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Employment growth in retail, food service, and hotels slowed over the past year

Fewer people worked in restaurants and hotels in October than a year ago

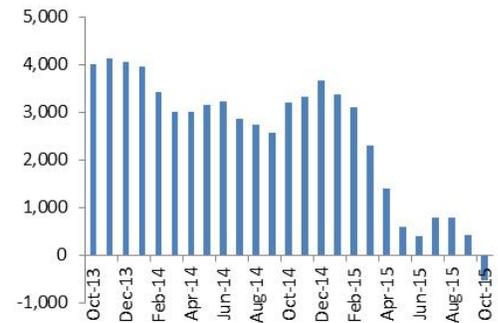
According to the US Bureau of Labor Statistics, employment in DC’s retail, food service, and hotel industries has slowed down. In October 2015 there were 500 fewer persons working in these three sectors compared to October 2014. For the prior 5 years, employment in these sectors grew an average of 3,200 per year.

As shown in more detail on pages 19 and 20, the drop in employment from the prior year was particularly great in food services.

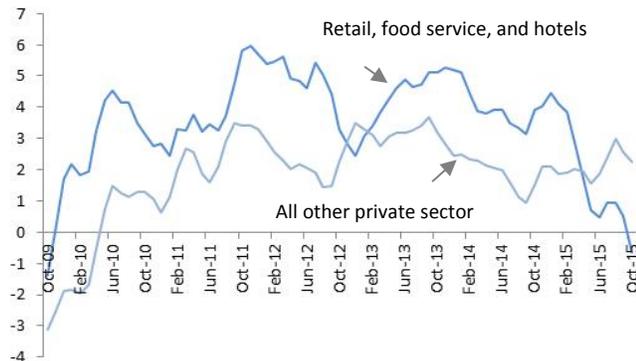
Since the recession ended, employment in retail, food service, and hotels grew faster than in the rest of DC’s private sector—until this past year. In 2009 one is every 10 jobs in DC was in retail, food services, or hotels; by 2014 it was one in every 9. Thirty percent of the increase in DC employment from 2009 to 2014 was in retail, food service, and hotels.

The pick-up in growth in the rest of DC’s private sector employment over the past year is a welcome indicator of the robust nature of DC’s private sector. However, the strength of the retail, food service, and hotel sectors is an important element in DC’s economy. These sectors generate about 70% of DC sales taxes and about 1 in every 8 of all tax dollars the District receives. Retail, *Cont’d on p. 2)*

Change from the prior year in retail, food service, and hotel jobs: October 2013 to October 2015
(number of jobs, 3-month moving average)



Percent change from the prior year in employment in (1) retail, food service, and hotels, and (2) the rest of DC’s private sector: October 2009 to October 2015.
(3-month moving averages)



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

This brief first appeared in the November 2015 *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/Reports/EconomicReports/Briefing documents](http://www.cfo.dc.gov/Reports/EconomicReports/Briefing%20documents)). 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.

food service, and hotels also account for over half of the District’s lower wage jobs.

Additional details about employment trends in the retail, food service, and hotel sectors is show in the following tables and graphs. The first table summarizes developments from October 2009 to October 2015, the post recession period. Trends are also shown for each sector individually.

It should be noted in addition to employment, it would be necessary to take sales, profitability, and other factors into account in evaluating the overall health of these sectors.

—Stephen Swaim, Office of Revenue Analysis

Retail, food service, and hotel employment in DC: October 2009 to October 2015
(3 month moving averages)

