



D.C. Office of Revenue Analysis Briefing Document *Number: 2011-4 Date: July 2011*

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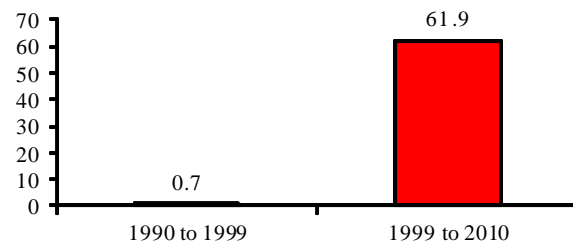
Over the past decade, total wages earned by DC residents increased substantially

The percentage growth was greater than for the US as a whole—and for wages earned in DC

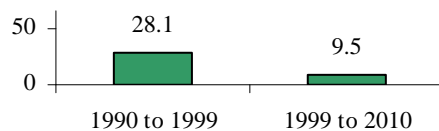
Wages earned by DC residents over the past two decades fall into two distinct periods. From 1990 to 1999, a time that included loss of jobs and population, total inflation-adjusted wages earned by DC residents rose less than one percent. From 1999 until 2010, however, wages earned by DC residents increased 61.9% as the economy rebounded. In nominal terms, the increase in wages was 112%

The growth in the wages of DC residents since 1990 differs from both the US as a whole and from wages earned in DC (including by commuters). From 1990 to 1999, inflation-adjusted wages earned in the US rose 28.1%—much faster than wages earned in DC (8.5%). Then US growth fell to just 9.5% gain over the years 1999 to 2010, in large measure reflecting the severe toll from the recession that began in 2008. The recession's impact was less severe in DC, and inflation-adjusted wages earned in DC grew 32.6% from 1999 to 2010. *(Continued on p. 2)*

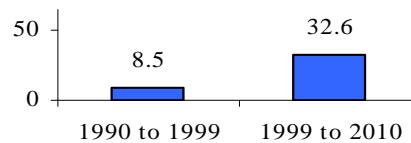
Wages earned by DC residents: % change in inflation-adjusted wages from 1990 to 2010



Wages earned in the US: % change in inflation-adjusted wages from 1990 to 2010



Wages earned in DC: % change in inflation-adjusted wages from 1990 to 2010



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

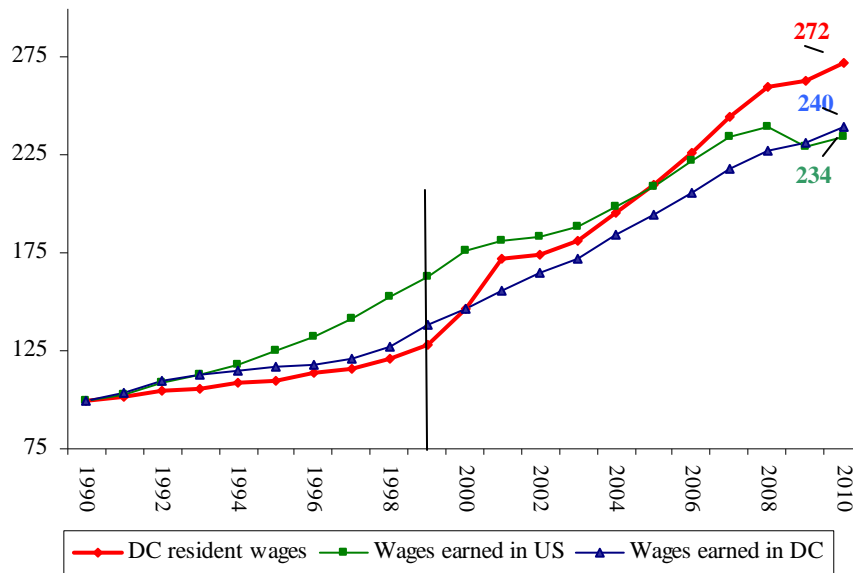
*This brief first appeared in the July 2011 DC Economic and Revenue Trends. District of Columbia briefing documents are prepared by the Office of Revenue Analysis, which is part of the Office of the Chief Financial Officer of the District of Columbia government. The purpose of these documents is to make information available that is not of a policy nature. See also *District of Columbia Economic and Revenue Trends* and *Economic Indicators* issued monthly by the D.C. Office of the Chief Financial Officer ([www.cfo.dc.gov/Economy and Revenue](http://www.cfo.dc.gov/Economy%20and%20Revenue)).*

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Increase in DC resident wages, continued from p.1

The fact that the percentage gain in wages for DC residents (61.9%) was almost twice that of wages earned in DC (32.6%) for the 1999 to 2010 period is notable, especially since the increase in resident employment was a modest 4.4% and the District's unemployment rate rose from 6.5% in 1999 to 9.9% in 2010. Changes in the composition of the DC labor force appear to have occurred that have resulted in higher wages for a larger portion of employed DC residents, a development which has added considerably to DC's tax base. —*Stephen Swaim, Office of Revenue Analysis*

Wages earned from 1990 to 2010 by (1) DC residents, (2) all persons working in DC, and (3) all persons working in the US: 1990 to 2010
(index numbers for nominal wages: 1990 = 100)



DC residents: employment and real wages: 1990 to 2010 (percent change for periods shown)

item	1990 to 1999	1999 to 2010
Res. emp.	-7.5	4.4
Wages	0.7	61.9

Source BLS, BEA, and ORA

DC economy: jobs and real wages: 1990 to 2010 (percent change for periods shown)

item	1990 to 1999	1999 to 2010
Jobs	-8.6	13.4
Wages	8.5	32.6

Source BLS, BEA, and ORA

US economy: jobs and real wages: 1990 to 2010 (percent change for periods shown)

item	1990 to 1999	1999 to 2010
Jobs	17.8	0.6
Wages	28.1	9.5

Source BLS, BEA, and ORA

Employment and wages and salaries for DC residents, for persons working in DC, and for the US economy: 1990 to 2010, selected years

item	1990	1999	2010	Amt. of change from		% change from	
				1990 to 1999	1999 to 2000	1990 to 1999	1999 to 2000
DC residents (earned by and employed)							
wages (\$B nominal)	8.04	10.32	21.89	2.28	11.56	28.3	112.0
wages adjusted for inflation (\$B 2005)	12.02	12.10	19.60	0.08	7.50	0.7	61.9
DC resident employment	311,425	287,925	300,600	-23,500	12,675	-7.5	4.4
Earned or working in DC (by residents and non-residents)							
wages (\$B nominal)	24.10	33.32	57.86	9.23	24.54	38.3	73.6
wages adjusted for inflation (\$B 2005)	36.02	39.07	51.81	3.05	12.75	8.5	32.6
wage and salary jobs in DC	686,050	627,225	711,000	-58,825	83,775	-8.6	13.4
US economy							
wages (\$B nominal)	2,729.81	4,456.83	6,391.57	1,727.03	1,934.73	63.3	43.4
wages adjusted for inflation (\$B 2005)	4,080.08	5,224.72	5,723.32	1,144.64	498.60	28.1	9.5
wage and salary jobs in US	109,489,750	128,991,675	129,822,175	19,501,925	830,500	17.8	0.6

Source: BEA and ORA. DC resident wages and salaries estimated by ORA, assuming wage and salary supplements are the same % for DC resident wages as for wages earned in DC. Wages are earned in DC by both residents and non-residents; some resident earnings are earned outside of DC.