COG REGIONAL GROWTH PROJECTIONS – PROCESS AND FINAL FORECASTS

Final Round 10.0 Cooperative Forecasts

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BMC Cooperative Forecasting Group
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Cooperative Forecasting Program

- Forecasting - purpose, history, process and performance
- New regional economic inputs and assumptions for Round 10.0
- Review and approval of the local Forecasts – COG Board of Directors – June 14, 2023

Cooperative Forecasting Program

- Established by COG in 1975, enables local, regional, and federal agencies to coordinate planning decisions using common assumptions about future growth

- Each series or “Round” provides forecasts of employment, population, and households by five-year increment for a period of 20 to 30 years.

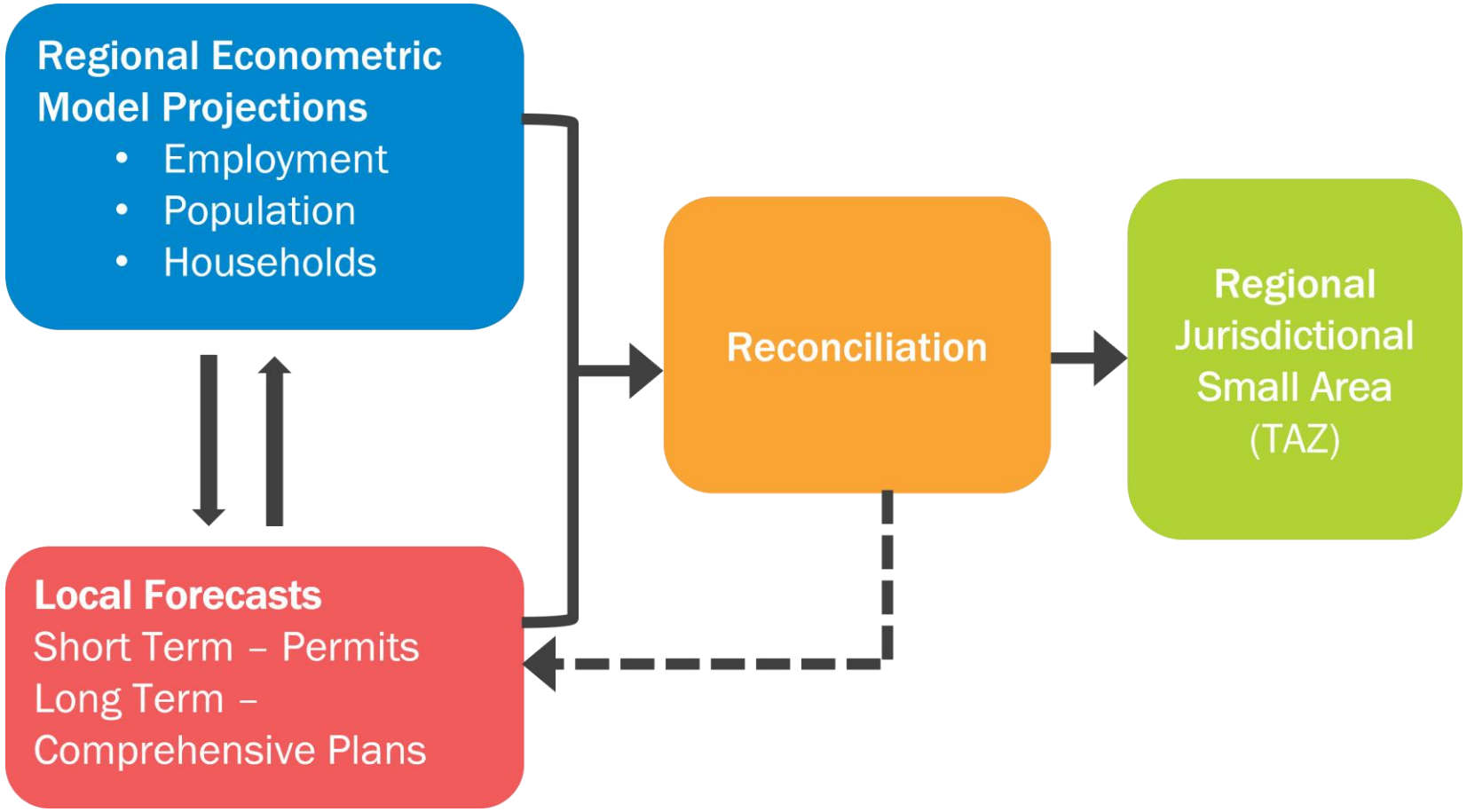
- Official land use inputs for planning by the Transportation Planning Board (TPB), Metropolitan Washington Air Quality Committee (MWAQC), Climate Energy Environment Policy Committee (CEEPC), and others.

Prior Rounds of Cooperative Forecasts

Round 1 – 1976
Round 2 – 1979
Round 3 – 1983
Round 3.5 – 1985
Round IV – 1987
Round IV-1 – 1991
Round 5 – January 1994
Round 5.1 – May 1994
Round 5.2 – 1995
Round 5.3 – 1996
Round 5.4 – 1997
Round 6a – 1998
Round 6.1 – 1999
Round 6.2 – 2000
Round 6.3 – 2003
Round 6.4A – 2004

Round 7.0 – 2005
Round 7.0a – 2006
Round 7.1 – 2008
Round 7.2 – July 2009
Round 7.2A – October 2009
Round 8.0 - 2010
Round 8.0a – 2011
Round 8.1 – 2012
Round 8.2 – 2013
Round 8.3 – 2014
Round 8.4 – 2015
Round 9.0 – 2016
Round 9.1 – 2018
Round 9.1a – 2019
Round 9.2 – 2021
Round 10.0 – 2023

COG Cooperative Forecasting Process



Elements of Developing Round 10.0

- Review existing economic conditions–global, national and regional
- Provide “base year” employment and housing data to member jurisdictions
- Develop “Benchmark” Regional Econometric Model Forecast to new horizon year (2050)
- Reconcile jurisdictional projections with Regional Econometric Model Forecast
- Compile local government 2020 to 2050 TAZ forecasts

