

**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: March 2010

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Revised BLS data:

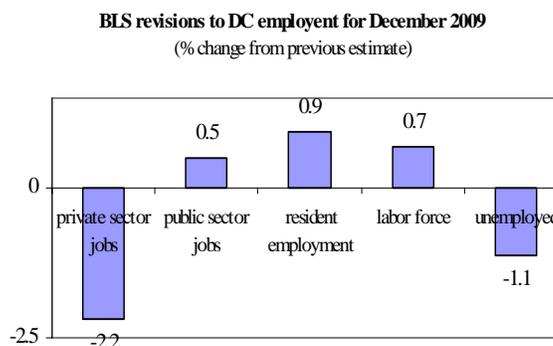
Revised employment data shows weaker DC private sector in 2009

Estimated resident employment was also raised a little

In its annual March revision of employment and labor force data, the US Bureau of Labor Statistics revised downward its estimate of private sector employment in DC during 2009. For the 3-month period ending in December 2009, private sector employment was reduced from the prior estimate by 10,267, a 2.2% reduction that exceeded BLS's percentage reduction for US and DC metro area private sector revisions. There was also a 1,300 (0.5%) upward revision to DC's public sector, as gains in federal jobs outweighed a decline in local government. Taken together, the revisions took away the previously estimated DC net job gain for the period from Dec. 2008 to Dec. 2009; for the year, jobs located in DC declined by a net of 967 (-0.1%).

On the positive side, BLS also raised its estimate of DC resident employment during 2009. For the 3-month period ending in December 2009, estimated resident employment was raised 2,688 (0.9%). This revision lessened somewhat the drop in resident employment from December 2008 to December 2009; it is now 13,204 (-4.3%). The labor force estimate for 2009 also was increased by 2,247 (0.7%).

(Continued on p. 15)



'08 taxpayer migration: DC gained filers, lost people and \$

According to Internal Revenue Service (IRS) data on the migration of taxpayers into and out of DC, between 2007 and 2008, there was a net increase of 1,831 taxpayers (returns) coming to DC, but a net outflow of \$160.8 million in federal AGI as the filers leaving the

Federal Income Taxpayer Migration Into and Out of DC from 2007 to 2008

District had higher average income than those entering. The average size of households leaving was also consistently larger than the average size of households entering the District.

Indicator	Into DC	Out of DC	Net Inflow (+) Net Outflow (-)
Number of Returns	27,102	25,271	1,831
Number of Exemptions	35,808	38,989	-3,181
Exemptions per Return	1.32	1.54	
Total Federal AGI (\$M)	1,376	1,537	-160.8
Average AGI per Return (\$)	50,765	60,806	

Source: Internal Revenue Service

Wage and salary employment

Table 1. Wage and salary employment in DC, Washington Metro area, and the US: January 2010

Jurisdiction	FY 2007	FY 2008	FY 2009	12-mo moving average	3-mo moving average	This month
District of Columbia	691,708	702,775	703,500	703,267	702,233	698,300
1 year change	5,483	11,067	725	-1,425	-733	100
% change	0.8	1.6	0.1	-0.2	-0.1	0.0
Washington metro area	2,984,117	3,005,692	2,964,167	2,947,775	2,936,167	2,905,200
1 year change	27,200	21,575	-41,525	-53,300	-46,933	-29,200
% change	0.9	0.7	-1.4	-1.8	-1.6	-1.0
Washington suburbs (% ch)	1.0	0.5	-1.8	-2.3	-2.1	-2.0
US (% ch)	1.3	0.1	-3.8	-4.3	-3.7	-3.5

Not seasonally adjusted. Suburban employment is the difference between the metro area total and the DC portion.
Source: BLS. January data is preliminary

• January data on wage and salary employment reflects BLS revisions to the prior year. These revisions reduced estimates of jobs (particularly in the private sector) in 2009 in DC, the Washington metropolitan area, and the US.

• In the 3-month period ending January 2010, there were 733 (-0.1%) less wage and salary jobs located in D.C. than a year earlier. Federal employment gained 8,667 (4.4%), while the private sector as a whole lost 9,600 (-2.0%) jobs.

• DC's job totals for the 3-month period ending in January are better than the Washington metropolitan area and the US. The metro area was down 46,933 (-1.6%) from a year earlier, and the US was down 3.7%.

• Employment in the Washington DC suburbs for the 3-month period ending in December was down 2.1% from a year earlier.

