



# DEPARTMENT OF MANAGEMENT AND BUDGET

## FAIRFAX COUNTY ECONOMIC INDICATORS ©

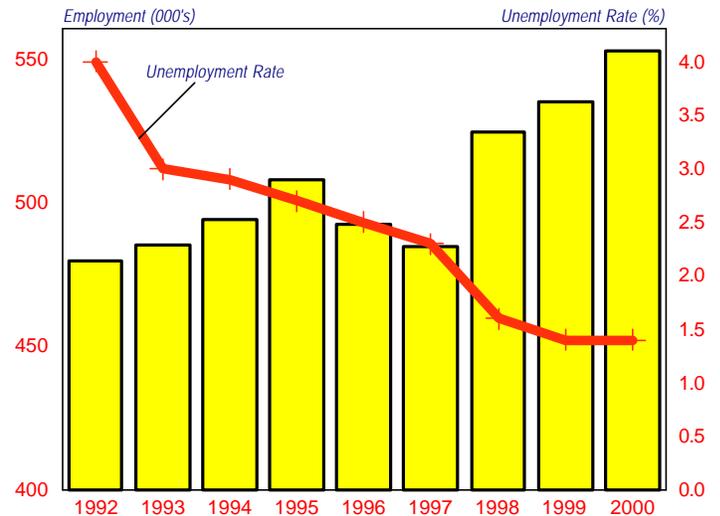
Publication 94

APRIL 2000

### APRIL HIGHLIGHTS

- ❑ March unemployment in Virginia hits 31-year low.
- ❑ Through March, new residential dwelling permits fell 38.4 percent, but residential repair and alteration permits jumped 143 percent.
- ❑ Fairfax County's sales tax receipts are up 11.7 percent over last year.
- ❑ Consumer Confidence drops slightly in April.
- ❑ The Fairfax County Coincident and Leading Indices dropped marginally in February.
- ❑ The Metropolitan Coincident Index increased 2.6 points in February, while the Leading Index fell 1.4 points.

### RESIDENTIAL EMPLOYMENT - MARCH



Source: Virginia Employment Commission  
Compiled by the Fairfax County Dept. of Management and Budget



In March, the County's unemployment rate dropped 0.1 points to 1.4 percent from 1.5 percent in February, according to the Virginia Employment Commission (VEC). This rate represents no change from March

1999 when the unemployment rate was also 1.4 percent. The number of Fairfax County residents employed grew from 534,877 in March 1999 to 545,274 in March 2000 according to the VEC, an increase of 1.9 percent or 10,397 residents.

Due to continuing economic expansion, the national unemployment rate has been below 4.2 percent since October. The March rate remained at 4.1 percent for the second month in a row. Similarly, Virginia's unemployment rate dropped to 2.5 percent in March—the lowest March unemployment rate in 31 years. In addition, new claims for jobless benefits were the lowest for the month of March in 26 years, indicating continuing low unemployment in the near future.

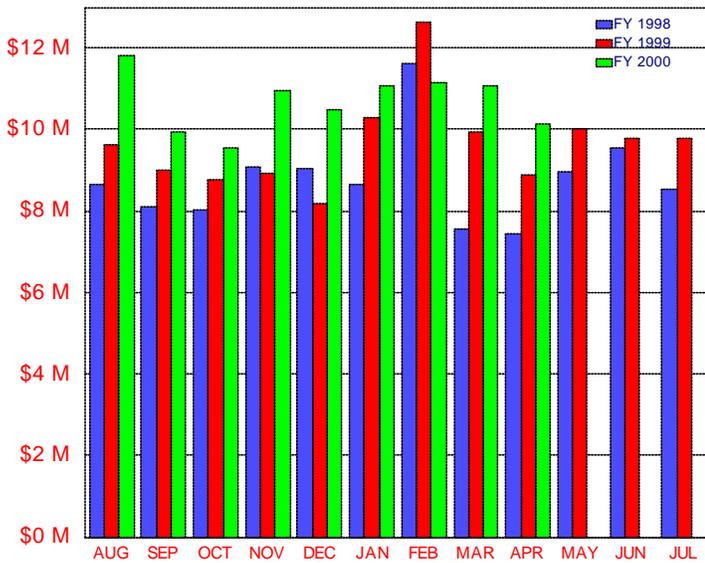
The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<http://www.co.fairfax.va.us/comm/economic/economic.htm>