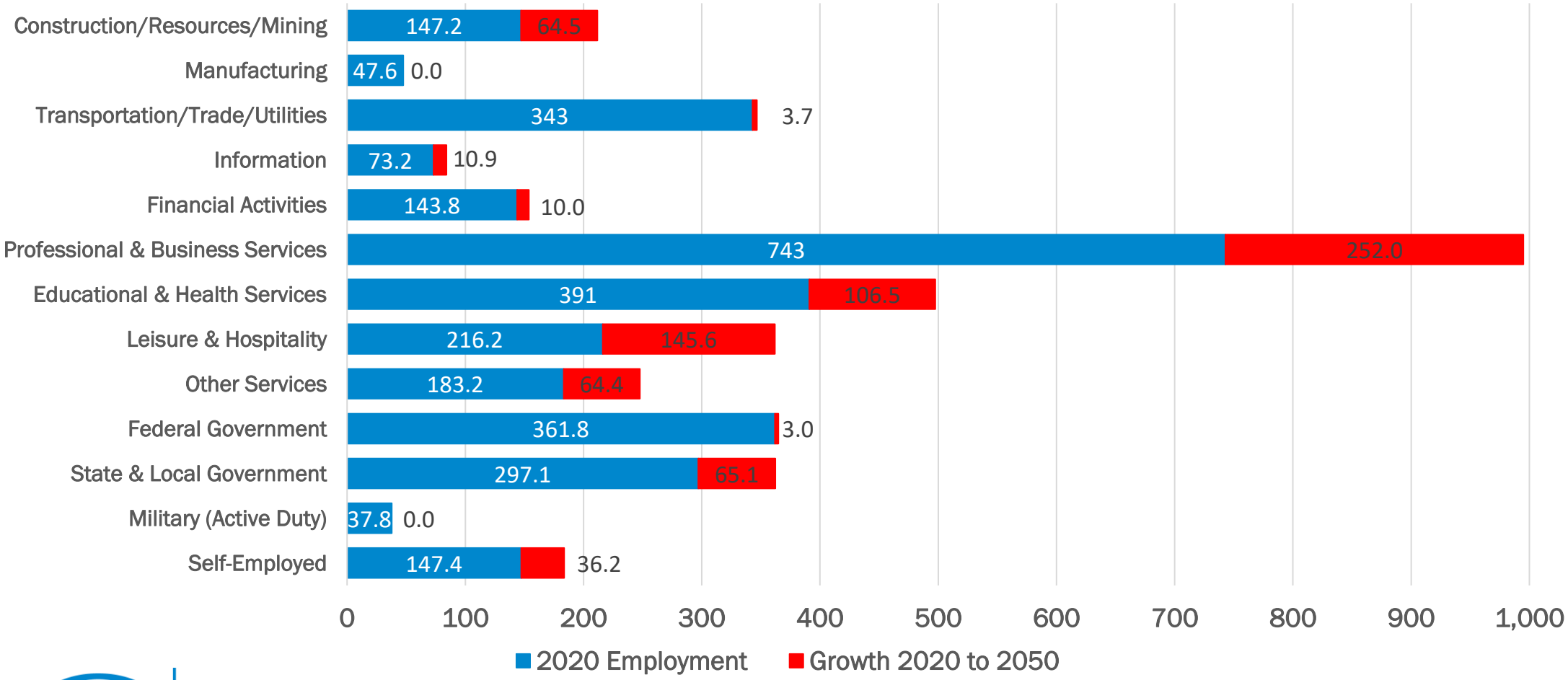
Round 10.0 Econometric Model
(S & P Global)

- Economic projections of jobs, population and housing to 2050
  - Each state modeled individually and linked to the nation.
  - Net migration (population and household growth) driven by economic conditions. People will follow jobs.
  - Wage & salary job forecasts by sector for COG region
  - Population forecast by age cohort for COG region

- "Benchmark" regional growth to which COG member forecasts are reconciled

Round 10.0 Econometric Model: Forecast Job Growth by Sector

(Thousands of jobs)



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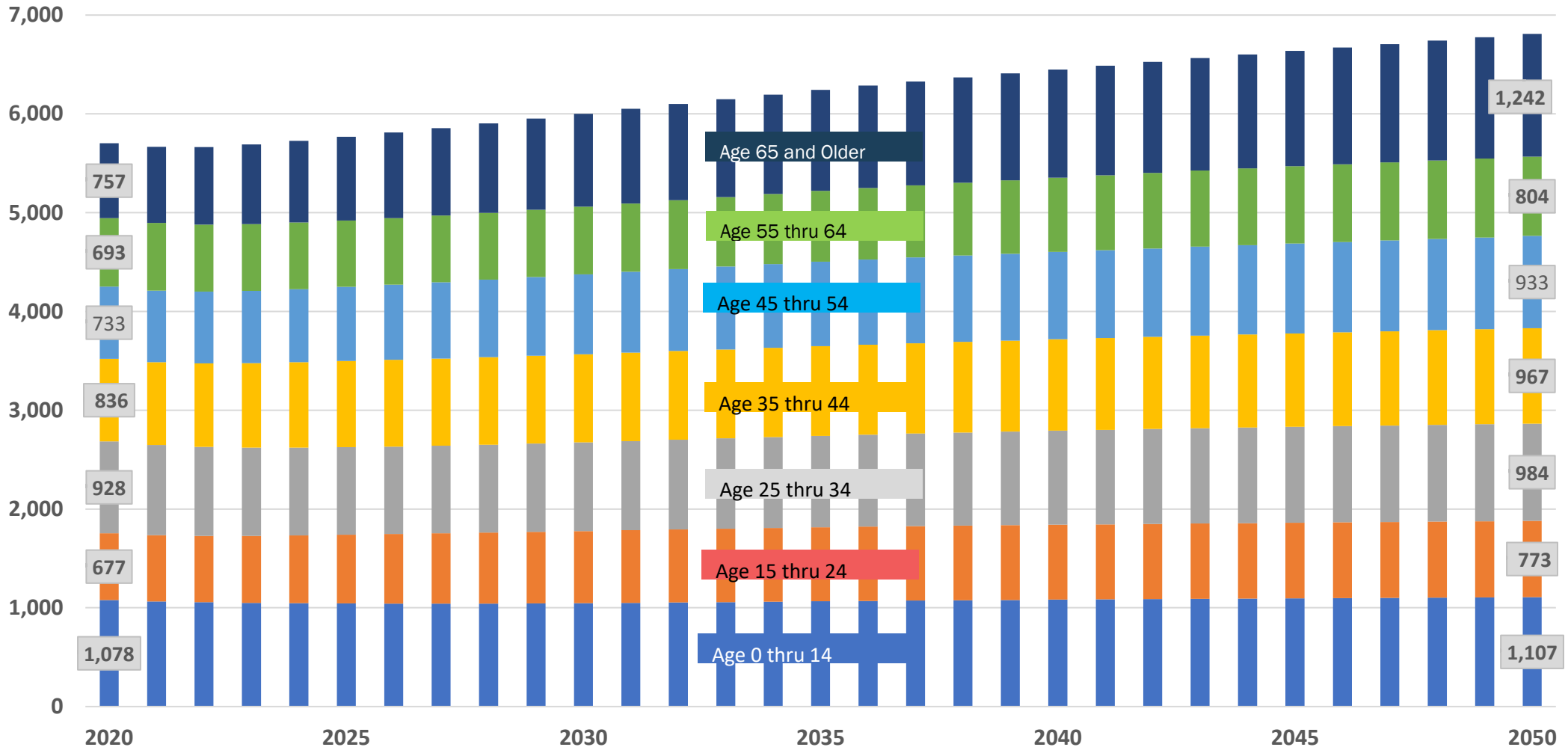
Round 10.0 Econometric Model: Population Forecast by Age Cohort for the COG Region, 2020 – 2050 (Thousands)



