GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER

OFFICE OF REVENUE ANALYSIS

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REVIEW OF DISTRICT OF COLUMBIA ECONOMIC AND REVENUE TRENDS: January 2009

Quarterly Review: **D.C. and the National Recession: (1) The impact on D.C. resident employment has already been particularly noticeable, (2) The impact on D.C. of the 10 recessions since World War II, (3) The federal government may hold the key to the severity of this recession in D.C., and (4) Dangers and opportunities for D.C. in the present recession.**

- **In November, the number of employed D.C. residents fell by 7,500 (2.4%) from last year, while the unemployment rate rose sharply to 8.4%. Total D.C. job growth slowed but the total number of jobs was still above last year's level.** *[Table 1]*

- **In November, housing unit sales remained well below that of the previous year, and average prices of single family and condo properties that sold were, respectively, just slightly down and up, from a year ago.** *[Table 7]*

- **The stock market fell sharply in November, and a longer, deeper U.S. recession was forecast by the Blue Chip indicators in December.** *[Tables 17, 19, and 20]*

Selected Indicators (see note below)**

JOBS and INCOME……………….tables on pp.16-20

Jobs located in D.C. (% ch)

November	3-mo avg	12-mo avg
0.8	1.3	1.6

Resident employment (% ch)

November	3-mo avg	12-mo avg
-2.4	-0.9	0.7

Wages and salaries earned in D.C. (% ch)

	Sep. quarter	12-mo avg
	3.2	4.7

Wages and salaries earned by DC residents (% ch)

	Sep quarter	12-mo avg
	3.1	4.8

REAL ESTATE..................................tables on pp.21-26

Value of all residential housing sales (% ch)

November	3-mo total	12-mo total
-19.8	-13.2	-20.6

Commercial office vacancy rate (w/ sublet) (%)

Sep. 2008	Jun. 2008	Sep. 2007
6.6	6.7	5.8

HOSPITALITY AND RETAIL…………table on p. 27

Hotel revenue from room sales (% ch)

October	3-mo total	12-mo total
-4.7	-0.4	1.8

TAX COLLECTIONS…………..….tables on pp. 28-30

All taxes (% ch)

November	3-mo total	12-mo total
-2.8	5.0	2.1

U.S. ECONOMY AND FORECASTS.tables on pp. 31-34

U.S. jobs: (% ch)

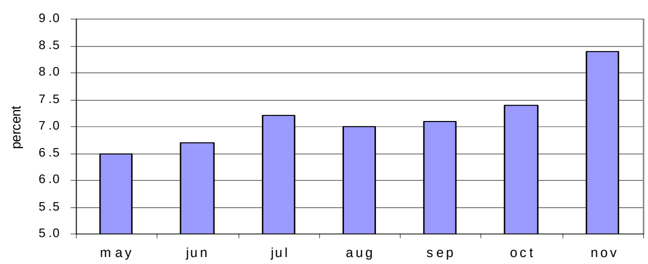
November	3-mo. avg.	12-mo avg.
-1.5	-0.9	0.0

S and P 500 Stock Index: % change in Nov. from

Oct. 2008	Aug. 2008	Nov. 2007
-8.9	-31.1	-39.7

Inside….*

In November, the D.C. unemployment rate rose sharply to 8.4%



**Quarterly reviews are included in the January, April, July, and October Economic and Revenue Trends reports.*
*****Note: UNLESS OTHERWISE NOTED, ALL PERCENTS REPRESENT CHANGE FROM THE SAME PERIOD OF THE PRIOR YEAR. When the 1- or 3-month indicator grows faster than the comparable 12-month indicator, growth in the item in question is tending to accelerate; conversely, if the 1- or 3-month indicator grows more slowly than the 12-month indicator, growth is tending to decelerate.***

SUMMARY for January 2009

Jobs in D.C. In November 2008, wage and salary jobs located in D.C. were 5,400 (0.8%) above November 2007, a growth rate above that of the U.S. (-1.5%), but below that of the Washington D.C. suburbs (1.1%). Seasonally adjusted employment in D.C. was, however, 4,000 (0.6%) less than in October. *[Tables 1 and 2]*

D.C. resident employment in November decreased by 7,500 (-2.4%) from last November. This sharp decline in resident employment resulted in a percentage decline greater than in the U.S. (-1.7%). D.C.'s unemployment rate in September (8.4%, not seasonally adjusted) was also almost 2 percentage points above that of the U.S. (6.5%). Seasonally adjusted resident employment in D.C. was down 2,900 (1.0%) from October. *[Tables 1 and 2]*

For the 3-month period ending in November, government employment was essentially unchanged from last year, with an increase of 1,300 in federal employment about offset by a similar decrease in local government employment. Significant private sector gains occurred in organizations (3,100), education (2,300), health (2,000), professional services (1,700), and food services (1,100). *[Table 3]*

Wages. Wage gains weakened in the quarter ending in September. Wages earned in the quarter were up 3.2% from a year earlier, and wages earned by D.C. residents rose 3.1%. These rates were below the average for the past 12-months—4.7% and 4.8 % respectively—but were slightly higher than the U.S. gain for the quarter (3.0%). *[Table 5]*

Housing. In November, housing sales (contracts) were 22.9% below last November, with single family sales down 9.8% and condo sales down 36.1%. The average selling price of all single family homes sold by brokers in November was 1.7% lower than a year ago, while the average price of condominium units that sold in November was 2.7% higher. *[Table 7]*

In the quarter ending in September 2008 there was a 7.6% decline from Sep. 2007 in the OFHEO purchase price index that tracks the sale of the same D.C. single family properties financed in whole or in part by conforming mortgages. Housing permits issued in D.C. in the 3-months ending in October were 88.0% below a year earlier. *[Tables 9 and 10]*

Commercial office space. In the quarter ending in September, the commercial office vacancy rate fell slightly to 6.6% (including sublet), well below the metropolitan area average of 10.1%. According to Delta Associates, space under construction (10.60 million sq. ft.) was down 3.0% from June and up 33.9% from a year ago. Leased space in D.C. in the September quarter was up only 0.2% over a year ago, the smallest such increase in over 5 years. *[Table 11]*

Hospitality and retail. For the 3-month period ending in October, the number of hotel room-days sold was up 0.5% above the same period of last year, average room rate was down 0.9%, and revenues were up down 0.4%. For the 3-month period ending in September, over the year, employment in restaurants was up 3.3%, retail gained 1.7%, and employment in accommodations was down by 5.5%. *[Table 14 and Table 3]*

Tax collections. In November, the total taxes collected were down 2.8% from November of 2007, the second month in a row when collections fell. It is still, however, much to early to draw conclusions about actual collections for FY 2009. Over the past 3 months, collections for the General sales tax were up 1.1% compared to a year earlier, witholding for the individual income tax was up 6.6%, and deed tax collections were down 59.3%. *[Table 15]*

The national economy. U.S. employment on a seasonally adjusted basis declined by 533,000 from October to November, the 11th month in a row of negative job growth. *[Table 19]*

The stock market in November lost 8.9% from October, and was 39.7% less than in November 2007. The November CPI was just 1.1% above last November, the lowest year-over-year increase since June 2002 which was also 1.1%. *[Tables 17 and 19]*

Outlook. In December, the Blue Chip Economic Indicators consensus forecast lowered its forecast for real GDP economic growth in FY 2009 to -1.2%, with contraction to occur through June 2009. *[Table 20]*

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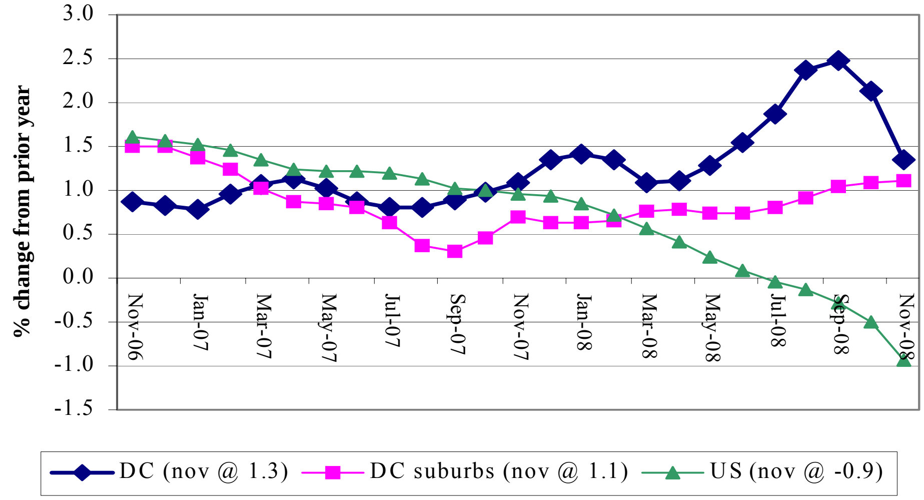
See also the Economic Indicators issued monthly by the D.C. Office of the Chief Financial Officer (www.cfo.dc.gov)

At-a-glance: Wage and Salary employment located in D.C.

Change in wage and salaryemployment located in DC, the DC suburbs, and the US: November 2006 to November 2008
(% change from prior year in 3-month moving average)



Wage and salary employment in the US, the Washington metropolitan area, DC, and the DC suburbs: November 2008

item	This month only					3-month moving average			
			1 year change					1 year change	
	Nov 2007	Nov 2008	amount	%		Nov 2007	Nov 2008	amount	%
US	139,150,000	137,100,000	-2,050,000	-1.5		138,687,333	137,402,667	-1,284,667	-0.9
DC metro area	3,019,400	3,050,500	31,100	1.0		3,005,633	3,040,667	35,033	1.2
DC	702,500	707,900	5,400	0.8		697,567	706,967	9,400	1.3
DC suburbs	2,316,900	2,342,600	25,700	1.1		2,308,067	2,333,700	25,633	1.1

Source: BLS

Wage and salary employment located in DC: November 2008

item	This month only					3-month moving total			
			1 year change					1 year change	
	Nov 2007	Nov 2008	amount	%		Nov 2007	Nov 2008	amount	%
Federal government	191,600	192,300	700	0.4		191,200	192,467	1,267	0.7
Local government	40,700	38,900	-1,800	-4.4		40,267	38,933	-1,333	-3.3
Professional and legal	105,000	106,400	1,400	1.3		104,333	106,033	1,700	1.6
Business services	50,500	50,900	400	0.8		50,533	51,033	500	1.0
Information and finance	50,100	49,200	-900	-1.8		50,000	49,233	-767	-1.5
Education	48,400	49,300	900	1.9		45,767	48,100	2,333	5.1
Health	55,300	57,200	1,900	3.4		54,933	56,900	1,967	3.6
Organizations	56,500	59,200	2,700	4.8		56,033	59,167	3,133	5.6
Hospitality	55,300	55,500	200	0.4		55,500	55,900	400	0.7
Retail and wholesale trade	23,000	23,200	200	0.9		22,800	23,100	300	1.3
Construction	12,800	13,100	300	2.3		12,867	13,133	267	2.1
Other private	13,300	12,700	-600	-4.5		13,333	12,967	-367	-2.7
Total	**702,500**	**707,900**	**5,400**	**0.8**		**697,567**	**706,967**	**9,400**	**1.3**

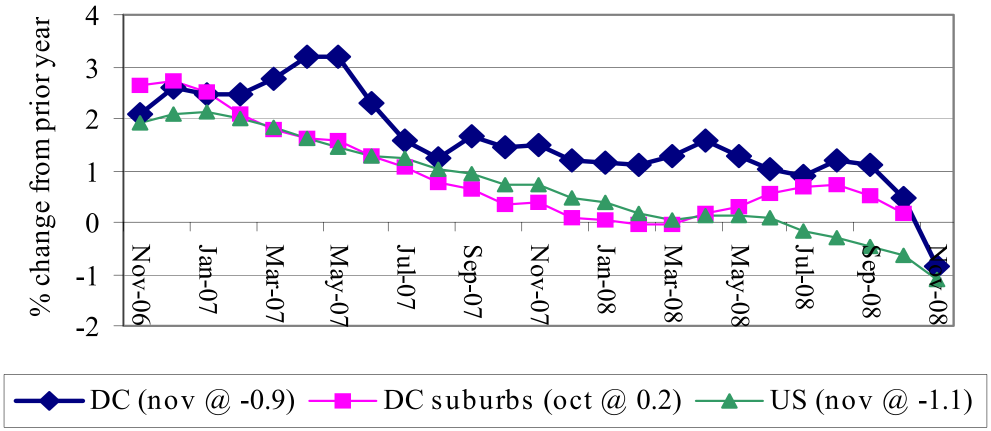
Source: BLS.

Note: (For details, see tables 1 through 4. Table 3 contains more detail on employment by sector)

- D.C. accounted for 23.25 % of all wage and salary jobs in the D.C. metropolitan area in November. *[3-month avg.]*
- According to the 2000 Census, non-residents accounted for 71.6% of all persons working in D.C.

At-a-glance: Employment of D.C. residents

Resident employment in DC, the DC suburbs, and the US:
November 2006 to November 2008
(% change from prior year in 3-month moving average)



D.C. Employment, Labor Force, and Unemployment: November 2008

	This month only					3-month moving average			
			1 year change					1 year change	
item	Nov 2007	Nov 2008	amount	%		Nov 2007	Nov 2008	amount	%
Labor force	327,125	328,574	1,449	0.4		325,853	329,039	3,185	1.0
Resident employment	308,479	300,974	-7,505	-2.4		307,277	304,648	-2,629	-0.9
Unemployment	18,646	27,600	8,954	48.0		18,576	25,177	6,601	35.5
Unemployment rate	5.7	8.4	2.7			5.7	7.7	2.0	

Source: BLS

Resident employment in the US, the Washington metropolitan area, DC, and the DC suburbs: October 2008

	This month only					3-month moving average			
			1 year change					1 year change	
item	Oct 2007	Oct 2008	amount	%		Oct 2007	Oct 2008	amount	%
US	146,743,000	145,543,000	-1,200,000	-0.8		146,532,333	145,587,333	-945,000	-0.6
DC metro area	2,903,031	2,899,596	-3,435	-0.1		2,901,727	2,908,071	6,344	0.2
DC	307,243	304,926	-2,317	-0.8		307,446	309	1,500	0.5
DC suburbs	2,595,788	2,594,670	-1,118	0.0		2,594,281	2,907,762	4,845	0.2

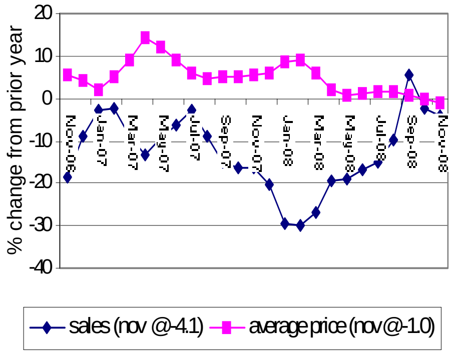
Source: BLS Note: Data for November for the Washington Metropolitan Area is not yet available

Note: *For details, see table 1.*

- D.C. accounted for 10.6 % of employed residents in the D.C. metropolitan area in October. *[3-month avg.]*
- According to the 2000 Census, 27.0% of all employed D.C. residents work outside of D.C.

