

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
OFFICE OF REVENUE ANALYSIS**



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## District of Columbia Economic and Revenue Trends: *September 2011*

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### *Decline in lower paying jobs helps explain DC's high unemployment rate*

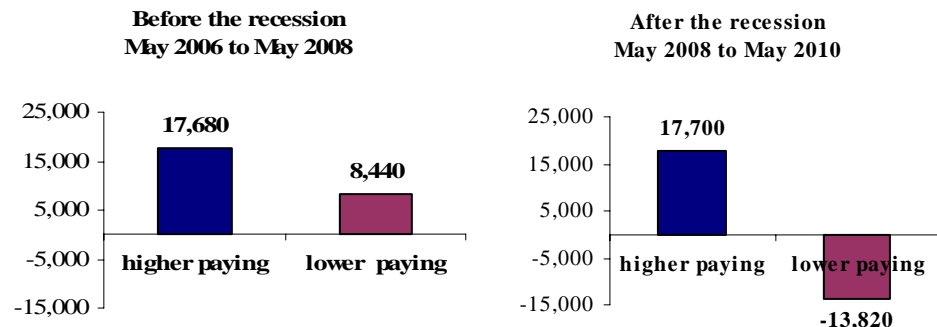
#### *Accelerating structural changes already underway, recession eliminated lower paying jobs while higher paying ones grew*

Each May the US Bureau of Labor Statistics (BLS) compiles information on the occupation of employed persons. From May 2006 to May 2010 (the most recent data) employed persons in DC increased by 30,000 (4.9%). At the same time, DC's unemployment grew by 14,675 (78.9%) over this same period, and the unemployment rate rose from 5.8% in May 2006 to 9.9% in May 2010. Why is there this disparity between jobs in DC and unemployment?

One reasons for the disparity is a change over the 4 year period in the mix of occupations of persons employed in DC. Although total jobs increased, by accelerating structural change the recession reduced the number of persons working in lower paying occupations. The reduction in such jobs was the greatest in the 2 years after the recession began, the period when unemployment also rose sharply. Not all the lost jobs were held by DC resident. But the higher rates of unemployment in lower income portions of the District suggest that a substantial proportion of the rise in DC's unemployment can likely be accounted for by the loss of these low income jobs.

BLS identifies 495 distinct occupations, grouped into 21 occupational categories. (See table on p. 17.) In this analysis, higher paying occupational categories have an average wage greater than the \$73,440 average for all 639,310 employed persons working in DC in May 2010. Lower paying occupations earn below the average. Eight higher wage and 13 lower wage groups employ respectively 51.4% and 48.6% of employees. Net growth in lower paying jobs before the recession turned into a net 13,820 loss after the recession. Higher wage jobs continued to grow. (*cont'd on p. 17*)

#### **Net change in the number of people employed in higher and lower paying occupational groups in DC: May 2006 to May 2010 (divided into 2-year periods—before and after the US recession's impact on DC)**



## Wage and salary employment

### DC employment in July was still below a year earlier

- July wage and salary employment in DC was down by 4,100 (-0.6%) from a year earlier as measured by the 3-month moving average. This is the second decline in a row.
- Federal government employment for June was up by 200 (0.1%), the smallest year-over-year increase more than 3 1/2 years. Private sector jobs were down by 1,500 (-0.3%).
- Total year-over-year DC metropolitan area employment declined by 3,733 (0.1%) in July as measured by the 3-month moving average, the first decline in 15 months.
- Suburban Washington employment was virtually unchanged in July from a year earlier.
- Seasonally adjusted wage and salary employment in DC increased in July by 3,100 (0.4%) from June, bringing it back to the same level as April.

### Change in wage and salary employment located in DC, the DC suburbs, and the US: July 2009 to July 2011

(% change from prior year in 3-month moving average)

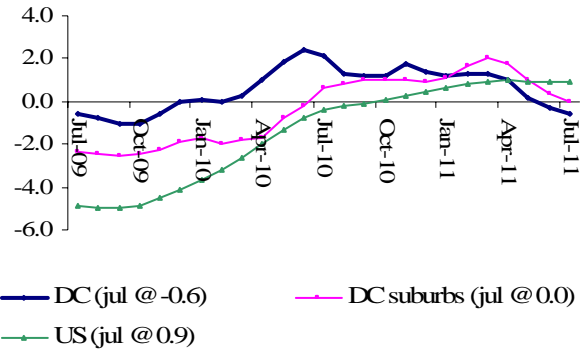


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: July 2011

Jurisdiction	FY 2008	FY 2009	FY 2010	12-mo avg	3-mo moving average	This month
District of Columbia	702,775	701,742	708,408	712,275	715,733	724,700
1 year change	11,067	-1,033	6,667	5,025	-4,100	-5,000
% change	1.6	-0.1	1.0	0.7	-0.6	-0.7
Washington metro area	3,005,692	2,966,558	2,956,700	2,978,475	2,992,167	2,992,200
1 year change	21,575	-39,133	-9,858	26,892	-3,733	-8,900
% change	0.7	-1.3	-0.3	0.9	-0.1	-0.3
Washington suburbs (% ch)	0.5	-1.7	-0.7	1.0	0.0	-0.2
US (% ch)	0.1	-3.8	-1.9	0.7	0.9	1.0

*Not seasonally adjusted. Suburban employment is the difference between the metro area total and the DC portion.*  
*Source: BLS. July data is preliminary*

Table 2. Federal government and private sector wage and salary employment in DC: July 2011

Sector	FY 2008	FY 2009	FY 2010	12-mo avg	3-month moving average	This month
Federal government	192,767	198,050	207,758	210,725	211,967	213,300
1 year change	1,825	5,283	9,708	4,342	200	1,300
% change	1.0	2.7	4.9	2.1	0.1	0.6
Private sector	468,458	463,050	463,858	465,883	465,533	465,600
1 year change	7,475	-5,408	808	3,308	-1,500	1,700
% change	1.6	-1.2	0.2	0.7	-0.3	0.4

*Source: BLS. Not seasonally adjusted. July is preliminary.*

Table 3. Seasonally adjusted DC Employment: January 2011 to July 2011

Indicator	Jan	Feb	Mar	Apr	May	Jun	Jul
D.C. Wage and Salary employment	715,400	714,700	713,600	715,300	712,500	712,100	715,200
change from prior month	1,300	-700	-1,100	1,700	-2,800	-400	3,100
% change from prior month	0.2	-0.1	-0.2	0.2	-0.4	-0.1	0.4

*Source: BLS seasonally adjusted. July is preliminary*

## Sectors of the economy

### Temporary employment again increased more in July than any other part of DC's private sector

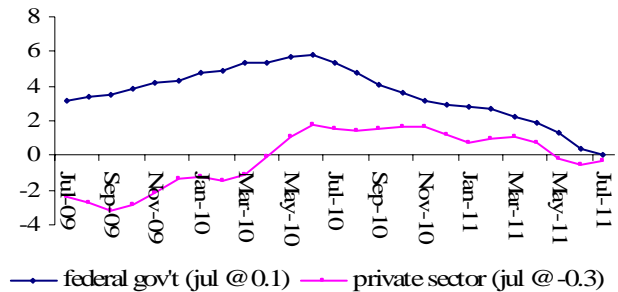
● In July temporary employment once again led private sector growth with a 967 (7.8%) gain over the previous year as measured by 3-month moving averages.

● Other private industries showing gains over the year include non-legal professional and technical services (800), legal services (800), education (333), health (233) and construction (167).

● Industry sectors losing jobs include retail trade (-1,300), organizations (-1,167), and food service (-867).

● Local government declined by 2,800, in part due to the impact of the scope and timing of the summer job program.

**Federal government and private sector wage and salary employment in DC: July 2009 to July 2011**  
(% change from prior year in 3-month moving average)



**Table 4. Wage and salary employment located in DC: July 2011**

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Jul 2011	DC share (%) in Jul 2011 of all sector jobs in:		Change from Jul 2010 to Jul 2011 in DC share of sector jobs in:	
	Jul 2010	Jul 2011	1 year change				metro area	US	metro area	US
			Amount	%						
Federal government	211,767	211,967	200	0.1	2.1	29.6	55.7	7.43	0.71	0.88
Local government	41,033	38,233	-2,800	-6.8	-6.9	5.3	12.4	0.20	-0.80	-0.01
Legal services	32,867	33,667	800	2.4	-0.4	4.7	na	3.01	na	0.07
Other Professional and technical	69,367	70,167	800	1.2	2.0	9.8	22.0	1.08	0.05	-0.03
Employment services	12,367	13,333	967	7.8	13.2	1.9	34.4	0.46	1.42	0.00
Other Business services	34,800	34,767	-33	-0.1	-0.9	4.9	18.5	0.52	-0.41	-0.01
Information	18,633	18,700	67	0.4	0.6	2.6	24.0	0.70	0.29	0.01
Finance	26,833	26,633	-200	-0.7	-2.7	3.7	17.8	0.35	-0.36	0.00
Organizations	58,433	57,267	-1,167	-2.0	-1.3	8.0	35.5	1.88	-0.15	-0.08
Education	45,433	45,767	333	0.7	4.5	6.4	48.3	1.50	-1.83	-0.01
Health	60,467	60,700	233	0.4	1.5	8.5	23.1	0.36	0.33	-0.01
Food service	38,233	37,367	-867	-2.3	0.2	5.2	19.8	0.38	-0.70	-0.02
Accommodations	15,567	15,067	-500	-3.2	-2.2	2.1	38.7	0.80	0.07	-0.05
Amusement and recreation	7,233	7,233	0	0.0	2.2	1.0	16.5	0.34	-0.49	0.00
Retail trade	18,467	17,167	-1,300	-7.0	-2.9	2.4	6.7	0.12	-0.55	-0.01
Wholesale trade	4,733	4,667	-67	-1.4	0.7	0.7	7.3	0.08	-0.07	0.00
Construction	10,867	11,033	167	1.5	0.9	1.5	8.0	0.19	0.47	0.00
Personal and miscellaneous ser.	7,167	6,500	-667	-9.3	-2.4	0.9	na	0.26	na	-0.03
Other private	5,567	5,500	-67	-1.2	-2.0	0.8	5.0	0.03	0.07	0.00
<b>Total</b>	<b>719,833</b>	<b>715,733</b>	<b>-4,100</b>	<b>-0.6</b>	<b>0.7</b>	<b>100.0</b>	<b>23.9</b>	<b>0.54</b>	<b>-0.11</b>	<b>-0.01</b>
<i>Public sector</i>	252,800	250,200	-2,600	-1.0	0.7	35.0	36.3	1.15	-0.01	0.02
<i>Private sector</i>	467,033	465,533	-1,500	-0.3	0.7	65.0	20.2	0.42	-0.10	-0.01
<i>Professional and all business</i>	194,867	197,267	2,400	1.2	0.9	27.6	21.3	0.88	-0.03	-0.01
<i>Education, health, and orgs.</i>	164,333	163,733	-600	-0.4	1.4	22.9	30.5	0.54	0.06	-0.01
<i>Hospitality and trade</i>	84,233	81,500	-2,733	-3.2	-0.7	11.4	13.8	0.24	-0.55	-0.01
<i>Other private sector</i>	23,600	23,033	-567	-2.4	-0.8	3.2	9.3	0.09	0.11	0.00