Forecast Accuracy: Round 8.0 2020 Forecast vs Actual 2020

(Round 8.0 Cooperative Forecasts, Adopted 2010)

2020 Employment

Round 8.0 Forecast: 3.6 million
Actual 2020: 3.2 million
Difference: *+~300,000 jobs or +7.4%*

2020 Population

Round 8.0 Forecast: 5.6 million
2020 Census: 5.7 million
Difference: *- ~130,000 people or -2.4%*

2020 Households

Round 8.0 Forecast: 2.14 million
2020 Census: 2.12 million
Difference: *+~20,000 households or +0.9%*

Round 10.0 ICF Tasks to Support COG

- Estimating potential long-term COVID impacts to growth
  - Develop a “range” of regional econometric model forecasts
  - Estimate changes to commercial space use
  - Assess potential changes to future housing in the region
  - Project likely changes to future average household size

Return to Office and Impact on Central Business Districts

Source: ICF 2022

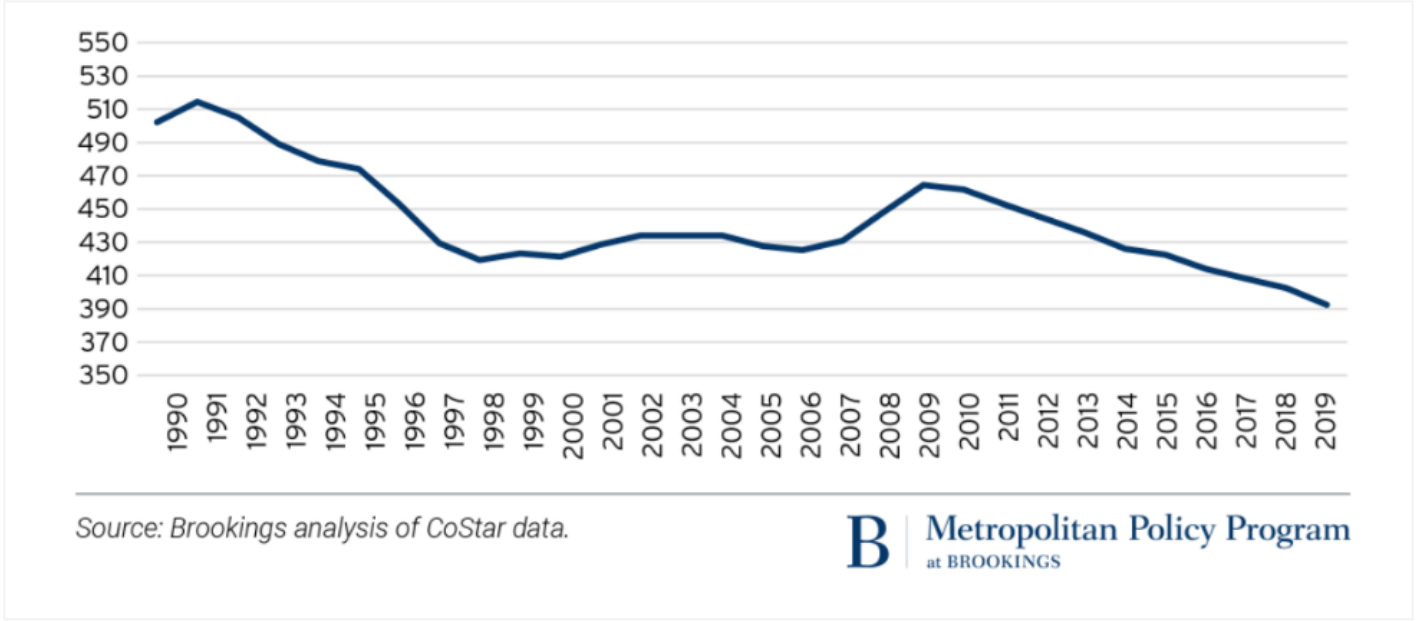
- **April 2022**: daily Metrorail boardings were 36% of pre-pandemic levels
- **March 2022**: regional traffic levels returned to 91% of 2019 levels
- Weekly office activity in the Washington region has only returned to 37% of pre-pandemic levels
- Office vacancy rates in downtown D.C. increased by 56% (from 11.1% to 17.5%) from 2019 to 2022; in February 2022, the DowntownDC BID reported 9.7M square feet of vacant office space
- Significant potential for office-to-residential conversions (2.3M SF being targeted as of 2021)

Weekday office activity % (compared to 2019)

	May 25	June 1	% Change
Chicago metro	40.0%	37.2%	2.7%
Austin metro	58.5%	56.1%	2.4%
Houston metro	56.0%	53.8%	2.1%
San Francisco metro	33.6%	31.6%	2.0%
Washington D.C. metro	39.1%	37.3%	1.8%
San Jose metro	33.9%	32.1%	1.8%
Average of 10	**42.9%**	**41.2%**	**1.7%**
Philadelphia metro	38.1%	36.7%	1.4%
New York metro	38.0%	36.6%	1.4%
Dallas metro	51.3%	50.2%	1.1%
Los Angeles metro	41.0%	40.5%	0.5%

Office Utilization Trends
(Source: ICF, Brookings, and COG)