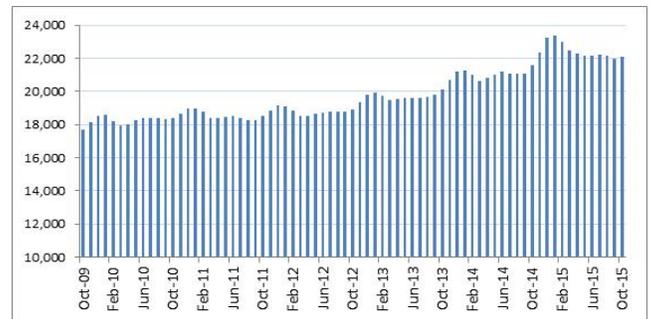
| Sector | Level | | | Change from Oct. 09 to Oct. 14 | | | change from Oct. 14 to Oct. 15 | |
|---------------------------|---------------|---------------|---------------|--------------------------------|-------------|-------------------------|--------------------------------|-------------|
| | Oct-09 | Oct-14 | Oct-15 | Total number | % | Average number per year | number | % |
| | | | | | | | | |
| Retail | 17,700 | 21,567 | 22,100 | 3,867 | 21.8 | 773 | 533 | 2.5 |
| Food services | 36,267 | 48,300 | 47,733 | 12,033 | 33.2 | 2,407 | -567 | -1.2 |
| Hotel | 15,200 | 15,300 | 14,800 | 100 | 0.7 | 20 | -500 | -3.3 |
| Subtotal | 69,167 | 85,167 | 84,633 | 16,000 | 23.1 | 3,200 | -533 | -0.6 |
| All other private sector | 388,700 | 436,000 | 445,800 | 47,300 | 12.2 | 9,460 | 9,800 | 2.2 |
| Private sector | 457,867 | 521,167 | 530,433 | 63,300 | 13.8 | 12,660 | 9,267 | 1.8 |
| All jobs in DC | 701,533 | 755,500 | 765,433 | 53,967 | 7.7 | 10,793 | 9,933 | 1.3 |
| <i>Addendum:</i> | | | | | | | | |
| Subtotal % of all private | 15.1 | 16.3 | 16.0 | 25.3 | | | -5.8 | |
| Subtotal % of all jobs | 9.9 | 11.3 | 11.1 | 29.6 | | | -5.4 | |

Source: BLS

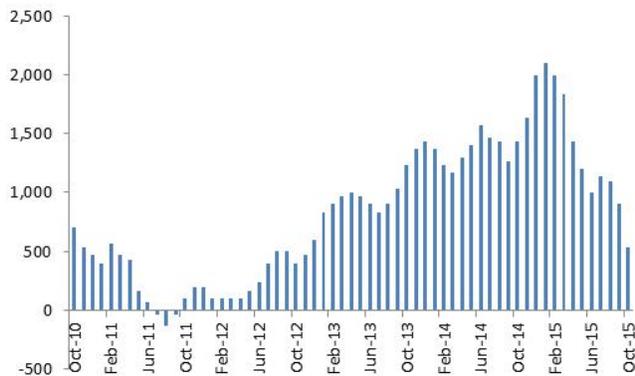
Retail

- The slower growth in retail employment in the past year was relatively less than in food service or hotels.
- Jobs in retail increased by 533 from October 2014 to October 2015. This is about 70% of the average from the prior 5 years, and the percentage change was slightly higher than for the rest of DC’s private sector.

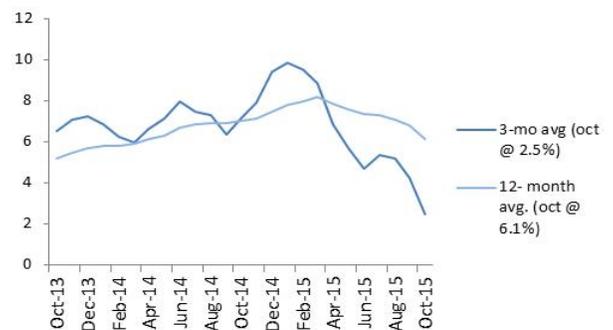
Retail employment in DC: October 2009 to October 2015
(3-month moving average)



Change in retail employment in DC: October 2010 to October 2015
(3-month moving average)



