



D.C. Office of Revenue Analysis Briefing Document *Number: 2016-12 Date: November 2016*

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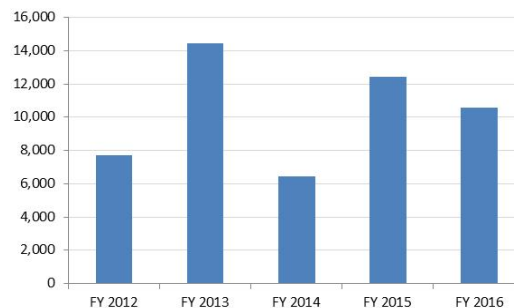
DC’s private sector job growth weakened again in FY 2016

The private sector job increase in FY 2016 was just 60% of its average annual gain for the last 5 years

According to the US Bureau of Labor Statistics, DC added 10,583 jobs in FY 2016 compared to 12,408 the year before. Although the FY 2016 job gains were 1,825 less than in FY 2015, FY 2016’s gain was considerably more than in FY 2014, and it was just a shade above the 10,320 average for the past five fiscal years.

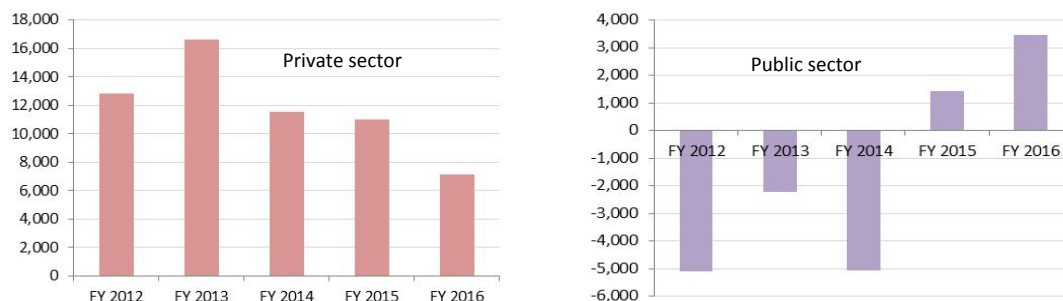
Increase from the prior fiscal year in total DC wage and salary employment: FY 2012 to FY 2016

Source: BLS



While total employment gains in FY 2016 were close to the average for the past 5 years, those for the private and public sectors were not. The private sector increase of 7,142 in FY 2016 was just 60% of the sector’s five year average of 11,817. Conversely, the public sector gain in FY 2016 of 3,442 was almost 5,000 above its five-years average (which was actually an average annual loss of 1,497 jobs). Private sector job gains have been smaller each year since FY 2013, while public sector gains (both federal and local governments) have increased sharply the last two years.

Increase from the prior fiscal year in DC private sector and public sector jobs: FY 2012 to FY 2016



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

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Within the private sector, the growth in professional and technical services in FY 2016 (2,542) modestly exceeded the five-year average annual growth for the sector. All other private sector industries combined (business services, health and education, retail, hospitality, organizations, etc.) grew by 4,600, less than half of the five year average. Of DC’s job growth in FY 2016, The public sector accounted for a third, and 40% of that was in local gAdditional detail on trends in DC’s private sector will be discussed in a subsequent Trend report.

FY 2016 Change in DC wage and salary jobs as percent of average change from FY 2011 to FY 2016

	5-year avg. change from FY 2011 to FY 2016	Change from FY 2015 to FY 2016	Change from 2015 to 2016 as % of 5 year avg.
Private sector	11,817	7,142	60.4
Prof. and tech.	2,223	2,542	114.3
Other	9,593	4,600	47.9
Public sector	-1,497	3,442	na
Federal	-2,665	1,983	na
Local	1,168	1,458	124.8
Total	10,320	10,583	102.6

Source: BLS (see appendix table A1. na = not applicable due to negative numbers)

The September quarter of 2016. DC wage and salary employment ended FY 2016 on the upswing. Employment in the last (September) quarter of 2016 was 12,333 more than in the same quarter of 2015, and it was 1,750 jobs greater than the average for all of FY 2016. This stronger quarter does not, however, change the basic picture of weakening private sector growth.

The increase in total employment in this last quarter of FY 2016 was almost exactly the same (actually 33 jobs more) than in the last quarter of FY 2015. Private sector growth was, however, smaller in the FY 2016 quarter—1,833 less, representing a change from 78% of the year’s growth to 63%. Furthermore, all of the private sector decline in growth between the two years was in professional and technical services.

Government employment increased in the last quarter of FY 2016 by 1,867 more than in the FY 2015 quarter. All of this increase—and then some—was due to greater growth in federal employment (3,067 jobs) as the local government increase was less than in FY 2015.

One year change in DC wage and salary jobs in the last (September) quarter of FY 2015 and FY 2016

	Change from 2014.3 to 2015.3	Change from 2015.3 to 2016.3	Difference in the amount of growth in the 2 years
Private sector	9,600	7,767	-1,833
Prof. and tech.	4,067	2,133	-1,933
Other	5,533	5,633	100
Public sector	2,700	4,567	1,867
Federal	733	3,800	3,067
Local	1,967	767	-1,200
Total	12300	12,333	33

Source: BLS (see appendix table A2.

Appendix

A1. Wage and salary employment in DC with selected sectors: FY 2011 to FY 2016

	Level			5 year ch from 2011 to 2016		Change from FY 2015 to FY 2016	
	FY 2011	FY 2015	FY 2016	Amount	Average per	Amount	% of 2011 to
					year		2016 avg
Private sector	474,833	526,775	533,917	59,083	11,817	7,142	60.4
Prof. and tech.	102,608	111,183	113,725	11,117	2,223	2,542	114.3
Other	372,225	415,592	420,192	47,967	9,593	4,600	47.9
Public sector	248,400	237,475	240,917	-7,483	-1,497	3,442	na
Federal	213,258	197,950	199,933	-13,325	-2,665	1,983	na
Local	35,142	39,525	40,983	5,842	1,168	1,458	124.8
Total	723,233	764,250	774,833	51,600	10,320	10,583	102.6

Source: BLS na = not applicable due to negative numbers

A2. Wage and salary employment in DC with selected sectors in the last (September) quarters of FY 2014, FY 2015, and FY 2016

	Level			Change from 2014.3 to 2015.3	Change from 2015.3 to 2016.3	Difference in the amount of growth in the 2 years
	2014.3	2015.3	2016.3			
Private sector	516,300	525,900	533,667	9,600	7,767	-1,833
Prof. and tech.	108,567	112,633	114,767	4,067	2,133	-1,933
Other	407,733	413,267	418,900	5,533	5,633	100
Public sector	238,500	241,200	245,767	2,700	4,567	1,867
Federal	197,600	198,333	202,133	733	3,800	3,067
Local	40,900	42,867	43,633	1,967	767	-1,200
Total	754,800	767,100	779,433	12,300	12,333	33

Source: BLS