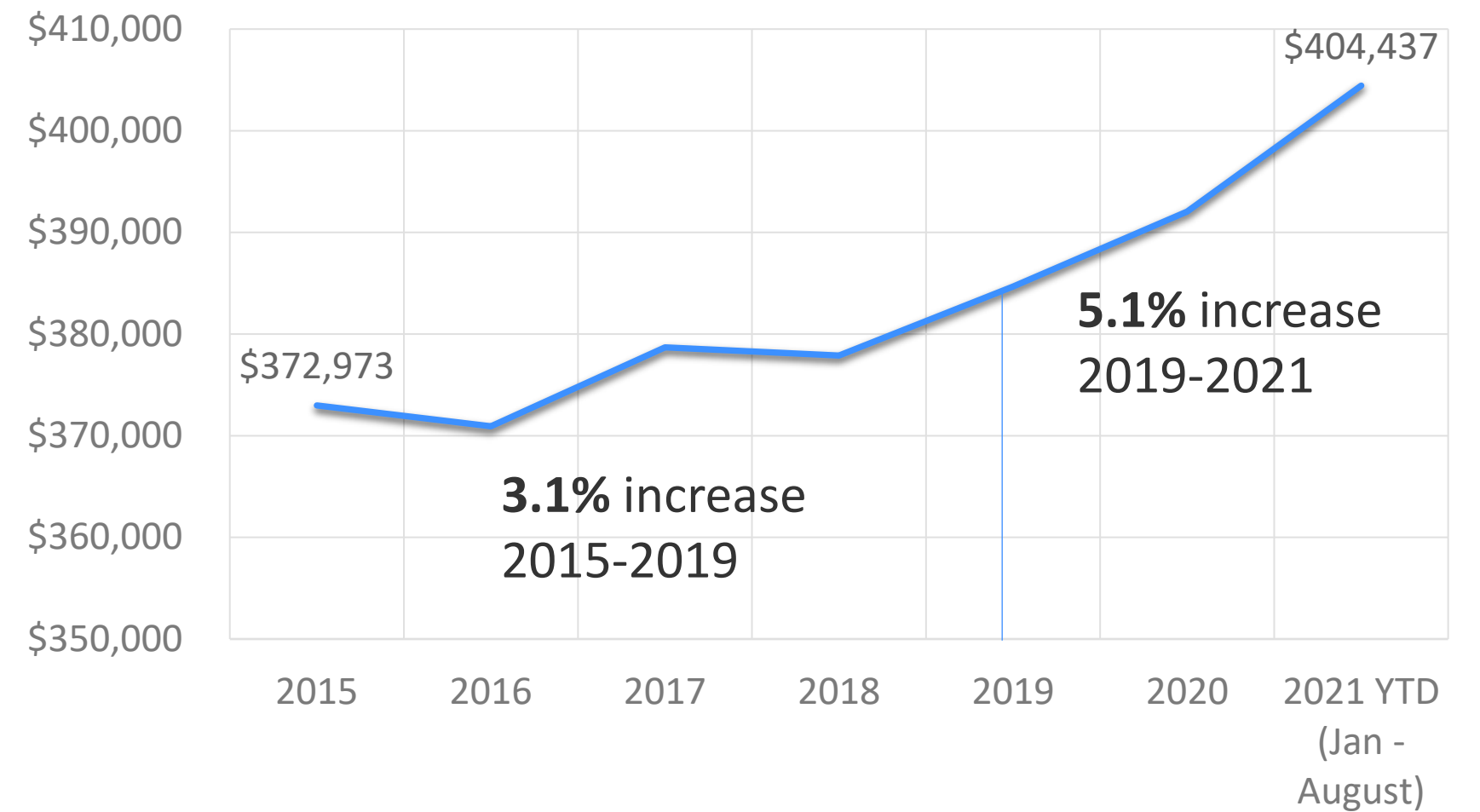
Average Days on Market – All Sales



Average Sale Price* – Single Family Detached



Average Sale Price* – Single Family Attached



Inflation is up, but mostly driven by fuel and cars.