Source: BLS. not seasonally adjusted. na=not available. For the metro area, legal is included in other professional and technical, and personal and miscellaneous services is included in organizations (a category BLS calls "other services")

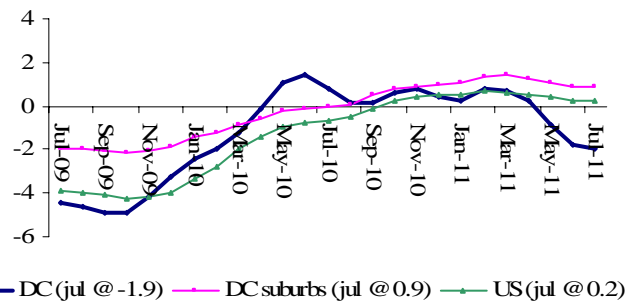
## Resident employment

### July was a bad month for DC resident employment

- In July DC resident employment declined 5,851 (-1.9%) from a year earlier as measured by the 3-mo. moving avg.
- DC's labor force declined 2,202 (-0.7%) in July compared to a year earlier.
- In July the unemployment rate (seasonally adjusted) increased to 10.8% from June's 10.4%.
- Seasonally adjusted employment declined 0.9% from June.
- Initial unemployment insurance claims were up 14.3% over last year (3 month moving average).

### Resident employment in DC, the DC suburbs, and the US: July 2009 to July 2011

(% change from prior year in 3-month moving average)



### Jobs located in DC and DC resident employment:

#### July 2009 to July 2011

(% change from prior yr. in 3-mo. moving avg.)

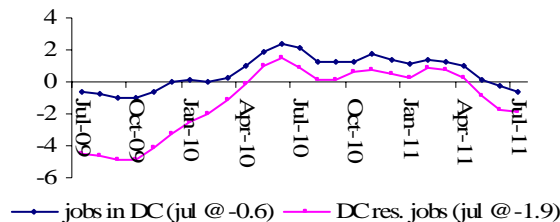


Table 5. Unemployment rates for DC, metro area, and US: July 2011

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	July 2010	July 2011	July 2010	July 2011
US	9.7	9.3	9.5	9.1
DC metro area	6.3	6.0	na	na
DC	10.2	11.3	9.8	10.8
DC suburbs	5.8	5.4	na	na

Source: U.S. Bureau of Labor Statistics na= data not available

Table 6. Resident employment and unemployment: July 2011

Indicator	FY 2008	FY 2009	FY 2010	12-month moving avg	3-month moving average	This month
<b>DC Labor force</b>						
Resident employment	314,290	302,525	300,332	299,457	299,068	302,270
1 year change	5,054	-11,766	-2,193	-648	-5,851	-4,349
% change	1.6	-3.7	-0.7	-0.2	-1.9	-1.4
Labor Force	334,303	332,138	334,068	332,787	336,365	340,700
1 year change	7,283	-2,165	1,929	-1,375	-2,202	-880
% change	2.2	-0.6	0.6	-0.4	-0.7	-0.3
Unemployed	20,013	29,614	33,736	33,330	37,297	38,430
1 year change	2,229	9,600	4,122	-726	3,649	3,469
% change	12.5	48.0	13.9	-2.1	10.8	9.9
Unemployment rate	6.0	8.9	10.1	10.0	11.1	11.3
<b>DC Unemployment insurance (state program)</b>						
Initial claims (monthly avg.)	1,515	2,203	1,799	2,070	2,094	2,175
1 year change	213	688	-404	240	262	193
% change	16.4	45.4	-18.3	13.1	14.3	9.7
Weeks compensated (mo. avg.)	34,738	54,474	53,592	47,098	43,955	42,978
1 year change	8,170	19,736	-881	-9,152	-3,573	-2,747
% change	30.8	56.8	-1.6	-16.3	-7.5	-6.0

Source: Labor force (BLS, preliminary for July.). Unemployment Insurance (US Dept of Labor). Not seasonally adj.

Table 7. Seasonally adjusted DC Resident employment and unemployment: January 2011 to July 2011

Indicator	Jan	Feb	Mar	Apr	May	Jun	Jul
DC Resident employment	300,571	302,678	302,566	302,547	301,770	298,171	295,377
change from prior month	1,299	2,107	-112	-19	-777	-3,599	-2,794
% change from prior month	0.4	0.7	0.0	0.0	-0.3	-1.2	-0.9
DC Unemployment rate (%)	9.6	9.5	9.5	9.6	9.8	10.4	10.8

Source: BLS seasonally adjusted. July is preliminary.

## Wages and income

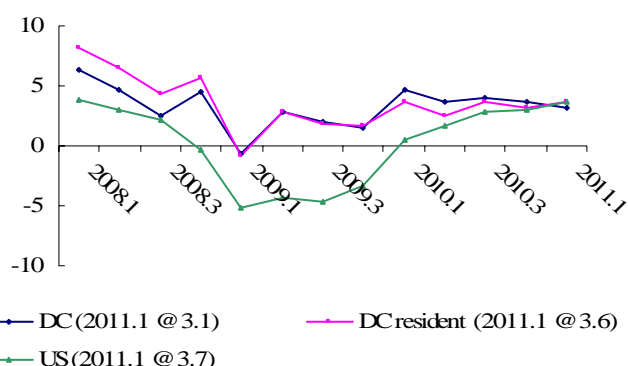
### Revised data shows wage growth in DC continuing in the 3% to 4% range

•Wages earned in the District of Columbia were 3.1% higher in the March quarter compared to the same quarter of 2010.

•In the March quarter, DC Personal Income was 4.3% above a year earlier, and estimated wages of DC residents were 3.6% higher.

•In the March quarter, the private sector accounted for \$1.01 billion (56%) of the increase in wages earned in DC. This was the 5th quarter in a row in which private sector wages were greater than in the same quarter a year earlier.

**Wages earned in DC, wages earned by DC residents, and wages earned in the US: 2008.1 to 2011.1**  
(%change from the same quarter of the prior year)



**Table 8. DC Wages and Personal Income: March 2011**  
(\$ billion at seasonally adjusted annual rates unless otherwise noted)

Indicator	FY 2008	FY 2009	FY 2010	4-quarter moving average	Latest quarter (Mar)
Wages and salaries earned in DC	54.28	55.46	57.36	58.31	58.91
1 year change	2.48	1.18	1.90	2.01	1.79
% change	4.8	2.2	3.4	3.6	3.1
Supplements to wages & salaries	15.26	16.17	16.95	17.28	17.56
% change	4.6	6.0	4.9	4.3	3.2
Proprietors' income earned by DC residents*	5.58	5.71	5.70	5.80	5.88
% change	12.8	2.2	-0.2	3.0	3.5
Wages and salaries of DC residents***	20.63	21.11	21.72	22.08	22.34
change from one year ago	1.29	0.48	0.61	0.69	0.78
% change	6.6	2.3	2.9	3.2	3.6
Income earned by DC residents	29.2	30.0	30.8	31.4	32.0
% change	7.6	2.7	2.4	3.5	4.5
Property income of DC residents	6.47	6.46	6.39	6.47	6.62
% change	12.9	-0.2	-1.0	1.8	3.1
Pensions and other transfer payments of DC res.	4.24	4.67	5.11	5.25	5.32
% change	8.6	10.1	9.5	6.1	4.7
DC Personal Income**	39.95	41.15	42.26	43.09	43.93
1 year change	3.13	1.21	1.11	1.47	1.83
% change	8.5	3.0	2.7	3.5	4.3
US Personal income	5.0	-1.1	1.8	3.6	4.7
US Wages and salaries	3.5	-3.6	0.4	2.8	3.7
<i>Addendum: Change from prior year in wages earned in DC by sector</i>					
Private sector (1 yr ch, \$B)	1.54	-0.21	0.70	1.02	1.01
Federal government (1 yr ch, \$B)	0.85	1.16	1.16	0.96	0.71
DC res. wages as % of wages earned in DC	38.0	38.1	37.9	37.9	37.9

\* Proprietors' income is derived from federal tax data and therefore all proprietors' income is earned by DC residents.