At-a-glance: D.C. Housing Market *(not including multi-family rental)*

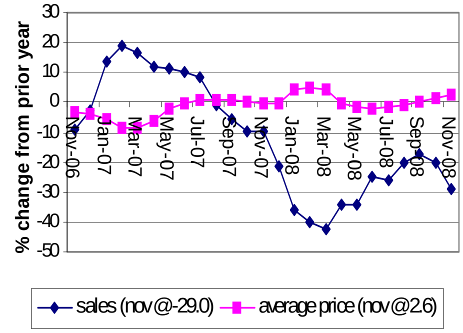
Single family units: Number and average selling price in DC: November 2006 to November 2008
(% change from prior year in 3-month moving averages)



	Nov 2008	Last 3 mo	Last 12 mo
sales	229	773	3,162
1 yr % ch	-9.8	-4.1	-16.2
Avg price	675,309	680,655	686,196
1 yr % ch	-1.7	-1.0	2.5

[Source: MRIS, accessed through GCAAR]

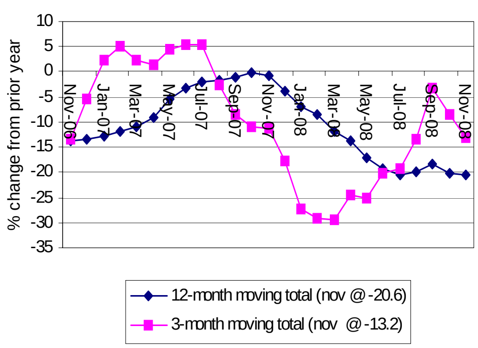
Condominium units: Number and average selling price in DC: November 2006 to November 2008
(% change from prior year in 3-month moving averages)



	Nov 2008	Last 3 mo	Last 12 mo
sales	159	559	2,814
1 yr % ch	-36.1	-29.0	-31.2
Avg price	415,404	416,842	407,131
1 yr % ch	2.7	2.6	1.0

[Source: MRIS, accessed through GCAAR]

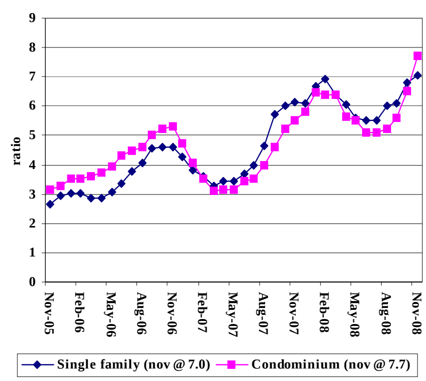
Value of transactions: Value of single family and condo sales: November 2006 to November 2008
(% change from prior year in 3-month moving averages)



	Nov 2008	Last 3 mo	Last 12 mo
Sales ($M)	221	759	3,315
1 yr % ch	-19.8	-13.2	-20.6

[Source: MRIS, accessed through GCAAR]

Ratio of active listings to sales: November 2005 to November 2008
(% change from prior year in 3-month moving averages)



	Nov 2008	Last 3 mo	Last 12 mo
Single family	7.90	7.04	6.32
Condo	9.03	7.69	6.07

[Source: MRIS, accessed through GCAAR]

***Note**: for details see tables 7, 8, 9, and 10*

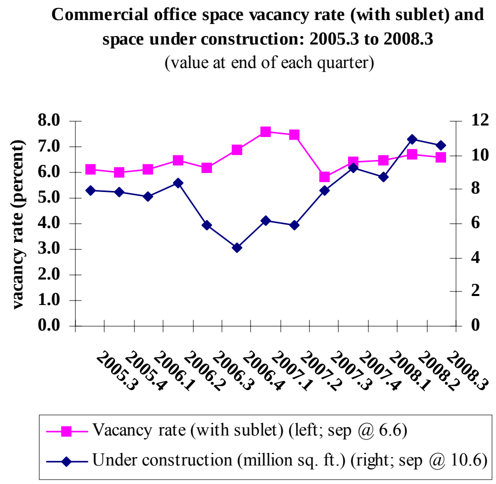
- OFHEO Purchase Price Index for single family homes in DC for the Quarter ending Sep. 2008: -7.6%
- DC housing permits issued in the 12 month period ending October 2008: 707, down 67.0% from the 12-month period ending October 2007.

At-a-glance: Commercial real estate and value of sales of all real estate

Commercial real estate

	Sep 2008	June 2008	Sep 2007
Inventory	123.60	123.51	122.41
Leased space	116.29	116.21	116.04
Vacant space	8.16	8.28	7.10
% vacant	6.6	6.7	5.8
Under constr.	10.60	10.93	7.92

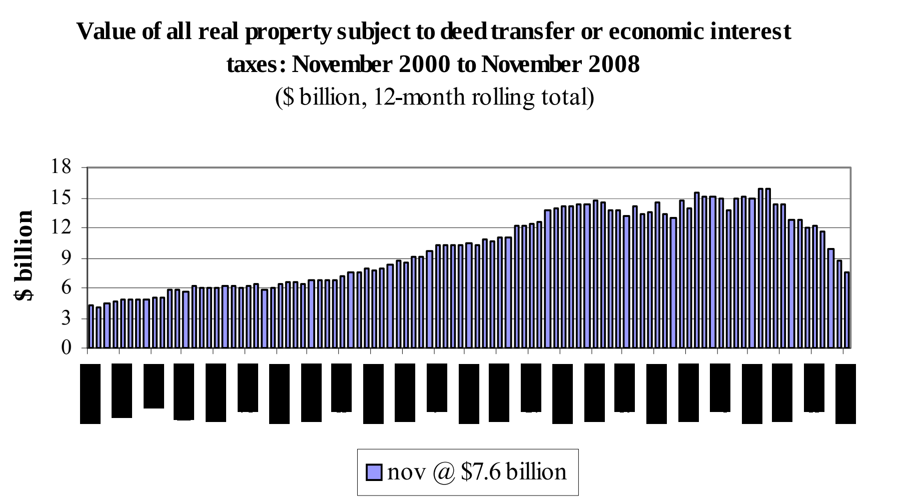
[Source: Delta Associates; in millions of sq ft (msf)]



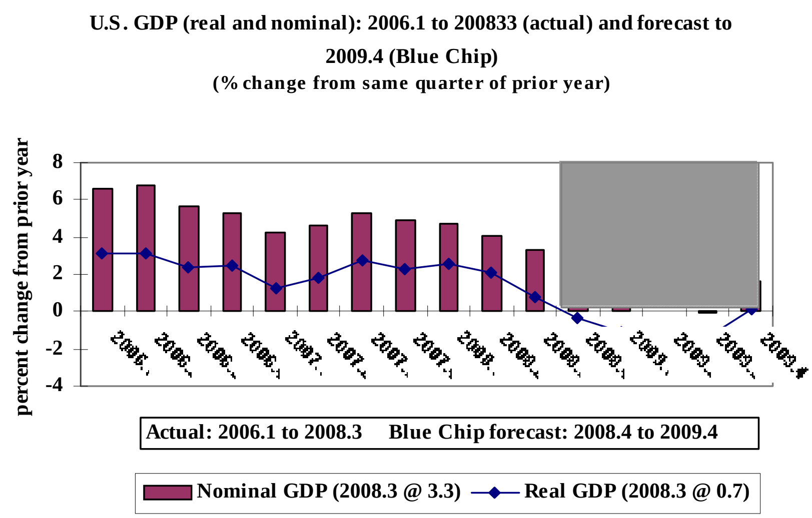
Delta Associates outlook for Commercial office Space in DC metro area: September 2008 to September 2010

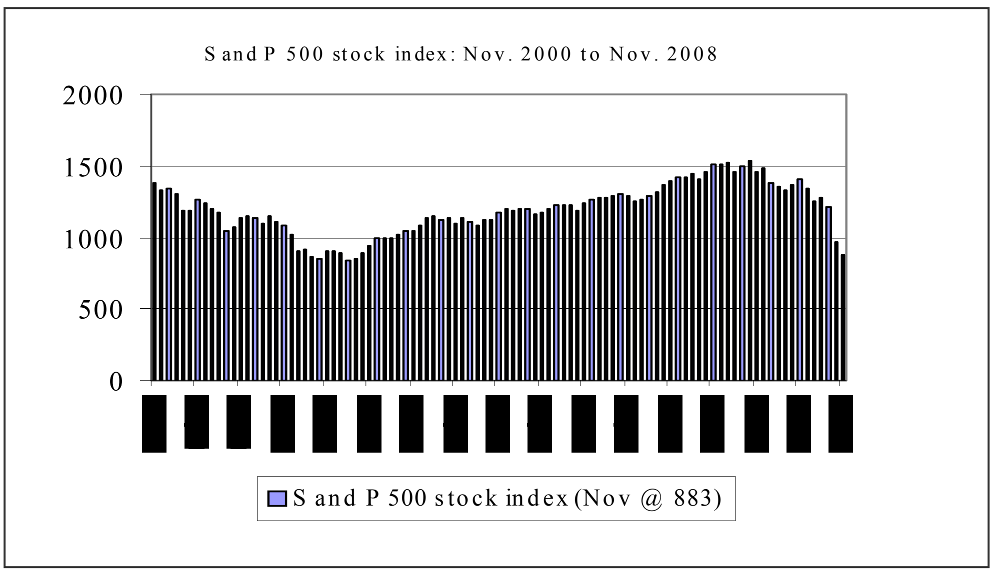
	DC	No VA	Sub MD	Total	*DC % of total*
Inventory sep 2008					
Inventory (msf)	123.6	172.7	86.4	382.6	*32.3*
vacancy rate (%)	6.6	11.9	11.5	10.1	
Net activity to sep 2010					
new supply (msf)	11.0	5.6	2.8	19.4	*56.7*
new demand (msf)	3.3	4.8	2.1	10.2	*32.4*
Inventory sep 2010					
vacancy rate (%)	11.8	12.0	11.9	11.9	

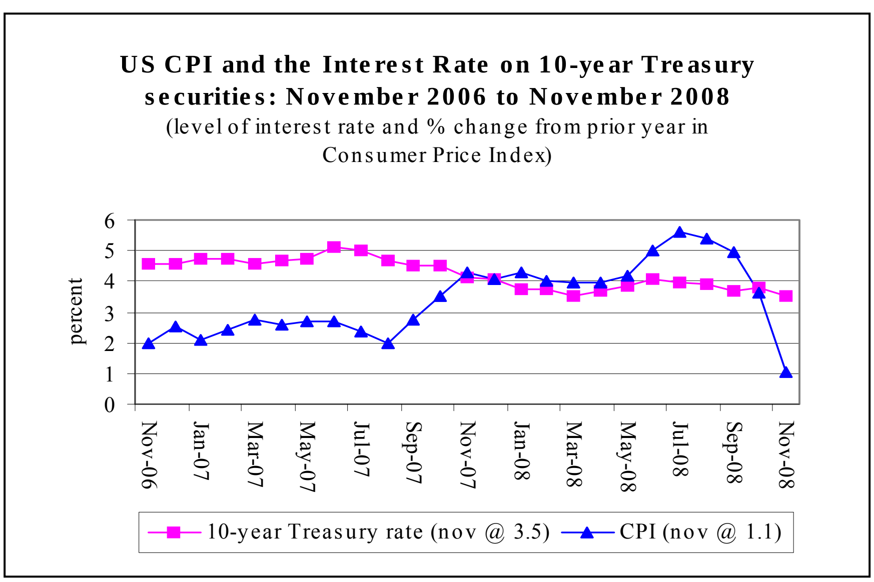
Source: Delta Associates



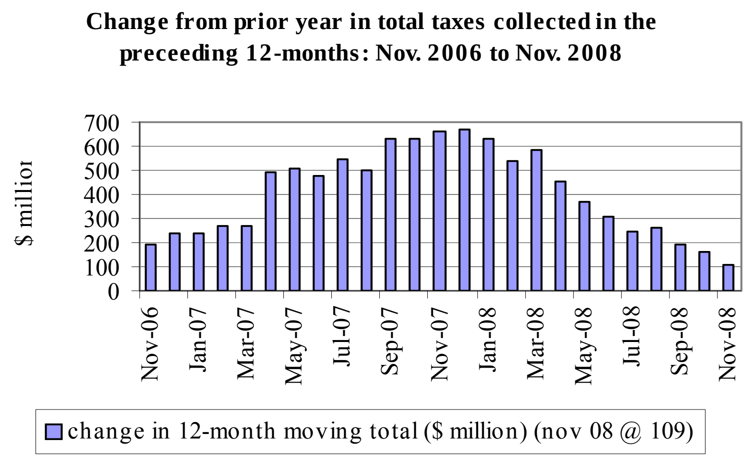
At-a-glance: The U.S. economy







At-a-glance: D.C. tax collections



D.C. Tax Collections before earmarking: 12-month moving total from November 2007 to November 2008
(amounts in millions of dollars)

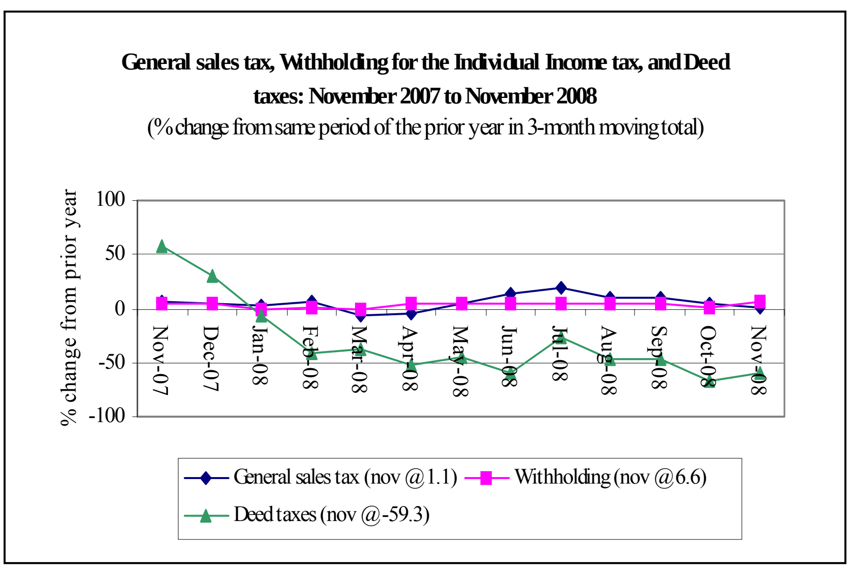
Tax	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08
Amount	5,171.8	5,192.7	5,203.7	5,161.3	5,243.0	5,355.6	5,261.0	5,221.1	5,212.3	5,204.5	5,308.8	5,287.5	5,280.5
change from prior year	664.1	666.3	627.0	537.9	583.8	453.7	369.4	307.0	246.4	261.2	191.3	160.6	108.7
% change from prior year	14.7	14.7	13.7	11.6	12.5	9.3	7.6	6.2	5.0	5.3	3.7	3.1	2.1

source: OTR/ORA

D.C. Tax Revenue (before earmarking) and D.C. Personal Income: FY 2004 through FY 2012
(Percent change from prior year)

	FY 2004 actual	FY 2005 actual	FY 2006 actual	FY 2007 actual	FY 2008 est	FY 2009 est	FY 2010 est	FY 2011 est	FY 2012 est
Tax collections	12.9	12.8	5.6	14.0	4.6				
Tax Revenue	12.4	11.7	6.3	14.1	2.0	1.4	1.8	4.8	6.0
D.C. Personal Income	7.6	9.5	6.8	6.4	5.6	2.7	2.1	3.9	4.5

Note: Tax collections represent cash received; Tax revenue is based on cash collections but also reflects accounting adjustments.
Source: OCFO/OTR, U.S. Bureau of Economic Analysis, OCFO/ORA
Forecasts of Tax Revenue and DC Personal Income are from ORA's December 2008 Revenue Estimate.