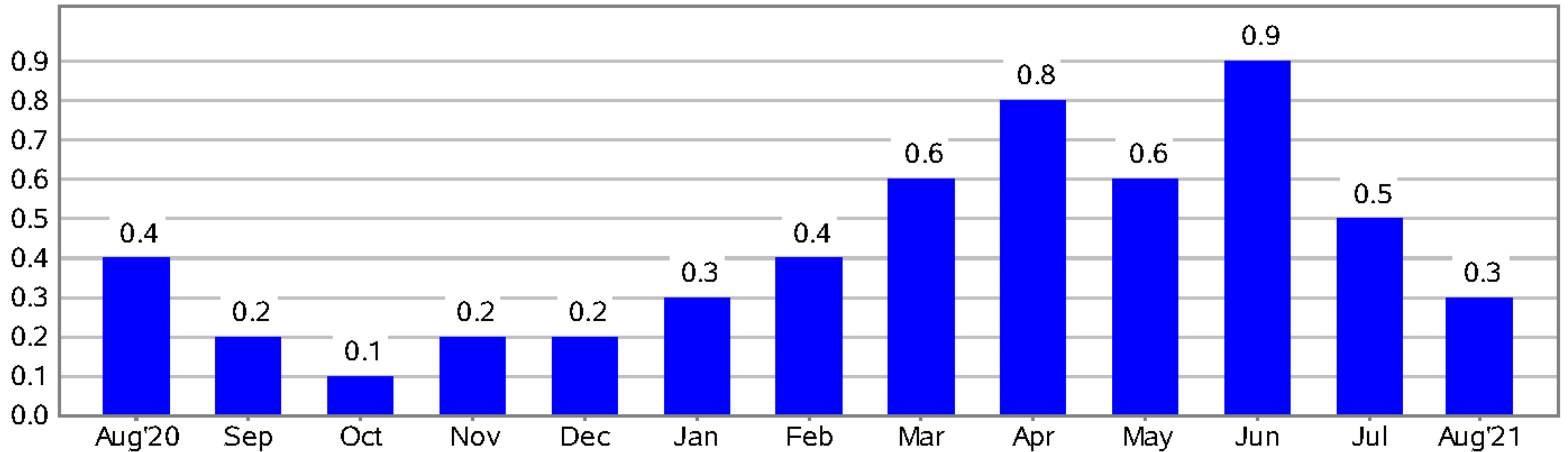
Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Aug. 2021
	Feb. 2021	Mar. 2021	Apr. 2021	May 2021	Jun. 2021	Jul. 2021	Aug. 2021	
All items.....	0.4	0.6	0.8	0.6	0.9	0.5	0.3	5.3
Food.....	0.2	0.1	0.4	0.4	0.8	0.7	0.4	3.7
Food at home.....	0.3	0.1	0.4	0.4	0.8	0.7	0.4	3.0
Food away from home ¹	0.1	0.1	0.3	0.6	0.7	0.8	0.4	4.7
Energy.....	3.9	5.0	-0.1	0.0	1.5	1.6	2.0	25.0
Energy commodities.....	6.6	8.9	-1.4	-0.6	2.6	2.3	2.7	41.9
Gasoline (all types).....	6.4	9.1	-1.4	-0.7	2.5	2.4	2.8	42.7
Fuel oil ¹	9.9	3.2	-3.2	2.1	2.9	0.6	-2.1	33.2
Energy services.....	0.9	0.6	1.5	0.7	0.2	0.8	1.1	8.6
Electricity.....	0.7	0.0	1.2	0.3	-0.3	0.4	1.0	5.2
Utility (piped) gas service.....	1.6	2.5	2.4	1.7	1.7	2.2	1.6	21.1
All items less food and energy.....	0.1	0.3	0.9	0.7	0.9	0.3	0.1	4.0
Commodities less food and energy commodities.....	-0.2	0.1	2.0	1.8	2.2	0.5	0.3	7.7
New vehicles.....	0.0	0.0	0.5	1.6	2.0	1.7	1.2	7.6
Used cars and trucks.....	-0.9	0.5	10.0	7.3	10.5	0.2	-1.5	31.9
Apparel.....	-0.7	-0.3	0.3	1.2	0.7	0.0	0.4	4.2
Medical care commodities ¹	-0.7	0.1	0.6	0.0	-0.4	0.2	-0.2	-2.5
Services less energy services.....	0.2	0.4	0.5	0.4	0.4	0.3	0.0	2.7
Shelter.....	0.2	0.3	0.4	0.3	0.5	0.4	0.2	2.8
Transportation services.....	-0.1	1.8	2.9	1.5	1.5	-1.1	-2.3	4.6
Medical care services.....	0.5	0.1	0.0	-0.1	0.0	0.3	0.3	1.0

