

**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

December 6, 2007

The Honorable Adrian Fenty
Mayor of the District of Columbia
1350 Pennsylvania Avenue, NW – 6th Floor
Washington, DC 20004

The Honorable Vincent Gray
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW – Suite 504
Washington, DC 20004

Dear Mr. Mayor and Chairman Gray:

I am pleased to certify, as of December 2007, revenue estimates for FY 2008-2012. Total non-dedicated Local Fund revenues for FY 2008 are estimated to be \$5,238.0 million, which is \$49.9 million more than the estimate that was certified in September 2007. Also, the FY 2009 revenue is now estimated to be \$5,472.1 million, a \$3.9 million increase from the September 2007 estimate. Table 1 below compares the current revenue estimate to the previous estimate.

Table 1: December 2007 revenue estimate compared to previous estimate

Local Source, General Fund Revenue Estimate (\$ millions)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Local Fund revenue estimate of September 2007	5,188.1	5,468.3	5,757.1	6,051.1	-
Additional revenue from revised estimate	49.9	3.9	3.8	4.1	-
December 2007 revised estimate	5,238.0	5,472.1	5,760.7	6,055.1	6,343.1
Totals may not add due to rounding					
<i>Percent growth over previous year</i>	<i>0.8%</i>	<i>4.5%</i>	<i>5.3%</i>	<i>5.1%</i>	<i>4.8%</i>

The revised revenue estimate for FY 2008 through FY 2012 takes into account: 1) the preliminary tally of the FY 2007 revenue; and 2) an economic forecast that anticipates significant slowing in the national and local economies in calendar year 2008 and FY 2009. The FY 2008 revenue estimate is higher compared to the September estimate because the effect of starting from a higher revenue in the FY 2007 base year more than offsets the slower growth for 2008 (Chart 1). However, beyond 2008, the effect of slower growth for calendar years 2008 and 2009 dominate the impact of higher base year revenue, resulting in much less additional revenue for FY 2009-2012 compared to the September estimate.

The revised estimate is made in an environment where current indicators for both the D.C. and the national economy are mixed and difficulties in real estate and financial markets point to an unusual amount of uncertainty about the course of the economy over the next several years. We will continue to closely monitor the local and national economies on a monthly basis and will continue to inform you of changes in the economic outlook.

The following is a brief summary of the latest data on the District and national economy:

Jobs. In October, wage and salary jobs located in D.C. were up 10,300 (1.5%) from last June—a growth rate above that of the U.S. (1.2%) and that of the Washington metropolitan area (1.4%). Eighty-seven percent of all the growth was in the private sector, with 53% occurring in professional and business services. D.C. resident employment measured from household survey data increased by 200 jobs (0.1%) in October compared to a year ago. In the U.S. economy as a whole, an indicator of a slowing labor market is that the October employment gains reported from household surveys were just 0.4% above the level of the preceding year, and slower growth (0.6%) in resident employment also occurred in October in the Washington Metropolitan area.

Wages. Wage growth was still strong in the quarter ending June 30, 2007, the latest quarter for which information is available. Wages earned in D.C. in the June quarter were up 6.6% from last year, and wages earned by D.C. residents were up 5.6%.

Housing. Condominium sales in October were down 5.0% from a year ago, and the average selling price was down 0.6%. Single family home sales were also down 8.7% from October 2006, and the average selling price was 5.5% higher.

Commercial office space. In the quarter ending in September, commercial office vacancies fell to 5.8%% (including sublet space), and remained the lowest in the D.C. metropolitan area (8.6%) and among the lowest nationally.

Hospitality and retail. In September the number of hotel room-days sold was 0.9%% above last year and hotel room revenues were up 7.6%. Employment in hotels, restaurants, and retail all increased from last year.

The national economy. Growth in the U.S. economy (real GDP) picked up to an annual rate of 4.9% in the quarter ending in September. Inflation remains an issue--the October CPI was up 3.5% from a year earlier, the most rapid increase in inflation in 14 months. Jobs growth, 1.2% in June compared to a year earlier, is strong but has been moderating over the past year. The S and P 500 stock index fell 5.0% in November from the preceding month, and is 3.2% below the level of June 2007. The 10-year Treasury interest rate declined to 4.15% in November as credit difficulties elsewhere in the market resulted in higher demand for U.S. government securities which have no credit risk.

