

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



**Natwar M. Gandhi**  
Chief Financial Officer

February 27, 2008

The Honorable Adrian M. Fenty  
Mayor of the District of Columbia  
1350 Pennsylvania Avenue, NW – Suite 327  
Washington, DC 20004

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

Dear Mr. Mayor and Chairman Gray:

This letter certifies, as of February 2008, revenue estimates for the FY 2008-2012 District of Columbia Budget and Financial Plan. For FY 2009, total non-dedicated Local Fund revenues are estimated to be \$5,409.6 million, which is \$62.5 million less than the estimate that was certified in December 2007. The FY 2008 revenue is now estimated to be \$5,242.2 million, a \$4.2 million increase over the estimate made in December 2007. Table 1 below compares the current revenue estimate to the previous estimate.

**Table 1: February 2008 revenue estimate compared to previous estimate**

<b>Local Source, General Fund Revenue Estimate (\$ millions)</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Fund revenue estimate of December 2007</b>	<b>5,238.0</b>	<b>5,472.1</b>	<b>5,760.7</b>	<b>6,055.1</b>	<b>6,343.1</b>
<i>Additional revenue from revised estimate</i>	<i>4.2</i>	<i>(62.5)</i>	<i>(71.8)</i>	<i>(92.9)</i>	<i>(89.2)</i>
<b>February 2008 revised estimate</b>	<b>5,242.2</b>	<b>5,409.6</b>	<b>5,688.9</b>	<b>5,962.2</b>	<b>6,253.9</b>
<i>Percent growth over previous year</i>	<i>0.9%</i>	<i>3.2%</i>	<i>5.2%</i>	<i>4.8%</i>	<i>4.9%</i>

The revised revenue estimate is calculated based on a Class II (commercial) real property tax rate reduction. Act 17-0272, passed in January, requires the computation of a “calculated rate” for the first \$3 million of commercial property tax assessment. Specifically, the tax yield from Class II may be no more than \$1,199.9 million for FY 2009. Using the latest assessment data (as it is applied to FY 2009) for all property Classes, revenue from the commercial real property tax for FY 2009 is estimated to be \$1,295.6 million. Accordingly, the Class II calculated rate is now triggered for the first \$3 million of commercial property tax assessment. The result is a now a two-tiered Class II rate structure: \$0.91/\$100 on the first \$3.0 million of assessed value and the current statutory rate of \$1.85/\$100 to be applied to the additional assessment amounts in excess of \$3.0 million. This two-tiered rate structure applies to all Class II property.

For Class I, current law also requires the computation of a “calculated rate” for Class I real property such that the tax yield from Class I may be the same amount of taxes collected in FY 2008 plus no more than 7 percent. The FY 2009 revenue estimate for Class I real property tax, based on the latest assessment data, shows revenue growth of just 4.9 percent for Class I, less than the 7.0 percent threshold. That is, the projected revenue growth of 4.9% is below the 7.0% threshold that “triggers” a new calculated rate for FY 2009. The Class I statutory rate therefore remains at its current level of \$0.85/\$100.

## **Current Economic Conditions**

### *The National Economy*

The most recent national employment and output numbers are the worst in over 4 years and national credit and equity markets are experiencing great difficulties. According to many analysts, the risk of recession has risen considerably. A number of indicators suggest slowdown and other difficulties:

- On a seasonally adjusted basis, U.S. employment in January 2008 was 17,000 below December 2007, the first actual reduction in employment in 4 ½ years.
- In January the Bureau of Economic Affairs reported that real GDP growth fell to 0.6% in the December quarter on a seasonally adjusted basis, the lowest rate of growth in 5 years (except for the first quarter of 2007 when the rate was also 0.6%).
- In January, the stock market declined, ending the month 6.1% below the end of December and 4.2% below a year earlier.
- Credit has tightened, investment is down, and unemployment is rising.
- Nationally, the sales prices of existing houses were down in December for the first time in years.
- Led by high energy prices, for the last quarter of 2007 the U.S. Consumer Price Index was 4% higher than a year earlier.