Change in wage and salary employment located in DC, the DC suburbs, and the US: January 2008 to January 2010

(% change from prior year in 3-month moving average)

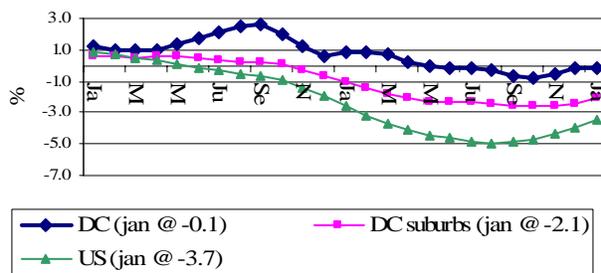


Table 2. Federal government and private sector wage and salary employment in DC: January 2010

Sector	FY 2007	FY 2008	FY 2009	12-month moving average	3-month moving average	This month
Federal government	190,942	192,767	198,050	200,892	204,267	204,600
1 year change	-2,458	1,825	5,283	6,742	8,667	9,400
% change	-1.3	1.0	2.7	3.5	4.4	4.8
Private sector	460,983	468,458	463,542	460,383	458,833	454,600
1 year change	8,133	7,475	-4,917	-9,175	-9,600	-9,200
% change	1.8	1.6	-1.0	-2.0	-2.0	-2.0

Source: BLS. Not seasonally adjusted. January is preliminary.

Table 3. Seasonally adjusted D.C. Employment: August 2009 to January 2010

Indicator	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10
D.C. Wage and Salary employment	704,200	699,200	703,600	701,300	701,300	708,000
change from prior month	-3,800	-5,000	4,400	-2,300	0	6,700
% change from prior month	-0.5	-0.7	0.6	-0.3	0.0	1.0

Source: BLS seasonally adjusted. January is preliminary

Sectors of the economy

● For the 3-month period ending in January, many parts of DC's private sector experienced job losses over the same period of last year.

● Industry sectors losing jobs included information and finance (-3,500), legal services (-2,333), construction (-2,100), organizations (-2,000), employment services (-1,133), education (-700), and retail (-700).

● Industry sectors that have gained jobs over the past year are their business services (2,533), food service (967), and health (333).

Public and private sector wage and salary employment in DC: Jan. 2008 to Jan. 2010
(%change from prior year in 3-month moving average)