\*\*Reflects deduction of social insurance paid by individuals. Wage and salary amounts shown are before this deduction.

\*\*\*Est. by ORA; assumes wage and salary suppl. are the same % for DC resident wages as for wages earned in DC.

Source: BEA; data for March were released June 22, 2011

## Single family and condominium home sales

*In August, single family home sales were down and average selling prices were up*

•The August 3-month moving total of single family home sales was down 4.3% from a year earlier, and the average selling price was 12.4% higher.

•August condominium sales were 1.7% below a year earlier as measured by the 3-month moving total; average selling prices were 0.8% lower.

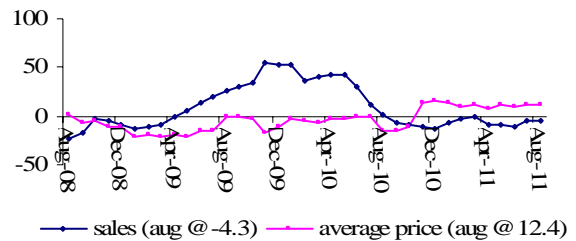
•August median prices (CY to date) were up 13.6% for single family units, but down 1.7% for condominiums.

•For August the total value of all home sales was 4.2% more than a year earlier as measured by the 3-month moving total.

•The August ratio of single family inventory to sales (2.8) was considerably lower than for condos (4.4). (3-mo. moving average).

**Number and average selling price of single family homes sold in DC: August 2008 to August 2011**

(% change from prior year in 3-month moving averages)



**Table 9. D.C. Residential Real Estate Indicators: August 2011**

Indicator	FY 2007	FY 2008	FY 2009	FY 2010	12-mo moving total or average	3-mo moving total or average	This month
<b>Number of sales (settled contracts)</b>							
Single family	3,756	3,022	3,259	4,084	3,806	1,077	333
1 year change	-751	-734	237	825	-293	-48	12
% change	-16.7	-19.5	7.8	25.3	-7.1	-4.3	3.7
Condo	3,838	2,796	2,590	2,884	2,454	738	233
1 year change	251	-1,042	-206	294	-527	-13	11
% change	7.0	-27.1	-7.4	11.4	-17.7	-1.7	5.0
Total	7,594	5,818	5,849	6,968	6,260	1,815	566
1 year change	-500	-1,776	31	1,119	-820	-61	23
% change	-6.2	-23.4	0.5	19.1	-11.6	-3.3	4.2
<b>Average prices of units that sold</b>							
Single family (\$)	657,887	667,367	597,269	538,395	600,254	661,834	602,812
1 year change	-8,480	9,480	-70,098	-58,874	64,666	72,792	63,821
% change	-1.3	1.4	-10.5	-9.9	12.1	12.4	11.8
Condo (\$)	405,431	412,234	359,952	414,030	424,761	428,115	433,207
1 year change	-15,931	6,803	-52,283	54,078	10,053	-3,567	-6,789
% change	-3.8	1.7	-12.7	15.0	2.4	-0.8	-1.5
<b>Total value of all sales (\$ million)</b>	4,027.1	3,169.4	2,878.8	3,392.9	3,326.9	1,028.7	301.7
1 year change	-487.7	-857.7	-290.6	514.1	-104.7	41.9	31.0
% change	-10.8	-21.3	-9.2	17.9	-3.1	4.2	11.4
<b>Ratio: active inventory to sales</b>							
Single family	4.1	6.0	5.2	3.4	3.3	2.8	3.2
Condo	3.9	5.7	5.7	4.6	4.9	4.4	4.2
<b>Foreclosure actions*</b>							
1 year change	392	3,282	2,883	2,722	915	69	23
% change	273	2,890	-399	-161	-1,819	-613	-172
% change	229.4	737.2	-12.2	-5.6	-66.5	-89.9	-88.2

Median contract prices, CY to date in August 2011: single family \$460,000 (13.6% 1 yr ch); condo \$362,790 (-1.7% 1 yr ch)

**Note :** Data are closed contracts settled during each month or other period shown. Because average price depends on the mix of units sold, this measure can be volatile on a month to month basis, and it is not intended to measure changes in the value of all residential property. Monthly average price for all single family units is calculated by ORA based on reported average prices and number of sales for different types of unit.

\*\*Scheduled for auction plus real estate owned by financial institutions.

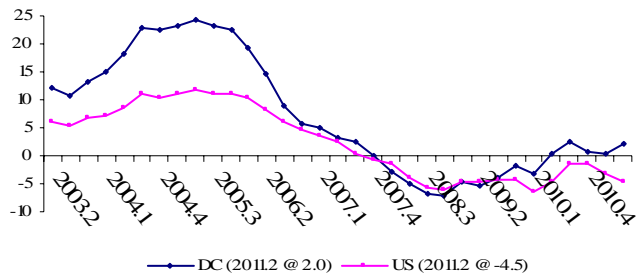
Source: (1) Metropolitan Regional Information Systems (MRIS); median contract price and inventory ratio data accessed through the Greater Capital Area Assn. of Realtors (GCAAR). (2) Foreclosures: Realty.trac. Foreclosure data does not include notices of delinquency.

## Apartments and single family home transactions

### In August, sales of higher priced single family homes increased

- Sales of single family units at prices above \$1 million were up 15.7% from a year ago as measured by the 3-month moving total.
- In June the quarterly FHFA house price index for DC declined 2.0% over a year ago. For the US, there was a 4.5% decline.
- In the June quarter, occupied apartment units rose 1,709 (2.1%) and rents rose 2.7% from a year earlier.

**FHFA housing transaction index for DC and the US:  
2003.2 to 2011.2**  
(% change in index from same quarter of prior year)



**Table 10. D.C. Single family and condominium home sales at prices of \$1 million or more: August 2011**

Category	FY 2007	FY 2008	FY 2009	FY 2010	12-mo moving total	3-mo moving total	This month
Single family homes	738	748	1,433	1,731	493	162	43
1 year change	-34	10	685	298	77	22	7
% change	-4.4	1.4	91.6	20.8	18.5	15.7	19.4
percent of all sales	19.1	22.9	37.5	38.1	13.0	15.0	12.9
Condominiums	423	436	341	475	88	30	13
1 year change	-69	13	-95	134	-1	0	0
% change	-14.0	3.1	-21.8	39.3	-1.1	0.0	0.0
percent of all sales	10.9	13.3	8.9	10.5	3.6	4.1	5.6

Source: Metropolitan Regional Information Systems (MRIS). Sales are ones closed (settled) during period shown.

**Table 11. Federal Housing Finance Agency Price Index for single family property in DC and US: June 2011**

Indicator	Fiscal year average				Quarter				
	FY 2007	FY 2008	FY 2009	FY 2010	2010.2	2010.3	2010.4	2011.1	2011.2
<b>% change from prior year in value of index</b>									
DC	4.2	-3.7	-5.3	-0.5	0.3	2.6	0.7	0.3	2.0
US	2.8	-2.9	-5.0	-4.2	-4.7	-1.3	-1.6	-3.2	-4.5
<i>Addendum: % change from prior year in the average price of settled sales contracts for single family homes</i>									
Average DC sales price	-1.3	1.4	-10.9	-9.9	-0.9	-15.9	16.5	10.9	8.8

Source: (1) Federal Housing Finance Agency all transaction index (sales plus appraisals). This index is a broad measure of the movement of single-family house prices. The index is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinancings on the same properties. This information is obtained by reviewing repeat mortgage transactions on single-family properties whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975. (2) Average sales price: Table 9.

**Table 12. Market-rate units in larger DC apartment buildings: June 30, 2011**

Indicator	Sep. 30 2007	Sep. 30 2008	Sep. 30 2009	Sep. 30 2010	Latest Q (June 2011)		
					amount	1 Q ch	% ch
Inventory	84,186	85,427	87,090	87,970	88,704	333	0.4
1 year change	262	1,241	1,663	880	734		
% change	0.3	1.5	1.9	1.0	0.8		
Occupied units	80,819	81,521	81,964	82,965	84,017	332	0.4
1 year change	175	702	443	1,001	1,709		
% change	0.2	0.9	0.5	1.2	2.1		
Vacant units	3,367	3,906	5,126	5,005	4,687	1	0.0
1 year change	87	539	1,220	-121	-975		
% change	2.7	16.0	31.2	-2.4	-17.2		
% of inventory	4.0	4.6	5.9	5.7	5.3		
Average effective monthly rent	\$1,288	\$1,340	\$1,342	\$1,380	\$1,414	\$7	0.5
% change from 1 year	8.1	4.0	0.1	2.8	2.7		

Source: Reis. Includes units in competitive, private sector buildings with 40 or more units. Excludes condo conversions.

## Commercial office space

### Vacancy rate rose slightly in June

•For the quarter ending June, the vacancy rate for DC commercial office space rose: to 7.5% (without sublet space), and to 8.6% (with sublet space). (In March the rates were 7.4% and 8.4%, respectively.)

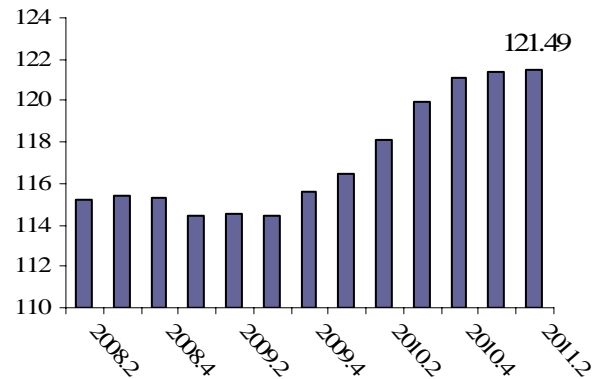
•DC's vacancy rate with sublet space in June was below the 12.1% rate for the metropolitan area.