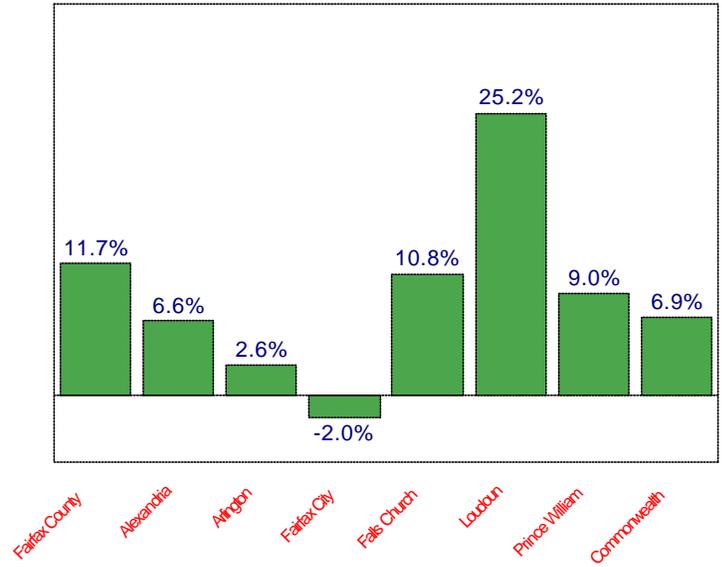
**SALES TAX REVENUES**

(revenues represent retail sales two months prior)



Source: Virginia Department of Taxation  
Compiled by the Fairfax County Dept. of Management and Budget

**FY 2000 SALES TAX RECEIPTS THROUGH APRIL**



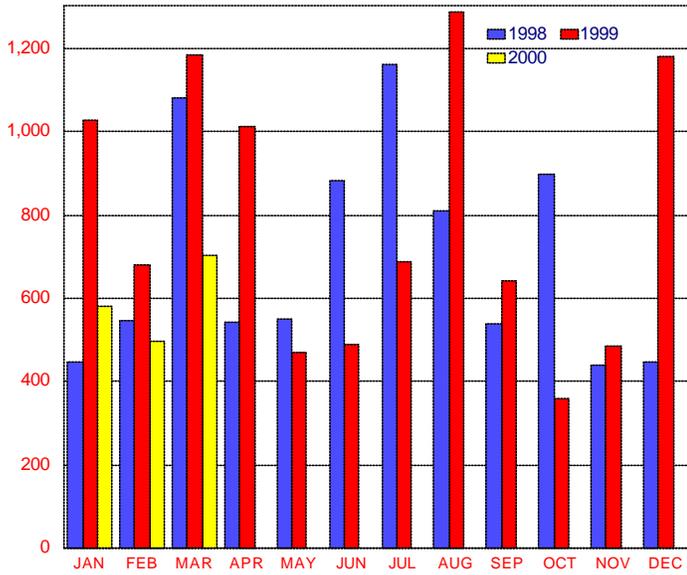
Source: Virginia Department of Taxation  
Compiled by the Fairfax County Dept. of Management and Budget

In Fairfax County, April Sales Tax receipts, representing retail purchases made in February, were \$10.1 million, an increase of 14.0 percent over the prior year. Year-to-date collections total \$96.2 million and exceed the prior year by a strong 11.7 percent margin.

On the national level, seasonally adjusted April retail sales were up 9.7 percent over April 1999, according to the Commerce Department. Durable goods sales were up 10.2 percent over April a year ago, indicating that consumer confidence remains high. Nondurable goods increased 9.3 percent over April 1999. Due to rising fuel prices, retail sales at gas stations increased 23.2 percent in April.