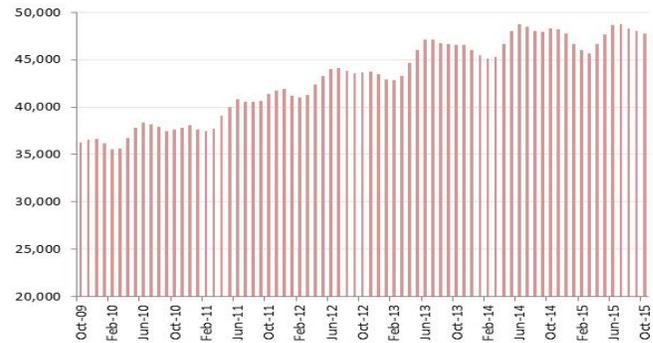
DC retail employment: October 2013 to October 2015



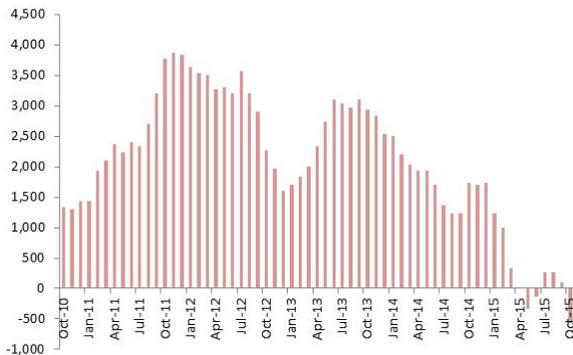
Food service

- The growth in food service employment has been slowing down for more than two years.
- Negative change from the prior year first appeared in the spring of 2015.

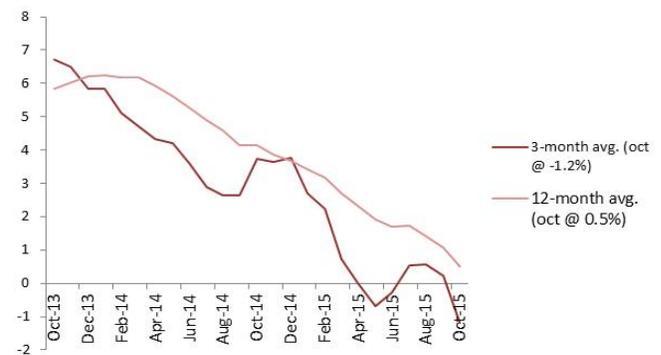
Food service employment in DC: October 2009 to October 2015



Change in food service employment in DC: October 2010 to October 2015 (3-month moving average)



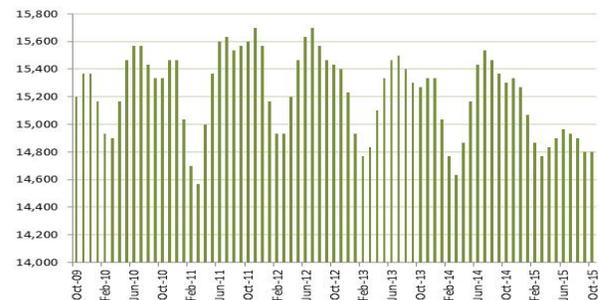
DC food service employment: October 2013 to October 2015 (% change in 3-month and 12-month moving averages)



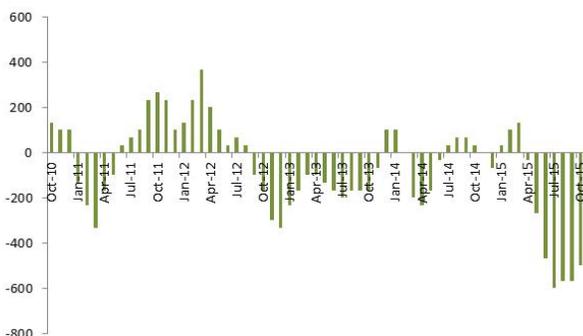
Hotels

- Hotel employment has been level or trending downward for most of the post-recession period.
- The number of persons working in hotels in October 2015—14,800—is 433 less than were working in hotels 10 years earlier. The number of room-days sold increased 18 % over that time.

Hotel employment in DC: October 2009 to October 2015 (3-month moving average)



Change in hotel employment in DC: October 2010 to October 2015 (3-month moving average)



DC hotel employment: October 2013 to October 2015 (% change in 3-month and 12-month moving averages)