### *The District Economy*

Through December, the District’s labor market continues to show considerable strength, outperforming both the metropolitan area and the nation as a whole. Hotel room sales also did quite well in the quarter than ended in December. However, sales of single family and condominium housing units slumped further in December and January, and commercial office space vacancy rates edged up in December and are likely to rise significantly over the next two years.

There is also evidence that a slowing national economy is beginning to be reflected in DC tax collections. Collections for both general sales and withholding for the individual income tax weakened in the 3-month period ending in January. The December 2007 corporate estimated payments and the January 2008 declarations for the individual income tax were below the amounts collected from those sources in the same months of the prior year.

## **Economic Outlook**

### *National*

The outlook for the U.S. economy is highly uncertain. With a compounding of economic slowing, falling real estate values, financial market difficulties, inflation, and a falling dollar, this turning point in the economy seems quite different from the last recession of 2001 (which began in the months before 9/11). It is not possible to know either the depth or duration of the problems. Some say a recession will occur (or has already occurred), others say growth will be slow for a year or two but a recession will be avoided.

- The February 10th Blue Chip Economic Indicators report noted in summarizing the forecasts of 50 private sector economists for the period through 2009: “Reflecting mounting concern about the economy, the consensus now puts the odds of a recession at almost 50%.... The majority of our panelists, however, continue to say a recession will be avoided.”<sup>1</sup>
- On February 15th, the Congressional Budget Office said in a report revising its economic forecast: “Although CBO’s projections do not show the slowdown in economic growth becoming severe enough to meet the economic definition of recession, the risk of recession remains elevated, and economic activity will remain subdued for some period as the economy continues to work through the effects of problems in the housing and financial markets and the high price of oil.”<sup>2</sup>
- On February 22nd the Federal Reserve lowered its projection for economic growth this year and raised its projection for unemployment and inflation, citing a housing slump and credit crunch.
- The economic forecast services Global Insight and economy.com have both called for recessions in their most recent forecasts.

### *The District*

In the past, when the U.S. economy has slowed the District’s economy has also. This happened in the early 1990’s and again before the 2001 recession. In both instances D.C. revenues were adversely affected. The bursting of the stock market bubble in 2001 was the most significant reason for the decline in D.C. revenues in FY 2003.

The current revenue estimate takes into account the national economic slowdown, with its probable resulting adverse impact on the District of Columbia economy and revenues. The current revenue forecast is cautious, but not a recession forecast and by no means the worst case. It assumes that the national economy avoids a recession as a result of the recent Fed rate cuts and the stimulus package passed by congress. The forecast assumes the stock market will lose ground in FY 2008 and that the average selling price of homes will decline in both FY 2008 and FY 2009. Employment and wage growth rates edge downward, real property transfers slow down, and construction projects are delayed.

The estimating assumptions for FY 2008 and FY 2009, respectively, include:

- A 1.1 percent and 0.6 percent growth in total jobs;
- A 4.5 percent increase in the personal income of District residents;
- Inflation (CPI) of 3.0 and 2.2 percent;
- Stock market decrease of 4.3% in FY 2008 and a gain of 5.7% in FY 2009;
- Declines in home sales of 20% and 10 %; and
- Average single-family home sale price declines of 2.0% in FY 2008 and FY 2009.

### **Risks to the District Revenue**

The uncertainty surrounding the national economic outlook is worrisome and requires careful monitoring. The fiscal stimulus recently enacted by Congress may help to bolster the economy. Should the current slowdown become more severe, however, District revenues would likely be lower than those contained in this revenue estimate, especially for FY 2009. Areas to watch include:

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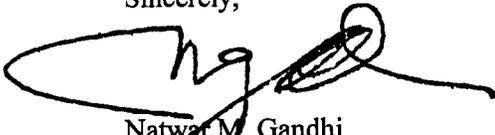
<sup>1</sup>Blue Chip Economic Indicators, Aspen Publishers, February 10, 2008, Summary, p.1.