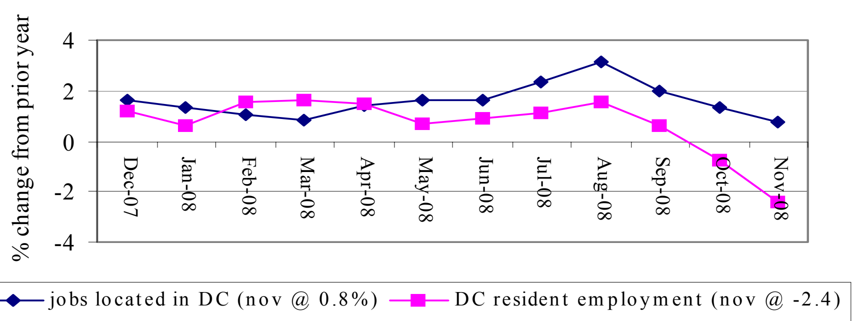


Quarterly Review: D.C. and the National Recession

1. <u>The impact on D.C. resident employment has already been particularly noticeable.</u>
The District has been relatively slow to feel the impact on its labor market of the national recession that began 11 months ago in December 2007.[1] D.C. employment growth (measured as % change from the same month of the previous year) only began slowing in September, but the downturn has already been particularly severe for D.C. residents.

October was the first month in this recession in which the number of employed D.C. residents was lower than a year earlier. By contrast, the same measure of employment first declined nationally in March 2008. However, the District's 8.4% November unemployment rate exceeds the U.S. 6.5% rate by almost 2 full percentage points. The 7,500 decline in resident employment since November of last year represents a percentage decrease greater than that which has occurred nationally to this point—2.4% versus 1.7%.

Jobs located in DC and DC resident employment: December 2007 (when US recession began) to November 2008
(% change from same month of prior year)



Most recent employment and wage data for DC and the US: November 2008 and quarter ending September 30, 2008 *(% change from same period of the previous year unless noted)*				
Indicator	data type and period		DC	US
Employment				
Wage and salary employment	Monthly	November	0.8	-1.5
Resident employment	Monthly	November	-2.4	-1.7
Unemployment rate *(level)*	Monthly	November	8.4	6.5
Wages and salaries				
nominal				
Where earned	Quarterly	September	3.2	3.0
Earned by DC residents	Quarterly	September	3.1	
inflation adjusted				
Where earned	Quarterly	September	-2.0	-2.2
Earned by DC residents	Quarterly	September	-2.1	
Source: BLS and BEA				

[1] Recessions are officially designated by a committee of the National Bureau of Economic Research. A listing of recessions back to 1857 may be found on their web site. (nber.org/cycles).

2. The impact on D.C. of the 10 recessions since World War II

The current downward cycle of the national economy, which has lasted for 11 months, has already exceeded the post-World War II recession average length of 10 months. Were it to last another 6 months, this recession would exceed the two longest recessions of the post-war period—those beginning in 1973 and 1981—each of which involved a 16-month contraction period.

The slowness with which employment located in D.C. has been affected by the recession gives rise to some hope that the impacts of the recession will remain muted in the District of Columbia. This may well prove to be the case. The District's concentration of government and other professional services, which thus far have performed better than other sectors in this recession, may indeed provide a measure of protection against the worst of the downturn. Still, there is considerable uncertainty about what might happen both nationally and in the District. Each recession is different, and there are many ways the national economy can exert influence on a local economy.

Review of recessions since World War II suggests caution in drawing conclusions about the District's ability to avoid the adverse consequences of major national recessions. In all six recessions since 1969 the District has suffered declines in employment and, in all but one, declines in inflation-adjusted wages earned in the City. In four the these six recessions, the percentage decline in employment in D.C. was greater than in the U.S., and in three of these recessions, D.C.'s percentage decline in real wages exceeded the U.S. decline. Furthermore, the impact on D.C. resident employment and wages earned by D.C. employees has been particularly great. Although slow in arriving, the impact on District residents in this recession already is greater than what has happened nationally. The longer this recession continues, the more likely it is that difficulties in the national economy will adversely affect the District's economy and its residents.

Ten recessions occurred in the U.S. from 1948 through 2001, five of them before 1973. The following discussion of the toll that these recessions have had on District employment and wages summarizes information in the accompanying tables.[2]

Jobs located in D.C. and total wages earned in D.C.

- In 9 of the 10 past recessions, the District experienced one or more months where employment was below the level of the same month of the prior year. In 5 of these recessions (1953, 1969, 1980, 1981, and 1990) the percentage declines were greater in D.C. than in the U.S.
- The two most extended periods of D.C. employment decline in and around a recession were associated with the 1981 (26 months) and 1953 (22 months) recessions. The steepest drops in D.C. employment were in the same two recessions—7.6% in 1953 and 4.7% in 1981.
- In 7 of the 10 recessions, the level of real wages earned by D.C. residents was lower in at least one quarter than in the same quarter a year earlier. In 4 of these (1953,1973,1980, and 1981) the percentage decline in real wages earned in D.C. was more than in the national economy.

[2] Labor force data from the U.S. Bureau of Labor Statistics web site was not available for period prior to 1976.

Impact of Post World War II Recessions on total Wage and Salary Employment in DC and on total Real Wages earned in DC

Recession	Length of contraction (months)	Wage and salary employment in DC: Number of months when job level was less than a year earlier[a]	Wage and salary employment in DC: Maximum decline (%)	Wage and salary employment in DC: Percentage decline in DC was greater than in the US	Real wages earned in DC: Number of quarters where real wage level was less than a year earlier[b]	Real wages earned in DC: Maximum decline (%)	Real wages earned in DC: Percentage decline in DC was greater than in the US
Post World War II recession cycle							
November 1948 to October 1949	11	1	-0.2		0		
July 1953 to May 1954	10	22	-7.6*	x	6	-5.4	x
August 1957 to April 1958	8	11	-1.6		3	-2.1	
April 1960 to February 1961	10	0			0		
December 1969 to November 1970	11	19	-4.6*	x	1	-0.3	
November 1973 to March 1975	16	7	-1.1		8	-8.6	x
January 1980 to July 1980	6	1	-0.9	x	6	-6.9*	x
July 1981 to November 1982	16	25	-4.7*	x	5	-4.9*	x
July 1990 to March 1991	8	11	-1.9	x	3	-0.8	
March 2001 to November 2001	8	2	-1.1		0		
Current recession							
December 2007 to date (Nov. 2008)	11+	0			1	-2.0	

a. Calculation includes period covered by 6 months before and after the contraction as well as the contraction itself.
b. Calculation includes period covered by 2 quarters before and after the contraction as well as the contraction itself.
maximum decline = the largest % by which jobs in one month of the augmented recession period was below the same month of the prior yr.
x=*affirmative* * *Decline covers 2 yr priod.* *All employment calculations made from seasonally unadjusted data.*
Source: U.S. Bureau of Labor Statistics and U.S. Bureau of Economic Analysis. Real wages calculated from US CPI index.

D.C. resident employment, unemployment rate, and wages earned by D.C. residents

- In 8 of the 10 recessions, inflation-adjusted wages of D.C. residents were lower in at least one quarter than they were in a quarter a year earlier. In all 8 of these recessions, the percentage declines for D.C. residents were greater than for the U.S. as a whole and for wages earned in D.C. [3]

- In all 4 of the recessions that have occurred since 1980 (comparable data was not available for the earlier recessions), the percentage decline in D.C. resident employment has been greater than for the U.S. as a whole and for wage and salary jobs located in D.C.

- The most extended decline was in the 1981 recession—20 months. For the 1980, 1981, and 1990 recessions, the largest reductions in resident employment were 5.8%, 5.5%, and 5.8%, respectively.

- In 3 of the 4 recessions since 1980 (1981,1990, and 2001), the unemployment rate in D.C.was higher than for the U.S. as a whole. The highest rate reached was 11.6% in the 1981 recession.

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[3] Wages are earned in D.C. by both residents and non-residents. (According to the 2000 Census, about 75% of all jobs in D.C. are held by non-residents. Wages earned by D.C. residents are earned in D.C. and in surrounding areas. According to the 2000 Census, about 25% of employed D.C. residents work outside of D.C.

Impact of Post World War II Recessions on Resident Employment in DC and on Total Wages earned by DC residents										
	Real wages earned by DC residents				DC Resident employment				DC unemployment rate	
Recession	Number of quarters where real wage level was less than a year earlier[a]	Maximum decline (%)	Percentage decline greater than in the US	Percentage decline greater than for real wages earned in DC	Number of months when job level was less than a year earlier[b]	Maximum decline (%)	Percentage decline greater than in the US	Percentage decline greater than for jobs located in DC	Highest monthly Ue rate (%)	DC rate higher than US
Post World War II recession cycle										
November 1948 to October 1949	0									
July 1953 to May 1954	8	-7.9	x	x						
August 1957 to April 1958	5	-7.5	x	x						
April 1960 to February 1961	3	-3.9	x	x						
December 1969 to November 1970	4	-5.3	x	x						
November 1973 to March 1975	8	-6.5*	x	x						
January 1980 to July 1980	6	-11.9	x	x	18	-5.8	x	x	7.8	
July 1981 to November 1982	5	-7.7	x	x	20	-5.5	x	x	11.6	x
July 1990 to March 1991	4	-2.7	x	x	9	-5.7	x	x	8.2	x
March 2001 to November 2001	0				14	-4.3	x	x	7.3	x
Current recession										
December 2007 to date (Nov. 2008)	1	-2.1		x	2	-2.4	x	x	8.4	x

a. Calculation includes period covered by 2 quarters before and after the contraction as well as the contraction itself.
b. Calculation includes period covered by 6 months before and after the contraction as well as the contraction itself.
maximum decline = the largest % by which jobs in one month of the augmented recession period was below the same month of the prior yr.
x=*affirmative* *Decline covers 2 years. *All employment calculations made from seasonally unadjusted data. Real wages calculated from US CPI data.*
Source: U.S. Bureau of Labor Statictics and U.S. Bureau of Economic Analysis. BLS monthly labor force data for DC prior to 1976 not available from the BLS website.

The most recent recessions: 1973 to 2001

The recessions occurring after 1973 all involved substantial disruptions to the national economy—oil embargos, inflation, stock market declines, and/or war. D.C. wage and salary employment fell in all of

Recessions from 1973 to 2001: Impact on DC employment and wages

Recession	Impact on DC employment and wages
November 1973 to March 1975. Recession followed the oil embargo. *(16 months of contraction)*	9 months of negative DC job growth. DC's largest decline--1.1%-more mild than in the US. Real wages earned in DC, earned by DC residents, and earned in the US all declined in 8 quarters, but DC drops of 8.6% and 9.9%, respectively, more than in the US.
January 1980 to November 1982. Two back-to-back recessions associated with wringing inflation out of the US economy. *(A total of 22 months of contraction)*	A total of 27 months of job loss over the two recessions. The largest decline in a 2 year period in DC--4.7%--was greater than the US. DC unemployment rate rose to 11.6%, slightly above the 11.4 US rate. There were 38 months of declines in resident employment, involving more than a 10% loss of jobs, much more than in the US. Real wage declines spanning the period were much greater in DC than in the US. The greatest 2-year loss in the period was about 8% for wages earned in DC and 16% for wages earned by DC residents, compared to about a 4% loss in the US.
July 1990 to March 1991. F ollows First Gulf War and high oil prices. *(8 months of contraction)*	11 months of wage and salary job loss, with decline reaching 1.9%, slightly above the US decline of 1.5%. There were 9 months of declining resident employment, a drop of 5.7%--welll above the comparable 1.3% decline nationally. Real wages earned in DC declined in 3 quarters, but the 0.8% reduction was less than the national decline of 2.6%. Wages for DC residents declined 2.7%.
March 2001 to November 2001. Recession began after stock market bubble burst in the months before 9/11. *(8 months of contraction)*	2 months of job decline --a 1.1% drop compared to 1.5% in the US. However, resident employment declined 14 months with a 4.3% maximum decline, well above the 1.5% US drop. Real wages did not decline either for persons working in DC or for DC residents, but they did nationally--1.4%.

Source: Text tables. Underlying data is from the Bureau of Labor Statistics and the Bureau of Economic Analysis.

these recessions, and D.C. resident employment fell considerably more. Inflation-adjusted wages earned in D.C. and wages earned by D.C. residents both fell in all but the 2001 recession.

3. The federal government may hold the key to the severity of this recession in D.C.
Past recessions have all involved some mix of federal monetary, spending, and tax policies designed to speed recovery. These recession-fighting measures have not, however, involved a major departure from the normal scale of federal government activities and therefore have had no special impact keeping the District from falling or speeding District recovery. (One relatively small scale exception is the creation of the Resolution Trust Corporation which disposed of the assets of failed Savings and Loan institutions in the 1980's and which occupied office space and conducted operations in D.C.).

This recession may be different. Substantial federal government spending and financial assistance have already occurred or been authorized, and much more is being contemplated by the Administration taking office in January. To the extent that these new activities involve federal jobs, federal procurement, and related private sector activities, they may bring a level of benefit to the District's economy not normally present in past recessions. Over the years, national crisis situations—World War I, the Great Depression with its New Deal programs, World War II, and the cold war--have been primary drivers in shaping the District's economy as it exists today. On a somewhat smaller scale, no doubt, some such influences may occur as the federal government responds to what has generally been referred to as the greatest financial crisis since the 1930's. However, at this point there is no way to assess the scale of such federal involvement relative to other factors that may adversely impact the District.

The potential influence—both positive and negative--that federal government activities can have in the District during times of recession are illustrated in the two recessions of 1990 and 2001. In the former case, cut backs in federal spending adopted in part to free resources to aid private sector recovery, greatly exacerbated the District's situation. As a result, the District's economy went into a tailspin while the nation as a whole enjoyed the beginning of the longest period of uninterrupted economic expansion in U.S. history.

Conversely, the events of 9/11 happened about six months after the 2001 recession had begun. The subsequent surge of government spending to shore up homeland security and the run-up to the war in Iraq resulted in a speedier job recovery in the District than in the rest of the country.

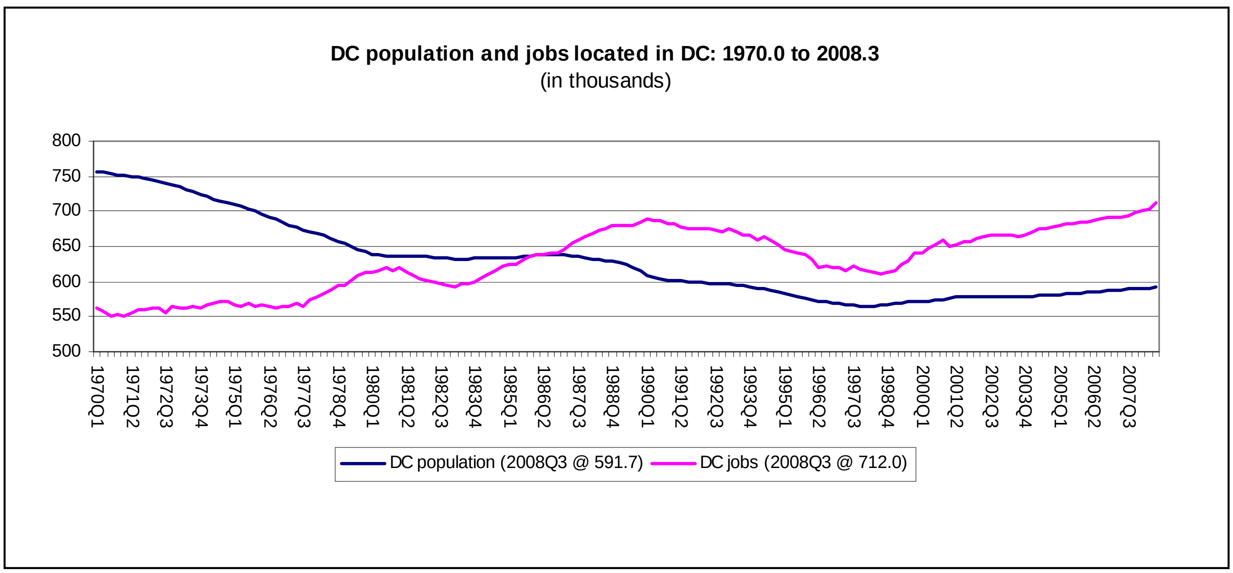
4. Dangers and opportunities for the D.C. in the present recession
For about a decade, jobs and population have been growing in the District. Is it reasonable to expect jobs and population to continue their upward trend relatively soon? A brief look at the period since 1973 underscores both the dangers and opportunities in the current recession.