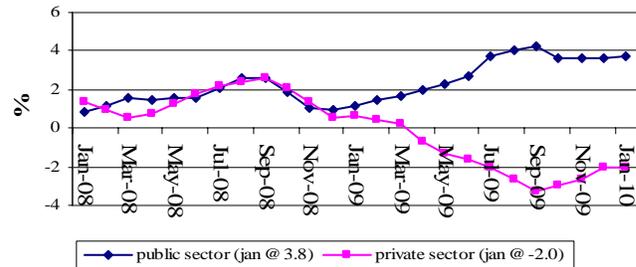


Table 4. Wage and salary employment located in DC: January 2010

Industry sector	3-month moving average				12-month moving avg: % change	Sector % of all DC jobs, Jan 2010	DC % in Jan 10 of all sector jobs in	
	Jan 2010	Jan 2010	1 year change				metro area	US
			Amount	%				
Federal government	195,600	204,267	8,667	4.4	3.5	29.1	55.4	7.23
Local government	38,933	39,133	200	0.5	2.5	5.6	12.7	0.20
Legal services	35,900	33,567	-2,333	-6.5	-5.8	4.8	na	3.04
Other Professional and technical	67,833	67,900	67	0.1	-0.8	9.7	22.2	1.07
Employment services	11,567	10,433	-1,133	-9.8	-14.7	1.5	30.4	0.40
Other Business services	34,667	37,200	2,533	7.3	1.4	5.3	20.8	0.58
Information and finance	47,800	44,300	-3,500	-7.3	-7.2	6.3	19.6	0.43
Organizations	58,800	56,800	-2,000	-3.4	-1.4	8.1	34.5	1.97
Education	48,800	48,100	-700	-1.4	1.3	6.8	51.8	1.52
Health	56,867	57,200	333	0.6	2.5	8.1	22.2	0.35
Food service	34,833	35,800	967	2.8	1.0	5.1	19.9	0.39
Accommodations	14,967	15,000	33	0.2	-1.5	2.1	38.7	0.90
Amusement and recreation	7,100	6,933	-167	-2.3	-0.5	1.0	21.7	0.40
Retail trade	18,633	17,933	-700	-3.8	-4.7	2.6	7.0	0.12
Wholesale trade	4,700	4,400	-300	-6.4	-5.7	0.6	6.8	0.08
Construction	12,833	10,733	-2,100	-16.4	-11.3	1.5	7.6	0.19
Other private	13,133	12,533	-600	-4.6	-2.3	1.8	13.4	0.08
Total	702,967	702,233	-733	-0.1	-0.2	100.0	23.9	0.54
<i>Public sector</i>	<i>234,533</i>	<i>243,400</i>	<i>8,867</i>	<i>3.8</i>	<i>3.3</i>	<i>34.7</i>	<i>35.9</i>	<i>1.07</i>
<i>Private sector</i>	<i>468,433</i>	<i>458,833</i>	<i>-9,600</i>	<i>-2.0</i>	<i>-2.0</i>	<i>65.3</i>	<i>20.3</i>	<i>0.43</i>
<i>Professional and business</i>	<i>149,967</i>	<i>149,100</i>	<i>-867</i>	<i>-0.6</i>	<i>-2.6</i>	<i>21.2</i>	<i>22.2</i>	<i>0.90</i>
<i>Education and health</i>	<i>105,667</i>	<i>105,300</i>	<i>-367</i>	<i>-0.3</i>	<i>1.9</i>	<i>15.0</i>	<i>30.0</i>	<i>0.54</i>
<i>Leisure and hospitality</i>	<i>56,900</i>	<i>57,733</i>	<i>833</i>	<i>1.5</i>	<i>0.1</i>	<i>8.2</i>	<i>23.1</i>	<i>0.46</i>

Source: BLS. not seasonally adjusted. na=not available; for the metro area, legal is included in other professional and technical.

Resident employment

Table 5. Resident employment and unemployment: January 2010

Indicator	FY 2007	FY 2008	FY 2009	12-month moving average	3-month moving average	This month
DC Labor force						
Resident employment	309,046	313,733	301,238	297,397	293,198	294,456
1 year change	7,312	4,687	-12,495	-14,055	-10,236	-6,489
% change	2.4	1.5	-4.0	-4.5	-3.4	-2.2
Labor Force	326,759	333,744	331,910	332,333	332,528	334,727
1 year change	6,278	6,985	-1,834	-1,845	1,842	4,565
% change	2.0	2.1	-0.5	-0.6	0.6	1.4
Unemployed	17,713	20,011	30,671	34,936	39,330	40,271
1 year change	-1,034	2,298	10,660	12,210	12,078	11,054
% change	-5.5	13.0	53.3	53.7	44.3	37.8
Unemployment rate	5.4	6.0	9.2	10.5	11.8	12.0
DC Unemployment insurance (state program)						
Initial claims	1,302	1,515	2,203	2,117	1,942	1,981
1 year change	-22	213	688	327	-388	-434
% change	-1.7	16.4	45.4	18.3	-16.6	-18.0
Weeks compensated	26,568	34,738	54,474	59,534	60,759	59,949
1 year change	414	8,170	19,736	19,971	16,981	17,135
% change	1.6	30.8	56.8	50.5	38.8	40.0

Source: Labor force (BLS, preliminary for Jan.). Unemployment Insurance (US Dept of Labor). Not seasonally adj.

●DC resident employment in the 3-month period ending in January was 10,236 (-3.4%) less than a year earlier. The labor force grew by 1,842 (0.6 %).

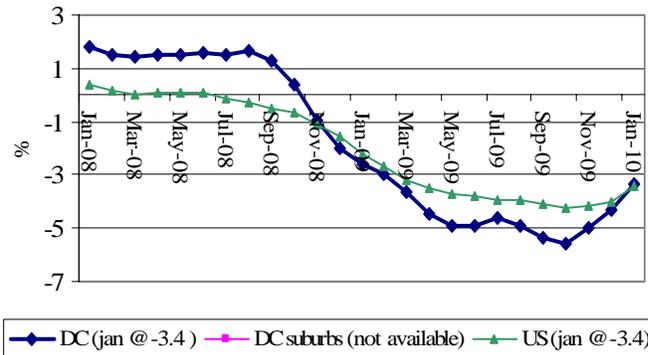
●DC's unemployment rate in January (12.0%, not seasonally adjusted) was 1.4 percentage points above that of the U.S. (10.6%).

●January data for the metropolitan area has not yet been released by BLS.