<sup>2</sup> December 15, 2008, Letter from Peter R. Orzag, Director of the Congressional Budget Office, to Hon. Kent Conrad , Chairman of the Senate Budget Committee, Page 2.

- *Personal Income Tax.* There is the risk of an “April Surprise” in both FY 2008 and FY 2009 whereby taxpayers overpaying estimated taxes for the calendar year (CY 2007 and CY 2008) generate lower payments and large refunds. The continued weakening of the stock market increases the likelihood of an “April Surprise”.
- *Sales Taxes.* The more the economy slows the more likely it is that tourists (who account for about a quarter of total sales tax receipts) will reduce their travel and/or slow discretionary spending; this will impact sales tax receipts (about 50% of sales tax receipts are derived from visitors who are split about 50-50 between tourists and business visitors). Further slowing in the real estate market could also reduce sales taxes on building material and home furnishings.
- *Business Income Taxes.* Business profits, and taxes derived from business profits, typically falls sharply when the economy contracts.
- *Deed Recordation Transfer Taxes.* That there is an increase in the mortgage interest rate for “jumbo loans” is a concern since the median price of a single-family home sale in DC is \$499,000 (the condo median is \$342,000). This could lead to both a lower volume of transactions and prices and reduced deed and recordation taxes in 2008.

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  
Tené 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 Feb-08 Preliminary Actual	FY 2008 Feb-08 Revised Estimate	FY 2009 Feb-08 Proj.	FY 2010 Feb-08 Proj.	FY 2011 Feb-08 Proj.	FY 2012 Feb-08 Proj.
Real Property	1,424,587	1,682,157	1,822,725	1,942,150	2,064,466	2,171,165
<i>Transfer to TIF</i>	(1,652)	(18,841)	(20,535)	(19,584)	(30,430)	(30,430)
Real Property (net)	1,422,935	1,663,316	1,802,190	1,922,566	2,034,036	2,140,735
Personal Property	66,129	56,820	58,638	60,515	62,451	64,450
<i>Transfer to Neighborhood Investment Fund</i>	(9,966)	(9,875)	(10,000)	(10,000)	(10,000)	(10,000)
Personal Property (net)	56,163	46,945	48,638	50,515	52,451	54,450
Public Space Rental	33,157	25,589	26,126	26,388	26,652	26,918
<i>Transfer to DDOT</i>	(33,157)	(25,589)	(26,126)	(26,388)	(26,652)	(26,918)
<b>Total Property</b>	<b>1,479,098</b>	<b>1,710,261</b>	<b>1,850,828</b>	<b>1,973,081</b>	<b>2,086,487</b>	<b>2,195,185</b>
General Sales	989,873	1,013,937	1,083,545	1,140,730	1,208,831	1,266,565
<i>Transfer to convention center</i>	(82,961)	(86,002)	(89,614)	(93,467)	(97,486)	(101,678)
<i>Transfer to TIF</i>	(14,174)	(24,192)	(26,346)	(29,592)	(43,645)	(43,645)
<i>Transfer to DDOT capital (parking tax)</i>	(34,250)	(32,744)	(32,908)	(33,072)	(33,237)	(33,237)
<i>Transfer to Ballpark Fund</i>	(8,830)	(19,808)	(18,596)	(18,301)	(18,301)	(18,301)
<i>Transfer to School Modernization Fund</i>	(100,000)	(100,000)	(106,000)	(112,360)	(119,102)	(126,248)
General Sales (net)	749,658	751,192	810,081	853,938	897,059	943,456
Alcohol	5,150	5,087	5,029	4,972	4,918	4,865