The 2001 recession turned out to be simply a brief interruption—less than a year--of the growth in employment that began in the late 1990's. However, the interruption to job growth by the two recessions in the early 1980's was not so brief—it took about 5 years for employment to return to pre-recession levels. And the 1990 recession interruption was very long indeed—it marked the beginning of a 16 year decline.

The population story is similar. The 2001 recession resulted in very little disruption to the growth in population that began in the late 1990's. The recessions in the early 1980's coincided with an end to the slide in population growth that had been occurring, as the District population actually increased for a few years following the recessions. Again 1990 stands out. Despite growth over the past decade, the District population is still below what it was before the 1990 recession.

As the national recession continues to deepen, there are opportunities for the District. Office buildings are being completed and housing units are being built that would enable the District to be home to an increased federal presence and to additional job and population growth when the recession ends.

But there are risks, too, highlighted by the aftermath of the 1990 recession. With government likely to play such a large role in the next few years, there is no reason to expect that the District will be especially disadvantaged in coping with the recession as was the case in the 1990's. However, if the consequence of recession and accompanying reduction in revenue means that the services of the District government deteriorate, some of the problems experienced in the 1990's could return. Jobs and population can easily move to suburban locations—where there are also vacancies as well as urban-style neighborhoods. Abandoning improvements in education, transportation, and other areas will make recovery in D.C. harder if perceptions of a livable city change. How to cope with the current recession is thus not just an issue for the Federal Reserve and U.S. Treasury, it is also an issue for the D.C. government.



APPENDIX TABLES[4,5]

Note: Unless otherwise noted, all percents in the tables and figures represent change from the same period of the prior year. Many of the Appendix Tables contain information for the most recent month, an average for the last 3 months, and the average for the past 12 months. This helps to identify trends in the data. When the 1- or 3-month indicator grows faster than the comparable 12-month indicator, growth in the item in question is tending to accelerate; conversely, if the 1- or 3-month indicator grows more slowly than the 12-month indicator, growth is tending to decelerate.

[4] Data in the tables are believed to be reliable; original sources are definitive. All data are subject to revision by the information source.
[5] See note on source data on p. 34.

Table 1. Jobs in D.C., the Washington Metropolitan Area, and the U.S.: November 2008

Indicator	units	Fiscal Year 2007	Fiscal Year 2008	Current (November 2008) 12-month moving average	FY 2009 year-to-date	3-month moving average	This month
Employment in D.C.							
All wage and salary jobs	level	692,483	703,683	704,900	708,300	706,967	707,900
	1 yr ch	6,258	11,200	11,000	7,300	9,400	5,400
	1 yr % ch	*0.9*	*1.6*	*1.6*	*1.0*	*1.3*	*0.8*
Private sector jobs	level	460,900	469,383	470,708	476,700	475,567	476,700
	1 yr ch	8,050	8,483	8,567	7,950	9,467	6,500
	1 yr % ch	*1.8*	*1.8*	*1.9*	*1.7*	*2.0*	*1.4*
Resident employment	level	306,154	309,674	308,855	302,950	304,648	300,974
	1 yr ch	6,956	3,519	2,099	-4,911	-2,629	-7,505
	1 yr % ch	*2.3*	*1.1*	*0.7*	*-1.6*	*-0.9*	*-2.4*
Labor force	level	324,532	330,526	330,800	328,923	329,039	328,574
	1 yr ch	6,332	5,994	5,533	2,822	3,185	1,449
	1 yr % ch	*2.0*	*1.8*	*1.7*	*0.9*	*1.0*	*0.4*
Unemployment	level	18,378	20,852	22,141	25,973	25,177	27,600
	1 yr ch	-623	2,475	3,631	7,734	6,601	8,954
	1 yr % ch	*-3.3*	*13.5*	*19.6*	*42.4*	*35.5*	*48.0*
Unemployment rate	%	5.7	6.3	6.7	7.9	7.7	8.4
	1 yr ch	-0.3	0.7	1.0	2.3	2.0	2.7
Washington Metropolitan Area employment							
All wage and salary jobs	level ('000)	2,983.8	3,013.1	3,018.6	3,045.7	3,040.7	3,050.5
	1 yr ch	26.9	29.3	30.6	33.3	35.0	31.1
	1 yr % ch	*0.9*	*1.0*	*1.0*	*1.1*	*1.2*	*1.0*
Private sector jobs	level ('000)	2,340.9	2,357.6	2,360.5	2,373.9	2,372.6	2,377.3
	1 yr ch	22.5	16.7	16.7	17.6	19.7	15.6
	1 yr % ch	*1.0*	*0.7*	*0.7*	*0.7*	*0.8*	*0.7*
Resident employment*	level ('000)	2,900.3	2,911.0	2,910.7	2,899.6	2,908.1	2,899.6
	1 yr ch	47.9	10.7	10.1	-3.4	6.3	-3.4
	1 yr % ch	*1.7*	*0.4*	*0.3*	*-0.1*	*0.2*	*-0.1*
Metro area unemployment rate*	%	3.1	3.5	3.6	4.1	4.0	4.1
Washington Area Suburban employment							
All wage and salary jobs	1 yr % ch	0.9	0.8	0.9	1.1	1.1	1.1
Private sector jobs	1 yr % ch	0.8	0.4	0.4	0.5	0.5	0.5
Resident employment*	1 yr % ch	1.6	0.3	0.3	0.0	0.2	0.0
Unemployment rate*	%	2.7	3.1	3.2	3.7	3.7	3.7
U.S. employment							
All wage and salary jobs	1 yr % ch	1.3	0.3	0.0	-1.1	-0.9	-1.5
Private sector jobs	1 yr % ch	1.3	0.2	-0.3	-1.6	-1.3	-2.0
Resident employment	1 yr % ch	1.5	0.0	-0.3	-1.3	-1.1	-1.7
U.S. unemployment rate	%	4.5	5.3	5.6	6.3	6.2	6.5
Shares							
DC % of US total employment		0.504	0.511	0.513		0.515	0.516
DC % of US private sector employment		0.400	0.407	0.409		0.415	0.418
DC % of US resident employment		0.210	0.212	0.212		0.210	0.208
DC % of metro total employment		23.21	23.35	23.35		23.25	23.21
DC % of metro private sector employment		19.69	19.91	19.94		20.04	20.05
DC % of metro resident employment		10.56	10.64	10.63		10.63	10.52
DC % of metro unemployment		20.10	19.81	19.84		19.52	19.87
Metro % of US total employment		2.17	2.21	2.23		2.21	2.23

** data is for October 2008. Metropolitan area labor force data is released later than the state and US data.*

Data not seasonally adjusted. Suburban employment is the difference between the metropolitan area total and the DC portion.

Source: BLS.

Figure 1
DC resident employment and wage and salary jobs located in DC: November 2006 to November 2008
(% change from prior year in 3-month moving average)

[Source: BLS]

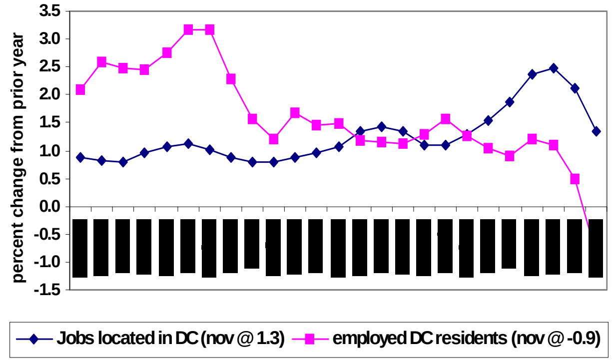


Table 2. Seasonally-adjusted D.C. Jobs and Resident Employment: May 2008 to November 2008

Indicator and units	Current (November 2008)						
	May 08	Jun 08	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08
D.C. Wage and Salary employment	702,300	704,600	712,000	716,300	707,700	707,800	703,800
change from prior month	1,800	2,300	7,400	4,300	-8,600	100	-4,000
% change from prior month, saar	*0.3*	*0.3*	*1.1*	*0.6*	*-1.2*	*0.0*	*-0.6*
D.C. Resident employment	310,003	307,635	307,819	309,454	309,195	305,344	302,429
change from prior month	-2,507	-2,368	184	1,635	-259	-3,851	-2,915
% change from prior month, saar	*-0.8*	*-0.8*	*0.1*	*0.5*	*-0.1*	*-1.2*	*-1.0*
D.C. Unemployment rate (%)	6.6	6.3	6.7	6.9	7.0	7.3	8.0

Source: BLS saar= seasonally adjusted at annual rate

Table 3. Wage and Salary Employment in the District of Columbia by 21 Sectors: November 2008

Current (November 2008)	3-month moving averge			12-month moving	Percent distribution, 3-month moving avg.	
		1-year change		average:		
Sector	Number of jobs	number	%	1 yr % ch	total jobs	1-year change
Public sector:						
Federal government	192,467	1,267	0.7	0.6	27.2	13.5
Local government	38,933	-1,333	-3.3	3.2	5.5	-14.2
Professional and business services:						
Legal services	35,867	100	0.3	0.6	5.1	1.1
Professional services, except legal	70,167	1,600	2.3	2.5	9.9	17.0
Employment services (including temporary empl.)	14,467	300	2.1	5.4	2.0	3.2
Management and business ser., except employ.	36,567	200	0.5	-0.8	5.2	2.1
Education and health services:						
Education	48,100	2,333	5.1	7.1	6.8	24.8
Health and social services	56,900	1,967	3.6	2.8	8.0	20.9
Other private sector:*						
Organizations	59,167	3,133	5.6	4.8	8.4	33.3
Food service	35,733	1,133	3.3	4.5	5.1	12.1
Retail trade	18,333	300	1.7	0.4	2.6	3.2
Construction	13,133	267	2.1	1.5	1.9	2.8
Utilities and transport	4,967	200	4.2	1.6	0.7	2.1
Amusement and recreation	6,300	67	1.1	1.8	0.9	0.7
Real estate	11,567	33	0.3	-0.4	1.6	0.4
Wholesale trade	4,767	0	0.0	-0.9	0.7	0.0
Manufacturing	1,567	-133	-7.8	-5.9	0.2	-1.4
Publishing and other information	20,933	-333	-1.6	-3.8	3.0	-3.5
Other services	6,433	-433	-6.3	-5.5	0.9	-4.6
Finance and insurance	16,733	-467	-2.7	-3.8	2.4	-5.0
Accomodations	13,867	-800	-5.5	-6.2	2.0	-8.5
Total, all sectors	**706,967**	**9,400**	**1.3**	**1.6**	**100.0**	**100.0**
Addendum: public sector	*231,400*	*-67*	*0.0*	*1.0*	*32.7*	*-0.7*
Addendum: private sector	*475,567*	*9,467*	*2.0*	*1.9*	*67.3*	*100.7*
Addendum: All professional and business services	*157,067*	*2,200*	*1.4*	*1.5*	*22.2*	*23.4*
Addendum: Education and health services	*105,000*	*4,300*	*4.3*	*4.7*	*14.9*	*45.7*

*Source: Bureau of Labor Statistics * Sectors listed in descending order of change in jobs from prior year*

Table 4. Wage and Salary Employment in D.C.'s 5 Leading Sectors Compared to the US and Metro Area: November 2008

Sector	Item	Fiscal Year 2007	Fiscal Year 2008	Current Month: November 2008 12-month moving average	Current Month: November 2008 3-month moving average	Current Month: November 2008 This month
Federal Government						
	level	190,967	191,767	191,967	192,467	192,300
	1 yr ch	-2,433	800	1,108	1,267	700
	1 yr % ch	*-1.3*	*1.2*	*0.6*	*0.7*	*0.4*
	DC % of US total	7.003	7.012	6.999	6.957	6.955
	DC % of metro total	55.87	55.84	55.77	55.67	55.51
Professional and Business Services						
	level	153,758	156,108	156,408	157,067	157,300
	1 yr ch	2,583	2,350	2,317	2,200	1,800
	1 yr % ch	*1.7*	*1.5*	*1.5*	*1.4*	*1.2*
	DC % of US total	0.860	0.868	0.873	0.880	0.891
	DC % of US change	0.584	2.043	*nm*	*nm*	*nm*
	DC % of metro total	22.82	22.77	22.75	22.69	22.72
	DC % of metro change	20.33	19.94	20.26	18.70	16.67
Health and Education Services						
	level	97,217	101,958	102,558	105,000	106,500
	1 yr ch	3,858	4,742	4,625	4,300	2,800
	1 yr % ch	*4.1*	*4.9*	*4.7*	*4.3*	*2.7*
	DC % of US total	0.534	0.544	0.544	0.549	0.552
	DC % of US change	0.798	0.861	0.835	0.787	0.509
	DC % of metro total	29.83	30.39	30.43	30.56	30.76
	DC % of metro change	34.89	49.65	48.86	41.48	29.79
Organizations						
	level	55,317	57,733	58,225	59,167	59,200
	1 yr ch	2,258	2,417	2,650	3,133	2,700
	1 yr % ch	*4.3*	*4.4*	*4.8*	*5.6*	*4.8*
	DC % of US total	1.893	1.952	1.963	1.992	1.990
	DC % of US change	8.046	6.825	6.551	6.180	5.556
	DC % of metro total*	34.53	34.84	34.81	34.73	34.57
	DC % of metro change*	32.89	47.82	41.72	32.79	25.93
Leisure and Hospitality Services						
	level	54,467	55,292	55,325	55,900	55,500
	1 yr ch	317	825	708	400	200
	1 yr % ch	*0.6*	*1.5*	*1.3*	*0.7*	*0.4*
	DC % of US total	0.407	0.405	0.406	0.415	0.421
	DC % of US change	0.088	0.313	0.397	*nm*	*nm*
	DC % of metro total	21.60	21.68	21.68	21.82	21.80
	DC % of metro change	8.74	28.70	33.20	32.43	14.29

**Includes other services (mostly personal services) for the metro area in addition to organizations.*
nm=not meaningful because jobs decreased in the US.
Source: BLS