●For the 3-month period ending in January, initial unemployment claims were 16.6% below a year ago, but weeks compensated were 38.8% higher.

Resident employment in DC, the DC suburbs, and the US: January 2008 to January 2010

(% change from prior year in 3-month moving average)



Jobs located in DC and DC resident employment:

January 2008 to January 2010

(% change from prior year in 3-month moving average)

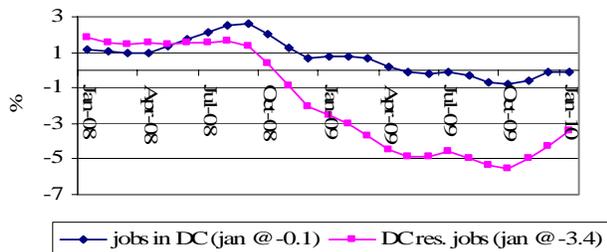


Table 6. Unemployment rates for DC, metro area, and US: January 2010

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Jan 2009	Jan 2010	Jan 2009	Jan 2010
U.S.	8.5	10.6	7.7	9.7
DC metro area	na	na	na	na
DC	8.8	12.0	8.4	12.0
DC suburbs	na	na	na	na

Source: U.S. Bureau of Labor Statistics na= data not available

Table 7. Seasonally adjusted D.C. Resident employment and unemployment: Aug. 2009 to Jan. 2010

Indicator	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10
D.C. Resident employment	295,836	295,020	294,280	293,829	293,412	295,359
change from prior month	-941	-816	-740	-451	-417	1,947
% change from prior month	-0.3	-0.3	-0.3	-0.2	-0.1	0.7
D.C. Unemployment rate (%)	10.8	11.1	11.4	11.6	11.9	12.0

Source: BLS seasonally adjusted. December is preliminary.

Wages and income

•Wages earned in the District of Columbia grew 4.1% in the September quarter compared to the same quarter of 2008. Compared to the US as a whole (-3.7%), the impact of the US recession on wages earned in DC has been mild.

•In the September quarter, federal wages and salaries earned in DC (at an annual rate) were \$1.5 billion (6.3%) higher than a year earlier, while private sector wages were up just \$0.5 billion.

•Wage and income growth for DC residents weakened considerably in CY 2009. In the quarter ending in September, DC Personal Income was 1.6% below a year earlier, and estimated wages of DC residents were 4.0% lower. These declines were about the same as the national averages (declines of 1.6% and 3.7%, respec-

Wages earned in DC, wages earned by DC residents, and wages earned in the US: 2007.3 to 2009.3

(% change from the same quarter of the prior year)

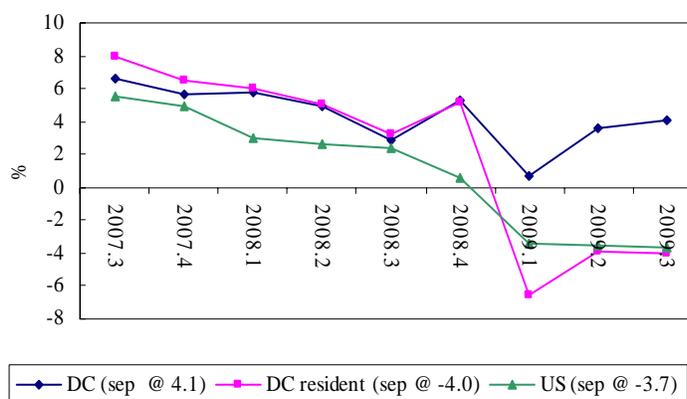


Table 8. DC Wages and Personal Income: September 2009

(In \$ billion, unless otherwise noted)