•Occupied space increased in the June quarter by 3.34 million square feet (2.8%) from a year earlier, but has changed little for the past 3 quarters.

•Space under construction increased slightly in the last quarter, but is down 17.5% from a year ago.

•In the June quarter, average effective rents for leases of class A commercial office space were down 2.2% from a year earlier.

**Occupied office space: 2008.2 to 2011.2**  
(million square feet)



**Table 13. Commercial office space in DC: June 30, 2011**

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30 2007	Sep. 30 2008	Sep. 30 2009	Sep. 30 2010	last quarter (June 2011)		
					Level	1 Q ch	% ch
Inventory	122.41	123.60	127.45	131.95	132.92	0.43	0.1
1 year change	4.75	1.19	3.86	4.49	1.64		
% change	4.0	1.0	3.1	3.5	1.2		
Occupied space	115.31	115.44	114.45	119.94	121.49	0.13	0.2
1 year change	4.95	0.13	-0.99	5.49	3.34		
% change	4.5	0.1	-0.9	4.8	2.8		
Leased space	115.31	116.29	116.25	121.35	122.93	0.24	0.3
Under construction	7.92	10.60	5.75	2.14	2.64	0.03	17.4
1 year change	1.98	2.68	-4.85	-3.60	-0.56		
% change	33.3	33.9	-45.8	-62.7	-17.5		
% of inventory	6.5	8.6	4.5	1.6	2.0		
Vacant (no sublet)	6.37	7.31	11.20	10.60	9.99	0.19	-2.1
% of inventory	5.2	5.9	8.8	8.0	7.5		
Vacant (w sublet)	7.10	8.16	13.00	12.01	11.43	0.30	-1.1
1 year change	-0.20	1.06	4.84	-0.99	-1.70		
% ch from one year	-2.7	14.9	59.4	-7.6	-12.9		
<i>DC area vacancy rates (with sublet)</i>							
District of Columbia	5.8	6.6	10.2	9.1	8.6	0.2	
Northern Virginia	9.9	11.9	13.5	13.4	13.6	0	
Suburban Maryland	9.9	11.5	14.6	14.5	14.3	0.2	
DC Metropolitan area	8.6	10.1	12.6	12.2	12.1	0.1	

Source: Delta Associates. Includes single tenant and privately owned space as well as multi-tenant buildings.

**Table 14. Average effective office rent for Class A commercial office leases signed by 6-month periods: 2008.2 to 2011.2** (\$ per square foot of gross floor space)

Indicator	Amount during 6-month period ending on date shown:						
	2008.2	2008.4	2009.2	2009.4	2010.2	2010.4	2011.2
Average effective rent	46.25	46.25	45.75	43.30	40.70	40.10	39.80
% ch from prior year	4.0	1.1	-1.1	-6.4	-11.0	-7.4	-2.2
Average value of improvements for tenants	56.00	57.00	60.00	65.00	80.00	80.00	80.00

Source: Delta Associates. Rent is for full service (including operating expenses and taxes), less concessions (free rent, etc.)

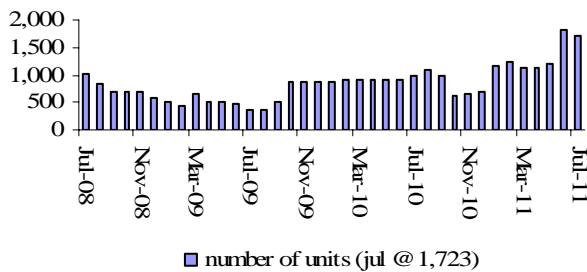


## Housing permits, office and apartment outlook, and value of property transfers

### Housing permits have increased, while the value of property sales has slowed

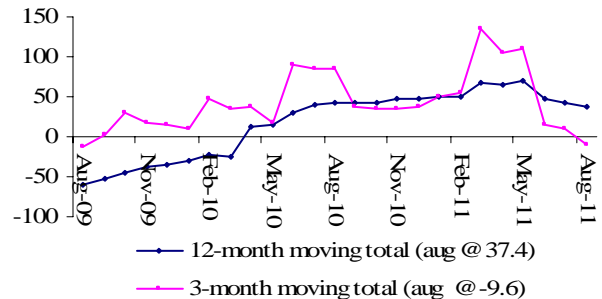
- In July, 706 building permits were issued in DC as measured by the 3-month moving total, a 548% increase from last year.
- Delta Associates expects DC's vacancy rate (including sublet) to fall (to 8.4%) over the next two years as new demand balances additional supply.

**Housing permits issued in DC: July 2008 to July 2011**  
(12-month moving total)



### Value of real property transfers (including transfers for economic interest): August 2009 to August 2011

(% change in 3-month and 12-month moving totals)



- Reis expects 3,256 new apartment units to be added to inventory in CY 2011 and CY 2012, and occupancy to grow by 4,538.
- The value of August property transfers was down 9.6% from last year as measured by the 3-month moving total, the first year-over-year decline in the measure in 2 years. The 12-month moving total was 37.4% greater.

**Table 15. Housing unit building permits issued in DC: July 2011**

	FY 2007	FY 2008	FY 2009	FY 2010	12-month moving total	3-month moving total	This month
Total units	2,196	690	499	986	1,723	706	19
change from 1 year ago	-211	-1,506	-191	487	733	597	-82
% change from 1 year ago	-8.8	-68.6	-27.7	97.6	74.0	547.7	-81.2

*Source: Census Bureau (permits issued during period).*

**Table 16. Delta Associates outlook for commercial office space in DC and the surrounding metro area: June 2011 to June 2013**

Indicator	DC	No VA	Sub MD	Total	DC % of total
<b>Inventory June 2011</b>					
Inventory (msf)	132.9	178.1	88.6	399.6	33.3
vacancy rate (%)	8.6	13.6	14.3	12.1	
<b>Estimated net activity to June 2013</b>					
new supply (msf)	3.0	2.7	1.5	7.3	41.1
new demand (msf)	3.0	5.2	2.3	10.5	28.6
<b>Estimated Inventory June 2013</b>					
vacancy rate (%)	8.4	12.0	13.2	11.1	

*Source: Delta Associates msf = million square feet*

**Table 17 DC market rate apartment units: 2006 to 2015**

CY	Inventory	1 yr ch	% vacant	Occupied	1 yr ch
2006	84,150	427	4.0	80,751	221
2007	84,618	468	3.9	81,284	533
2008	86,583	1,965	4.8	82,465	1,181
2009	87,788	1,205	6.1	82,415	-50
2010	88,360	572	5.5	83,477	1,062
2011 est	89,317	957	4.8	85,030	1,553
2012 est	91,616	2,299	3.9	88,015	2,985
2013 est	93,470	1,854	3.4	90,266	2,251
2014 est	94,636	1,166	2.9	91,899	1,633
2015 est	96,172	1,536	3.3	92,963	1,064

*Source: Reis (see note in table 12)*

**Table 18. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: August 2011**

	FY 2007	FY 2008	FY 2009	FY 2010	12-month moving total	3-month moving total	This month
All property transfers (\$ million)	14,834.9	11,527.3	5,591.2	7,914.3	10,506.6	2,538.2	636.9
change from one year ago (\$M)	1,403.7	-3,307.6	-5,936.1	2,323.1	2,857.8	-270.4	-107.5
% change from 1 year ago	10.5	-22.3	-51.5	41.5	37.4	-9.6	-14.4

*Note: represents value of property or economic interest transferred as of date deed noted by the Recorder of Deeds.*  
*Source: OCFO/Recorder of Deeds and OCFO/ORA (calculated from tax collections and deposits adjusted for tax rate changes).*

## Hospitality

### Higher room rates again pushed up hotel revenues in July

• In July the 3-month moving total for hotel room-days sold was 1.9% higher than a year earlier, and the average room rate was 4.5% higher, leading to a 6.5% gain in room revenue.

• Employment in food services was 2.3% less in July than a year earlier as measured by the 3-month moving average; hotel and retail employment declined 3.2% and 7.0%, respectively.

• In July, airline traffic into the DC area was up 2.0% from a year earlier as measured by the 3-month moving total. Reagan National Airport's gain was 5.9%.