Table 5. Wages and Personal Income in D.C. and the U.S.: September 2008

Indicator	units	Fiscal Year 2006	Fiscal Year 2007	Current (September 2008) 12-month moving average (FY 2008)	FY 2008 year-to-date	Latest quarter (Sep. 30)
District of Columbia						
Wages and salaries earned in D.C.	$B	50.32	53.12	55.63	55.63	56.34
	1 yr ch	2.53	2.79	2.51	2.51	1.76
	1 yr % ch	*5.3*	*5.5*	*4.7*	*4.7*	*3.2*
Supplements to wages & salaries	$B	13.89	14.47	15.11	15.11	15.37
	1 yr ch	0.70	0.58	0.65	0.65	0.59
	1 yr % ch	*5.3*	*4.1*	*4.5*	*4.5*	*4.0*
Proprietor's income*	$B	4.51	4.55	4.82	4.82	4.91
	1 yr ch	0.29	0.04	0.27	0.27	0.31
	1 yr % ch	*6.8*	*0.9*	*6.0*	*6.0*	*6.6*
Income earned in D.C.**	$B	62.33	65.39	68.47	68.47	69.43
	1 yr ch	3.20	3.06	3.08	3.08	2.38
	1 yr % ch	*5.4*	*4.9*	*4.7*	*4.7*	*3.5*
Wages and salaries of D.C. residents	$B	17.70	18.84	19.75	19.75	19.98
	1 yr ch	1.01	1.15	0.90	0.90	0.59
	1 yr % ch	*6.1*	*6.5*	*4.8*	*4.8*	*3.1*
Income earned by D.C. residents**	$B	24.84	26.13	27.42	27.42	27.78
	1 yr ch	1.45	1.29	1.28	1.28	1.01
	1 yr % ch	*6.2*	*5.2*	*4.9*	*4.9*	*3.8*
Property income	$B	4.71	5.26	5.57	5.57	5.64
	1 yr ch	0.52	0.55	0.31	0.31	0.12
	1 yr. % ch	*12.4*	*11.7*	*5.9*	*5.9*	*2.2*
Pensions and other transfer payments	$B	3.85	4.15	4.48	4.5	4.58
	1 yr ch	0.17	0.29	0.34	0.34	0.321
	1 yr. % ch	*4.6*	*7.6*	*8.1*	*8.1*	*7.5*
D.C. Personal Income**	$B	33.41	35.54	37.47	37.47	38.00
	1 yr ch	2.14	2.13	1.93	1.93	1.45
	1 yr % ch	*6.8*	*6.4*	*5.4*	*5.4*	*4.0*
U.S.						
US Personal income	1 yr % ch	6.8	6.1	4.7	4.7	3.7
US Wages and salaries	1 yr % ch	6.0	5.9	3.7	3.7	3.0
US Proprietor's income	1 yr % ch	6.2	2.6	3.2	3.2	2.2
US Property income	1 yr % ch	12.9	9.5	5.3	5.3	2.3
US Pensions and other transfer payments	1 yr % ch	5.5	6.8	8.4	7.9	8.8
D.C. Share of U.S.						
Wages earned in DC as % of US	%	0.849	0.846	0.854	0.854	0.858
Jobs in DC as % of US	%	0.506	0.504	0.511	0.511	0.520
DC personal income as % of US	%	0.309	0.310	0.312	0.312	0.313
DC resident wages as % of US	%	0.299	0.300	0.303	0.303	0.304
DC proprietor's income as % of US	%	0.448	0.440	0.452	0.452	0.457
DC resident employment as % of US	%	0.208	0.210	0.212	0.212	0.212
Addendum						
DC res. wages as % of wages earned in DC		35.2	35.5	35.5	35.5	35.5

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

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

Source: BEA and BLS (employment data only); latest BEA data (for June) was released Dec.18, 2008

Figure 2
Wages earned in DC, wages earned by DC residents, and wages earned in the US: 2006.3 to 2008.3
(% change from the same quarter of the prior year)

[Source: BEA]

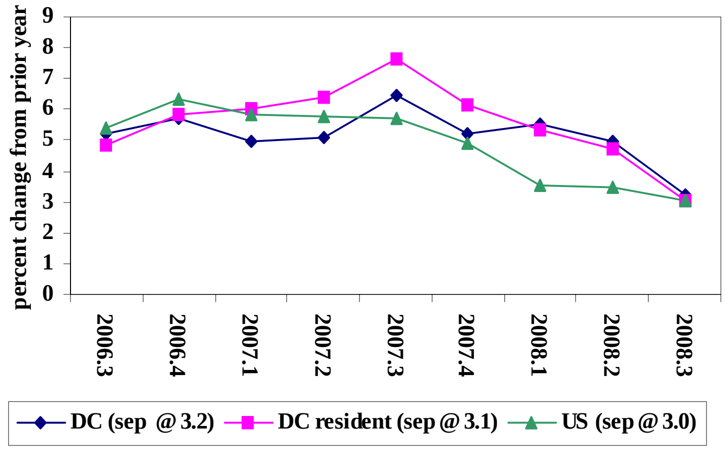


Table 6. Jobs and Wages in D.C. by 8 Sectors: September 2008

Current (September 2008)	Wage and salary employment in D.C.			Wages and salaries earned in D.C.				Percentage Distributions			
								Employment		Wages	
Sector	Level in Quarter ending Sep. 30, 2008	Change from same Q of prior year	% change from one year earlier	Annualized level in Q ending Sep. 30, 2008 ($B)	Change from same Q of prior year ($B)	% change from one year earlier		% of Q	% of change from prior year	% of Q	% of change from prior year
Total	713,500	17,200	2.5	56.34	1.76	3.2		100.0	100.0	100.0	100.0
Federal government	193,633	1,533	0.8	18.38	0.84	4.8		27.1	8.9	32.6	48.0
Local government	48,233	2,833	6.2	2.68	0.15	5.8		6.8	16.5	4.8	8.3
Business and professional services	157,600	2,967	1.9	15.03	0.48	3.3		22.1	17.2	26.7	27.4
Information and financial services	49,467	-1,300	-2.6	4.18	-0.50	-10.6		6.9	-7.6	7.4	-28.2
Education and health services	100,433	7,133	7.6	5.25	0.30	6.0		14.1	41.5	9.3	17.0
Trade and hospitality services	78,933	1,133	1.5	4.74	0.37	8.4		11.1	6.6	8.4	20.9
Organizations and personal services	65,467	2,667	4.2	3.02	0.13	4.4		9.2	15.5	5.4	7.3
Other private	19,733	233	1.2	3.05	-0.01	-0.4		2.8	1.4	5.4	-0.6
Addendum:											
Private sector	*471,633*	*12,833*	*2.8*	*35.28*	*0.77*	*2.2*		*66.1*	*74.6*	*62.6*	*43.8*
Government	*241,867*	*4,367*	*1.8*	*21.06*	*0.99*	*4.9*		*33.9*	*25.4*	*37.4*	*56.3*

Source: BLS and BEA. Latest wage and salary earnings data are for the quarter ending September 2008

Table 7. Sales of Single Family and Condominium Units and Foreclosures in D.C.: November 2008

Indicator		Units	Fiscal Year 2007	Fiscal Year 2008	Current (November 2008) 12-month moving total	FY 2009 year-to-date	3-month moving total	This month
Number of sales								
	single family	number	3,873	3,267	3,162	464	773	229
		1 yr ch	-402	-606	-613	-105	-33	-25
		1 yr % ch	*-9.4*	*-15.6*	*-16.2*	*-18.5*	*-4.1*	*-9.8*
	condo	number	4,147	3,010	2,814	340	559	159
		1 yr ch	195	-1137	-1274	-196	-228	-90
		1 yr % ch	*4.9*	*-27.4*	*-31.2*	*-36.6*	*-29.0*	*-36.1*
	total sales	number	8,020	6,277	5,976	388	1,332	388
		1 yr ch	-207	-1,743	-1,887	-717	-261	-115
		1 yr % ch	*-2.5*	*-21.7*	*-24.0*	*-64.9*	*-16.4*	*-22.9*
Average prices								
	single family	$	663,602	687,342	686,196	678,915	680,655	675,309
		1 yr ch ($)	43,355	23,739	16,529	-7,925	-7,018	-11,524
		1 yr % ch	*7.0*	*3.6*	*2.5*	*-1.2*	*-1.0*	*-1.7*
	condo	$	403,313	405,795	407,131	416,323	416,842	415,404
		1 yr ch ($)	-12,626	2,482	4,219	10,867	10,435	10,970
		1 yr % ch	*-3.0*	*0.6*	*1.0*	*2.7*	*2.6*	*2.7*
	total	$	529,011	552,332	554,789	568,802	569,941	568,802
		1 yr ch ($)	6,908	23,321	23,809	18,452	21,223	21,764
		1 yr % ch	*1.3*	*4.4*	*4.5*	*3.4*	*3.9*	*4.0*
Median prices								
	single family	$	501,291	538,336	536,783	517,532	518,519	515,000
		1 yr % ch	*4.8*	*7.4*	*6.1*	*-2.4*	*-2.4*	*-2.8*
	condo	$	348,528	358,869	360,695	360,000	361,959	360,000
		1 yr % ch	*-4.2*	*3.0*	*3.7*	*2.9*	*3.0*	*2.9*
Value of transactions								
	single family	$B	2.570	2.246	2.170	0.315	0.526	0.155
		1 yr % ch	*-3.1*	*-12.6*	*-14.2*	-19.4	*-5.1*	*-11.4*
	condo	$B	1.673	1.221	1.146	0.142	0.233	0.066
		1 yr % ch	*1.7*	*-27.0*	*-30.4*	*-34.9*	*-27.1*	*-34.4*
	total	$B	4.243	3.467	3.315	0.457	0.759	0.221
		1 yr ch ($B)	-0.053	-0.776	-0.860	-0.152	-0.115	-0.054
		1 yr % ch	*-1.2*	*-18.3*	*-20.6*	*-24.9*	*-13.2*	*-19.8*
Foreclosure actions (scheduled for auction plus real estate owned by financial insitutions)*								
	Total actions	number	392	3,282	3,421	221	702	221
		1 yr ch	273	2,890	2,967	139	299	139
		1 yr % ch	*229.4*	*737.2*	*653.5*	170	*74.2*	*169.5*
	DC % of metro area total		*2.41*	*6.89*	*6.97*	*4.8*	*5.72*	*4.78*

Note: (1) Sales data are for ratified contracts. Not all contracts go to settlement.
(2) Sales data reflect only brokered sales and therefore do not include direct sales by developers or other parties.
**Forclosure data is from October.*
Source: (1) Sales: Metropolitan Regional Information Systems (MRIS), accessed through the Greater Capital Area Association of Realtors (GCAAR). (2) Foreclosures: Realty.trac. Foreclosure data does not include notices of delinquency.

Table 8. D.C. Residential Real Estate New Listings, Active Inventory, and Sales Contracts: Nov. 2008

Type of property		Units	Fiscal Year: 2007 (avg per mo)	Fiscal Year: 2008 (avg per mo)		Current (November 2008): 12-month moving avg	Current (November 2008): FY 2009-to date: avg per mo	Current (November 2008): 3-month moving avg	Current (November 2008): This month
Single family									
	New listings	number	543.9	529.2		523.7	491.5	550.0	458
		1 yr ch	-76.1	-14.8		-19.3	-33.0	-32.0	-9
		1 yr % ch	*-12.3*	*-2.7*		*-3.6*	-6.3	*-5.5*	*-1.9*
	Active inventory	number	1,338.6	1,632.8		1,666.5	1,822.0	1,813.3	1,809
		1 yr ch	131.9	294.2		299.9	202.5	168.3	234
		1 yr % ch	*10.9*	*22.0*		*21.9*	12.5	*10.2*	*14.9*
	Sales contracts	number	322.8	272.3		263.5	232.0	257.7	229
		1 yr ch	-33.5	-50.5		-51.1	-52.5	-11.0	-25
		1 yr % ch	*-9.4*	*-15.6*		*-16.2*	-18.5	*-4.1*	*-9.8*
	Ratio								
	Active inventory/sales		*4.15*	*6.00*		*6.32*	7.85	*7.04*	*7.90*
	New listing/sales		*1.69*	*1.94*		*1.99*	2.12	*2.13*	*2.00*
Condominium									
	New listings	number	537.4	465.5		450.8	384.5	414.0	325
		1 yr ch	-112.1	-71.9		-86.2	-88.0	-108.0	-39
		1 yr % ch	*-17.3*	*-13.4*		*-16.0*	-18.6	*-20.7*	*-10.7*
	Active inventory	number	1,340.8	1,406.8		1,407.3	1,447.5	1,433.7	1,436
		1 yr ch	6.8	65.9		76.6	3.0	-13.7	39
		1 yr % ch	*0.5*	*4.9*		*5.8*	0.2	*-0.9*	*2.8*
	Sales contracts	number	345.6	248.3		231.9	170.0	186.3	159
		1 yr ch	16.3	-97.3		-108.8	-98.0	-76.0	-90
		1 yr % ch	*4.9*	*-28.2*		*-31.9*	-36.6	*-29.0*	*-36.1*
	Ratio								
	Active inventory/sales		*3.88*	*5.67*		*6.07*	8.51	*7.69*	*9.03*
	New listing/sales		*1.56*	*1.88*		*1.94*	2.26	*2.22*	*2.04*
All sales									
	Ratio								
	Active inventory/sales		4.01	5.84		6.20	8.13	7.31	8.36
	New listing/sales		*1.62*	*1.91*		*1.97*	2.18	*2.17*	*2.02*

Note: (1) Sales data are for ratified contracts. Not all contracts go to settlement.

(2) The data reflect only brokered sales and therefore do not include direct sales by developers or other parties.

nm=not meaningful. FY 2009-to-date are the same as October 2008. FY to date values will appear in December.

Source: Metropolitan Regional Information Systems (MRIS), accessed through the Greater Capital Area Association of Realtors (GCAAR).

Table 9. Single Family Housing Price Indexes for DC, the Washington Metro Area, and the US: FY 2005 to 2008.3

(percent change from same period of the previous year)

Item and source	FY 2005	FY 2006	FY 2007	FY 2008		Quarter ending Sep 2007	Quarter ending Dec 2007	Quarter ending Mar 2008	Quarter ending Jun 2008	Quarter ending Sep 2008
A. MRIS median and average sales price for DC and OFHEO Purchase Price Index for DC										
MRIS average	21.5	8.6	7.0	3.6		4.9	6.1	6.1	1.3	0.7
MRIS median	25.9	9.7	4.8	7.4		6.3	6.0	20.5	4.4	-0.5
OFHEO Pur. Pr.	23.7	9.1	6.2	-3.8		4.6	3.3	-3.3	-7.1	-7.6
B.OFHEO Purchase Price and HPI price Indexes for DC										
Purchase Price	23.7	9.1	6.2	-3.8		4.6	3.3	-3.3	-7.1	-7.6
HPI	23.4	16.9	5.2	-1.8		4.3	1.7	-1.4	-3.4	-4.1
C. OFHEO: HPI price index for DC, Washington metro area, and US										
DC	23.4	16.9	5.2	-1.8		4.3	1.7	-1.4	-3.4	-4.1
Metro area	23.7	16.7	2.1	-7.7		-1.2	-3.6	-5.4	-9.4	-12.5
US	11.4	9.3	3.7	-1.3		1.8	0.8	-0.1	-1.8	-4.0
D. OFHEO: purchase price index for DC and the US										
DC	23.7	9.1	6.2	-3.8		4.6	3.3	-3.3	-7.1	-7.6
US	9.4	7.6	2.7	-3.7		1.4	-0.7	-3.1	-4.8	-6.0
E. OFHEO HPI and Case-Shiller Index for the Washington metro area										
OFHEO HPI	23.7	16.7	2.1	-7.7		-1.2	-3.6	-5.4	-9.4	-12.5
Case-Shiller	24.8	11.8	-4.8	-12.9		-6.9	-7.8	-12.5	-15.4	-16.2
F. OFHEO Purchase Price Index and Case-Shiller Index for the US										
OFHEO Pur. Pr.	9.4	7.6	2.7	-3.7		1.4	-0.7	-3.1	-4.8	-6.0
Case-Shiller	17.7	11.0	-2.0	-14.0		-4.9	-8.3	-13.4	-16.7	-17.9
G. Case-Shiller Index for the Washington metro area and the US										
metro area	24.8	11.8	-4.8	-12.9		-6.9	-7.8	-12.5	-15.4	-16.2
US	17.7	11.0	-2.0	-14.0		-4.9	-8.3	-13.4	-16.7	-17.9
Addendum:number of single family home sales in the District of Columbia										
MRIS	*-8.4*	*-20.4*	*-9.4*	*-15.6*		*-14.9*	*-20.1*	*-26.6*	*-17.0*	*5.4*

Notes:

1. MRIS is the Metropolitan Regional Information Systems, accessed through the Greater Capital Area Association of Realtors (GCAAR). The MRIS system includes sales handled by real estate brokers regardless of how financed.

