



D.C. Office of Revenue Analysis Briefing Document *Number: 2013-3 Date: March 2013*

Vincent C. Gray, Mayor

Natwar M. Gandhi, Chief Financial Officer

Fitzroy Lee, Deputy CFO & Chief Economist

DC 5 years after the start of the Great Recession: more people, jobs, income—and unemployment

Except for unemployment, DC fared much better than the US as a whole

December 2007 marked the beginning of the Great Recession that brought the greatest downturn in output, employment, and income since the Depression of the 1930’s. Hitting bottom in June 2009, the US economy subsequently experienced continuous, slow-to-moderate growth, with inflation-adjusted US GDP finally rising above its prior peak in December 2011.

Looking back over those 5 years, how did DC fare? By many measures, quite well. DC’s population grew 10.6%, employment 5.1%, and resident employment 8.5%. Inflation-adjusted wages and salaries earned by DC residents grew 14.0%. By contrast, the US economy has not returned to pre-recession levels of either employment or inflation-adjusted wages. Still, unemployment increases were proportionately greater in DC than the US: 75% versus 65%.

Details on these and other measures are summarized in the table on p. 17. The table shows data for people, employment, labor force, income, commercial office buildings, and residential apartments. *(continued on p. 2)*

Effects of the Great Recession in DC and the US: changes in selected indicators from 2007.4 to 2012.4

Indicator	District of Columbia		US
	Change from 2007.4 to 2012.4	% change	% change for comparable measure
Population	61,100	10.6	4.2
Labor force	39,799	12.1	1.2
Wage and salary employment	35,566	5.1	-2.5
Resident employment	26,531	8.5	-2.1
Unemployment	13,268	75.1	64.9
Wages and salaries earned in DC (\$B)	8.77	16.5	6.6
<i>Adjusted for inflation</i>		6.1	-2.9
Wages and salaries earned by DC residents (\$B)	5.02	25.2	6.6
<i>Adjusted for inflation</i>		14.0	-2.9

Source: See table on p. 2.

This briefing document was prepared by Stephen Swaim, DC Office of Revenue Analysis.

This brief first appeared in the March 2013 DC Economic and Revenue Trends. District of Columbia briefing documents are prepared by the Office of Revenue Analysis, which is part of the Office of the Chief Financial Officer of the District of Columbia government. The purpose of these documents is to make information available that is not of a policy nature. See also District of Columbia Economic and Revenue Trends and Economic Indicators issued monthly by the D.C. Office of the Chief Financial Officer (www.cfo.dc.gov/Economy and Revenue).

For comment or further information, please contact Fitzroy Lee, Deputy Chief Financial Officer and Chief Economist, Office of Revenue Analysis, 1101 4th St., SW, Suite W770, Washington D.C. 20024, fitzroy.lee@dc.gov, 202-727-7775

DC 5 years after the recession , continued from p.1

The following table shows amounts in 2007.4 and 2012.4 and changes over the 5 year period for selected DC indicators, grouped into 6 categories: people, wage and salary employment, labor market, income, commercial real estate, and residential apartments. Except for the real estate items, the percent changes over the period for comparable US indicators are also shown. In most measures of employment and income DC's experience was substantially better than that for the US as a whole. This story may change in the years ahead, however, if measures to curtail federal spending adversely affect the District's economy while the national economy continues to improve.

Over the past 5 years, while DC's percentage change for population was twice that of the US, the percentage change in the labor force was more than 10 times higher. Of the net increase in the labor force of 39,799, two-thirds (26,531) were employed, but 13,268 were not, hence the 75.1% rise in unemployment. —Stephen Swaim, DC Office of Revenue Analysis

Effects of the Great Recession in DC and the US: changes in selected indicators from 2007.4 to 2012.4

Indicator	District of Columbia				US
	2007.4	2012.4	Ch. from 2007.4 to 2012.4	% change	% change for comparable measure
People					
Population	576,700	637,800	61,100	10.6	4.2
Households	256,000	278,700	22,700	8.9	5.0
Wage and salary employment					
All wage and salary employment	700,967	736,533	35,566	5.1	-2.5
Private sector	468,600	496,467	27,867	5.9	-2.6
Federal government	191,467	206,667	15,200	7.9	1.9
State or local government	40,900	33,400	-7,500	-18.3	-2.5
Labor market					
Labor force	328,046	367,845	39,799	12.1	1.2
Resident employment	310,372	336,903	26,531	8.5	-2.1
Unemployment	17,674	30,942	13,268	75.1	64.9
Income					
Wages and salaries earned in DC (\$B)	53.08	61.85	8.77	16.5	6.6
<i>Adjusted for inflation</i>				6.1	-2.9
Wages and salaries earned by DC residents (\$B)	19.94	24.96	5.02	25.2	6.6
<i>Adjusted for inflation</i>				14.0	-2.9
Personal income (\$B)	38.34	48.03	9.69	25.3	12.6
Per capita income (\$)	66,484	75,442	8,958	13.5	8.1
Average household income (\$)	145,665	165,424	19,759	13.6	7.3
Median household income (\$)	54,982	63,985	9,003	16.4	4.1
Commercial real estate (DC only)					
Inventory ('000 square feet)	123,496	134,359	10,863	8.8	
Occupied ('000 square feet)	115,592	121,864	6,271	5.4	
Vacant ('000 square feet)	7,904	12,495	4,592	58.1	
Residential apartments (DC only)					
Inventory	84,618	90,447	5,829	6.9	
Occupied	81,284	86,628	5,344	6.6	
Vacant	3,334	3,819	485	14.5	

Sources: (1) People: Economy.com. (2) Wage and salary employment: BLS (quarterly average, not seasonally adjusted). (3) Labor market: BLS (quarterly average, not seasonally adjusted). (4) Income: Wages and Personal Income are from BEA; other measures are from Economy.com. (5) Commercial real estate: Delta Associates. (6) Apartments: Reis, inc. Inflation adjustment calculated from BLS estimate of US CPI; the price increase from 2007.4 to 2012.4 was 9.95%.