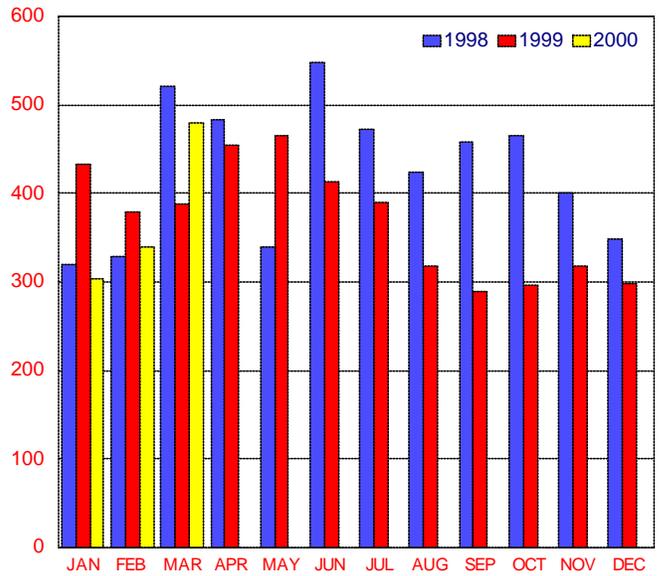
Of the Northern Virginia localities, Fairfax County's growth in Sales Tax receipts is exceeded only by Loudoun County, where residential growth has spurred significant retail development. Sales Tax receipts for the first ten months of FY 2000 are up 25.2 percent in Loudoun, according to data from the Virginia Department of Taxation. Other Northern Virginia localities have not fared as well. Sales Tax receipts received through April are up 2.6 percent in Arlington, 6.6 percent in Alexandria, 9.0 percent in Prince William, and 10.8 percent in Falls Church. Sales Tax receipts have fallen 2.0 percent in Fairfax City during this period. Sales Tax receipts in the Commonwealth lead the same period in FY 1999 by a 6.9 percent margin.

**NUMBER OF RESIDENTIAL BUILDING PERMITS  
NEW DWELLINGS**



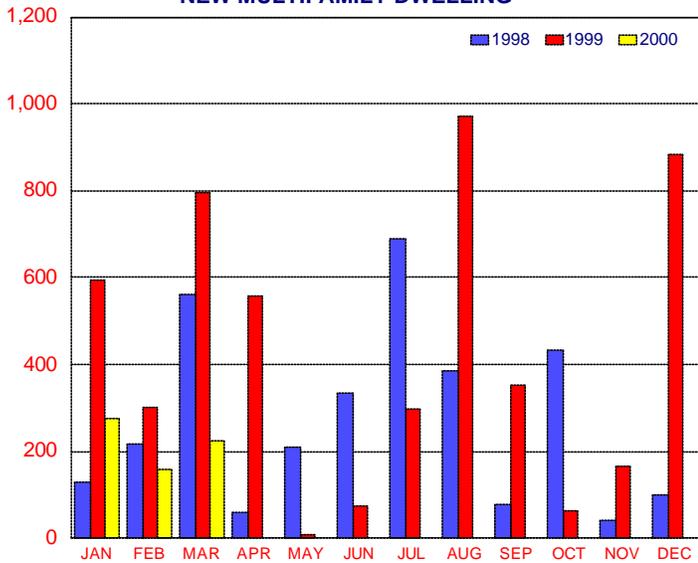
Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

**NUMBER OF RESIDENTIAL BUILDING PERMITS  
NEW SINGLE FAMILY DWELLINGS**



Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

**NUMBER OF RESIDENTIAL BUILDING PERMITS  
NEW MULTIFAMILY DWELLING**



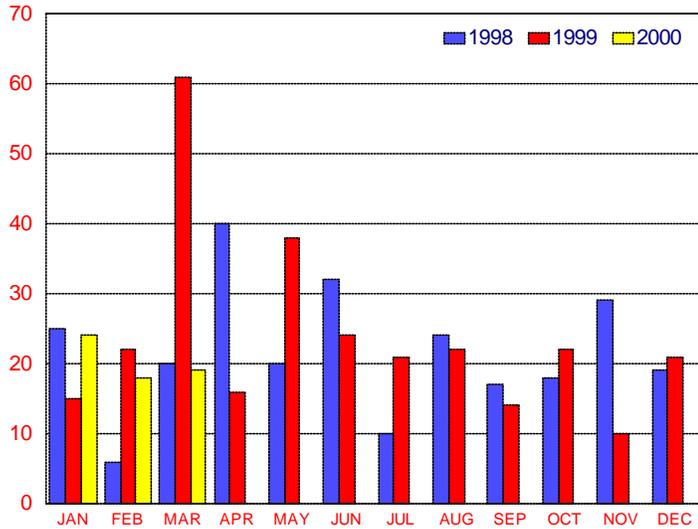
Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