2. The Federal Housing Finance Agency (formerly the Office of Federal Housing Enterprise Oversight (OFHEO)) estimates and publishes quarterly house price indexes for single-family detached properties using data on conventional conforming mortgage transactions obtained from the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae). The limit for conforming mortgages in 2007 was $417,000. The limit for DC and other high cost areas was temporarily raised to $729,750 in 2008, and will be $625,000 in 2009. Quarterly house price indexes are reported for the nation, metropolitan areas and Census divisions, the 50 states, and the District of Columbia. The main index, the HPI index, is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were orginated and subsequently purchased by either Freddie Mac or Fannie Mae since 1975. A second index, the Purchase Price Index, excludes refinancing transactions in which values would have to be based strictly on appraisals rather than the actual sellling price. The HPI index for the Washington metropolitan area is for DC, Arlington, and Alexandria. The Purchase Price Index is not available for the metropoltan area. In these indexes, the use of repeat transactions on the same physical property helps to control for differences in the quality of the housing comprising the sample used for statistical estimation of price changes. Foreclosures are counted only if property is sold to a private owner with conforming mortgage financing.

3. The Case-Shiller Index tracks changes in the value of single-family homes in 20 metropolitan regions in the U.S. based on repeat sales of the same property. Data is available only for the entire metropolitan area. The US index is a composite of the 20 metro areas. The Case-Shiller weights the data by the value of sales (the higher the price, the greater the weight), while OFHEO weights all sales equally.

Sources: (1) MRIS data for DC, accessed through the Greater Capital Area Association of Realtors (GCAAR), is available monthly.

(2) Standard and Poor's/Case-Shiller home price index, which provides data for the Washington metropolitan area and the US, is available monthly

(3) The OFHEO HPI index is available for DC and the US on a quarterly basis. The Purchase Price Index is available for DC and the part of the metropolitan area that includes DC, Arlington, and Alexandria on a quarterly basis.

Figure 3
Housing permits issued in DC : October 2005 to October 2008
(12-month moving total)

[Source: US Bureau of the Census]

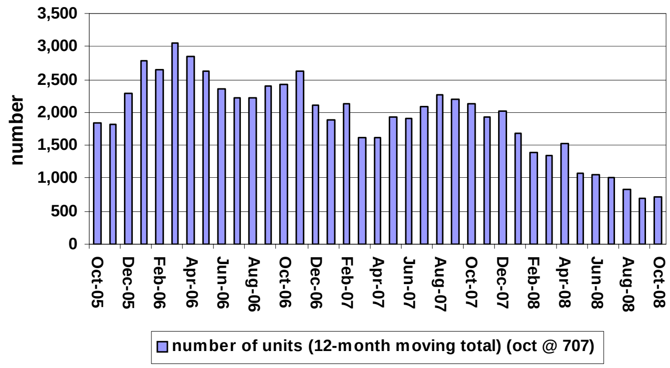


Table 10. Residential Construction: September and October 2008

A. Building permits issued during period

Indicator	Units	Fiscal Year 2006	Fiscal Year 2007	Current (October 2008): 12-month moving total (FY 2008)	Current (October 2008): Fiscal year 2008 year-to-date	Current (October 2008): last 3 months
Total units	number	2,407	2,196	707	*nm*	42
	1 yr ch	402	-211	-1,433	*nm*	-308
	1 yr % ch	*20.0*	*-8.8*	*-67.0*	*nm*	*-88.0*

B. Market rate housing under construction or planned at end of period

		Units	As of Sep 30, 2005 (end of FY 2005)	As of Sep 30, 2006 (end of FY 2006)	As of Sep 30, 2007 (end of FY 2007)	As of Dec 31, 2007	As of Mar 31, 2008	As of June 30, 2008	As of Sep 30, 2008 (end of FY 2008)
Under construction	rental units	number	1,346	2,349	2,873	4,099	3,874	4,637	4,983
		1 yr ch	-1,895	1,003	524				2,110
		1 yr % ch	*-58.5*	*74.5*	*22.3*				*73.4*
	condo units	number	4,659	7,206	5,842	4,870	3,192	2,719	2,341
		1 yr ch	1,163	2,547	-1,364[a]				-3,501
		1 yr % ch	*33.3*	*54.7*	*-18.9*				*-59.9*
Other units planned within 36 months	rental units	number	1,645	2,076	5,430	4,955	5,953	5,079	4,569
		1 yr ch	768	431	3,354				-861
		1 yr % ch	*87.6*	*26.2*	*161.6*				*-15.9*
	condo units	number	5,366	4,805	4,061	3,186	2,959	2,785	2,779
		1 yr ch	2,621	-561	-744				-1,282
		1 yr % ch	*95.5*	*-10.5*	*-15.5*				*-31.6*
Total: all types of units under construction or planned within 36 months		number	13,016	16,436	18,206	17,110	15,978	15,220	14,672
		1 yr ch	2,657	3,420	1,770				-3,534
		1 yr % ch	*17.0*	*26.3*	*10.8*				*-19.4*

[a] Estimated by ORA due to data uncertainty   nm=not meaningful because there has just been one month in the fiscal year.

Source: Census Bureau (permits issued during period); Delta Associates (market rate housing data for end of period)

Table 11. Commercial Office Space Inventory and Construction in D.C.: September 2008

Item	Units	Sep. 30 2005 (end of FY 2005)	Sep. 30 2006 (end of FY 2006)	Sep. 30 2007 (end of FY 2007)	Dec. 31 2007	Mar. 31 2008	Jun. 30 2008	Sep. 30 2008 (end of FY 2008)
Inventory	msf	113.69	117.66	122.41	123.50	123.75	123.51	123.6
	1 yr ch	2.32	4.12	4.75	4.24	4.02	-0.20	1.19
	% ch	*2.1*	*3.6*	*4.0*	*3.6*	*3.4*	*-0.2*	*1.0*
Leased space	msf	107.64	111.3	116.04	116.54	116.57	116.21	116.29
	1 yr ch	2.42	3.67	4.76	4.68	4.91	0.90	0.25
	% ch	*2.3*	*3.4*	*4.3*	*4.2*	*4.4*	*0.8*	*0.2*
Occupied space	msf	106.61	110.36	115.31	115.59	115.70	115.24	115.44
	1 yr ch	2.51	3.75	4.95	4.57	5.08	0.81	0.13
	% ch	*2.4*	*3.5*	*4.5*	*4.1*	*4.6*	*0.7*	*0.1*
Vacant (no sublet)	msf	5.93	6.38	6.37	6.96	7.17	7.30	7.37
	1 yr ch	-0.10	0.45	-0.01	-0.43	-0.89	-1.10	0.94
	% ch	*-1.7*	*7.6*	*-0.2*	*-5.8*	*-11.0*	*-13.1*	*14.8*
	% of inventory	5.2	5.4	5.2	5.6	5.8	5.9	5.9
Vacant (w sublet)	msf	6.93	7.30	7.10	7.90	8.04	8.28	8.16
	1 yr ch	-0.19	0.37	-0.20	-0.32	-1.06	-1.00	1.06
	% ch	*-2.7*	*5.3*	*-2.7*	*-3.9*	*-11.6*	*-10.8*	*14.9*
	% of inventory	6.1	6.2	5.8	6.4	6.5	6.7	6.6
Under construction	msf	7.97	5.94	7.92	9.29	8.69	10.93	10.60
	1 yr ch	1.63	-2.02	1.98	4.73	2.50	4.98	2.68
	% ch	*25.8*	*-25.4*	*33.3*	*103.6*	*40.4*	*83.8*	*33.9*
	% of inventory	*7.0*	*5.1*	*6.5*	*7.5*	*7.0*	*8.8*	*8.6*
DC area vacancy rates (with sublet)								
DC	*%*	*6.1*	*6.2*	*5.8*	*6.4*	*6.5*	*6.7*	*6.6*
Northern Virginia	*%*	*9.2*	*8.7*	*9.9*	*10.3*	*11.3*	*11.6*	*11.9*
Suburban Maryland	*%*	*9.6*	*9.6*	*9.9*	*10.6*	*11.0*	*11.6*	*11.5*
DC Metropolitan area	*%*	*8.3*	*8.1*	*8.6*	*9.1*	*9.7*	*10.0*	*10.1*

msf=million square feet.

Source: Delta Associates. *Note: Data are as of the end of the period shown*

Table 12. Commercial Office Building Sales in D.C.: September 2008

Indicator	Units	Total for FY 2005	Total for FY 2006	Total for FY 2007	Total for 12 months ending sep. 30, 2008 (FY 2008 total)	Amount in last 5 quarters (ending with sep. 2008) Sep-07	Dec-07	Mar-08	Jun-08	Sep-08
Sq. feet sold	msf	9.75	10.39	5.10	4.68	1.42	1.91	0.30	1.97	0.51
	1 yr ch	-0.56	0.64	-5.29	-0.42	-1.73	1.76	-2.07	0.8	-0.91
	1 yr % ch	*-5.4*	*6.6*	*-50.9*	*-8.2*	*-54.9*	*1,197.3*	*-87.5*	*67.8*	*-63.9*
Avg price per sq. ft.	$	439.8	430.7	516.27	465.3	698.03	284.65	452.66	637.99	481.48
	1 yr ch	111.1	-9.1	85.57	-50.97	227.48	128.19	-32.92	235.12	-216.55
	1 yr % ch	*33.8*	*-2.1*	*19.9*	*-9.9*	*48.34*	*81.9*	*-6.8*	*58.4*	*-31.0*
Total value of sales	$ million	4,289	4,475	2,636	2,179	992	543	134	1,256	247
	1 yr ch	899	186.7	-1,840	-456	-490	520	-1,014	783	-75
	1 yr % ch	*26.5*	*4.4*	*-41.1*	*-17.3*	*-33.1*	*2,260.1*	*-88.3*	*165.7*	*-75.1*
*Sales as % of inventory**		*8.6*	*9.0*	*4.2*	*3.8*					

** = calculation based on average sq ft of inventory for the last 4 quarters including the sale quarter. msf= million square feet.*
Source: Delta Associates. Note: Does not include portfolio sales.

Figure 4
Market value of all real property subject to Deed Transfer or Economic Interest taxes: November 2006 to November 2008
(% change in 3-month and 12-month moving totals)

[Source: OCFO/OTR and OCFO/ORA]

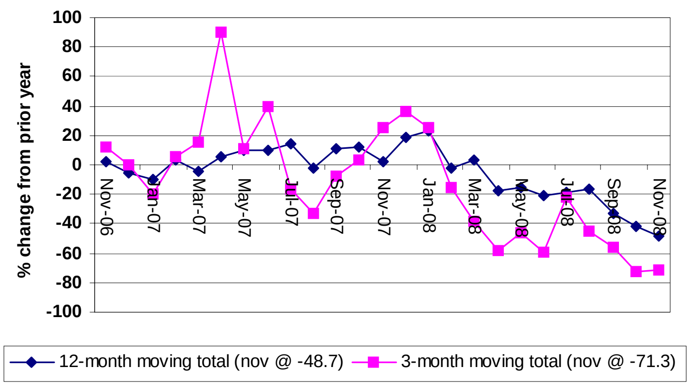


Table 13. Market Value of Real Property Subject to D.C. Deed Transfer or Economic Interest Taxes: Nov. 2008

Tax	Units	Fiscal Year 2007	2008	Current (November 2008) 12-month moving total	FY to date	3-month moving total	This month
Deed transfers	$ M	11,889.9	7,378.7	6,437.0	743.9	1,213.3	358.1
	1 yr. ch $M	-165.3	-4,511.2	-4,036.7	-941.6	-2,453.5	-455.9
	1 yr % ch	*-1.4*	*-37.9*	*-38.5*	*-55.9*	*-66.9*	*-56.0*
Transfers of economic interest	$ M	2,945.0	2,491.6	1,200.6	280.5	357.5	280.5
	1 yr. ch $M	1,569.0	-453.5	-3,211.6	-1,291.0	-1,454.4	-660.7
	1 yr % ch	*114.0*	*-15.4*	*-72.8*	*-82.2*	*-80.3*	*-70.2*
All property transfers	$ M	14,834.9	9,870.3	7,637.6	1,024.5	1,570.8	638.6
	1 yr. ch $M	1,403.7	-4,964.7	-7,248.3	-2,232.7	-3,907.9	-1,116.6
	1 yr % ch	*10.5*	*-33.5*	*-48.7*	*-68.5*	*-71.3*	*-63.6*

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

Figure 5
DC hotel room-days and average hotel room rate: October 2006 to October 2008
(% change in 3-month moving average from the same period of the prior year)

[Source: Smith Travel Research]