Since the last revenue estimate (September 6, 2007), the outlook for the national economy has turned decidedly more pessimistic over at the next 12 to 18 months.. The revenue assumptions reflect slower growth for the D.C. economy, although growth remains positive throughout the period (Chart 2).

A slowing national economy would adversely impact the District economy and revenue in several ways:

- The District's jobs and wage growth generally tracks that of the national economy; thus, a slowdown in jobs and wage growth in the national economy would be associated with slower jobs and wage growth in the District. This directly impacts both the income tax and sales tax.
- In FY 2007, due to falling sales and slowing price appreciation, the total value of all housing sales was 1.2% below FY 2006, which in turn was 11.4% below FY 2005. This is important from a revenue perspective since property tax revenues for FY 2009 are based on assessments that will be completed at the end of calendar year 2007.
- A tightening credit market also translates into a decline in the deed recordation and transfer taxes, the economic interest taxes, and business licenses;
- Slowing or declines in the stock market and falling corporate profits will adversely affect revenues from the non-withholding part of the individual income tax and from the corporate franchise tax; and
- The projected slowing of the national economy will lead to lower consumer spending nationally, and, thus, a reduction in the rate of growth of visitor spending (half of the District's sales tax revenues are derived from the hospitality sector).

If you have any questions regarding this matter, please contact me on (202) 727-0065.

Sincerely,



Natwar M. Gandhi
Chief Financial Officer

Enclosures

DISTRIBUTION LIST

Councilmember Carol Schwartz (At-Large)
Councilmember David Catania (At-Large)
Councilmember Phil Mendelson (At-Large)
Councilmember Kwame Brown (At-Large)
Councilmember Jim Graham (Ward 1)
Councilmember Jack Evans (Ward 2)
Councilmember Mary Cheh (Ward 3)
Councilmember Muriel Bowser (Ward 4)
Councilmember Harry Thomas Jr. (Ward 5)
Councilmember Tommy Wells (Ward 6)
Councilmember Yvette Alexander (Ward 7)
Councilmember Marion Barry (Ward 8)
Dan Tangherlini, Deputy Mayor and City Administrator
Tene Dolphin, Chief of Staff to the Mayor
Deborah K. Nichols, District of Columbia Auditor
Eric Goulet, Budget Director, Council of the District of Columbia

FY 2007 - FY 2012 Revenue Actuals, Estimates and Projections

(thousands of dollars)

