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Vincent C. Gray, Mayor

Natwar M. Gandhi, Chief Financial Officer

Fitzroy Lee, Deputy CFO & Chief Economist

The percentage increase in DC's Personal Income from 2001 to 2012 was 55% greater than the US average

In the 2010 to 2012 post-recession recovery period, however, DC's percentage gain moved closer to the national average

According to recently revised Personal Income estimates by the US Bureau of Economic Analysis, DC's 2012 Personal Income—\$47.28 billion—was 81.8% higher than in 2001. This percentage increase was 55% higher than the US gain over this period, which was 52.8%. (In compound interest terms, DC's rate of growth over the 11-year period was 5.6% per year v. 3.9% for the US.)

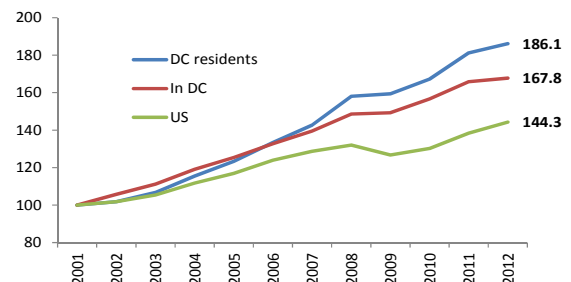
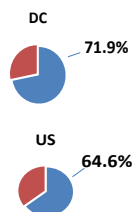
Personal Income, a broad measure of residents' current income from all sources, can be divided into 3 parts: (1) earnings from work (wages, benefits, and proprietors' income), (2) property income (interest, dividends, and rent, but not including capital gains), and (3) transfer payments (Social Security, Medicare, Medicaid, Unemployment Insurance, and pensions). DC's higher income gain is largely attributable to earnings from work. DC earnings are a greater proportion of Personal Income than in the US, and they have grown more rapidly.

Earnings from work. In 2001 DC's earnings from work accounted for 70.2% of all Personal Income compared to 68.4 % for the US. Over the next 11 years the percentage growth in DC was almost twice that in the US (86% v. 44%), and by 2012 the share of earnings in DC's Personal Income had risen to 71.9% while the US share fell to 64.6%. The US recession slowed earnings growth considerably. In the 2010 to 2012 recovery period, DC earnings growth, which was considerably less than in the two years prior to the recession, moved much closer to the national average (11.3% in DC v. 10.8% in the US). (See table on p. 2).

Of note, the percent growth in DC resident earnings from 2001 to 2012 also outpaced the 68% gain in amounts earned in DC by residents and non-residents alike. This reflects a combination of less income loss to suburban commuters and more reverse commuting by DC residents. In the 2010 to 2012 recovery period, amounts earned by all in DC actually grew less rapidly than the US average (7.1% earned by all in DC v. 10.8% in the US). (*Continued on p. 2.*)

Earnings from work for DC residents, all in DC, and the US: 2001 to 2012: Index numbers (2001 = 100)

Earnings from Work as percent of 2012 Personal Income in DC and US



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

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For comment or further information, please contact Fitzroy Lee, Deputy Chief Financial Officer and Chief Economist, Office of Revenue Analysis, 1101 4th St., SW, Suite W770, Washington D.C. 20024, fitzroy.lee@dc.gov, 202-727-7775

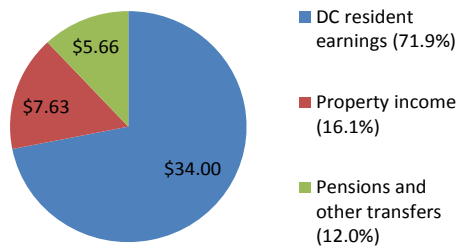
DC Personal Income, continued from p.1

Property income. Property income accounted for 16.1% of DC Personal Income in 2012. From 2001 to 2012 property income was also the slowest growing DC Income component, modestly outpacing the US average (57.6% v. 51.6%). Property income grew in DC at about the same pace as earnings until 2008. With the US recession, property income declined 17.5% by 2010, but it grew rapidly from 2010 to 2012 (when it was the fastest growing component of Personal Income) to again reach the level of 2008.