Issues of new residential dwelling permits continued their slide in March, with year-to-date growth off 38.4 percent, or 1,109 permits, from this time last year. The bulk of the decline is due to the multifamily component. To date, 659 multifamily residential dwelling permits have been issued, down 61.0 percent, or 1,030 permits, over the same period in 1999. Issues of single family residential dwelling permits for March 2000 increased 23.5 percent, or 91 permits, over the same month last year. However, this increase was not enough to offset the 20.9 percent decrease during January and February. Year-to-date, single family residential dwelling permits are down 6.6 percent, or 79 permits, from the first three months of 1999.

In contrast, residential repair and alteration permits issued through March have experienced phenomenal growth over the same period last year. During the first three months of 2000, issues of these permits have increased by 3,087 permits from 2,158 last year to 5,245 this year. This jump represents an increase of 143.0 percent.

The pattern in Fairfax County is similar to housing trends on the national level. New privately owned housing units started in March 2000 were 8.0 percent below March 1999 levels, according to the Commerce Department. Furthermore, single family housing starts remained virtually unchanged while multifamily starts were down 41.0 percent.

**NUMBER OF NONRESIDENTIAL BUILDING PERMITS  
NEW STRUCTURES**

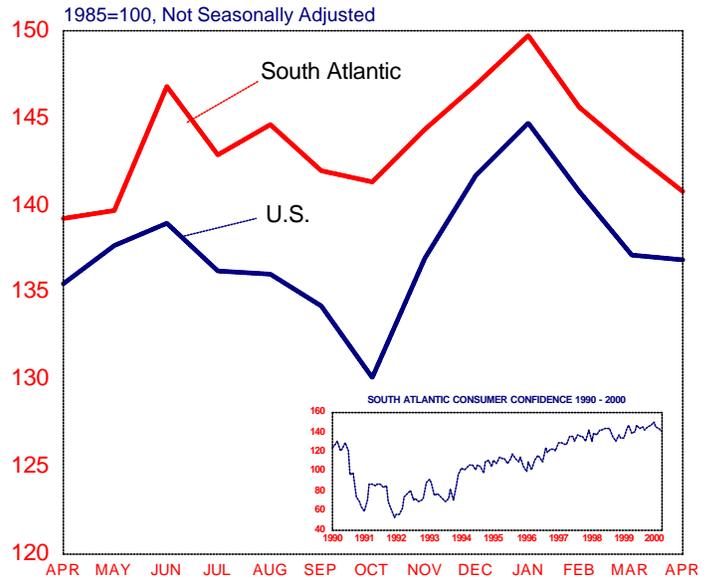


Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

Issues of nonresidential building permits through March are down by 37.8 percent, or 37 permits, from the same period in 1999. Conversely, nonresidential repair and alterations permits are up 17.0 percent, or 170 permits, year-to-date.

**ADDITIONAL INDICATORS**

**CONSUMER CONFIDENCE INDEX**



Source: Conference Board  
Compiled by the Fairfax County Dept. of Management and Budget