Cigarette	21,205	21,003	20,474	19,959	19,456	18,966
Motor Vehicle	43,681	45,571	47,548	49,611	51,764	54,010
Motor Fuel Tax	26,777	26,938	27,032	27,221	27,221	27,221
<i>Transfer to Highway Trust Fund</i>	(26,777)	(26,938)	(27,032)	(27,221)	(27,221)	(27,221)
<b>Total Sales</b>	<b>819,694</b>	<b>822,853</b>	<b>883,132</b>	<b>928,480</b>	<b>973,197</b>	<b>1,021,297</b>
Individual Income	1,319,767	1,328,154	1,352,936	1,443,773	1,522,887	1,619,915
Corp. Franchise	255,702	255,754	264,716	279,360	291,260	303,922
U. B. Franchise	165,143	161,174	181,298	199,379	218,829	240,448
<b>Total Income</b>	<b>1,740,612</b>	<b>1,745,082</b>	<b>1,798,950</b>	<b>1,922,512</b>	<b>2,032,976</b>	<b>2,164,285</b>
Public Utility	164,475	153,501	153,679	153,828	153,954	154,060
<i>Transfer to Ballpark Fund</i>	(10,412)	(9,424)	(9,546)	(9,546)	(9,546)	(9,546)
Public Utility (net)	154,063	144,077	144,133	144,282	144,408	144,514
Toll Telecommunications	57,951	56,637	56,665	56,685	56,697	56,707
<i>Transfer to Ballpark Fund</i>	(1,141)	(3,165)	(3,165)	(3,165)	(3,165)	(3,165)
Toll Telecommunications (net)	56,810	53,472	53,500	53,520	53,532	53,542
Insurance Premiums	55,111	48,500	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>	(9,107)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)
Baseball gross receipts tax	23,667	14,000	14,000	14,000	14,000	14,000
<i>Transfer to Ballpark Fund</i>	(23,667)	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)
<b>Total Gross Receipts</b>	<b>265,984</b>	<b>246,049</b>	<b>246,133</b>	<b>246,302</b>	<b>246,440</b>	<b>246,556</b>
Estate	61,350	62,317	65,458	65,000	65,000	65,000
Deed Recordation	238,236	145,229	121,397	122,817	128,737	135,419
<i>Transfer to HPTF</i>	(35,735)	(21,784)	(18,210)	(18,423)	(19,311)	(20,313)
<i>Transfer to Comp. Housing Strategy Fund</i>	(19,124)	(13,351)	(11,160)	(11,288)	(11,835)	(12,449)
Deed Recordation (net)	183,376	110,094	92,027	93,107	97,592	102,657
Deed Transfer	151,929	104,402	91,059	90,832	94,392	98,271
<i>Transfer to HPTF</i>	(22,789)	(15,660)	(13,659)	(13,625)	(14,159)	(14,741)
<i>Transfer to Comp. Housing Strategy Fund</i>	(12,797)	(9,360)	(8,164)	(8,144)	(8,463)	(8,811)
Deed Transfer (net)	116,342	79,381	69,236	69,063	71,770	74,720
Economic Interests	64,793	70,000	25,000	16,000	8,000	8,000
<b>Total Other Taxes</b>	<b>425,862</b>	<b>321,792</b>	<b>251,721</b>	<b>243,170</b>	<b>242,362</b>	<b>250,377</b>
<b>TOTAL TAXES NET OF DEDICATED TAXES</b>	<b>4,731,250</b>	<b>4,846,037</b>	<b>5,030,764</b>	<b>5,313,545</b>	<b>5,581,462</b>	<b>5,877,699</b>
Licenses & Permits	65,413	75,895	75,929	73,420	76,420	73,420
Fines & Forfeits	101,491	99,609	97,136	95,911	94,566	93,355
Charges for Services	56,494	50,561	53,061	51,211	53,213	51,213
Miscellaneous	175,380	100,142	81,718	83,844	85,565	87,259
<b>TOTAL NON-TAX</b>	<b>398,778</b>	<b>326,207</b>	<b>307,844</b>	<b>304,386</b>	<b>309,764</b>	<b>305,247</b>
Lottery/Interfund Transfer	63,900	70,000	71,000	71,000	71,000	71,000
<b>TOTAL REVENUE NET OF DEDICATED TAXES</b>	<b>5,193,928</b>	<b>5,242,244</b>	<b>5,409,608</b>	<b>5,688,931</b>	<b>5,962,226</b>	<b>6,253,946</b>

