Economic Profile – Fifth District

The Fifth District economy grew moderately in 2017 and somewhat mirrored conditions in the national economy. Real GDP growth in the Fifth District was comparable to the national rate. Nominal per capita income was slightly below the national level for 2017, but real per capita income growth outpaced the U.S. In the labor market, payroll employment grew moderately and unemployment decreased from the previous year. In residential real estate, home values appreciated and housing starts increased while instances of foreclosure were low.

Economic Contribution

- The Fifth District had a nominal GDP of $1.9 trillion in 2017, accounting for 9.7 percent of national output.
- Real GDP grew 2.0 percent in 2017 in the Fifth District, just below the national rate of 2.1 percent.
- In 2017, the financial services industry continued to be the largest contributor to the Fifth District economy, producing 18.4 percent of output and growing 2.0 percent since 2016; it was followed by the government sector which accounted for 17.7 percent of output and grew 0.1 percent.
- Natural resources and mining was the smallest industry at 1.4 percent of output, but it grew the fastest at a rate of 10.7 percent. The only industry to contract in 2017 was utilities.
- The Washington, D.C., metro area was the largest MSA in 2016, the most recent year of data available, with a nominal GDP of 509.2 billion, accounting for 28.3 percent of Fifth District output. Of all MSAs in the Fifth District, Raleigh, N.C., experienced the largest output growth (5.3 percent) while Rocky Mount, N.C., reported the largest decline (6.2 percent).
Population

- The Fifth District was home to 32.3 million people in 2017, accounting for 9.9 percent of the national population.
- The Fifth District’s population grew 0.8 percent in 2017, narrowly outpacing the national rate of 0.7 percent.
- The Myrtle Beach, S.C., MSA had the fastest population growth in the Fifth District at 3.7 percent. The Charleston, W.V., MSA had the largest decline in population of 1.5 percent; moreover, the four MSAs with the largest declines were all in West Virginia.
- The Washington, D.C., metro area had the largest population in the Fifth District with 6.2 million residents. The smallest metro area was Parkersburg-Vienna, in West Virginia, with 90.9 thousand residents.

Labor Market Conditions

- The Fifth District had 14.8 million payroll workers in December 2017, making up 10.0 percent of the nation’s employment.
- On a year-over-year basis in December 2017, total nonfarm payroll employment grew 0.9 percent (138,400 jobs), which was below the national rate of 1.5 percent.
- The government sector remained the largest employer in 2017, accounting for 18.4 percent of all jobs in the Fifth District; the trade, transportation, and utilities industry was the second largest at 17.1 percent. The smallest industry was information, representing 1.6 percent of jobs.
- The natural resources, mining, and construction industry had the fastest employment growth in 2017 with a rate of 2.4 percent (17,900 jobs). The professional and business services industry added the most jobs in 2017 (37,900 jobs). Information was the only industry to post a decline in employment, decreasing 0.2 percent (500 jobs).
- Employment among MSAs grew fastest in Charlotte, N.C., from December 2016 to December 2017, with a 3.3 percent increase. Meanwhile, Parkersburg-Vienna, W.V., contracted the most, with a 2.7 percent decline.
Household Conditions

- The Fifth District’s 2017 nominal per capita income was $49,180, below the national average of $50,392.
- Real per capita income growth in the Fifth District outpaced the national growth rate by 0.1 percentage point with a rate of 0.8 percent for 2017.

- In 2016, the most recent year of data available, the Washington, D.C., metro area posted the highest nominal per capita income at $66,733. Beckley, W.V., reported the lowest at $33,433.

- The Fifth District experienced unemployment of 4.2 percent, only 0.1 percentage point above the national rate in December 2017. This rate was a 0.4 percentage point decrease from the previous year.

- Among MSAs in the Fifth District, Charlottesville and Winchester, V.A., tied for the lowest unemployment rate of 3.2 percent. Weirton, W.V., had the highest unemployment rate of 6.8 percent.

- Labor force participation in the Fifth District was 62.8 percent, slightly above the national rate of 62.7 percent.

- 12.4 percent of the Fifth District’s population (32.1 million individuals) participated in the Supplemental Nutritional Assistance Program on average every month in Fiscal Year 2017. This rate was a decrease of 1.5 percentage points from 2016.

- In 2016, the most recent year of data available, 12.2 percent of Fifth District residents lived below the poverty level, slightly below the national rate of 12.7 percent.
Real Estate Conditions

- In 2017, 1.0 million new residential building permits were issued in the Fifth District, which was an 11.0 percent increase from 2016 and outpaced the national increase of 6.2 percent.

- Home values appreciated 5.1 percent on a year-over-year basis in the fourth quarter of 2017, below the national rate of 6.4 percent.

- Of the MSAs in the Fifth District, the Wilmington, N.C., metro area had the greatest appreciation in home values on a year-over-year basis in the final quarter of 2017 at 9.5 percent. Goldsboro, N.C., had the largest depreciation rate of 6.5 percent.

- The number of housing starts in the Fifth District increased 7.3 percent in 2017.

- In the fourth quarter of 2017, 1.4 percent of Fifth District mortgages had payments more than 90 days past due, a decrease of 0.3 percentage point from the previous year.

- In the fourth quarter of 2017, the share of mortgages in foreclosure in the Fifth District was 1.0 percent, which was lower than the national rate of 1.2 percent.