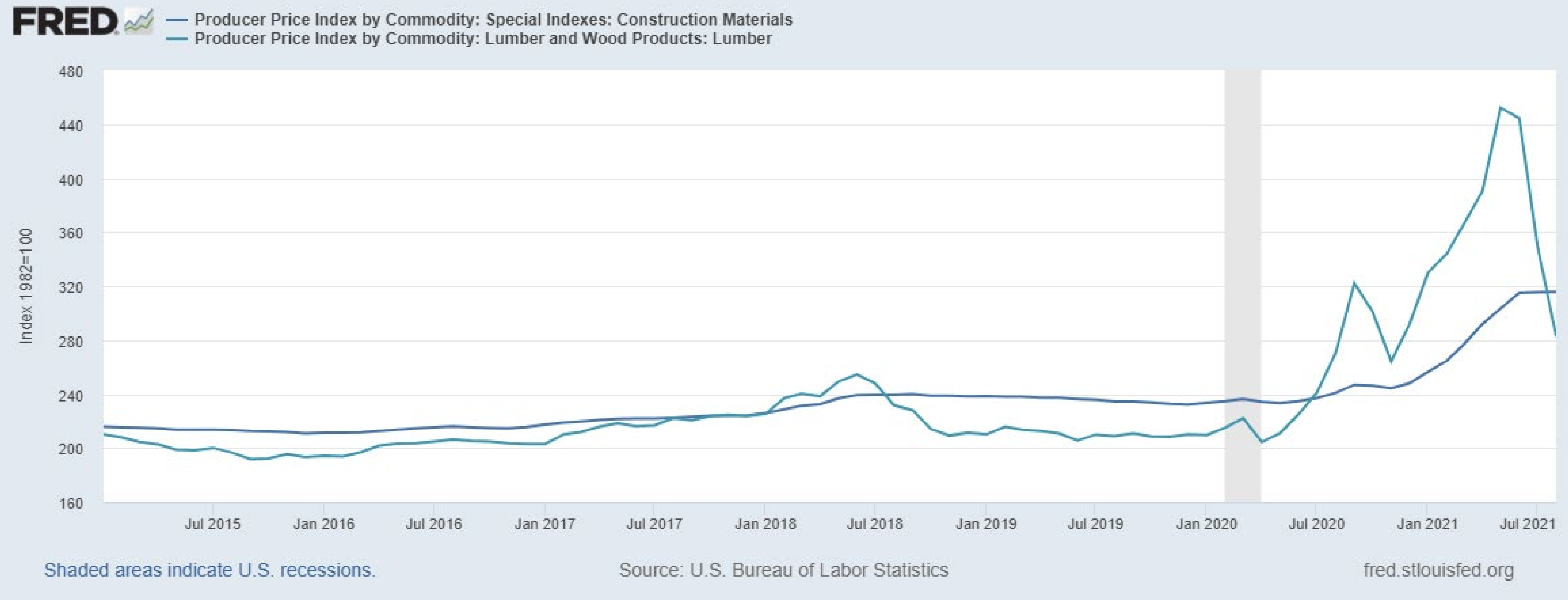
¹ Not seasonally adjusted.

Inflation appears to be decelerating from a spring high.

Chart 1. One-month percent change in CPI for All Urban Consumers (CPI-U), seasonally adjusted, Aug. 2020 - Aug. 2021
Percent change



Construction costs have risen, driven largely by lumber, but may be leveling off.



The labor market is in a time of change and uncertainty

- Job Openings reached an all-time high in July of 2021 at 10.9%
- Job “quits” reached their all-time high in April 2021 at 2.8% and remain hovering at 2.7% through July.
- Ending unemployment benefits has not impacted job growth.

The Washington Post
Democracy Dies in Darkness

Sections

Economy

Why America has 8.4 million unemployed when there are 10 million job openings

The economy is undergoing massive changes. There's a big mismatch at the moment between the jobs available and what workers want.

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THE WALL STREET JOURNAL.