Revenue Source	FY 2007 Dec-07 Preliminary Actual	FY 2008 Dec-07 Revised Estimate	FY 2009 Dec-07 Proj.	FY 2010 Dec-07 Proj.	FY 2011 Dec-07 Proj.	FY 2012 Dec-07 Proj.
Real Property	1,424,587	1,612,638	1,725,409	1,837,196	1,954,360	2,067,728
<i>Transfer to TIF</i>	<i>(1,652)</i>	<i>(2,128)</i>	<i>(2,233)</i>	<i>(2,206)</i>	<i>(2,206)</i>	<i>(2,206)</i>
Real Property (net)	1,422,935	1,610,510	1,723,176	1,834,990	1,952,154	2,065,522
Personal Property	66,129	67,620	68,364	69,116	69,807	69,807
<i>Transfer to Neighborhood Investment Fund</i>	<i>(9,966)</i>	<i>(9,875)</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>(10,000)</i>
Personal Property (net)	56,163	57,745	58,364	59,116	59,807	59,807
Public Space Rental	33,157	34,583	35,689	36,046	36,407	36,771
<i>Transfer to DDOT</i>	<i>(33,157)</i>	<i>(34,583)</i>	<i>(35,689)</i>	<i>(36,046)</i>	<i>(36,407)</i>	<i>(36,771)</i>
Total Property	1,479,098	1,668,255	1,781,540	1,894,106	2,011,961	2,125,329
General Sales	989,873	989,746	1,057,199	1,111,138	1,165,186	1,222,920
<i>Transfer to convention center</i>	<i>(82,961)</i>	<i>(86,002)</i>	<i>(89,614)</i>	<i>(93,467)</i>	<i>(97,486)</i>	<i>(101,678)</i>
<i>Transfer to TIF</i>	<i>(14,174)</i>	<i>(9,733)</i>	<i>(9,628)</i>	<i>(9,653)</i>	<i>(9,653)</i>	<i>(9,653)</i>
<i>Transfer to DDOT capital (parking tax)</i>	<i>(34,250)</i>	<i>(32,744)</i>	<i>(32,908)</i>	<i>(33,072)</i>	<i>(33,237)</i>	<i>(33,237)</i>
<i>Transfer to Ballpark Fund</i>	<i>(8,830)</i>	<i>(19,808)</i>	<i>(18,596)</i>	<i>(18,301)</i>	<i>(18,301)</i>	<i>(18,301)</i>
<i>Transfer to School Modernization Fund</i>	<i>(100,000)</i>	<i>(100,000)</i>	<i>(106,000)</i>	<i>(112,360)</i>	<i>(119,102)</i>	<i>(126,248)</i>
General Sales (net)	749,658	741,459	800,453	844,285	887,406	933,803
Alcohol	5,150	5,087	5,027	4,969	4,914	4,860
Cigarette	21,205	20,890	20,360	19,483	19,339	18,848
Motor Vehicle	43,681	48,252	50,373	52,588	54,899	57,313
Motor Fuel Tax	26,777	26,938	27,032	27,221	27,221	27,221
<i>Transfer to Highway Trust Fund</i>	<i>(26,777)</i>	<i>(26,938)</i>	<i>(27,032)</i>	<i>(27,221)</i>	<i>(27,221)</i>	<i>(27,221)</i>
Total Sales	819,694	815,688	876,213	921,325	966,558	1,014,824
Individual Income	1,319,767	1,353,749	1,420,488	1,512,410	1,600,190	1,690,190
Corp. Franchise	255,702	258,148	263,674	285,032	299,531	312,792
U. B. Franchise	165,143	173,346	194,592	215,130	237,332	262,093
Total Income	1,740,612	1,785,243	1,878,754	2,012,572	2,137,053	2,265,075
Public Utility	164,475	154,287	154,475	154,634	154,767	154,879