Indicator	FY 2007	FY 2008	FY 2009	4-quarter moving average	Latest quarter (Sep)
Wages and salaries earned in D.C.	51.75	54.21	56.06	56.06	57.04
1 year change	2.79	2.47	1.85	1.85	2.24
%change	5.7	4.8	3.4	3.4	4.1
Supplements to wages & salaries	14.61	15.25	16.43	16.43	16.94
%change	4.1	4.4	7.8	7.8	9.3
Proprietors' income earned by DC residents*	4.86	4.96	5.01	5.01	5.01
%change	4.3	2.1	1.1	1.1	-0.4
Wages and salaries of DC residents***	19.55	20.56	20.07	20.07	19.96
change from one year ago	1.35	1.01	-0.49	-0.49	-0.82
%change	7.4	5.2	-2.4	-2.4	-4.0
Income earned by DC residents	27.3	28.5	28.2	28.2	28.1
%change	6.6	4.3	-1.2	-1.2	-2.6
Property income of DC residents	5.77	5.99	5.63	5.63	5.52
%change	13.7	4.0	-6.1	-6.1	-7.9
Pensions and other transfer payments of DC res.	3.89	4.28	4.69	4.69	4.94
%change	5.7	9.9	9.6	9.6	13.3
D.C. Personal Income**	36.99	38.79	38.49	38.49	38.57
1 year change	2.59	1.79	-0.30	-0.30	-0.63
%change	7.5	4.8	-0.8	-0.8	-1.6
US Personal income	6.0	3.9	-1.0	-1.0	-1.6
US Wages and salaries	6.1	3.2	-2.5	-2.5	-3.7
<i>Addendum: Change from prior year in wages earned in DC by sector</i>					
Private sector (1 yr ch, \$B)	2.3	1.5	0.4	0.4	0.5
Federal government (1 yr ch, \$B)	0.4	0.9	1.2	1.2	1.5
DC res. wages as % of wages earned in DC	37.8	37.9	35.8	35.8	35.0
* Proprietors' income is derived from federal tax data and therefore all proprietors' income is earned by DC residents.					
**Reflects deduction of social insurance paid by individuals. Wage and salary amounts shown are before this deduction.					
***Est. by ORA; assumes wage and salary suppl. are the same % for DC resident wages as for wages earned in DC.					
Source: BEA; data (for September) was released in December 2009					

Single family and condominium home sales

•In January, sales contracts for both single family and condominium properties were once again much higher than a year earlier.

•For the 3-month period ending in January, single family sales were up 43.5% and condominium sales were up 40.9% compared to a year ago.

•The ratios of active inventory to sales for single family and condominium units were 3.7% and 4.5%, respectively, at the end of January. These ratios are similar to those prevailing in FY 2007.

•For the 3-month period ending in January, average prices were down 4.9% for single family units, while condominium prices were up 5.4%.

•For the 3-month period ending in January, foreclosure actions were up 27.6% from a year earlier.

Number and average selling price of single family homes sold in DC: January 2007 to January 2010
(% change from prior year in 3-month moving averages)

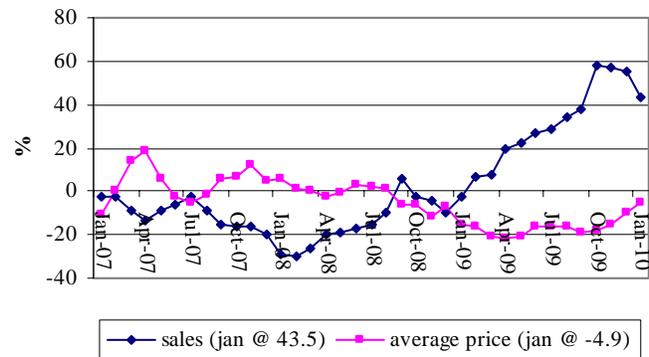


Table 9. D.C. Residential Real Estate Indicators: January 2010

Indicator	FY 2007	FY 2008	FY 2009	12-month moving total	3-month moving total	This month
Number of sales						
Single family	3,873	3,267	3,821	4,322	920	320
1 year change	-402	-606	554	1,154	279	124
% change	-9.4	-15.6	17.0	36.4	43.5	63.3
Condo	4,147	2,979	2,935	3,287	613	236
1 year change	195	-1,168	-44	580	178	92
% change	4.9	-28.2	-1.5	21.4	40.9	63.9
Total	8,020	6,246	6,756	7,609	1,533	556
1 year change	-207	-1,774	510	1,734	457	216
% change	-2.5	-22.1	8.2	29.5	42.5	63.5
Average prices						
Single family (\$)	668,630	672,101	563,553	546,065	520,629	480,500
1 year change	10,015	3,471	-108,548	-107,748	-26,983	-69,264
% change	1.5	0.5	-16.2	-16.5	-4.9	-12.6
Condo (\$)	406,926	411,270	407,613	410,887	401,502	424,560
1 year change	-9,127	4,344	-3,657	302	20,625	12,616
% change	-2.2	1.1	-0.9	0.1	5.4	3.1
Total value of all sales						
	4,277.1	3,420.9	3,349.7	3,710.7	725.1	254.0
1 year change	-182.7	-856.2	-71.2	527.9	208.4	86.9
% change	-2.5	-22.1	-2.1	16.6	40.3	52.0
Ratio: active inventory to sales						
Single family	4.1	6.0	5.2	4.1	4.1	3.7
Condo	3.9	5.7	5.7	4.7	5.2	4.5
Foreclosure actions*						
	392	3,282	2,883	2,964	725	192
1 year change	273	2,890	-399	-183	157	42
% change	229.4	737.2	-12.2	-5.8	27.6	28.0

Median prices, Jan. 2010: single family \$349,450 (0.1% 1 yr ch); condo \$343,000(-9.7% 1 yr ch)

*scheduled for auction plus real estate owned by financial institutions.