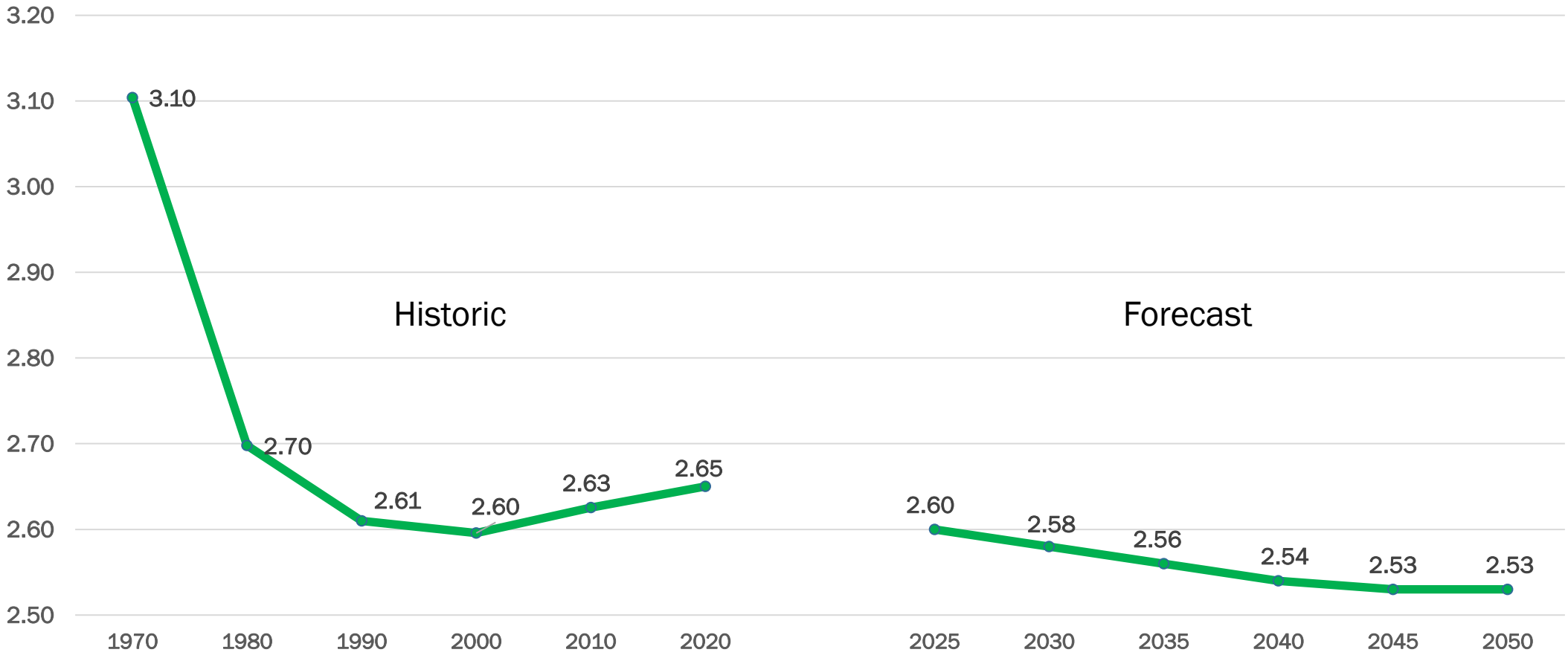
Median office square feet per worker (top 10 US metropolitan areas



- With fewer employees returning to the office full-time, private sector companies are reevaluating space needs and the location of offices.
- Remote work is firmly established as the “new normal” and will have permanent effects on both office space use and travel patterns in the region.
- With fewer employees in the office full-time, companies are shifting to “hotel” models where space is collectively shared and reserved when employees are in the office (Source: ICF Technical Report).

Historic Average Household Size 1970 – 2020 And Forecast Household Size, 2025 – 2050

(Source: ICF and COG)



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Summary of Final Round 10.0 Cooperative Forecasts

COG Region
(Millions)

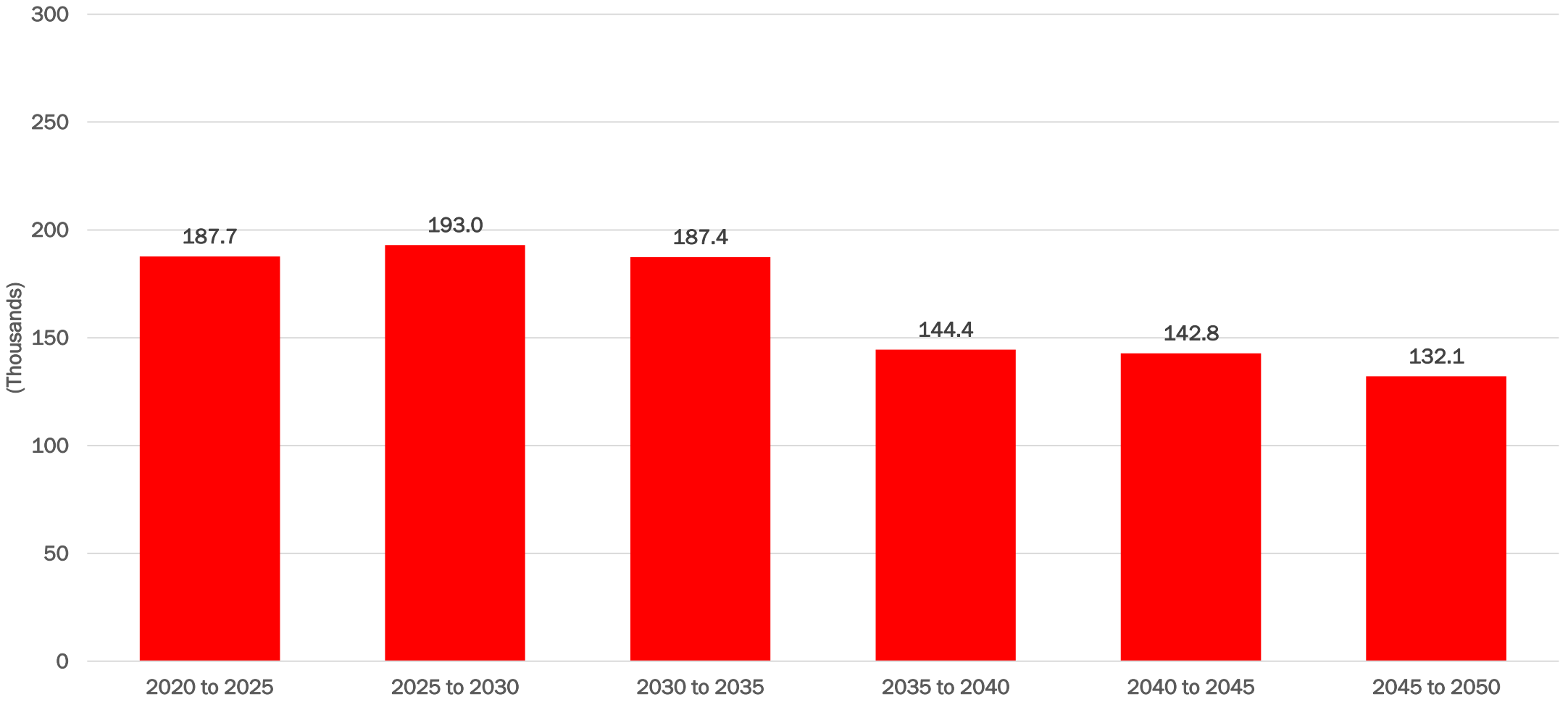
	2020	2025	2030	2035	2040	2045	2050	2020 to 2050 Number	2020 to 2050 %
Employment	3.2	3.4	3.5	3.7	3.9	4.0	4.2	1.0	31%
Population	5.7	6.0	6.2	6.5	6.7	7.0	7.2	1.5	25%
Households	2.1	2.3	2.4	2.5	2.6	2.7	2.8	0.7	32%