<i>Transfer to Ballpark Fund</i>	<i>(10,412)</i>	<i>(9,424)</i>	<i>(9,546)</i>	<i>(9,546)</i>	<i>(9,546)</i>	<i>(9,546)</i>
Public Utility (net)	154,063	144,863	144,929	145,088	145,221	145,333
Toll Telecommunications	57,951	56,246	56,271	56,289	56,299	56,308
<i>Transfer to Ballpark Fund</i>	<i>(1,141)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>
Toll Telecommunications (net)	56,810	53,081	53,106	53,124	53,134	53,143
Insurance Premiums	55,111	56,500	48,500	48,500	48,500	48,500
Healthcare Provider Tax	9,107	11,000	11,000	11,000	11,000	11,000
<i>Transfer to Nursing Facility Quality of Care Fund</i>	<i>(9,107)</i>	<i>(11,000)</i>	<i>(11,000)</i>	<i>(11,000)</i>	<i>(11,000)</i>	<i>(11,000)</i>
Baseball gross receipts tax	23,667	14,000	14,000	14,000	14,000	14,000
<i>Transfer to Ballpark Fund</i>	<i>(23,667)</i>	<i>(14,000)</i>	<i>(14,000)</i>	<i>(14,000)</i>	<i>(14,000)</i>	<i>(14,000)</i>
Total Gross Receipts	265,984	254,444	246,535	246,712	246,855	246,976
Estate	61,350	56,093	57,237	57,000	57,000	57,000
Deed Recordation	238,236	186,996	170,541	172,536	174,986	177,769
<i>Transfer to HPTF</i>	<i>(35,735)</i>	<i>(28,049)</i>	<i>(25,581)</i>	<i>(25,880)</i>	<i>(26,248)</i>	<i>(26,665)</i>
<i>Transfer to Comp. Housing Strategy Fund</i>	<i>(19,124)</i>	<i>(17,191)</i>	<i>(15,678)</i>	<i>(15,858)</i>	<i>(16,087)</i>	<i>(16,343)</i>
Deed Recordation (net)	183,376	141,756	129,282	130,797	132,652	134,761
Deed Transfer	151,929	127,766	116,011	115,721	117,017	118,585
<i>Transfer to HPTF</i>	<i>(22,789)</i>	<i>(19,165)</i>	<i>(17,402)</i>	<i>(17,358)</i>	<i>(17,553)</i>	<i>(17,788)</i>
<i>Transfer to Comp. Housing Strategy Fund</i>	<i>(12,797)</i>	<i>(11,455)</i>	<i>(10,401)</i>	<i>(10,375)</i>	<i>(10,491)</i>	<i>(10,632)</i>
Deed Transfer (net)	116,342	97,146	88,208	87,988	88,973	90,165
Economic Interests	64,793	15,000	8,000	8,000	8,000	8,000
Total Other Taxes	425,862	309,995	282,727	283,785	286,625	289,927
TOTAL TAXES NET OF DEDICATED TAXES	4,731,250	4,833,624	5,065,768	5,358,500	5,649,053	5,942,131
Licenses & Permits	65,413	72,060	75,199	72,690	74,717	71,717
Fines & Forfeits	101,491	106,893	103,893	101,809	99,873	98,130
Charges for Services	56,494	55,325	58,325	56,725	58,725	56,725
Miscellaneous	175,380	100,128	97,906	100,022	101,743	103,437
TOTAL NON-TAX	398,778	334,406	335,323	331,246	335,058	330,009
Lottery/Interfund Transfer	63,900	70,000	71,000	71,000	71,000	71,000
TOTAL REVENUE NET OF DEDICATED TAXES	5,193,928	5,238,030	5,472,091	5,760,746	6,055,111	6,343,140