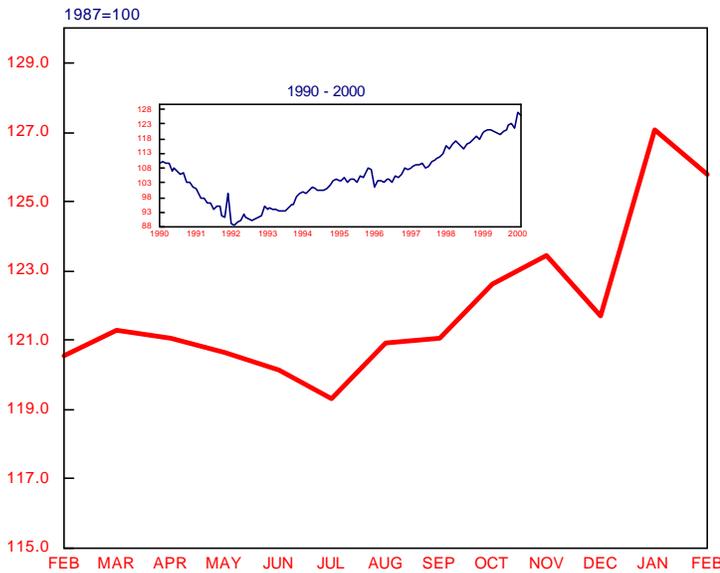
The national Consumer Confidence Index fell slightly in April after a dramatic drop in March. The Conference Board reported that consumers' confidence in current economic conditions fell somewhat from March, but their short-term outlook has improved. According to Lynn Franco, Director of The Conference Board's Consumer Research Center, recent volatility in the stock market had little effect on consumer confidence and the boost in optimism, along with tax refunds, should cause current spending levels to continue. The national index now stands at 136.9, a decline of 0.2 points from March 2000. The South Atlantic Consumer Confidence Index is 140.8 in April, a 2.3 point drop from March 2000.

**HOME SALES IN FAIRFAX COUNTY**

Due to technical problems, the median home sales data are unavailable this month.

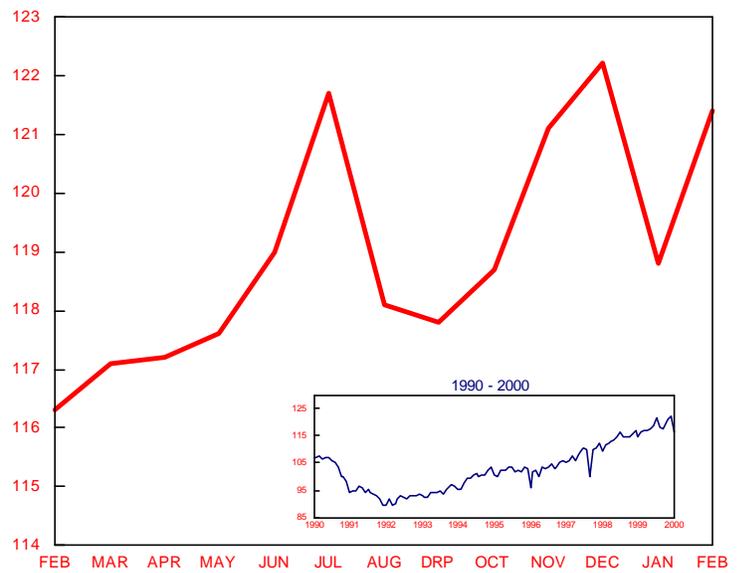
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

**FAIRFAX COUNTY COINCIDENT INDEX**



Sources: Mason Enterprise Center, George Mason University  
Compiled by the Fairfax County Dept. of Management and Budget

**METROPOLITAN COINCIDENT INDEX**



Source: Mason Enterprise Center, George Mason University  
Compiled by the Fairfax County Dept. of Management and Budget

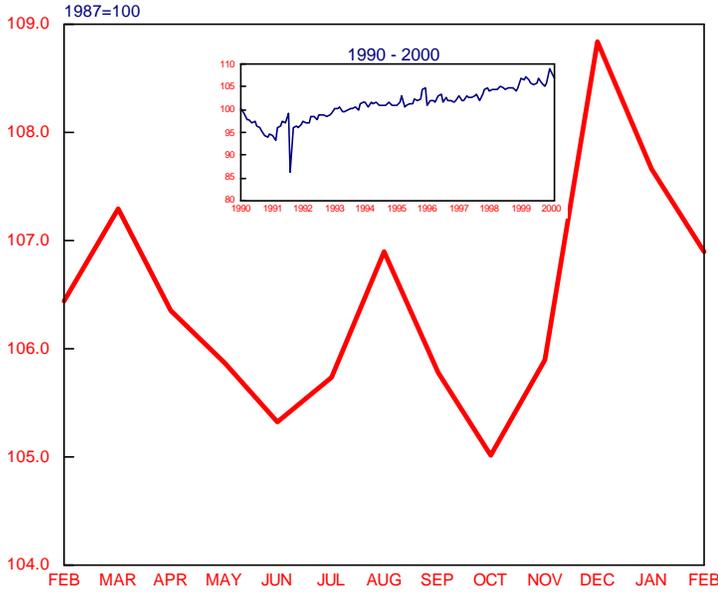
The Fairfax County Coincident Index, which represents the current state of the County's economy, decreased 1.0 percent to 125.8 in February. However, this decrease is somewhat overstated due to a data reporting problem involving retail sales. The Coincident Index has now been negative in two of the last three months and six of the last 12. Despite these recent declines, the index is still 4.4 percent higher than February of last year. The sales tax collections component of the index was the only component down during February. Consumer confidence, transient occupancy tax collections, and total employment were all up for the month.