**Hotel room-days sold: July 2009 to July 2011**  
(% change from prior year in 3-month and 12-month moving totals)

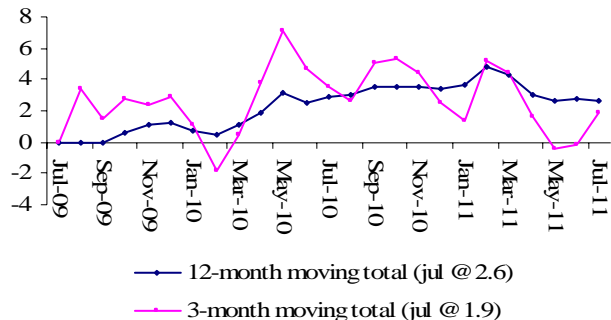


Table 19. **Hospitality Industry: July 2011**

Indicator	Units	date	FY 2008	FY 2009	FY 2010	12-mo total or average*	3-month moving total or average*	This month
<b>Hotel stays</b>								
Hotel room-days sold	(M)	jul	7.125	7.123	7.370	7.486	2.139	0.721
1 yr ch			0.044	-0.003	0.248	0.190	0.039	0.009
1 yr % ch			0.6	0.0	3.5	2.6	1.9	1.2
Average room rate	\$	jul	208.99	203.16	199.12	205.42	212.36	179.24
1 yr ch			10.55	-5.83	-4.04	8.09	9.23	1.17
1 yr % ch			5.3	-2.8	-2.0	4.1	4.5	0.7
Occupancy rate (average)	%	jul	74.2	73.1	73.8	74.6	84.1	84.1
1 yr ch			0.6	-1.1	0.7	1.7	0.8	-0.1
1 yr % ch			0.9	-1.5	0.9	2.3	0.9	-0.1
Room revenue	(\$M)	jul	1,489.1	1,447.0	1,467.5	1537.8	454.3	129.2
1 yr ch			83.8	-42.0	20.5	98.0	27.8	2.4
1 yr % ch			6.0	-2.8	1.4	6.8	6.5	1.9
<b>Airline passengers</b>								
DCA	1 yr % ch	jul	-3.2	-2.9	0.5	6.8	5.9	5.1
IAD	1 yr % ch	jul	-2.3	-4.4	1.2	1.8	-2.0	-3.0
BWI	1 yr % ch	jul	0.0	-3.3	4.6	5.1	3.3	1.6
Total	1 yr % ch	jul	-1.8	-3.6	2.1	4.4	2.0	0.8
<b>Convention Center Transfer</b>								
	\$ M	aug	91.5	90.4	94.1	95.4	26.7	8.8
1 yr ch			8.2	-1.0	3.7	2.5	-1.2	-0.9
1 yr % ch			9.8	-1.1	4.0	2.7	-4.4	-9.1
<b>Employment</b>								
Accommodations	level ('000)	jul	15.2	15.0	15.3	14.9	15.1	14.8
1 yr ch			-0.3	-0.2	0.3	-0.3	-0.5	-0.7
1 yr % ch			-2.2	-1.2	1.9	-2.2	-3.2	-4.5
Food and bev	level ('000)	jul	35.4	35.9	37.1	37.0	37.4	37.2
1 yr ch			2.0	0.5	1.2	0.1	-0.9	-0.7
1 yr % ch			5.8	1.4	3.3	0.2	-2.3	-1.8
Arts and entertain.	level ('000)	jul	6.9	7.1	6.9	7.1	7.2	7.2
1 yr ch			0.9	0.2	-0.1	0.1	0.0	0.2
1 yr % ch			14.8	2.7	-2.0	2.2	0.0	2.9
Retail	level ('000)	jul	18.4	17.8	18.3	17.7	17.2	17.1
1 yr ch			0.3	-0.6	0.5	-0.5	-1.3	-1.4
1 yr % ch			1.6	-3.5	3.0	-2.9	-7.0	-7.6

\* Total for hotel rooms sold, room revenue, and Convention Center transfer

Source: Smith Travel Research (hotel data); BLS (employment); Airport authorities (airline passengers);

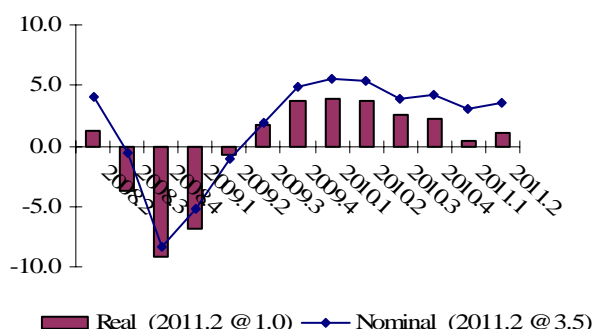
OCFO/OTR (Convention Center transfer; August collections are based on July sales data)

**In August, there was no improvement in national employment, and the stock market fell sharply**

- June was the 8th consecutive quarter of real GDP growth, but the rate was a relatively weak 1.0% (annual rate).
- US employment (seasonally adjusted) did not increase at all in August, ending 10 months in a row of positive growth (albeit relatively weak) growth.
- The US unemployment rate (seasonally adjusted) stayed at 9.1% in August.
- In August the S and P 500 index lost 10.6% from July.
- In August the CPI was 3.8% greater than a year earlier (seasonally adjusted).

**Quarterly change in US Real and Nominal GDP: 2008.2 to 2011.2**

(% change from the previous quarter at annual rates)



**Table 20. US GDP, Income, corporate profits, and inflation: 2011.2 and August 2011**  
(percent change from same period of prior year unless noted)

Indicator	Date of latest indicator	FY 2007	FY 2008	FY 2009	FY 2010	12-mo avg	2011.2	Aug 2011
US GDP real	2011.2 1 yr % ch	2.0	1.1	-4.2	2.1	2.6	1.5	
US GDP nominal	2011.2 1 yr % ch	5.0	3.4	-2.8	3.0	4.4	3.7	
US Personal income	2011.2 1 yr % ch	6.1	5.6	-3.1	1.5	4.8	5.8	
US wages	2011.2 1 yr % ch	6.2	3.4	-3.5	0.5	3.2	4.4	
Corporate profits	2011.2 1 yr % ch	-3.2	-11.2	-11.6	42.6	15.0	8.3	
S and P stock index	aug 1 yr % ch	14.1	-5.7	-34.3	23.7	14.1	16.8	9.0
US CPI	aug 1 yr % ch	2.3	4.4	-0.3	1.7	2.4	3.8	3.8
Balt/Wash. area CPI	jul 1 yr % ch	3.3	5.0	0.3	1.7	2.7	na	4.1

Source: BEA (data revised as of August 26, 2011), BLS, and Yahoo finance

Personal income and wage data may differ from amounts shown in table 8 due to differences in BEA source tables.

**Table 21. Quarter to quarter change in US GDP and income: 2009.3 to 2011.2**  
(percent change from previous quarter at seasonally adjusted annual rates)

Indicator	units	Calendar year Quarter						
		2009.4	2010.1	2010.2	2010.3	2010.4	2011.1	2011.2
US GDP real % ch from prior Q a		3.8	3.9	3.8	2.5	2.3	0.4	1.0
US GDP nomr % ch from prior Q a		4.9	5.5	5.4	3.9	4.2	3.1	3.5
Wages and sa % ch from prior Q a		1.3	1.9	6.2	3.4	1.4	6.2	4.9
Personal inco % ch from prior Q a		2.2	6.7	6.2	4.1	4.0	8.6	4.6

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on August 26, 2011

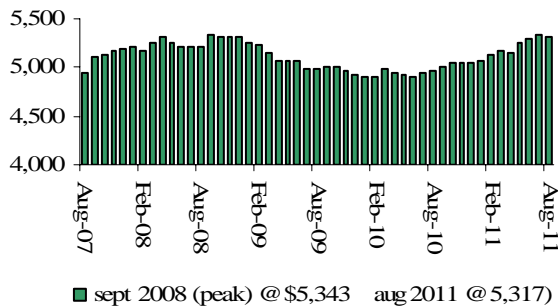
**Table 22. Monthly change in selected US Indicators: February 2011 to August 2011**

Indicator	Feb	Mar	Apr	May	Jun	Jul	Aug
S and P stock index (level)	1321	1304	1332	1338	1287	1325	1185
% change from prior month	3.0	-1.3	2.1	0.5	-3.8	2.9	-10.6
% change from 1 year ago	21.3	13.2	11.2	19.0	18.8	22.7	9
10 yr. Treasury Interest rate (level)	3.55	3.40	3.43	3.07	2.99	2.98	2.27
CPI % ch from prior month (seasonally adjusted)	0.55	0.55	0.42	0.17	-0.22	0.50	0.37
CPI % ch from prior year (seasonally adjusted)	2.2	2.7	3.1	3.4	3.4	3.6	3.8
Jobs (seasonally adjusted level, in millions)	130.56	130.76	130.97	131.03	131.05	131.13	131.13
change from prior month (thousands)	235	194	217	53	20	85	0
% change from prior month	0.18	0.15	0.17	0.04	0.02	0.06	0.00
Resident employment (season. adj. level, in millions)	139.57	139.86	139.67	139.78	139.33	139.30	139.63
change from prior month (thousands)	250	291	-190	105	-445	-38	331
% change from prior month	0.18	0.21	-0.14	0.08	-0.32	-0.03	0.24
Unemployment rate (seasonally adj.)	8.9	8.8	9.0	9.1	9.2	9.1	9.1

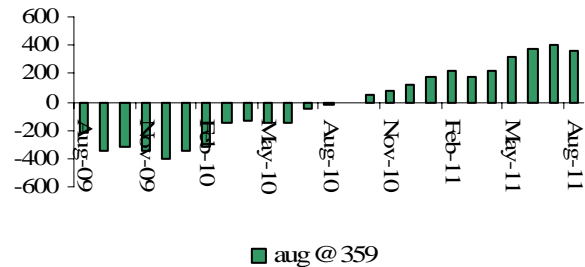
Source: BLS and Yahoo! Finance.