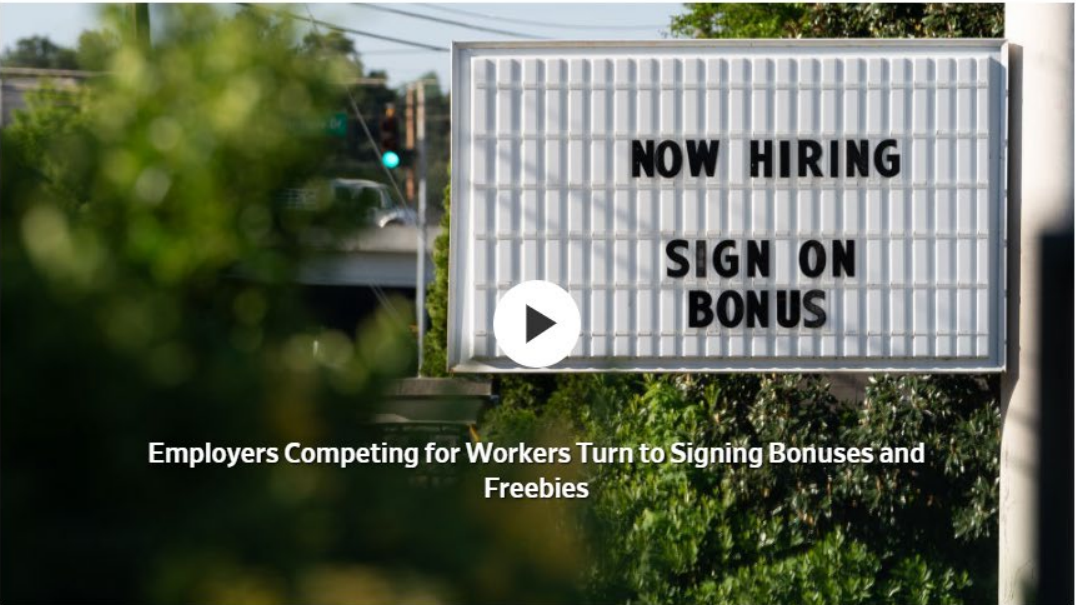
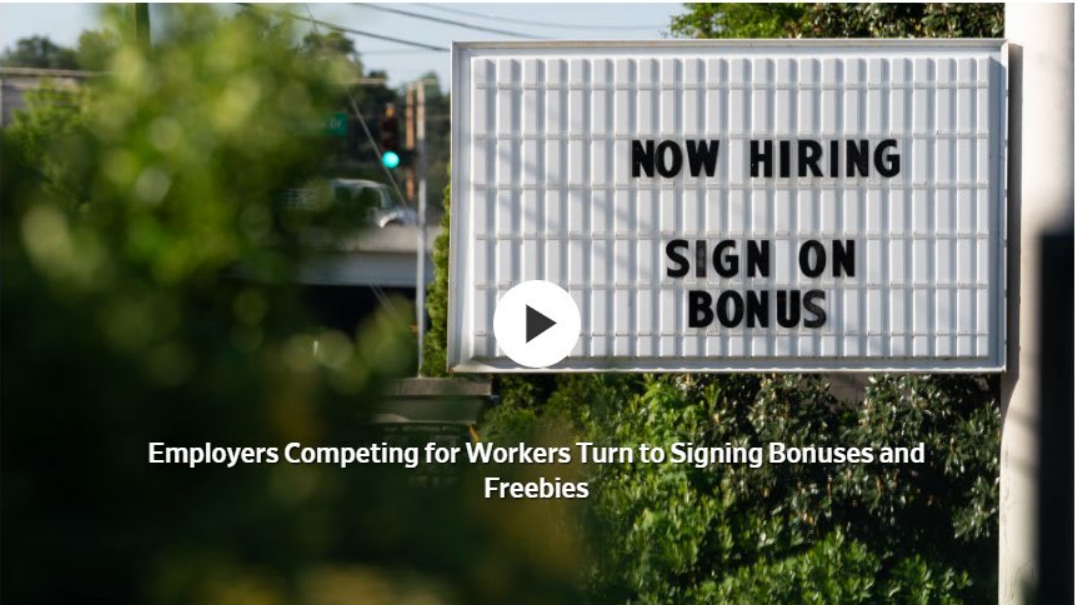
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States That Cut Unemployment Benefits Saw Limited Impact on Job Growth

Half of U.S. states ended enhanced unemployment insurance payments early ahead of nationwide termination of benefits for millions of people



Low-wage work is in high demand, and employers are now competing for applicants, offering incentives ranging from sign-on bonuses to free food. But with many still unemployed, are these offers working? Photo: Bloomberg News

By Sarah Chaney Cambon and Danny Dougherty
Sept. 1, 2021 5:30 am ET

Takeaways

- The economy is improving but has generally not reached pre-pandemic levels in most areas.
- Low-wage service industries and employees were hit especially hard and are slowest in rebounding.
- Uncertainty related to labor force participation, worker sentiment, telework, and inflation make prediction of trends difficult.

Thank you!

Questions?