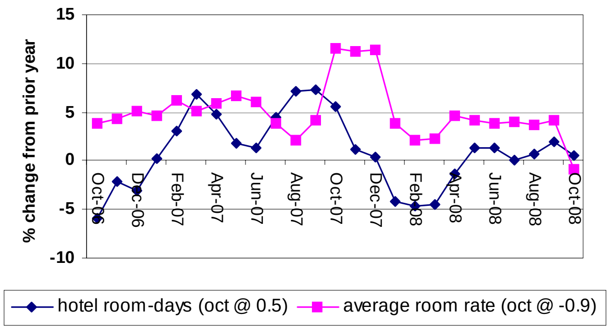


Table 14. Hospitality and Retail in D.C.: October and November 2008

Indicator	Units	date	Fiscal Year 2007	Fiscal Year 2008		Current (October and November 2008): 12-month moving total or average*	FY 2009 year-to-date	3-month moving total or average*	This month
Hotel stays									
Hotel room-days sold	('M)	oct 08	7.082	7.086		7.064	0.678	1.851	0.678
	1 yr ch		0.203	0.004		-0.073	-0.022	0.009	-0.022
	1 yr % ch		*3.0*	*0.1*		*-1.0*	*-3.2*	*0.5*	*-3.2*
Average room rate	$	oct 08	198.44	208.94		208.42	248.49	209.33	248.49
	1 yr ch		9.69	10.50		5.82	-3.97	-1.82	-3.96
	1 yr % ch		*5.1*	*5.3*		*2.9*	*-1.6*	*-0.9*	*-1.6*
Occupancy rate	%	oct 08	73.5	74.4		74.1	82.4	76.1	82.4
(average)	1 yr ch		1.9	0.8		-0.1	-3.4	-0.2	-3.4
	1 yr % ch		2.6	1.1		-0.1	-4.0	-0.3	-4.0
Room revenue	($M)	oct 08	1,405.3	1,480.5		1,350.7	154.6	355.6	154.6
	1 yr ch		107.0	75.2		24.2	-7.6	-1.4	-7.6
	1 yr % ch		*8.2*	*5.4*		*1.8*	*-4.7*	*-0.4*	*-4.7*
Airline passengers									
DCA	1 yr % ch	oct 08	2.0	-3.2		-3.8	-4.0	-4.2	-4.0
IAD	1 yr % ch	oct 08	6.8	-2.3		-2.9	-4.9	-3.8	-4.9
BWI	1 yr % ch	oct 08	1.7	0.0		-0.8	-5.5	-7.9	-5.5
Total	1 yr % ch	oct 08	3.7	-1.8		-2.5	-4.8	-5.3	-4.8
Convention Center Transfer									
	$ M	nov 08	83.3	90.1		83.9	16.2	16.4	8.6
	1 yr ch		3.6	6.8		-1.5	0.1	-5.8	-0.4
	1 yr % ch		*4.5*	*8.2*		*-1.8*	*0.4*	*-26.0*	*-4.0*
Employment									
Accommodations	level ('000)	nov 08	15.1	14.2		14.0	13.8	13.9	13.6
	1 yr ch		-0.3	-1.0		-0.9	-0.9	-0.8	-0.9
	1 yr % ch		*-1.9*	*-6.3*		*-6.2*	*-6.1*	*-5.5*	*-6.2*
Food and bev	level ('000)	nov 08	33.4	35.0		35.2	35.6	35.7	35.5
	1 yr ch		0.6	1.6		1.5	1.0	1.1	1.0
	1 yr % ch		*2.0*	*4.9*		*4.5*	*2.9*	*3.3*	*2.9*
Arts and entertain.	level ('000)	nov 08	6.0	6.1		6.1	6.1	6.3	6.4
	1 yr ch		0.0	0.2		0.1	0.1	0.1	0.1
	1 yr % ch		*-0.6*	*2.5*		*1.8*	*1.6*	*1.1*	*1.6*
Retail	level ('000)	nov 08	18.1	18.1		18.1	18.5	18.3	18.5
	1 yr ch		0.2	0.0		0.1	0.3	0.3	0.2
	1 yr % ch		*0.9*	*0.0*		*0.4*	*1.7*	*1.7*	*1.1*

** Total for hotel rooms sold, room revenue, and Convention Center transfer*
Note: the hospitality industry is composed of accomodations, food and beverage, and arts and entertainment.
Source: Smith Travel Research (hotel data); BLS (employment); Airport authorities (airline passengers); OCFO/OTR (Convention Center transfer)

Figure 6
DC Tax Collections:
November 2006 to November 2008
(% change from prior year in 3-month and in 12-month moving total collections)

[Source: OCFO/OTR and OCFO/ORA]

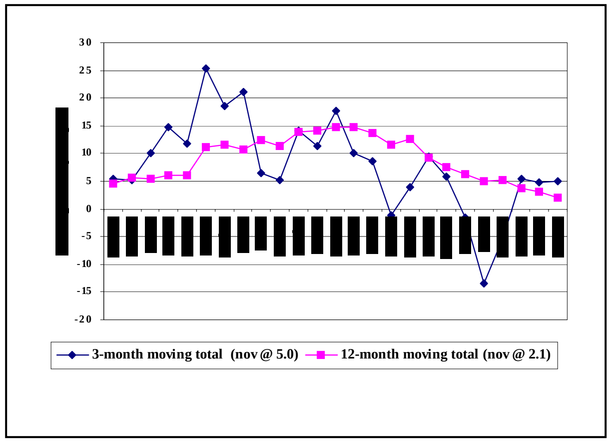


Table 15. D.C. Tax Collections (before earmarking): November 2008

Tax	Units	Fiscal Year 2007	Fiscal Year 2008	Current (November 2008) 12-month moving total	FY to date	3-month moving total	This month
Total taxes	level ($M)	5,117.5	5,352.6	5,280.5	nm	1,590.2	246.9
	1 yr ch	627.7	235.1	108.7		76.0	-7.0
	1 yr % ch	*14.0*	*4.6*	*2.1*		*5.0*	*-2.8*
Real property	level ($M)	1,443.7	1,701.3	1,673.3	nm	785.1	6.4
	1 yr ch	296.1	257.7	212.3		140.9	-0.9
	1 yr % ch	*25.8*	*17.8*	*14.5*		*21.9*	*nm*
General sales	level ($M)	958.8	1,019.4	1,014.6	nm	245.7	90.7
	1 yr ch	62.0	60.6	48.5		2.7	0.0
	1 yr % ch	*6.9*	*6.3*	*5.0*		*1.1*	*0.0*
Con. Cntr. trans	level ($M)	83.3	90.1	83.9	nm	16.4	8.6
	1 yr ch	3.6	6.8	-1.5		-5.8	-0.4
	1 yr % ch	*4.5*	*8.2*	*-1.8*		*-26.0*	*-4.0*
Individual income	level ($M)	1,313.1	1,354.8	1,369.6	nm	313.1	88.1
	1 yr ch	80.7	41.7	51.0		11.2	20.2
	1 yr % ch	*6.5*	*3.2*	*3.9*		*3.7*	*29.7*
withholding	level ($M)	974.8	974.9	1,016.2	nm	245.2	85.8
	1 yr ch	4.2	0.1	38.4		15.2	16.3
	1 yr % ch	*0.4*	*0.0*	*3.9*		*6.6*	*23.4*
non-withholding	level ($M)	338.3	379.9	353.4	nm	67.9	2.3
	1 yr ch	76.5	41.6	12.7		-4.0	3.9
	1 yr % ch	*29.2*	*12.3*	*3.7*		*-5.5*	*nm*
Corporate income	level ($M)	250.7	290.7	291.2	nm	78.8	4.1
	1 yr ch	30.9	39.9	38.6		17.5	-6.2
	1 yr % ch	*14.1*	*15.9*	*15.3*		*28.5*	*nm*
Unincorporated Bus.	level ($M)	166.4	129.5	137.8	nm	19.2	0.6
	1 yr ch	25.5	-36.9	-23.1		-11.1	0.5
	1 yr % ch	*18.1*	*-22.2*	*-14.3*		*-36.6*	*nm*
Deed taxes	level ($M)	442.0	305.5	243.6	nm	59.5	22.9
	1 yr ch	81.7	-136.6	-228.9		-86.8	-22.2
	1 yr % ch	*22.7*	*-30.9*	*-48.4*		*-59.3*	*-49.2*
Other taxes	level ($M)	542.8	551.4	550.3	nm	88.7	34.0
	1 yr ch	50.7	8.7	10.2		1.5	1.6
	1 yr % ch	*10.3*	*1.6*	*1.9*		*1.8*	*5.0*

Deed taxes include deed recordation, deed transfer, and economic interest taxes on real property transactions.
Note: September 2008 collections are preliminary and are subject to end of year accounting adjustments.
nm=not meaningful because (1) data for FY covers only 2 months, (2) or trivial amount of taxes collected.
Source: OCFO/OTR and OCFO/ORA

Figure 7
Withholding for Individual Income Tax: November 2006 to November 2008
(% change from prior year in 3-month and 12-month moving total collections)

Note: collections reflect rate cuts.

[Source: OCFO/OTR and OCFO/ORA]

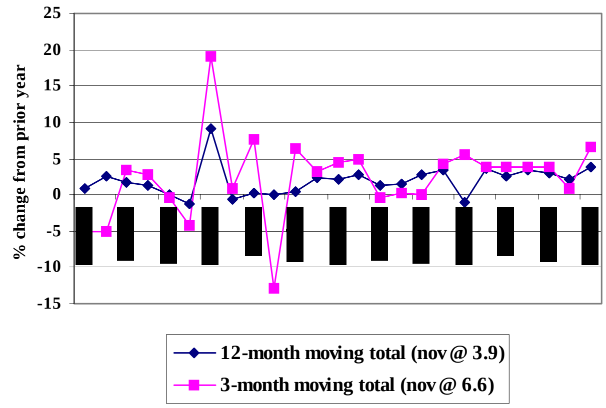


Figure 8
General Sales Tax collections (before earmarking): November 2006 to November 2008
(% change from prior year in 3-month and 12-month moving total collections)

[Source: OCFO/OTR and OCFO/ORA

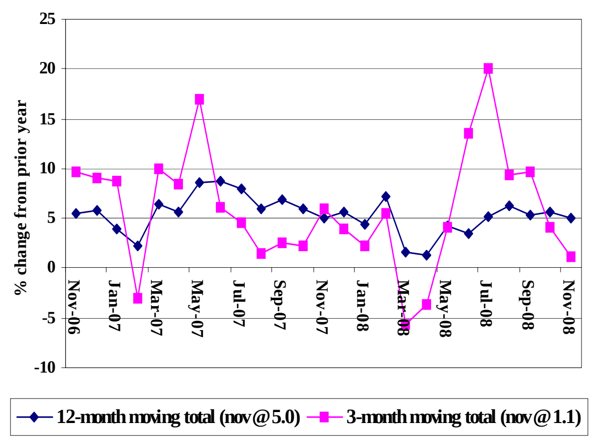


Figure 9
Deed Tax collections (before earmarking) : November 2006 to November 2008
(% change in 3-month and 12-month moving totals from the same period of the prior year)

[Note (1): Deed taxes are Deed Transfer, Deed Recordation, and Economic Interest taxes (2) FY 2007 collections for Deed Transfer and Deed Recordation taxes reflect rate increases]

[Source: OCFO/OTR and OCFO/ORA]

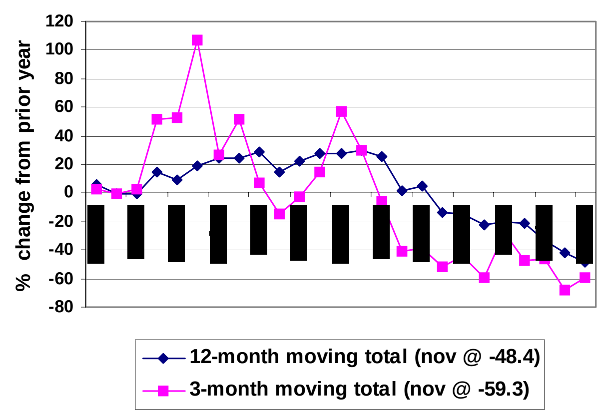


Table 16. D.C. Tax Collections before earmarking: 12-month moving total from November 2007 to November 2008

($ Million)

Tax	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08
A. 12-month moving total													
Real property	1,461.0	1,462.4	1,460.0	1,465.0	1,563.0	1,634.8	1,581.9	1,580.1	1,527.0	1,532.4	1,681.0	1,674.2	1,673.3
General Sales	966.1	968.2	966.0	978.5	954.0	957.0	988.6	986.6	1,005.2	1,011.9	1,009.2	1,014.6	1,014.6
Individual income	1,318.6	1,347.1	1,353.7	1,340.4	1,357.6	1,397.2	1,346.2	1,352.9	1,354.3	1,358.4	1,353.2	1,349.5	1,369.6
withholding	977.9	985.5	978.5	978.4	985.4	988.8	991.9	994.6	998.1	1,001.0	1,004.2	1,000.0	1,016.2
all other	340.8	361.6	375.2	362.0	372.2	408.4	354.3	358.3	356.2	357.4	349.0	349.5	353.4
Corporate franchise	252.6	251.1	255.5	256.4	250.1	271.6	260.7	257.2	268.0	273.8	289.9	297.4	291.2
Unincorporated franchise	160.9	157.5	166.7	144.7	145.6	158.5	151.2	146.9	147.9	148.9	128.9	137.4	137.8
Deed taxes	472.5	468.2	453.0	419.1	421.8	378.0	373.0	344.3	354.5	330.4	296.4	265.8	243.6
All other taxes	540.0	538.3	548.8	557.3	550.9	558.6	559.4	553.0	555.3	548.7	550.2	548.7	550.3
Total taxes	5,171.8	5,192.7	5,203.7	5,161.3	5,243.0	5,355.6	5,261.0	5,221.1	5,212.3	5,204.5	5,308.8	5,287.5	5,280.5
B. change from prior year in 12-month moving total													
Real property	319.0	315.0	308.8	312.0	397.7	408.8	292.7	285.8	203.6	192.1	237.3	219.9	212.3
General Sales	46.6	51.8	40.1	66.0	14.9	12.2	39.8	33.7	49.9	59.5	50.4	54.2	48.5
Individual income	106.0	125.5	102.8	99.0	128.7	33.8	37.5	65.2	56.7	67.8	40.1	39.0	51.0
withholding	21.4	26.6	12.4	14.7	27.5	33.4	-11.4	34.7	25.9	33.1	29.5	20.2	38.4
all other	84.6	98.9	90.3	84.3	101.3	0.3	48.9	30.5	30.9	34.8	10.7	18.8	12.7
Corporate franchise	29.1	15.6	20.0	21.1	8.0	41.1	22.0	14.3	28.4	34.9	39.1	58.0	38.6
Unincorporated franchise	19.3	11.1	21.2	-22.1	-19.2	-16.9	-0.7	-10.0	-4.1	-4.0	-37.5	-23.2	-23.1
Deed taxes	103.6	108.8	90.8	5.4	20.9	-58.7	-62.1	-100.6	-88.0	-88.9	-145.6	-193.5	-228.9
All other taxes	40.5	38.6	43.4	56.4	32.7	33.4	40.1	18.7	-0.1	-0.4	7.4	6.2	10.2
Total taxes	664.1	666.3	627.0	537.9	583.8	453.7	369.4	307.0	246.4	261.2	191.3	160.6	108.7
C. percent change from prior year in 12-month moving total													
Real property	27.9	27.5	26.8	27.1	34.1	33.4	22.7	22.1	15.4	14.3	16.4	15.1	14.5
General Sales	5.1	5.6	4.3	7.2	1.6	1.3	4.2	3.5	5.2	6.3	5.3	5.6	5.0
Individual income	8.7	10.3	8.2	8.0	10.5	2.5	2.9	5.1	4.4	5.3	3.1	3.0	3.9
withholding	2.2	2.8	1.3	1.5	2.9	3.5	-1.1	3.6	2.7	3.4	3.0	2.1	3.9
all other	33.0	37.6	31.7	30.4	37.4	0.1	16.0	9.3	9.5	10.8	3.2	5.7	3.7
Corporate franchise	13.0	6.6	8.5	9.0	3.3	17.8	9.2	5.9	11.8	14.6	15.6	24.2	15.3
Unincorporated franchise	13.6	7.6	14.5	-13.2	-11.7	-9.6	-0.4	-6.4	-2.7	-2.6	-22.5	-14.4	-14.3
Deed taxes	28.1	30.3	25.1	1.3	5.2	-13.4	-14.3	-22.6	-19.9	-21.2	-32.9	-42.1	-48.4
All other taxes	8.1	7.7	8.6	11.3	6.3	6.4	7.7	3.5	0.0	-0.1	1.4	1.2	1.9
Total taxes	14.7	14.7	13.7	11.6	12.5	9.3	7.6	6.2	5.0	5.3	3.7	3.1	2.1

Note: September 2008 collections are preliminary and subject to accounting adjustments.

Source: OCFO/OTR. Deed taxes includes deed recordation, deed transfer, and economic interest.