Comparison of Forecasts: Round 10.0 vs Round 9.2

COG Region
(Thousands)

	2020	2025	2030	2035	2040	2045	2050
Employment	-194.7	-214.1	-220.1	-212.9	-228.9	-219.9	n/a
Population	31.5	-43.0	-44.4	-39.8	-23.2	-9.1	n/a
Households	-2.3	0.7	9.5	22.3	39.1	50.9	n/a

Forecast Regional Employment Growth by 5-year Interval
Final Round 10.0 Cooperative Forecasts



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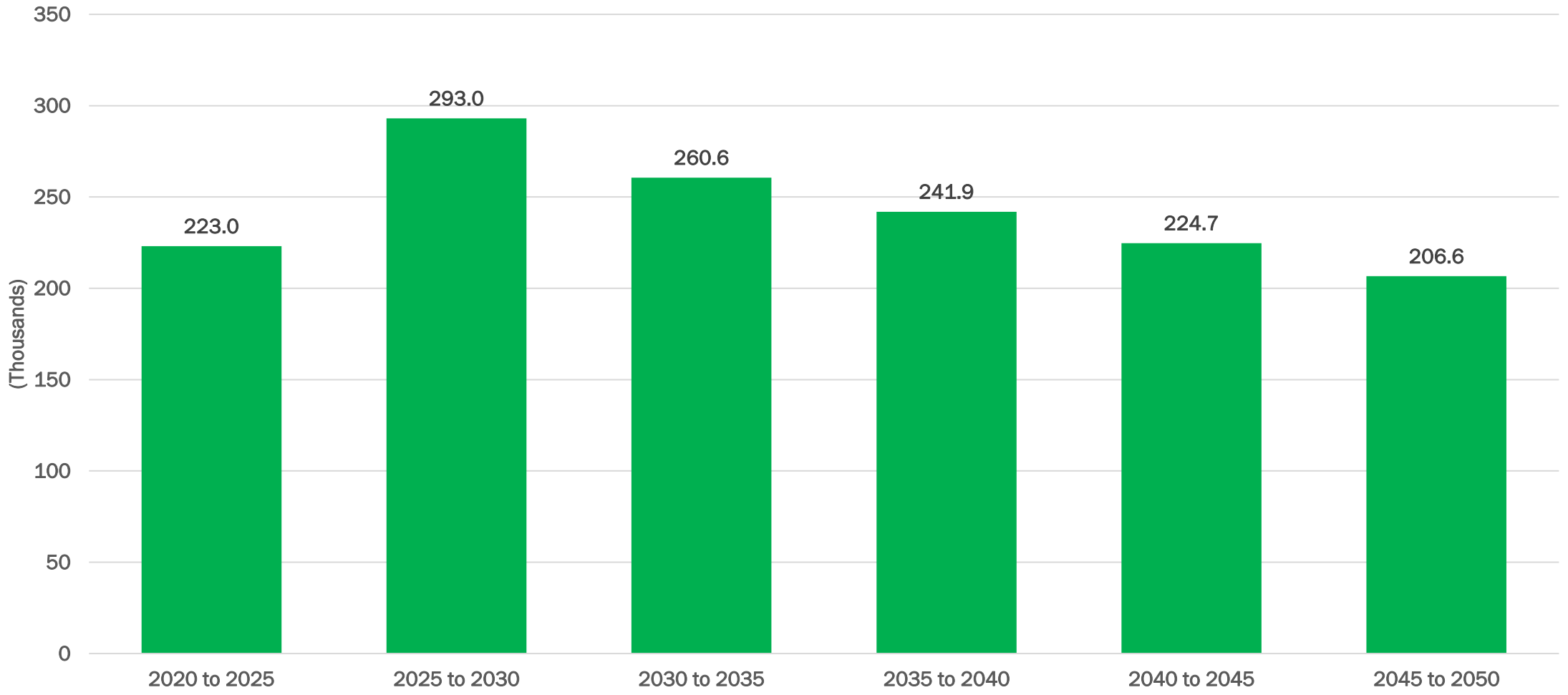
Forecast Regional Population Growth by 5-year Interval
Final Round 10.0 Cooperative Forecasts