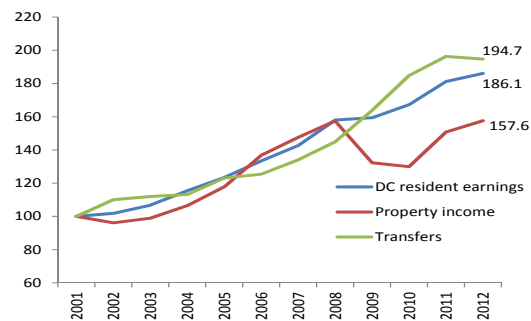
Transfer payments. This is the smallest of the three components of DC Personal Income, accounting for 12.0% in 2012. It was, however, the fastest growing component in both DC and the US from 2001 to 2012—94.7% v. 98.5%. The growth of transfer payments accelerated during the recession, and about 55% of the increase in transfers from 2008 to 2010 were accounted for by Unemployment Insurance and Medicaid.

The November Trend report will look at other aspects of the earnings and transfer payments components of DC Personal Income.
—Stephen Swaim, Office of Revenue Analysis

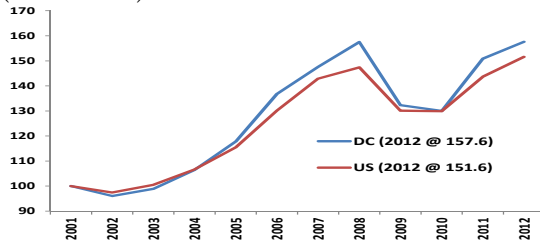
DC Personal Income components in 2012



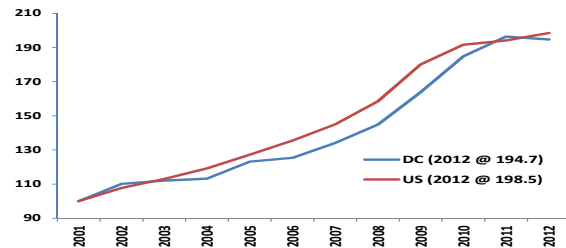
Components of DC Personal Income: 2001 to 2012 (Index numbers: 2001 = 100)



DC and US Property Income: 2001 to 2012 (2001 = 100)



DC and US Transfers: 2001 to 2012 (2001 = 100)



DC and US Personal Income in 2012: level and change from 2001 to 2012

Income component	Personal Income in 2012				Change from 2001 to 2012					
	Amount (\$ million)		Percent of total		Amount (\$M)		Percent change		Percent of total ch.	
	DC	US	DC	US	DC	US	DC	US	DC	US
Earnings	33,996	8,875,621	71.9	64.6	15,731	2,726,504	86.1	44.3	74.0	57.5
Property	7,630	2,495,206	16.1	18.2	2,789	849,008	57.6	51.6	13.1	17.9
Transfers	5,655	2,358,236	12.0	17.2	2,751	1,170,163	94.7	98.5	12.9	24.7
Total	47,281	13,729,063	100.0	100.0	21,270	4,745,675	81.8	52.8	100.0	100.0

Source: US Bureau of Economic Analysis

Change in Personal Income in DC and the US: two-year periods from 2006 to 2012

Income component	District of Columbia						US		
	Amount of change (\$M) from:			Percent change from:			Percent change from:		
	2006 to 2008	2008 to 2010	2010 to 2012	2006 to 2008	2008 to 2010	2010 to 2012	2006 to 2008	2008 to 2010	2010 to 2012
Earnings	4,504	1,682	3,446	18.5	5.8	11.3	6.5	-1.4	10.8
Property	1,001	-1,331	1,337	15.1	-17.5	21.3	13.2	-11.8	16.7
Transfers	566	1,158	288	15.5	27.5	5.4	17.0	20.9	3.6
total	6,072	1,510	5,071	17.5	3.7	12.0	9.3	0.0	10.5

Addendum: Earnings by all in DC

7,132	3,646	5,027	11.9	5.4	7.1
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