Table 17. Selected U.S. Indicators: November 2008
(percent change from same period of prior year)

Indicator	date of latest indicator	units	Fiscal Year 2007	Fiscal Year 2008	Current (November 2008) 12-month moving average	FY 2009 year-to-date	2008.3 or 3-mo. moving average*	Most recent month
US GDP real	3rd Q 2008	1 yr % ch	2.8	2.1	1.9	1.9	0.7	
US GDP nominal	3rd Q 2008	1 yr % ch	6.3	4.9	4.3	4.3	3.3	
US consumption	3rd Q 2008	1 yr % ch	6.1	5.3	4.9	4.9	4.1	
US Investment	3rd Q 2008	1 yr % ch	9.2	-3.5	-5.0	-5.0	-7.1	
Federal Government	3rd Q 2008	1 yr % ch	6.0	5.3	8.2	8.2	10.5	
Fed. gov't civil. cons.	3rd Q 2008	1 yr % ch	6.3	3.2	4.8	4.8	6.2	
Corporate profits**	3rd Q 2008	1 yr % ch	18.4	0.5	-5.3	-5.3	-9.2	
US Personal income	3rd Q 2008	1 yr % ch	6.8	6.2	4.6	4.6	3.7	
US wages	3rd Q 2008	1 yr % ch	6.0	5.9	3.7	3.7	3.0	
US jobs	nov 2008	1 yr % ch	1.3	0.3	0.0	-1.1	-0.9	-1.5
S and P stock index	nov 2008	1 yr % ch	14.1	-5.7	-13.6	-15.3	-31.8	-39.7
10 yr Treas. Int. rate	nov 2008	level	4.7	3.9	3.8	3.7	3.7	3.5
US CPI	nov 2008	1 yr % ch	2.3	4.4	4.2	2.4	3.2	1.1
Addendum: Baltimore/Washington area CPI								
CPI	*nov 2008*	*1 yr % ch*	*3.3*	*5.0*	*4.7*	*2.5*		*2.5*

GDP=Gross Domestic Product na=not applicable because no quarterly data is yet available for FY 2009
**most recent 3-month moving average for monthly data **with inventory valuation and capital consumption adjustments*
Source: BEA and BLS; financial data from Yahoo! Finance. BEA's US data for GDP, Personal Income, and wages data revised as of December 23, 2008.
Personal income and wage data may differ slightly from amounts shown in table 5 due to differences in BEA source tables.

Table 18. Quarter-to-Quarter Change in U.S. Gross Domestic Product: 2007.2 to 2008.3
(percent change from previous quarter at seasonally adjusted annual rates)

Indicator	date of indicator	units	Calendar Year Quarter 2007.2	2007.3	2007.4	2008.1	2008.2	2008.3
US GDP real	3rd Q 2008	% ch from prior Q at saar	4.8	4.8	-0.2	0.9	2.8	-0.5
US GDP nominal	3rd Q 2008	% ch from prior Q at saar	6.9	6.3	2.3	3.5	4.1	3.4

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate
Source: BEA. Data revised as of December 23, 2008

Table 19. Month-to-Month Changes in the Stock Market, Interest Rate, CPI, and U.S. Employment: May 2008 to November 2008

Indicator and units	Current (November 2008) May 08	Jun 08	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08
S and P stock index (level)	1,403	1,341	1,257	1,281	1,217	969	883
% change from prior month	2.4	-4.4	-6.3	1.9	-5.0	-20.4	-8.9
10 yr Treas. Int. rate (level)	3.87	4.08	3.98	3.89	3.68	3.78	3.52
CPI *(seasonally adjusted)*							
% change from prior month	0.6	1.1	0.8	-0.1	0.0	-1.0	-1.7
% change from same month of prior year	4.1	4.9	5.5	5.4	4.9	3.7	1.0
Jobs (seasonally adjusted level, in millions)	137.72	137.62	137.55	137.42	137.02	136.70	136.17
change from prior month (thousands)	-47	-100	-67	-127	-403	-320	-533
% change from prior month at annual rate	*-0.4*	*-0.9*	*-0.6*	*-1.1*	*-3.5*	*-2.8*	*-4.7*
Resident employment (season. adj. level, in millions)	146.05	145.89	145.82	145.48	145.26	*144.96*	*144.29*
change from prior month (thousands)	*-285*	*-155*	*-72*	*-342*	*-222*	*-297*	*-673*
% change from prior month at annual rate	*-2.3*	*-1.3*	*-0.6*	*-2.8*	*-1.8*	*-2.5*	*-5.6*
Unemployment rate (seasonally adj.)	*5.5*	*5.5*	*5.7*	*6.1*	*6.1*	*6.5*	*6.7*

Source: BLS and Yahoo! Finance.

Figure 10
S and P 500 stock index: November 2006 to November 2008
(% change from same month of prior year)

[Source: Yahoo! financial]

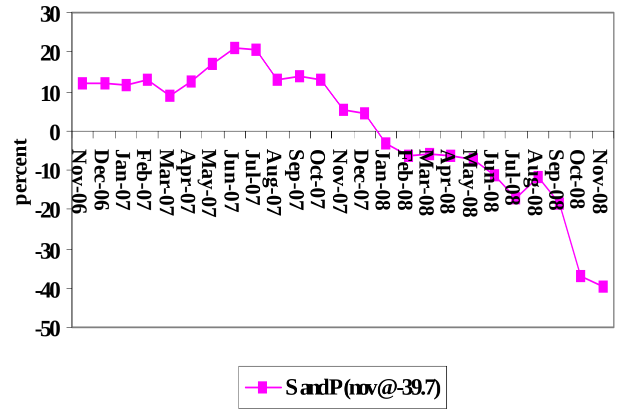


Table 20. Forecasts of U.S. Gross Domestic Product (GDP) through FY 2010

(% change from prior fiscal year)

forecast and date	FY 2007	FY 2008	FY 2009	FY 2010	FY 2007	FY 2008	FY 2009	FY 2010
	Real GDP				Nominal GDP			
Congressional Budget Office								
September	2.1	1.9	0.8	0.8	4.9	4.2	3.6	5.1
Blue Chip								
September	2.1	2.0	1.3		4.9	4.4	3.7	
October	2.1	1.8	0.4		4.9	4.3	2.7	
November	2.1	1.8	-0.5		4.9	4.3	1.6	
December	2.1	1.8	-1.2		4.7	4.3	0.7	
Global Insight (baseline)								
September	2.1	1.9	0.7	2.6	4.9	4.2	3.2	4.6
October	2.1	1.9	0.1	1.9	4.9	4.4	2.4	3.4
November	2.1	1.9	-0.9	1.0	4.9	4.3	1.3	2.2
December	2.1	1.9	-1.7	1.1	4.9	4.3	0.0	2.4
Global Insight (pessimistic)								
September	2.1	2.0	-0.8	1.2	4.9	4.4	2.1	3.6
October	2.1	1.9	-1.6	0.0	4.9	4.3	0.6	1.1
November	2.1	1.9	-1.9	-0.7	4.9	4.3	0.2	-0.1
December	2.1	1.9	-2.7	-0.6	4.9	4.3	-1.1	0.1

Sources: Blue Chip Indicators, Global Insight, and the Congressional Budget Office.Blue Chip forecast for FY 2010 available starting in January.

Table 21. Forecasts of the S and P 500 Stock Index through FY 2010

(% change from prior year)

forecast and date	FY 2007	FY 2008	FY 2009	FY 2010		FY 2007	FY 2008	FY 2009	FY 2010
Global Insight (baseline)					**Global Insight (pessimistic)**				
September	14.1	-5.4	-1.0	10.7		14.1	-6.0	-7.2	10.6
October	14.1	-5.4	-1.0	10.7		14.1	-6.0	-7.2	10.6
November	14.1	-5.8	-27.2	11.6		14.1	-5.8	-37.5	6.6
December	14.1	-5.8	-31.4	16.7		14.1	-5.8	-40.4	10.3
Economy.com (baseline)									
September	14.1	-5.8	-4.2	20.5					
October	14.1	-5.8	-4.2	20.5					
November	14.1	-5.8	-20.1	26.7					
December	14.1	-5.8	-29.9	39.8					

Sources: Global Insight and economy.com.

Table 22. Forecasts of the DC economy through FY 2010

D.C. forecasts from Global Insight and economy.com
(percent change from prior year)

Indicator	Date of estimate	FY 2007	FY 2008	FY 2009	FY 2010	FY 2007	FY 2008	FY 2009	FY 2010	FY 2007	FY 2008	FY 2009	FY 2010
		Global Insight											
		baseline				pessimistic				economy.com (baseline)			
Jobs in DC	sep 08	0.9	1.3	0.5	0.7	0.9	1.3	0.3	0.6	0.9	1.3	0.0	1.0
	oct 08	0.9	1.3	0.2	0.6	0.9	1.3	0.0	0.3	0.9	1.3	-0.7	0.3
	nov 08	0.9	1.6	1.2	0.3	0.9	1.6	1.1	0.1	0.9	1.6	1.2	0.5
	dec 08	0.9	1.6	1.0	0.2	0.9	1.6	0.9	-0.1	0.9	1.6	1.2	0.5
DC Resident employment	sep 08	2.1	1.4	0.2	0.3	2.1	1.4	0.1	0.3	2.1	1.3	-0.8	0.7
	oct 08	2.1	1.4	0.1	0.3	2.1	1.4	0.1	0.2	2.1	1.3	-1.5	-0.1
	nov 08	2.1	1.3	-0.3	0.3	2.1	1.3	-0.3	0.3	2.1	1.3	-1.3	-0.3
	dec 08	2.1	1.3	-0.3	0.3	2.1	1.3	-0.3	0.3	2.1	1.3	-1.3	-0.4
Wages and salaries earned in DC	sep 08	5.3	5.8	4.3	3.8	5.3	5.8	4.1	3.6	5.3	6.1	2.3	1.8
	oct 08	5.5	5.0	3.7	3.4	5.5	5.0	3.5	3.0	5.5	4.8	1.0	0.7
	nov 08	5.5	5.3	4.2	2.6	5.5	5.3	3.7	1.4	5.5	5.2	2.9	1.1
	dec 08	5.5	5.2	3.9	2.4	5.5	5.2	3.5	1.2	5.5	5.2	2.9	1.1
Wages and salaries earned by DC residents	sep 08	5.6	5.7	3.9	4.1	5.6	5.7	3.7	4.4	5.6	5.2	2.6	3.8
	oct 08	6.5	5.0	2.5	3.8	6.5	5.0	2.4	3.9	6.5	4.8	1.8	2.9
	nov 08	6.5	5.8	3.8	2.4	6.5	5.8	3.0	0.7	6.5	5.6	5.2	3.5
	dec 08	6.5	5.7	3.4	2.0	6.5	5.7	2.6	0.2	6.5	5.6	5.2	3.5
DC Personal Income	sep 08	6.0	5.7	3.8	4.2	6.0	5.7	3.4	4.2	6.0	5.2	2.1	4.0
	oct 08	6.4	5.5	2.9	3.8	6.4	5.5	2.7	3.3	6.4	5.4	2.2	3.7
	nov 08	6.4	5.9	3.6	2.7	6.4	5.9	3.0	1.2	6.4	5.7	4.0	3.8
	dec 08	6.4	5.9	3.6	2.7	6.4	5.8	2.9	0.9	6.4	5.7	4.0	3.8
DC GDP (real)	sep 08	3.5	3.5	0.7	1.8	3.5	3.5	-0.5	1.4	4.0	4.7	2.5	2.7
	oct 08	3.5	3.5	0.3	1.5	3.5	3.4	-0.5	-0.1	4.0	4.6	1.9	2.6
	nov 08	3.5	3.7	0.2	0.9	3.5	3.7	-0.6	-0.3	4.0	4.5	1.9	3.1
	dec 08	3.5	3.7	-0.4	1.0	3.5	3.7	-1.2	-0.3	4.0	4.5	1.9	3.1
Unemployment rate	sep 08	5.7	6.1	6.3	6.2	5.7	6.1	6.4	6.3	5.7	6.3	7.6	7.3
	oct 08	5.7	6.1	6.4	6.4	5.7	6.1	6.5	6.4	5.7	6.3	8.2	8.6
	nov 08	5.7	6.2	7.0	6.9	5.7	6.2	7.0	6.9	5.7	6.3	8.2	9.1
	dec 08	5.7	6.2	7.0	6.9	5.7	6.2	7.0	7.0	5.7	6.3	8.2	9.1
DC CPI	sep 08	3.2	4.9	3.2	3.7	3.2	4.9	4.0	4.5	3.4	5.1	2.3	1.4
	oct 08	2.4	4.8	0.8	3.8	2.4	4.8	-0.2	3.5	3.4	5.1	2.3	1.2
	nov 08	2.4	5.2	-0.1	3.0	2.4	5.2	-1.1	2.5	3.4	5.1	1.2	1.7
	dec 08	2.5	5.0	-0.9	3.1	2.5	5.0	-1.7	2.4	3.4	5.1	0.3	2.0

Note: Changes in FY 2007 numbers reflect revisions by BLS and BEA

Source: Global Insight; economy.com; BLS; BEA

Global Insight also prepares an optimistic scenario.

Table 22. Timetable for Next Release of Selected D.C. and U.S. Economic Indicators

Indicator and period covered by next release	Source	Date of release
D.C. Jobs and Labor force for December	BLS	January 27
D.C. Personal Income for 4th Q	BEA	March 24
D.C. Tax Collections for December	OTR/ORA	January 15
D.C. Housing Sales for December	GCAAR*	c. January 7
D.C. Commercial Office Building data for 4th Q	Delta Associates	c. January 5
D.C. Hotel stay information for November	Smith Travel Research	c. January 5
D.C. Consumer Price Index for January	BLS	February 20
U.S. Jobs and Labor Force for December	BLS	January 9
U.S. GDP and Personal Income for 4th Q (prelim)	BEA	January 30
U.S. CPI for November	BLS	January 16
S and P 500 Stock Index for December	Financial press	January 1
Interest rate on 10-Year Treasury Securities for December	Financial press	January 1
Global Insight D.C. forecast for January	Global Insight	c. January 12
economy.com D.C. forecast for January	economy.com	c. January 22
Blue Chip Economic Indicators for the U.S. for January	Aspen Publishers	January 10
**Greater Capital Area Association of Realtors*		

Data Sources

Information is based on the following sources, which are the latest available:

- Jobs and Labor Force (Bureau of Labor Statistics, November 2008 for DC and the US);
- Wages and Personal Income (Bureau of Economic Analysis, September 2008);
- Housing markets (Metropolitan Regional Information Systems (MRIS) accessed through the Greater Capital Area Association of Realtors, November 2008);
- Housing price Indexes: OFHEO (September 2008); Case-Shiller (September 2008)
- Commercial Office, Condominium, and Apartment information (Delta Associates, September 2008);
- Hotel data (Smith Travel Research, October 2008);
- D.C. Housing Permits (Census Bureau, October 2008);
- Financial market information (Yahoo financial, December 2008);
- U.S. GDP and related information (Bureau of Economic Analysis, December 12, 2008);
- U.S. and D.C. Consumer Price Information (Bureau of Labor Statistics, November 2008)
- U.S. economic forecasts (Blue Chip Indicators—Dec. 2008--and Congressional Budget Office—Sep. 2008);
- D.C. economic forecasts (Global Insight--December 2008--and Economy.com--December 2008); and
- D.C. Revenues (OTR/ORA monthly cash reports, November 2008).

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