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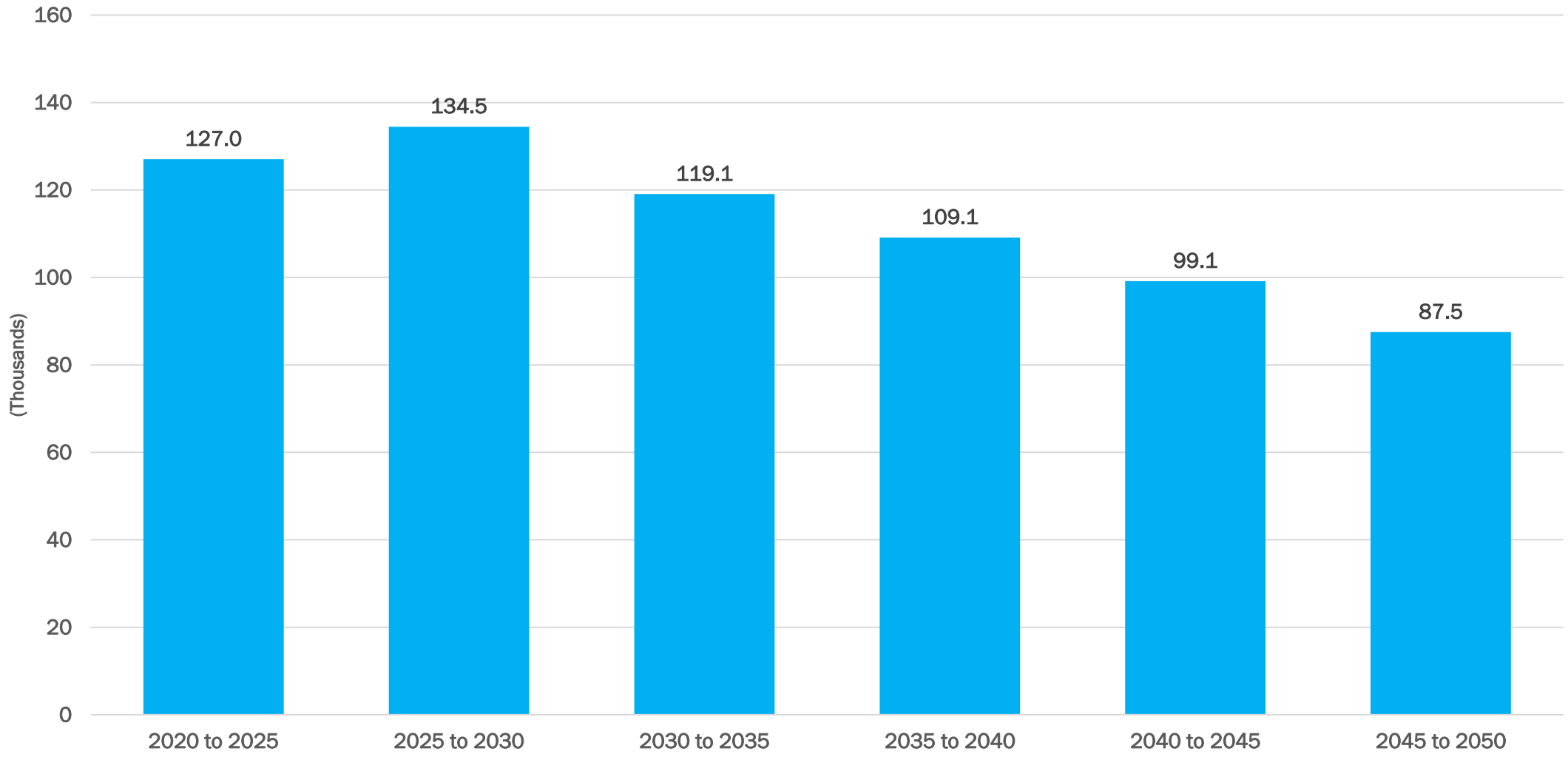
Forecast Regional Household Growth by 5-year Interval
Final Round 10.0 Cooperative Forecasts



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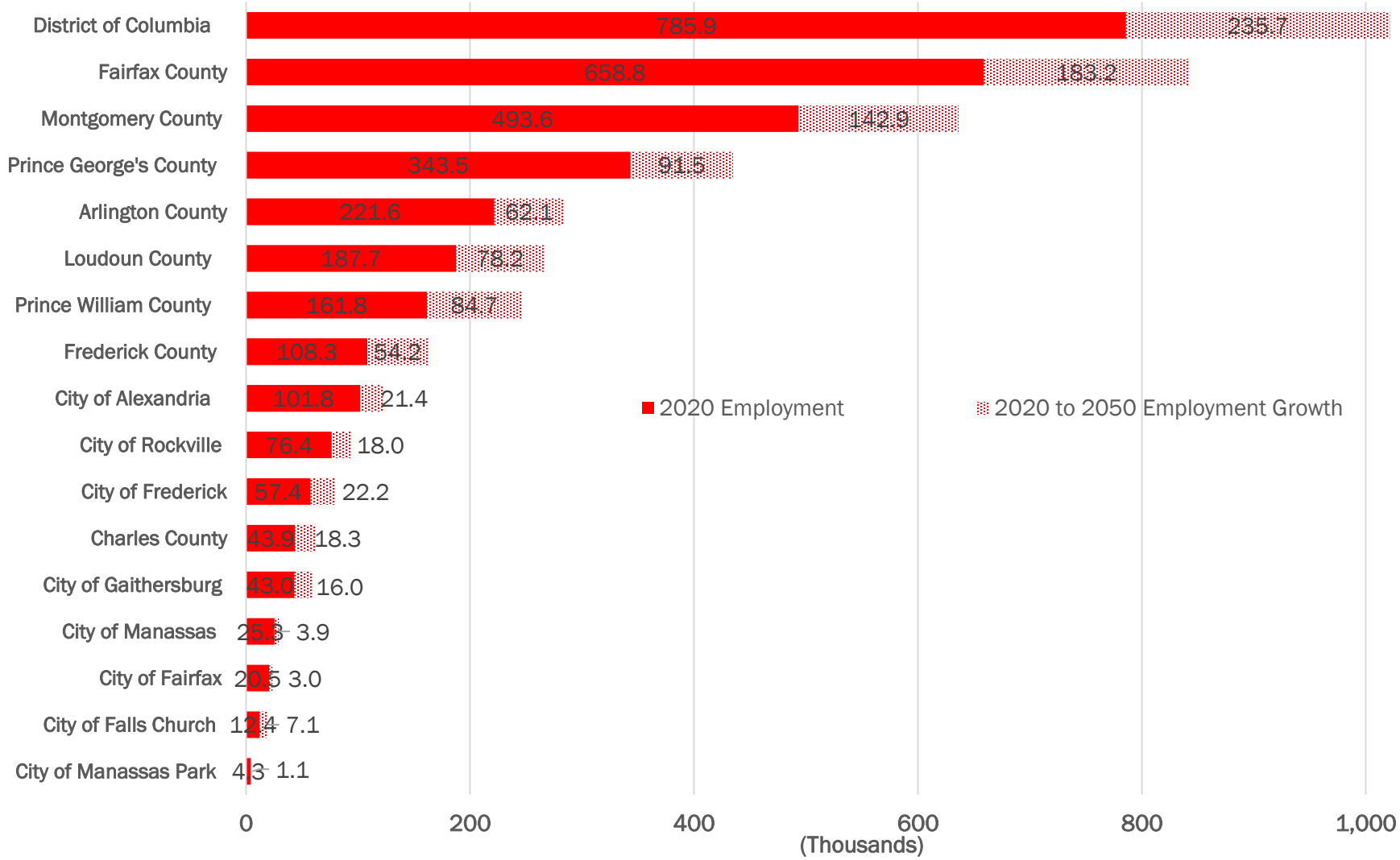
Final Round 10.0 Employment Forecasts by Jurisdiction (2020 to 2050)