## FY 2006 - FY 2012 Growth Rates by Revenue Source

Revenue Source	FY 2007 Feb-08 Actual	FY 2008 Feb-08 Estimate	FY 2009 Feb-08 Proj.	FY 2010 Feb-08 Proj.	FY 2011 Feb-08 Proj.
Real Property	23.5%	18.1%	8.4%	6.6%	6.3%
<i>Transfer to TIF</i>	0.0%	1040.5%	9.0%	-4.6%	55.4%
Real Property (net)	23.5%	16.9%	8.3%	6.7%	5.8%
Personal Property	0.9%	-14.1%	3.2%	3.2%	3.2%
<i>Transfer to Neighborhood Investment Fund</i>	0.0%	-0.9%	1.3%	0.0%	0.0%
Personal Property (net)	1.1%	-16.4%	3.6%	3.9%	3.8%
Public Space Rental	49.3%	-22.8%	2.1%	1.0%	1.0%
<i>Transfer to DDOT</i>	49.3%	-22.8%	2.1%	1.0%	1.0%
<b>Total Property</b>	<b>22.5%</b>	<b>15.6%</b>	<b>8.2%</b>	<b>6.6%</b>	<b>5.7%</b>
General Sales	8.9%	2.4%	6.9%	5.3%	6.0%
<i>Transfer to convention center</i>	4.1%	3.7%	4.2%	4.3%	4.3%
<i>Transfer to TIF</i>	22.6%	70.7%	8.9%	12.3%	47.5%
<i>Transfer to DDOT capital (parking tax)</i>	2.0%	-4.4%	0.5%	0.5%	0.5%
<i>Baseball sales tax</i>	1.9%	124.3%	-6.1%	-1.6%	0.0%
<i>Transfer to School Modernization Fund</i>	-	0.0%	6.0%	6.0%	6.0%
General Sales (net)	-3.3%	0.2%	7.8%	5.4%	5.0%
Alcohol	1.6%	-1.2%	-1.1%	-1.1%	-1.1%
Cigarette	-7.8%	-1.0%	-2.5%	-2.5%	-2.5%
Motor Vehicle Excise	2.6%	4.3%	4.3%	4.3%	4.3%
Motor Fuel Tax	7.3%	0.6%	0.3%	0.7%	0.0%
<i>Transfer to Highway Trust Fund</i>	7.3%	0.6%	0.3%	0.7%	0.0%
<b>Total Sales</b>	<b>-3.1%</b>	<b>0.4%</b>	<b>7.3%</b>	<b>5.1%</b>	<b>4.8%</b>
Individual Income	7.0%	0.6%	1.9%	6.7%	5.5%
Corp. Franchise	18.8%	0.0%	3.5%	5.5%	4.3%
U.B. Franchise	15.8%	-2.4%	12.5%	10.0%	9.8%
<b>Total Income</b>	<b>9.4%</b>	<b>0.3%</b>	<b>3.1%</b>	<b>6.9%</b>	<b>5.7%</b>
Public Utility	6.0%	-6.7%	0.1%	0.1%	0.1%
<i>Transfer to Ballpark Fund</i>	0.5%	-9.5%	1.3%	0.0%	0.0%
Public Utility (net)	6.4%	-6.5%	0.0%	0.1%	0.1%