FY 2006 - FY 2011 Growth Rates by Revenue Source

Revenue Source	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	Dec-07	Dec-07	Dec-07	Dec-07	Dec-07	Dec-07
	Prelim. Actual	Estimate	Proj.	Proj.	Proj.	Proj.
Real Property	23.5%	13.2%	7.0%	6.5%	6.4%	5.8%
<i>Transfer to TIF</i>	0.0%	28.8%	4.9%	-1.2%	0.0%	0.0%
Real Property (net)	23.5%	13.2%	7.0%	6.5%	6.4%	5.8%
Personal Property	0.9%	2.3%	1.1%	1.1%	1.0%	0.0%
<i>Transfer to Neighborhood Investment Fund</i>	0.0%	-0.9%	1.3%	0.0%	0.0%	0.0%
Personal Property (net)	1.1%	2.8%	1.1%	1.3%	1.2%	0.0%
Public Space Rental	49.3%	4.3%	3.2%	1.0%	1.0%	1.0%
<i>Transfer to DDOT</i>	49.3%	4.3%	3.2%	1.0%	1.0%	1.0%
Total Property	22.5%	12.8%	6.8%	6.3%	6.2%	5.6%
General Sales	8.9%	0.0%	6.8%	5.1%	4.9%	5.0%
<i>Transfer to convention center</i>	4.1%	3.7%	4.2%	4.3%	4.3%	4.3%
<i>Transfer to TIF</i>	22.6%	-31.3%	-1.1%	0.3%	0.0%	0.0%
<i>Transfer to DDOT capital (parking tax)</i>	2.0%	-4.4%	0.5%	0.5%	0.5%	0.0%
<i>Baseball sales tax</i>	1.9%	124.3%	-6.1%	-1.6%	0.0%	0.0%
<i>Transfer to School Modernization Fund</i>	-	0.0%	6.0%	6.0%	6.0%	6.0%
General Sales (net)	-3.3%	-1.1%	8.0%	5.5%	5.1%	5.2%
Alcohol	1.6%	-1.2%	-1.2%	-1.2%	-1.1%	-1.1%
Cigarette	-7.8%	-1.5%	-2.5%	-4.3%	-0.7%	-2.5%
Motor Vehicle Excise	2.6%	10.5%	4.4%	4.4%	4.4%	4.4%
Motor Fuel Tax	7.3%	0.6%	0.3%	0.7%	0.0%	0.0%
<i>Transfer to Highway Trust Fund</i>	7.3%	0.6%	0.3%	0.7%	0.0%	0.0%
Total Sales	-3.1%	-0.5%	7.4%	5.1%	4.9%	5.0%
Individual Income	7.0%	2.6%	4.9%	6.5%	5.8%	5.6%
Corp. Franchise	18.8%	1.0%	2.1%	8.1%	5.1%	4.4%
U.B. Franchise	15.8%	5.0%	12.3%	10.6%	10.3%	10.4%
Total Income	9.4%	2.6%	5.2%	7.1%	6.2%	6.0%
Public Utility	6.0%	-6.2%	0.1%	0.1%	0.1%	0.1%
<i>Transfer to Ballpark Fund</i>	0.5%	-9.5%	1.3%	0.0%	0.0%	0.0%
Public Utility (net)	6.4%	-6.0%	0.0%	0.1%	0.1%	0.1%
Toll Telecommunications	2.4%	-2.9%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Ballpark Fund</i>	-44.5%	177.4%	0.0%	0.0%	0.0%	0.0%
Toll Telecommunications (net)	4.1%	-6.6%	0.0%	0.0%	0.0%	0.0%
Insurance Prens.	7.0%	2.5%	-14.2%	0.0%	0.0%	0.0%
Healthcare Provider Tax	0.0%	20.8%	0.0%	0.0%	0.0%	0.0%
<i>Healthcare Provider Tax</i>	0.0%	20.8%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Nursing Facility Quality of Care Fund</i>	48.4%	-40.8%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Ballpark Fund</i>	48.4%	-40.8%	0.0%	0.0%	0.0%	0.0%
Total Gross Rec.	6.0%	-4.3%	-3.1%	0.1%	0.1%	0.0%
Estate	103.7%	-8.6%	2.0%	-0.4%	0.0%	0.0%
Deed Recordation	20.6%	-21.5%	-8.8%	1.2%	1.4%	1.6%
<i>Transfer to HPTF</i>	25.4%	-21.5%	-8.8%	1.2%	1.4%	1.6%
<i>Transfer to Comp. Housing Strategy Fund</i>		-10.1%	-8.8%	1.1%	1.4%	1.6%
Deed Recordation (net)	8.5%	-22.7%	-8.8%	1.2%	1.4%	1.6%
Deed Transfer	14.6%	-15.9%	-9.2%	-0.2%	1.1%	1.3%
<i>Transfer to HPTF</i>	19.3%	-15.9%	-9.2%	-0.2%	1.1%	1.3%
<i>Transfer to Comp. Housing Strategy Fund</i>		-10.5%	-9.2%	-0.2%	1.1%	1.3%
Deed Transfer (net)	2.5%	-16.5%	-9.2%	-0.3%	1.1%	1.3%
Econ. Interests	114.0%	-76.8%	-46.7%	0.0%	0.0%	0.0%
Total Other Taxes	24.2%	-27.2%	-8.8%	0.4%	1.0%	1.2%
TOTAL TAXES NET OF DEDICATED TAXES	11.6%	2.2%	4.8%	5.8%	5.4%	5.2%
Licenses & Perm.	-9.4%	10.2%	4.4%	-3.3%	2.8%	-4.0%
Fines & Forfeits	-9.8%	5.3%	-2.8%	-2.0%	-1.9%	-1.7%
Charges/Services	18.6%	-2.1%	5.4%	-2.7%	3.5%	-3.4%
Misc. Revenue	35.3%	-42.9%	-2.2%	2.2%	1.7%	1.7%
TOTAL NON-TAX	10.2%	-16.1%	0.3%	-1.2%	1.2%	-1.5%
Lottery	-13.4%	9.5%	1.4%	0.0%	0.0%	0.0%
TOTAL REVENUE NET OF DEDICATED TAXES	11.1%	0.8%	4.5%	5.3%	5.1%	4.8%