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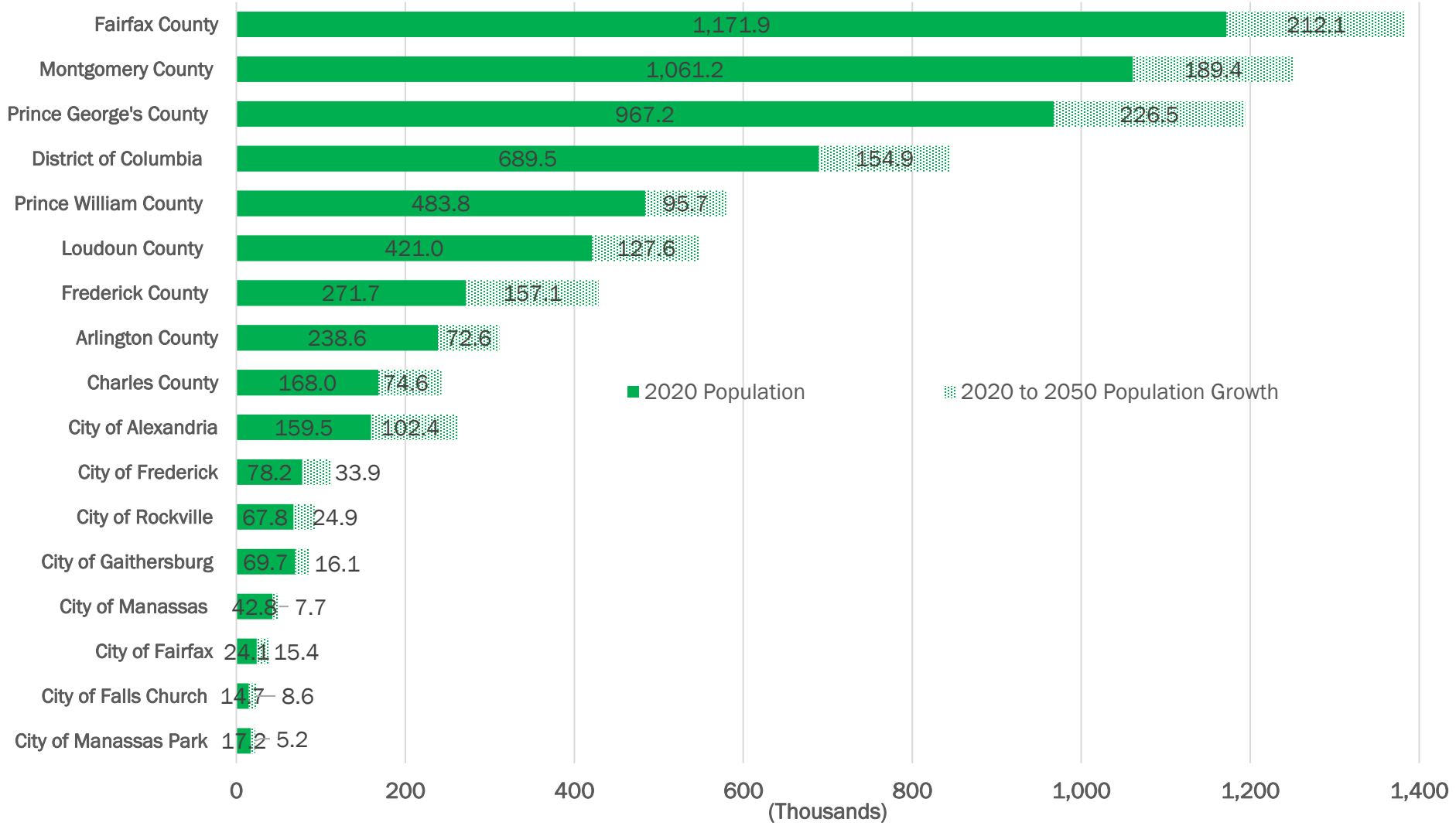
Final Round 10.0 Population Forecasts by Jurisdiction (2020 to 2050)



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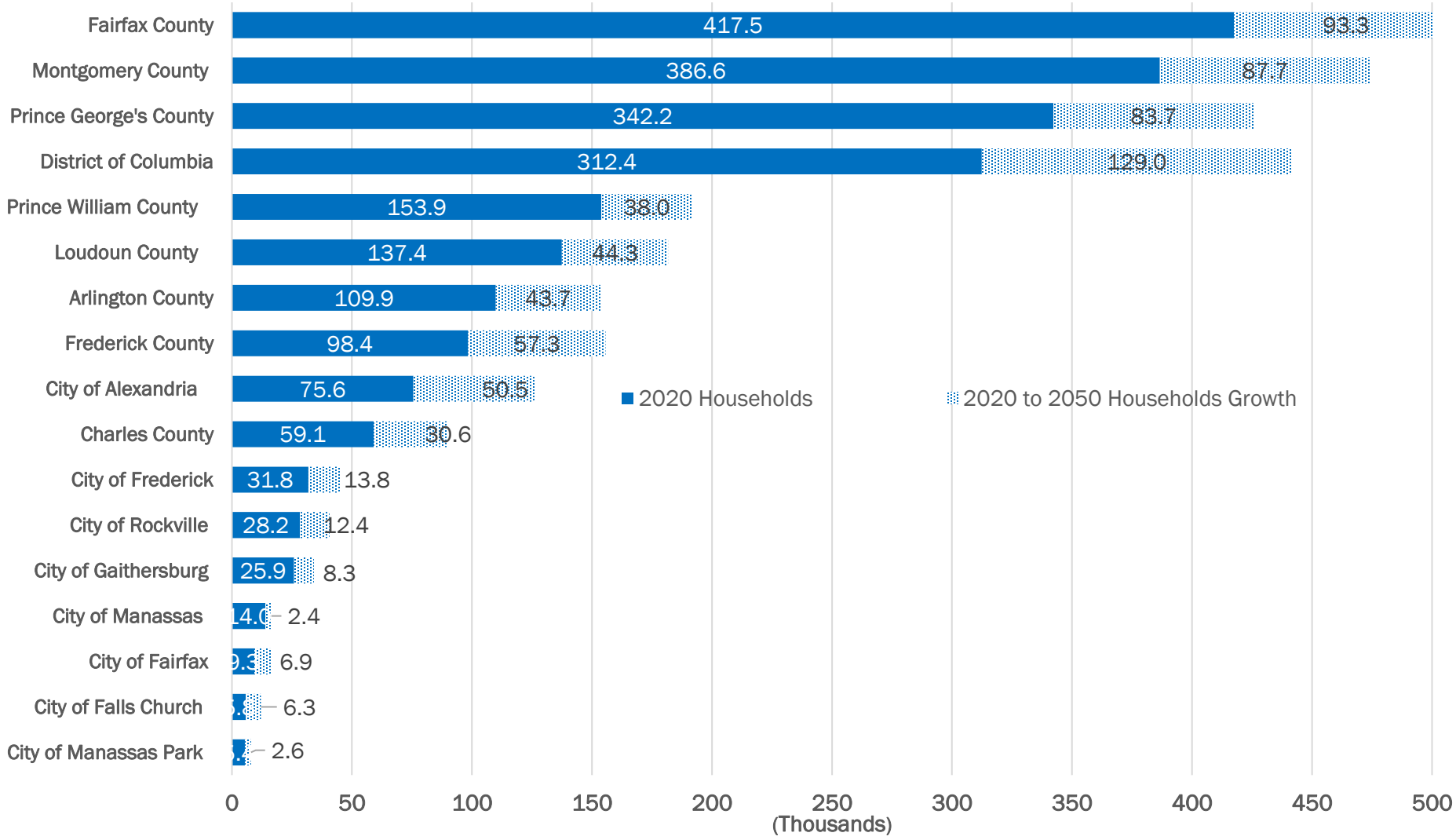
Final Round 10.0 Household Forecasts by Jurisdiction (2020 to 2050)