## DC tax collections

**Total DC tax collections (before earmarking):  
August 2007 to August 2011**  
(12-month moving total in \$ million)



**Change from prior year in total taxes collected in  
the preceding 12-months (before earmarking):  
August 2009 to August 2011**  
(\$ million)



**Table 23. Tax Collections (before earmarking): August 2011 (Preliminary)**  
(\$ million)

Tax	FY 2007	FY 2008	FY 2009	FY 2010	12-month moving total	FY 2011 to date	3-month moving total	This month
Total taxes	5,117.5	5,342.7	5,003.2	4,999.0	5,316.6	4,105.2	975.0	296.1
1 year change	638.5	225.2	-339.5	-4.1	358.9	317.6	63.1	-23.3
% change	14.3	4.4	-6.4	-0.1	7.2	8.4	6.9	-7.3
Real property	1,443.7	1,684.8	1,798.7	1,835.0	1,776.8	933.5	54.8	29.6
1 year change	296.1	241.2	113.9	36.3	-60.4	-58.1	-8.5	-20.0
% change	25.8	16.7	6.8	2.0	-3.3	-5.9	-13.4	-40.3
General sales	958.8	1,011.6	947.4	927.8	949.7	872.4	230.4	82.1
1 year change	62.0	52.8	-64.2	-19.6	32.0	21.9	-26.1	10.1
% change	6.9	5.5	-6.3	-2.1	3.5	2.6	-10.2	14.1
Individual income	1,313.1	1,353.2	1,143.3	1,144.7	1,283.8	1,166.6	314.5	87.5
1 year change	80.7	40.1	-209.9	1.4	136.1	139.1	36.8	-2.6
% change	6.5	3.1	-15.5	0.1	11.9	13.5	13.2	-2.9
withholding	974.8	1,004.2	1,037.3	1,108.2	1,190.1	1,103.5	288.2	94.0
1 year change	4.2	29.5	33.1	70.9	96.5	81.9	6.4	-2.5
% change	0.4	3.0	3.3	6.8	8.8	8.0	2.3	-2.6
non-withholding	338.3	349.0	106.0	36.5	93.7	63.1	26.4	-6.5
1 year change	76.5	10.7	-243.0	-69.5	39.6	57.2	30.4	-0.1
% change	29.2	3.2	-69.6	-65.6	73.2	964.7	-753.7	2.0
Corporate income	250.7	289.8	220.7	207.9	215.8	186.8	51.2	5.4
1 year change	30.9	39.1	-69.2	-12.8	-4.1	7.9	11.2	3.5
% change	14.1	15.6	-23.9	-5.8	-1.9	4.4	28.1	186.5
Unincorporated Bus.	166.4	128.9	121.3	120.7	131.0	115.0	29.0	1.7
1 year change	25.5	-37.5	-7.6	-0.6	6.0	10.3	6.4	0.8
% change	18.1	-22.5	-5.9	-0.5	4.8	9.9	28.2	81.4
Deed taxes*	442.0	323.2	187.4	224.2	359.4	289.5	77.1	20.2
1 year change	81.7	-118.8	-135.8	36.8	179.4	135.2	30.0	-3.8
% change	22.7	-26.9	-42.0	19.6	99.7	87.6	63.8	-16.0
Other taxes	542.8	551.0	584.3	538.8	600.1	541.4	218.0	69.5
1 year change	61.5	8.3	33.3	-45.5	69.9	61.3	13.3	-11.3
% change	12.8	1.5	6.0	-7.8	13.2	12.8	6.5	-14.0

\*Deed taxes include deed recordation, deed transfer, and economic interest taxes on real property transactions.

Note: (1) Includes public space rental (in other taxes), and (2) deed tax collections will vary from payments to Recorder of Deeds (graphed on the next page) due to processing and timing effects.

(2) This table and the graphs on the next page include adjustments to the timing and consistency of collection reporting which make comparisons with prior year periods more accurate; accordingly, the data may vary slightly from other OCFO reports.

Source: OCFO/ORA

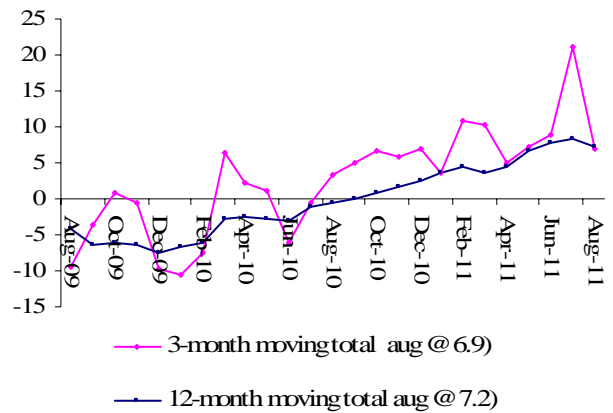
## DC tax collections

### Tax collections continue to rise, but sales, income tax withholding, and deed taxes slow

- For the 12-month period ending august, tax collections (before earmarking) were \$359 million (7.2%) more than a year earlier.
- FY 2011 to date, sales tax collections were up 2.6% and individual income tax withholding was up 8.0%.
- Both sales and withholding have slowed in recent months. The 3-month moving total for sales taxes was down 10.2% from last year, and withholding was up 2.3%.
- Deed tax payments to the DC Recorder of Deeds for transfers, recordation, and economic interest were down 6.2% from the prior year for the 3 months ending August. This is the first year-over-year decline in this measure in 20 months. FY 2011 to date collections are up 41.5% over last year.

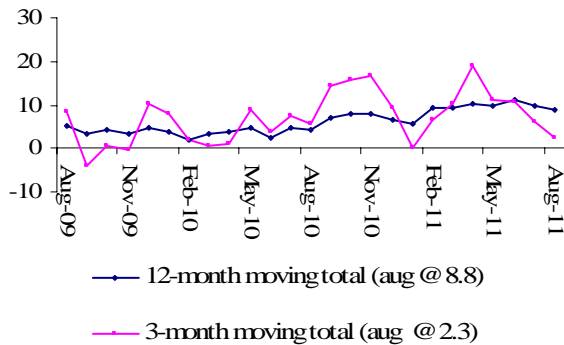
### DC Tax Collections (before earmarking): August 2009 to August 2011

(% change in 3-month and 12-month moving totals)



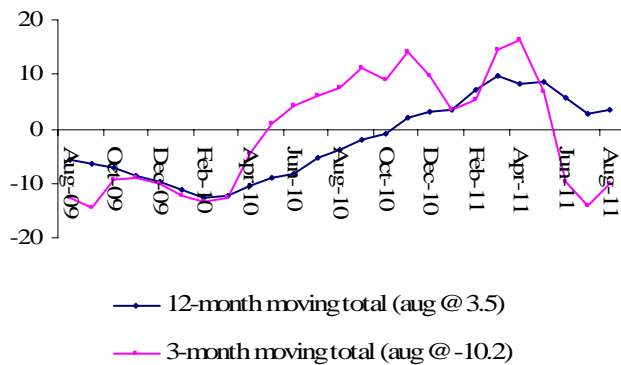
### Withholding collections: August 2009 to August 2011

(% change from prior year in 3-month and 12-month moving totals)



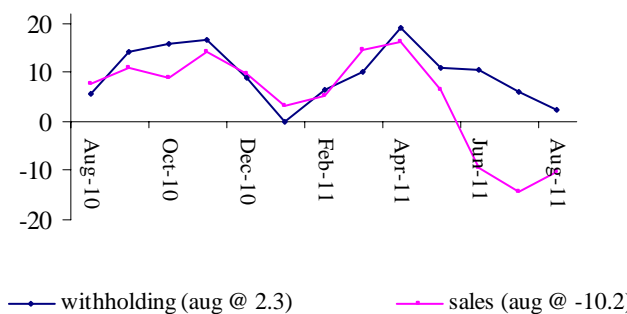
### Sales tax collections: August 2009 to August 2011

(% change from prior year in 3-month and 12-month moving totals)



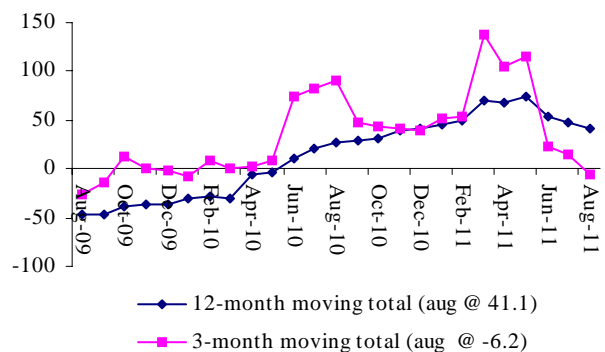
### Collections for the General Sales tax and Individual Income tax withholding: August 2010 to August 2011

(% change in 3-month moving total)



### Payments to DC Recorder of Deeds for recordation, transfer, and economic interest taxes: August 2009 to August 2011

(% change in 3-month and 12-month moving totals)



**Note: source is Recorder of Deeds, not Table 23.**

## US economic forecasts

### Blue Chip Indicators' reduced outlook for the US economy for FY 2012. Stock market forecasts down sharply.

- The September Blue Chip Indicators forecasts for real GDP in FY 2012 decreased.. Growth in real GDP is now forecast to be 2.1% in FY 2011 and 1.9% in FY 2012 (down from 2.2% last month and 3.0% in June).
- In September Blue Chip Indicators raised slightly its estimate for inflation in FY 2011. The CPI forecast is for increases of 2.6% for FY 2011 and 2.4% for FY 2012. The forecast for the interest rate on 10 year Treasury securities once again went down for both FY 2011 and FY 2012.
- S and P 500: In August Global Insight and Economy.com made large reductions in their forecasts, The range in percentage changes are -16.2% to +1.7% for 2011.4 compared to the same quarter of the prior year.