Toll Telecommunications	2.4%	-2.3%	0.0%	0.0%	0.0%
<i>Transfer to Ballpark Fund</i>	-44.5%	177.4%	0.0%	0.0%	0.0%
Toll Telecommunications (net)	4.1%	-5.9%	0.1%	0.0%	0.0%
Insurance Prens.	7.0%	-12.0%	0.0%	0.0%	0.0%
Healthcare Provider Tax	0.0%	20.8%	0.0%	0.0%	0.0%
<i>Healthcare Provider Tax</i>	0.0%	20.8%	0.0%	0.0%	0.0%
Transfer to Nursing Facility Quality of Care Fund	48.4%	-40.8%	0.0%	0.0%	0.0%
<i>Transfer to Ballpark Fund</i>	48.4%	-40.8%	0.0%	0.0%	0.0%
<b>Total Gross Rec.</b>	<b>6.0%</b>	<b>-7.5%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.1%</b>
Estate	103.7%	1.6%	5.0%	-0.7%	0.0%
Deed Recordation	20.6%	-39.0%	-16.4%	1.2%	4.8%
<i>Transfer to HPTF</i>	25.4%	-39.0%	-16.4%	1.2%	4.8%
<i>Transfer to Comp. Housing Strategy Fund</i>	-	-30.2%	-16.4%	1.1%	4.8%
Deed Recordation (net)	8.5%	-40.0%	-16.4%	1.2%	4.8%
Deed Transfer	14.6%	-31.3%	-12.8%	-0.2%	3.9%
<i>Transfer to HPTF</i>	19.3%	-31.3%	-12.8%	-0.2%	3.9%
<i>Transfer to Comp. Housing Strategy Fund</i>	-	-26.9%	-12.8%	-0.2%	3.9%
Deed Transfer (net)	2.5%	-31.8%	-12.8%	-0.2%	3.9%
Econ. Interests	114.0%	8.0%	-64.3%	-36.0%	-50.0%
<b>Total Other Taxes</b>	<b>24.2%</b>	<b>-24.4%</b>	<b>-21.8%</b>	<b>-3.4%</b>	<b>-0.3%</b>
<b>TOTAL TAXES NET OF DEDICATED TAXES</b>	<b>11.6%</b>	<b>2.4%</b>	<b>3.8%</b>	<b>5.6%</b>	<b>5.0%</b>
Licenses & Perm.	-9.4%	16.0%	0.0%	-3.3%	4.1%
Fines & Forfeits	-9.8%	-1.9%	-2.5%	-1.3%	-1.4%
Charges/Services	18.6%	-10.5%	4.9%	-3.5%	3.9%
Misc. Revenue	35.3%	-42.9%	-18.4%	2.6%	2.1%
<b>TOTAL NON-TAX</b>	<b>10.2%</b>	<b>-18.2%</b>	<b>-5.6%</b>	<b>-1.1%</b>	<b>1.8%</b>
<b>Lottery</b>	<b>-13.4%</b>	<b>9.6%</b>	<b>1.4%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>TOTAL REVENUE NET OF DEDICATED TAXES</b>	<b>11.1%</b>	<b>0.9%</b>	<b>3.2%</b>	<b>5.2%</b>	<b>4.8%</b>