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Trends in the Final Round 10.0 Forecast

- The region is expected to add about 1 million jobs between 2020 and 2050. The largest increase in employment is anticipated between 2025 and 2030 when nearly 193,000 new jobs are expected.
  - Employment in all future years is approximately 200,000 fewer jobs than foreseen in Round 9.2, largely due to demographics and near-term COVID challenges.
- Three of every four new jobs (75%) are expected to be in “Service” industries. Business services would see the largest growth with 252,000 new jobs.
- The region’s population is expected to grow by nearly 1.5 million people during that same period, with the largest increase expected between 2025 and 2030 when nearly 293,000 people would be added.

Trends in the Forecast, continued

- Steady population growth is foreseen in nearly all age cohorts; but the region's population is aging with the fastest rate of growth expected (+64%) in persons aged 65 years and above.
- Nearly 700,000 new households are expected with the greatest increase expected between 2025 and 2030 when nearly 134,500 new households are foreseen.
- Average household size – which fell significantly from 1970 through 2000, then grew slightly through 2020 – is expected to decline again beginning in 2025

Final Steps

- April 12, 2023 – COG Board of Directors briefed on the Cooperative Forecasting program and Round 10.0 regional projections
- April 21, 2023 – COG Planning Directors review and act on draft Round 10.0 jurisdictional forecasts
- May 10, 2023 – COG Board briefed on and plans to adopt the jurisdictional Round 10.0 Cooperative Forecasts at the June 2023 meeting.

Upon approval in June 2023, the Round 10.0 Cooperative Forecasts will be used extensively as the official growth projections for the COG region, including as the official land use growth assumptions for the Visualize 2050 Long-range Transportation Plan update.

Proposed Round 10.1 Cooperative Forecasts

- Round 10.1 is the first opportunity to update the Cooperative Forecast.
- Not mandatory like a major Round (Round 9.0, Round 10.0, etc.).
- Update to adjust short-term forecasts (2025 and 2030) based on current economic and population outlook.
- TAZ level checks for “reasonableness” - First check will be with Round 10.0 TAZ level data.
- TAZ checks for average household size greater than 5.0.
- TAZ checks for households without household population.
- Sum of final TAZ level data match final jurisdictional totals. (Before Round advances to the COG Board for action)

Progress so far …. as of February 10, 2025

- City of Alexandria (1/17/2025) Submitted revised Jurisdictional Totals and revised TAZ level data
- Montgomery County (1/17/2025) Jurisdictional Totals are not expected to change and TAZ level data will be revised
- City of Rockville (2/4/2025) Submitted Revised Jurisdictional Totals and TAZ level data will be revised
- Prince George's County (12/11/24) Submitted revised Jurisdictional and revised TAZ level data
- Arlington County (12/03/24) Submitted revised Jurisdictional and revised TAZ level data
- Fairfax County Population and Household Forecasts only – (12/31/2024) Submitted revised Jurisdictional Totals and revised TAZ level data
- Loudoun County (12/20/24) Submitted Revised Jurisdictional Totals and TAZ level data will be revised
- Prince William County (12/16/2024) Jurisdictional Totals are not expected to change and TAZ level data will be revised

Summary of Draft Round 10.1 Cooperative Forecasts

COG Region
(Millions)

	2020	2025	2030	2035	2040	2045	2050	2020 to 2050 Number	2020 to 2050 %
Employment	3.1	3.3	3.5	3.7	3.8	4.0	4.1	1.0	31%
Population	5.7	5.9	6.2	6.4	6.7	6.9	7.1	1.4	25%
Households	2.1	2.2	2.3	2.5	2.6	2.7	2.8	0.7	32%

Change in Forecasts from 10.0 Forecasts

COG Region
(Thousands)

	2020	2025	2030	2035	2040	2045	2050
Employment	0.0	8.8	19.3	11.4	14.3	12.4	6.4
Population	0.0	-8.9	-23.1	-19.2	-21.8	-18.2	-13.7
Households	-0.1	-2.7	-6.4	-3.6	-2.0	3.1	7.6

Change in 2050 Forecast from 10.0 Forecasts

COG Region
(Thousands)

	Round 10.0	Round 10.1	Number	Percent
Employment	4,156.6	4,163.0	6.4	0.2%
Population	7,181.1	7,167.4	-13.7	-0.2%
Households	2,803.8	2,811.4	7.6	0.8%

Next Steps and Schedule for 10.1

- February/March 2025 – COG staff reviews proposed Round 10.1 updates and shares with Cooperative Forecasting and Planning Directors committees.
- April 2025 – Local governments transmit updated TAZ forecasts (Early April)
- April/May 2025 - Planning Directors Technical Advisory Committee/Cooperative Forecasting and Data Subcommittee review and approves Round 10.1 Jurisdictional Totals
- June 2025 – COG Board adopts Round 10.1

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