Table 24. Forecasts for US nominal and real GDP:

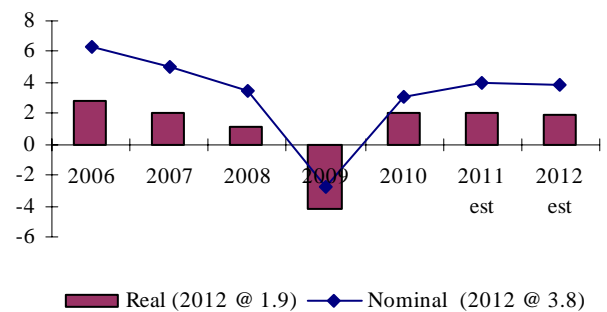
FY 2010 through FY 2012 (% change from prior fiscal year)

Forecast and date	2010	2011	2012	2010	2011	2012
	real			nominal		
<b>Congressional Budget Office</b>						
August 2010	2.4	2.3	2.9	3.1	3.3	4.1
January	2.2	2.5	3.2	2.9	3.6	4.4
August 2011	2.1	2.5	2.5	3.0	4.0	3.8
<b>Blue Chip</b>						
June	2.2	2.6	3.0	2.9	4.2	4.9
July	2.2	2.5	2.9	2.9	4.1	4.8
August	2.1	2.1	2.2	3.0	4.1	4.2
September	2.1	2.1	1.9	3.0	4.0	3.8

Sources: Blue Chip Indicators and the Congressional Budget Office. Most recent FY 2010 is actual from BEA.

Blue Chip Indicators estimate of US Nominal and Real GDP: 2006 to 2012

(% change from the prior year; September 2011 estimate)



S and P 500 stock index: August 2005 to August 2011

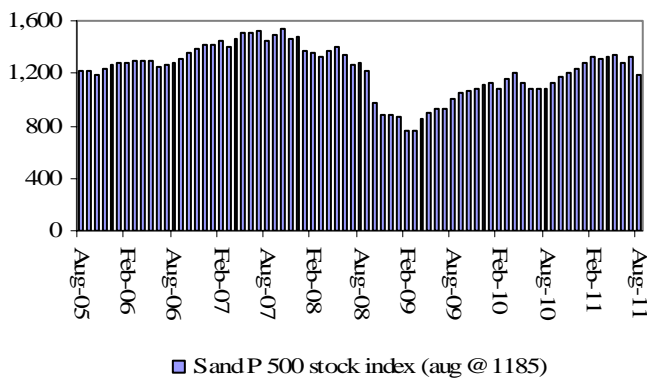


Table 25. Forecasts for S and P 500: 2010.4 to 2012.4

(% change from prior fiscal year)

Forecast date	2010.4	2011.4	2012.4	2010.4	2011.4	2012.4
	% change from prior year			% change from prior year		
	Global Insight: baseline			Global Insight: pessimistic		
May	10.6	13.6	5.1	10.6	-0.4	8.7
June	10.6	13.1	5.1	10.6	-2.0	7.6
July	10.6	13.2	5.1	10.6	-2.7	8.6
August	10.6	-2.4	8.3	10.6	-16.2	3.7
	Economy.com baseline			Economy.com pessimistic		
May	10.6	12.5	-1.6	10.6	5.3	5.9
June	10.6	11.7	0.5	10.6	6.8	5.6
July	10.6	11.7	0.5	10.6	4.5	8.1
August	10.6	1.7	6.5	10.6	-10.3	10.2

Source: Global Insight and Moody's Economy.com. Global Insight's pessimistic probability is 20%, Economy.com's is 25%.

Table 26. Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2010 to FY 2012

(% change from prior fiscal year)

Forecast date	2010	2011	2012	2010	2011	2012
	CPI			10-yr Treasury interest rate		
June	1.7	2.6	2.5	3.4	3.3	4.0
July	1.7	2.6	2.6	3.4	3.2	3.8
Aug	1.7	2.5	2.4	3.4	3.1	3.4
Sep	1.7	2.6	2.4	3.4	3.0	2.7

Source: Blue Chip Indicators

**In August, Global Insight made significant cuts to its income forecasts**

- **Employment:** Global Insight lowered both its baseline forecasts for FY 2011 and FY 2012, and Economy.com made more substantial reductions. The range of job changes are from 5,480 to 6,683 in FY 2011, and -10,443 to 6,561 in FY 2012.
- **Unemployment:** Most of the unemployment rate forecasts were raised.
- **Wages earned in DC:** Global Insight's forecasts were significantly lowered. Growth rate ranges: 2.6% to 3.0% in FY 2011; 2.3% to 4.4% in FY 2012.
- **Wages earned by DC residents:** Global Insight's forecasts were significantly lowered. Growth rates range from 2.7% to 3.1% in FY 2011; 0.6% to 7.0% in FY 2012.

**Table 27. Jobs in DC: forecasts for FY 2011 to FY 2013**

(amount of change from prior year)

Date of estimate	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
	Global Insight: baseline											
may	8,674	10,175	8,199	8,122	6,118	6,770	8,989	7,937	6,660	7,862	2,892	8,801
jun	8,806	9,999	7,362	8,311	6,522	5,730	8,829	7,457	6,827	7,729	2,506	9,026
jul	6,103	6,800	7,026	5,881	3,992	5,166	5,729	1,580	5,170	4,879	-3,884	7,069
aug	6,677	6,561	6,443	6,683	4,552	3,504	5,560	-2,807	5,058	5,480	-10,443	3,605

Source: Global Insight and Moody's Economy.com. Global Insight's pessimistic probability is 20%, Economy.com's is 25%.

**Table 28. Unemployment rate in DC FY 2011 to FY 2013**

Date of estimate	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
	Global Insight: baseline											
may	9.4	8.4	7.5	9.4	8.5	7.5	9.3	8.8	8.6	9.6	11.0	10.5
jun	9.4	8.4	7.5	9.4	8.5	7.6	9.3	8.9	8.6	9.6	11.1	10.6
jul	9.6	8.9	7.9	9.6	9.1	8.3	9.7	9.6	9.3	9.9	12.3	11.5
aug	9.8	9.7	9.3	9.8	9.9	9.6	9.8	10.1	9.7	9.8	11.7	12.9

Source: Global Insight and Moody's Economy.com. Global Insight's pessimistic probability is 20%, Economy.com's is 25%.

**Table 29. Wages earned in DC FY 2011 to FY 2013**

(percent change from prior year)

Date of estimate	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
	Global Insight: baseline											
may	4.7	5.7	4.7	4.5	4.3	4.3	4.9	5.9	6.2	4.5	4.3	6.0
jun	4.7	5.6	4.7	4.5	4.4	4.3	4.5	5.5	6.4	4.1	3.9	6.2
jul	3.2	5.2	4.6	3.1	4.0	4.0	2.8	4.7	6.3	2.5	2.8	5.8
aug	3.0	3.6	3.9	3.0	2.9	2.8	2.7	4.4	7.0	2.6	2.3	6.0

Source: Global Insight and Moody's Economy.com. Global Insight's pessimistic probability is 20%, Economy.com's is 25%.

**Table 30. DC resident wages FY 2011 to FY 2013**

(percent change from prior year)

Date of estimate	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
	Global Insight: baseline											
may	7.2	7.4	5.1	6.8	5.4	5.1	7.8	8.4	7.4	7.5	7.2	7.2
jun	7.2	7.2	5.2	6.9	5.6	5.1	7.6	8.2	7.5	7.3	7.1	7.4
jul	3.6	5.9	5.3	3.4	4.3	4.8	2.9	6.1	7.5	2.7	4.6	7.1
aug	3.1	2.7	3.6	3.1	0.6	2.3	2.8	7.0	7.2	2.7	5.4	6.4

Note: Estimated by ORA; assumes wage and salary supplements are the same % for DC resident wages as for wages earned in DC.

Source: Global Insight and Moody's Economy.com. Global Insight's pessimistic probability is 20%, Economy.com's is 25%.

## DC revenue estimate

**The September 2011 forecast is for tax revenue (before earmarks) to increase \$226.7 million (4.5%) in FY 2011, then another \$306.8 million (5.9%) in FY 2012**

- The 2011 increase in revenue is expected despite a \$89.8 million (4.9%) decline in real property taxes that results from the impact of lower assessments based on property values prevailing at the end of 2009.
- The largest increases in FY 2011 are in withholding for the Individual Income tax and deed taxes.
- In FY 2012, a rebound in the real property tax is the largest source of growth. General sales, withholding, the non-withholding part of the individual income tax, and business taxes all contribute to the increase.
- In FY 2011 through FY 2013 taxes as a share of Personal Income are similar to the years 2009 and 2010.

**Table 31. DC Tax Revenue (before earmarks) for FY 2011 through FY 2013: September 2011 revenue estimate**

Tax	FY level (\$ million)			Change from prior year (\$ M)			% change from prior year		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Real property	1,731.6	1,866.8	1,953.2	-89.8	135.1	86.4	-4.9	7.8	4.6
Deed taxes	316.6	296.1	312.4	91.0	-20.5	16.3	40.3	-6.5	5.5
General sales	968.2	1,018.2	1,072.8	-8.5	50.0	54.6	-0.9	5.2	5.4
Individual income	1,249.8	1,391.9	1,413.8	139.3	142.2	21.9	12.5	11.4	1.6
Withholding	1,180.1	1,262.4	1,305.9	106.3	82.3	43.5	9.9	7.0	3.4
non-withholding	69.6	129.5	107.9	33.0	59.9	-21.6	90.1	86.0	-16.7
Business income	355.0	390.3	403.2	31.3	35.3	12.9	9.7	9.9	3.3
Other	610.7	575.4	576.8	63.4	-35.3	1.4	11.6	-5.8	0.3
Total	5,231.9	5,538.6	5,732.2	226.7	306.8	193.6	4.5	5.9	3.5

Source: ORA. September 16, 2011 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

**Table 32. DC labor market assumptions: FY 2011 to FY 2013**

item	2011	2012	2013
Wage and salary employment	713,968	718,123	721,089
1 year change	5,785	4,154	2,966
% change	0.8	0.6	0.4
DC resident employment	300,468	301,774	305,205
1 year change	73	1,307	3,431
% change	0.0	0.4	1.1
Unemployment rate	10.1	9.8	9.9

Source: ORA September 2011 revenue estimate

**Table 33. DC Income and stock market assumptions: FY 2011 to FY 2013 ( change from prior year)**

item	2011	2012	2013
Wages and salaries earned in DC	2.9	2.8	2.7
Wages and salaries earned by DC residents	4.2	2.9	3.6
DC Personal income	4.7	3.6	3.8
S and P 500 stock index	-13.2	7.1	12.9

Source: ORA September 2011 revenue estimate. Stock index, on a calendar year basis, represents the % change from the December quarter of the prior year.