## 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	90.96	94.68	98.53	103.39	108.97	114.59
	5.6%	8.1%	6.9%	6.2%	5.1%	4.1%	4.1%	4.9%	5.4%	5.2%
Real Gross State Product (billions of \$2000)	64.02	66.84	69.06	71.56	73.63	75.03	76.62	78.68	81.04	83.27
	2.1%	4.4%	3.3%	3.6%	2.9%	1.9%	2.1%	2.7%	3.0%	2.7%
Personal Income (\$ billion)	26.52	28.55	30.79	32.83	34.87	36.45	38.07	40.02	42.07	44.38
	2.9%	7.7%	7.8%	6.6%	6.2%	4.5%	4.5%	5.1%	5.1%	5.5%
Real Personal Income (billions of \$2000)	25.23	26.54	27.81	28.76	29.90	30.39	31.22	32.23	33.28	34.43
	1.0%	5.2%	4.8%	3.4%	4.0%	1.7%	2.7%	3.2%	3.2%	3.5%
Per Capita Income (\$)	45,910	49,316	52,960	56,145	59,327	61,709	64,224	67,185	70,267	73,725
	3.2%	7.4%	7.4%	6.0%	5.7%	4.0%	4.1%	4.6%	4.6%	4.9%
Real Per Capita Income (\$2000)	43,678	45,839	47,829	49,187	50,868	51,458	52,673	54,102	55,574	57,204
	1.2%	4.9%	4.3%	2.8%	3.4%	1.2%	2.4%	2.7%	2.7%	2.9%
Wages earned in D.C. (\$ billion)	42.30	45.15	47.77	50.11	52.94	55.19	57.38	59.80	62.43	65.32
	4.1%	6.7%	5.8%	4.9%	5.6%	4.2%	4.0%	4.2%	4.4%	4.6%
Wages earned by D.C. residents (\$ billion)	14.1	15.3	16.3	17.3	18.3	19.0	19.6	20.5	21.5	22.5
	3.2%	8.3%	6.7%	5.6%	5.9%	3.8%	3.5%	4.6%	4.7%	4.8%
Population ('000)	577.6	579.0	581.4	584.6	587.7	590.6	592.8	595.7	598.8	601.9
	-0.3%	0.2%	0.4%	0.6%	0.5%	0.5%	0.4%	0.5%	0.5%	0.5%
Households ('000)	251.5	252.3	253.5	255.2	256.7	258.4	259.7	261.3	263.0	264.8
	-0.1%	0.3%	0.5%	0.7%	0.6%	0.7%	0.5%	0.6%	0.6%	0.7%
Civilian Labor Force ('000)	304.7	307.1	313.9	314.8	318.3	320.7	322.0	325.1	328.5	331.9
	-0.2%	0.8%	2.2%	0.3%	1.1%	0.8%	0.4%	1.0%	1.0%	1.1%
At-Place Employment ('000)	665.9	671.4	680.3	686.5	695.9	703.4	707.4	712.8	719.1	725.7
	1.1%	0.8%	1.3%	0.9%	1.4%	1.1%	0.6%	0.8%	0.9%	0.9%
Resident Employment ('000)	283.6	284.2	292.5	296.0	299.8	301.8	302.0	305.5	309.0	312.4
	-0.4%	0.2%	2.9%	1.2%	1.3%	0.7%	0.1%	1.2%	1.1%	1.1%
Unemployment Rate	6.9	7.5	6.8	6.0	5.8	5.9	6.2	6.0	5.9	5.9
Housing Starts	2,282	1,569	2,502	2,615	1,669	2,170	1,785	1,859	2,107	2,307
Housing Stock ('000)	275.7	276.4	278.9	282.4	284.2	286.5	288.6	290.2	292.3	295.1
	0.2%	0.2%	0.9%	1.2%	0.7%	0.8%	0.7%	0.5%	0.7%	1.0%
Home sales	11,700	13,100	12,900	10,800	9,900	7,920	7,128	7,756	8,741	9,256
	8.3%	12.0%	-1.5%	-16.3%	-8.3%	-20.0%	-10.0%	8.8%	12.7%	5.9%
Average home sale price ('000)	367.4	445.4	533.9	573.1	617.5	605.1	593.0	618.8	661.9	703.5
	15.3%	21.2%	19.9%	7.3%	7.7%	-2.0%	-2.0%	4.3%	7.0%	6.3%
Change in S & P 500 Index of Common Stock	-12.5%	19.8%	7.8%	6.8%	14.1%	-4.3%	5.7%	7.4%	5.7%	5.9%
Interest rate on 10-year Treasury notes (%)	3.9	4.3	4.2	4.8	4.7	3.5	3.5	4.9	5.4	5.4
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 (Feb 2008) and Economy.com (February 2008); on forecasts of the national economy prepared by the Congressional Budget Office (January 2008) and Blue Chip Economic Indicators (February 2008); on BLS labor market information from December 2007; on the 2000 Census and Census Bureau estimates of the 2007 D.C. population (December 2007); 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 (December 2007); on Metropolitan Regional Information System (MRIS) D.C. home sales data (December 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).*