The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, increased to 121.4 in February 2000. This represents a 4.4 percent increase over February 1999. All four of the Index's components were positive in February, as compared to January when all four components declined due to inclement weather. Total wage and salary employment increased for the tenth time in 12 months. Consumer confidence increased during February, as did passenger volume at both Reagan and Dulles airports. Nondurable goods retail sales increased sharply for the fourth time in five months.

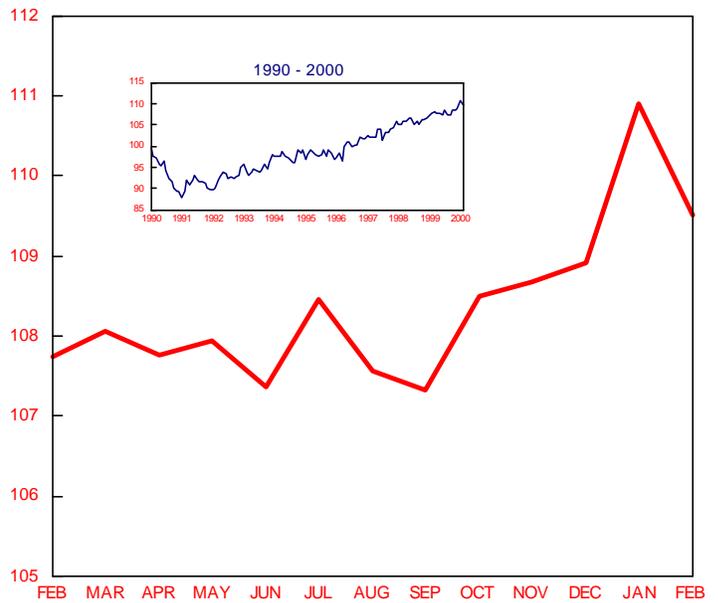


**FAIRFAX COUNTY LEADING INDEX**



Sources: Mason Enterprise Center, George Mason University  
Compiled by the Fairfax County Dept. of Management and Budget

**METROPOLITAN LEADING INDEX**

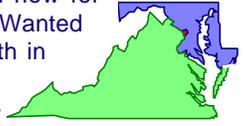


Source: Mason Enterprise Center, George Mason University  
Compiled by the Fairfax County Dept. of Management and Budget

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, dropped slightly in February to 106.9, a decrease of 0.7 percent from its January level. Despite two consecutive months of decline, the Leading Index continues to maintain a slight upward trend over the past 12 months. In February, three of the Index's five components contributed to its decline. Consumer expectations (consumer confidence six months hence) fell slightly from January's peak and residential building permits fell for a second month. Initial claims for unemployment increased (worsened) after having declined (improved) over the previous four months. However, new automobile registrations increased, reversing a downward trend that began in September; and the total value of residential building permits increased slightly despite a drop in the number of permits issued.



The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, fell to 109.5 in February, a loss of 1.3 percent. This is the first monthly decline for the index since September. Despite being down for five of the last twelve months, the Index is still up 1.6 percent over this period. Three of the Index's five components contributed to its decline in February. Total residential building permits declined slightly and have now been down in four of the last six months. Consumer expectations (confidence six months hence) fell from its peak in January, and initial claims for unemployment were up sharply (worsened), having increased now for the third time in four months. The Help Wanted Index was up slightly for the second month in a row, and durable goods retail sales registered a small increase after a weather-related decline in January.



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