**Table 34. DC tax revenue (before earmarks) and DC Personal Income: FY 2004 to FY 2013**

item	2004	2005	2006	2007	2008	2009	2010	2011 est	2012 est	2013 est
<b>Tax revenue (\$ million)</b>										
Level	3,805	4,249	4,516	5,155	5,325	5,052	5,005	5,232	5,539	5,732
Change from prior year	420	444	267	638	170	-273	-47	-35	307	244
<b>Percent change from prior year</b>										
Tax revenue	12.4	11.7	6.3	14.1	3.3	-5.1	-0.9	-0.7	6.2	4.6
Personal Income	6.9	8.3	8.2	8.1	8.5	3.0	2.7	4.7	3.6	3.8
<b>Tax revenue as percent of Personal Income</b>										
Personal Income	13.1	13.5	13.3	14.0	13.3	12.3	11.8	11.8	12.1	12.0

Source: ORA. September 2011 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.



**DC occupations, continued from p. 1**

A closer look at the occupational groups shows that each wage group had gains and losses in each period, suggesting interaction between structural change in the economy and the recession.

—In the lower wage occupations, 10 of 13 groups lost a total of 20,860 jobs after the recession. The two biggest losing sectors here—sales and office employment—also lost jobs in the 2 years before the recession’s impact was felt in DC. These two sectors also are substantially affected by technology, and the jobs lost here may be slow to return.

—The higher wage occupations were also affected by the recession, as 4 of the 8 sectors lost jobs from May 2008 to May 2010.

—The 25,630 post recession gains in the higher wage group were concentrated in just 3 sectors: management, business and finance, and health care.

—Job changes show the dynamic nature of the DC economy. From 2006 to 2010 a total of 66,310 new jobs were created, with almost as many new ones coming after the recession as before. At the same time, 36,310 jobs were lost, 79% after the recession’s onset.

—*Stephen Swaim, ORA*

**Job changes by occupational group before and after recession**

Category	May 2006 to May 2008		May 2008 to May 2010	
	Number of sectors	Change in jobs	Number of sectors	Change in jobs
<b>Job increases during the 2 year period</b>				
Higher wage group	7	18,520	4	25,630
Lower wage group	7	15,120	3	7,040
<b>Job decreases during the 2 year period</b>				
Higher wage group	1	-840	4	-7,930
Lower wage group	6	-6,680	10	-20,860
Job increases, both groups	14	33,640	7	32,670
Job decreases, both groups	7	-7,520	14	-28,790
<b>Total change</b>	<b>21</b>	<b>26,120</b>	<b>21</b>	<b>3,880</b>

Source: see detailed table below

**DC employment by major occupation group and wage category: May 2006, May 2008, and May 2010**

Occupational group	Average wage (\$)	Employment			Employment change:	
		May 2006	May 2008	May 2010	May 2006 to May 2008	May 2008 to May 2010
<b>Higher wage</b>						
1 Management	122,460	64,190	71,190	84,890	7,000	13,700
2 Business and financial operations	86,060	69,820	78,850	89,380	9,030	10,530
3 Computer and mathematical	87,760	33,710	34,200	33,180	490	-1,020
4 Architecture and engineering	96,830	11,820	12,290	12,570	470	280
5 Life, physical, and social science	98,440	23,360	22,520	18,770	-840	-3,750
6 Legal	139,820	37,520	37,550	37,490	30	-60
7 Arts, entertainment, sports, and media	74,240	27,950	28,540	25,440	590	-3,100
8 Healthcare practitioners and technical	81,230	25,040	25,950	27,070	910	1,120
<b>subtotal</b>		<b>293,410</b>	<b>311,090</b>	<b>328,790</b>	<b>17,680</b>	<b>17,700</b>
<b>Lower wage</b>						
9 Community and social services	51,230	8,420	11,380	10,020	2,960	-1,360
10 Education, training, and library	62,970	32,220	34,610	33,370	2,390	-1,240
11 Healthcare support	30,820	7,420	7,200	10,420	-220	3,220
12 Protective service	57,160	22,630	26,110	25,710	3,480	-400
13 Food preparation and serving	27,400	40,530	42,810	43,110	2,280	300
14 Building and grounds maintenance	28,670	24,230	22,070	21,750	-2,160	-320
15 Personal care and service	33,540	8,330	10,580	8,920	2,250	-1,660
16 Sales and related	43,360	28,110	27,500	23,060	-610	-4,440
17 Office and administrative support	44,940	104,340	101,840	93,510	-2,500	-8,330
18 Construction	52,600	11,510	10,870	9,670	-640	-1,200
19 Installation, maintenance, and repair	50,660	8,100	8,960	8,920	860	-40
20 Production	46,680	6,770	7,670	5,800	900	-1,870
21 Transportation and material moving	39,010	13,290	12,740	16,260	-550	3,520
<b>subtotal</b>		<b>315,900</b>	<b>324,340</b>	<b>310,520</b>	<b>8,440</b>	<b>-13,820</b>
<b>Total</b>	<b>73,440</b>	<b>609,310</b>	<b>635,430</b>	<b>639,310</b>	<b>26,120</b>	<b>3,880</b>
<i>Addendum: DC labor market statistics</i>						
<i>Labor Force</i>		320,612	335,438	335,775	14,826	337
<i>Employed DC residents</i>		302,023	314,925	302,511	12,902	-12,414
<i>Unemployed DC residents</i>		18,589	20,513	33,264	1,924	12,751
<i>DC unemployment rate</i>		5.8	6.1	9.9	0.3	3.8

Source: BLS Occupational Statistics Survey (OES). OES scope is slightly more limited than the monthly employment by establishment survey.

## ORA Reports and Documents

From time to time the Office of Revenue Analysis prepares fiscal impact studies on pending legislation, reports, and other documents on subjects related to DC 's economy and taxes. These documents are posted on the OCFO web site ([www.cfo.dc.gov](http://www.cfo.dc.gov)) under "Economy and Revenue."

### Recent ORA reports:

**Revised Revenue Estimates for Fiscal Years 2011 to 2015.** September 16, 2011. Transmittal letter and accompanying tables.

**Tax Rates and Tax Burdens—A Nationwide Comparison 2009.** This annual publication compares DC tax rates and the estimated DC tax burdens for households of different income levels with the rates and burdens of state and local taxes in the principal cities in all 50 states.

**Tax Rates and Tax Burdens—Washington Metropolitan Area 2009.** This annual publication compares DC tax rates and the estimated DC tax burdens for households of different income levels with the rates and burdens of surrounding jurisdictions in the DC metropolitan area.

**Taxicab medallions—A review of experience in other cities.** May 2011. Includes a review of the experience with taxicab medallions in 5 US cities: New York, Boston, Chicago, San Francisco, and Miami-Dade (Florida). Reviews economic literature on taxicab medallions. Additional information is included in a Q and A format.

### About this report.

*District of Columbia Economic and Revenue Trends* is generally issued about the third week every month. Employment and most other DC information reported on a monthly basis is from one or two months prior to the *Trends* date (the September report has mostly July and August data). Lags can be greater with quarterly data such as Personal Income and commercial real estate. Data in the tables are believed to be reliable, but original sources are definitive. All data are subject to revision by the information source. The *Trends* report is available at the DC Chief Financial Officer web-site: [www.cfo.dc.gov](http://www.cfo.dc.gov) (click on *Economy and Revenue*, *Economic and Revenue Trends*).

Table 35. **Information sources**

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	July	September 16
D.C. Personal Income	BEA	2011.1	September 22
D.C. Tax Collections	OTR/ORA	August	October 15
D.C. Housing Sales	MRIS	August	c October 10
D.C. Commercial Office Building data	Delta Associates	2011.2	c October 10
DC Apartment data	Reis, inc	2011.2	c October 20
D.C. Hotel stay information	Smith Travel Research	July	c. October 10
Consumer Price Index	BLS	July and August	October 19
U.S. Jobs and Labor Force	BLS	July and August	October 7
U.S. GDP and Personal Income	BEA	2011.2	September 29
S and P 500 Stock Index	Financial press	August	October 1
Interest rate on 10-Year Treasury Securities	Financial press	August	October 1
HIS Global Insight D.C. forecast	Global Insight	August	c. September 20
Moody's Economy.com D.C. forecast	Economy.com	August	c. September 20
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	September	October 10

For further information or to comment on this report, contact: Stephen Swaim (202-727-7775) or [stephen.swaim@dc.gov](mailto:stephen.swaim@dc.gov) See also the *Economic Indicators* issued monthly by the D.C. Office of the Chief Financial Officer ([www.cfo.dc.gov](http://www.cfo.dc.gov)).

*District of Columbia Economic and Revenue Trends* is prepared by the Office of Revenue Analysis, which is part of the Office of the Chief Financial Officer of the District of Columbia government.

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