Estimated Key Variables for the D.C. Economy for the Forecast Period FY 2003 through FY 2012

Fiscal Years	2003 act	2004 act	2005 act	2006 act	2007 est	2008 est	2009 est	2010 est	2011 est	2012 est
Gross State Product (\$ billion)	70.57	76.25	81.49	86.55	90.84	93.58	96.90	101.20	106.33	111.77
	5.6%	8.1%	6.9%	6.2%	5.0%	3.0%	3.5%	4.4%	5.1%	5.1%
Real Gross State Product (billions of \$2000)	64.02	66.84	69.06	71.56	73.54	74.28	75.38	76.98	79.07	81.24
	2.1%	4.4%	3.3%	3.6%	2.8%	1.0%	1.5%	2.1%	2.7%	2.7%
Personal Income (\$ billion)	26.52	28.49	30.44	32.40	34.82	36.63	38.40	40.27	42.32	44.55
	2.9%	7.4%	6.9%	6.4%	7.5%	5.2%	4.8%	4.9%	5.1%	5.3%
Real Personal Income (billions of \$2000)	25.23	26.48	27.49	28.38	29.86	30.56	31.44	32.31	33.23	34.25
	1.0%	5.0%	3.8%	3.3%	5.2%	2.3%	2.9%	2.8%	2.8%	3.1%
Per Capita Income (\$)	45,914	49,193	52,329	55,701	59,805	62,663	65,313	68,366	71,685	75,355
	3.2%	7.1%	6.4%	6.4%	7.4%	4.8%	4.2%	4.7%	4.9%	5.1%
Real Per Capita Income (\$2000)	43,682	45,725	47,260	48,798	51,289	52,250	53,395	54,536	55,731	57,043
	1.2%	4.7%	3.4%	3.3%	5.1%	1.9%	2.2%	2.1%	2.2%	2.4%
Earnings of D.C. Residents (\$ billion)	19.33	21.12	22.59	23.74	25.50	26.72	28.05	29.33	30.73	32.27
	3.9%	9.3%	7.0%	5.1%	7.4%	4.8%	5.0%	4.6%	4.8%	5.0%
Population ('000)	577.6	579.1	581.7	581.7	582.3	584.8	588.9	592.4	596.2	600.4
	-0.2%	0.3%	0.4%	0.0%	0.1%	0.4%	0.7%	0.6%	0.6%	0.7%
Households ('000)	249.1	251.7	253.6	254.6	255.5	257.1	259.3	261.3	263.3	265.4
	0.8%	1.0%	0.8%	0.4%	0.4%	0.6%	0.9%	0.8%	0.8%	0.8%
Civilian Labor Force ('000)	304.7	307.1	313.9	314.8	317.9	318.3	321.6	324.1	326.5	329.0
	-0.2%	0.8%	2.2%	0.3%	1.0%	0.1%	1.0%	0.8%	0.7%	0.7%
At-Place Employment ('000)	665.9	671.4	680.3	686.5	695.8	701.0	705.2	711.7	717.4	723.6
	1.1%	0.8%	1.3%	0.9%	1.4%	0.8%	0.6%	0.9%	0.8%	0.9%
Resident Employment ('000)	283.6	284.2	292.5	296.0	299.4	298.7	300.8	304.3	307.7	310.3
	-0.4%	0.2%	2.9%	1.2%	1.2%	-0.2%	0.7%	1.1%	1.1%	0.9%
Unemployment Rate	6.8	7.4	7.1	6.1	5.8	6.1	6.5	6.1	5.8	5.7
Housing Starts	2,282	1,569	2,502	3,450	2,160	1,992	2,105	2,097	2,796	2,092
Housing Stock ('000)	274.9	275.5	277.7	281.0	282.6	284.9	287.6	288.9	291.3	294.3
	0.1%	0.2%	0.8%	1.2%	0.5%	0.8%	1.0%	0.5%	0.8%	1.0%
Home sales	11,700	13,100	12,900	10,800	9,712	7,896	8,272	8,753	9,226	9,279
	8.3%	12.0%	-1.5%	-16.3%	-10.1%	-18.7%	4.8%	5.8%	5.4%	0.6%
Average home sale price ('000)	367.4	445.4	535.2	583.0	615.2	597.2	596.7	627.4	663.0	702.2
	15.3%	21.2%	20.2%	8.9%	5.5%	-2.9%	-0.1%	5.2%	5.7%	5.9%
Change in S & P 500 Index of Common Stock	-12.5%	19.8%	7.8%	6.8%	14.2%	1.2%	3.5%	5.5%	5.4%	5.9%
Interest rate on 10-year Treasury notes (%)	3.9	4.3	4.2	4.8	4.7	4.6	4.6	5.2	5.2	5.2
Washington Area Consumer Prices: % change from prior year	3.0	2.5	3.9	3.9	3.1	3.0	2.2	2.2	2.2	2.2

Note: Estimated by the D.C. Office of Research and Analysis based on forecasts of the D.C. and national economies prepared by Global Insight (Fall 2007) and Economy.com (November 2007); on forecasts of the national economy prepared by the Congressional Budget Office (August 2007) and Blue Chip Economic Indicators (November 2007); on BLS labor market information from October 2007; on the 2000 Census and Census Bureau estimates of the 2006 D.C. population (December 2006); on CY 2006 Census Bureau American Community Survey data for D.C. (September 2007); on Bureau of Economic Analysis estimates of D.C. Personal Income (September 2007); on Metropolitan Regional Information System (MRIS) D.C. home sales data (October 2007), accessed through the Greater Capital Area Association of Realtors (GCAAR); and on D.C. Office of Planning information on housing construction activity (which includes occupied units that have been or are being rehabilitated) (Spring 2007).