Note: (1) Monthly average prices are calculated by ORA based on reported CY-to-date average prices.

Source: (1) Metropolitan Regional Information Systems (MRIS), accessed through the Greater Capital Area Assn. of Realtors (GCAAR). (2) Foreclosures: Realty.trac. Foreclosure data does not include notices of delinquency.

Commercial office space

• For the quarter ending in December, the vacancy rate for DC commercial office space rose: to 9.2% (without sublet space) and 10.5% (with sublet space).

• DC's vacancy rate with sublet space was below the 13.0% rate for the metropolitan area.

• Leased and occupied space increased in the December quarter by more than 1 million sq feet (more than 1%) from the September quarter. Rents also were up 1.8% from September.

• DC's vacancy rate is expected to rise to 12.2% over the next 2 years as new construction coming online outpaces demand.

Commercial office space vacancy rate (with sublet) and space under construction: 2006.4 to 2009.4
(value at end of each quarter)

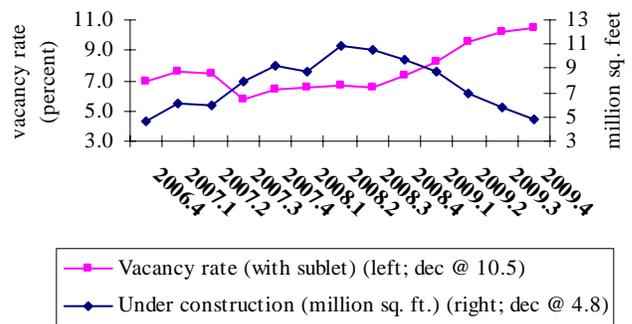


Table 10. Commercial office space in DC: December 31, 2009

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30 2006	Sep. 30 2007	Sep. 30 2008	Sep. 30 2009	last quarter (Dec 2009)		
					Level	l Q ch	% ch
Inventory	124.37	124.76	126.56	127.45	129.18	1.72	1.4
1 year change	0.87	1.01	3.05	3.86	4.81		
% change	0.7	0.8	2.5	3.1	3.9		
Occupied space	115.29	114.40	114.54	114.45	115.61	1.16	1.0
1 year change	-0.30	-1.30	-0.70	-0.99	0.32		
% change	-0.3	-1.1	-0.6	-0.9	0.3		
Leased space	116.19	116.04	116.29	116.25	117.27	1.02	0.9
Under construction	5.94	7.92	10.60	5.75	4.78	-0.97	-16.8
1 year change	-2.03	1.98	2.68	-4.85	-4.86		
% change	-25.4	33.3	33.9	-45.8	-50.4		
% of inventory	5.1	6.5	8.6	4.5	3.7		
Vacant (no sublet)	6.38	6.37	7.31	11.20	11.91	0.71	6.3
% of inventory	5.4	5.2	5.9	8.8	9.2		
Vacant (w sublet)	7.29	7.10	8.16	13.00	13.56	0.56	4.3
% of inventory	6.2	5.8	6.6	10.2	10.5		
DC area vacancy rates (with sublet)							
District of Columbia	6.2	5.8	6.6	10.2	10.5	0.3	
Northern Virginia	8.7	9.9	11.9	13.5	14.0	0.5	
Suburban Maryland	9.6	9.9	11.5	14.6	14.8	0.2	
DC Metropolitan area	8.1	8.6	10.1	12.6	13.0	0.4	
Full service rent, Class A (\$)	\$47.14	\$50.66	\$50.80	\$51.13	\$52.03	\$0.90	1.8
% ch from 1 year ago	3.2	7.5	0.2	0.6	1.0		

* = calculation based on average sq ft of inventory for the last 4 quarters including the sale quarter.

Source: Delta Associates, except for asking rent which is from CoStar. Rent excludes new construction and sublet.

Table 11. Delta Associates outlook for commercial office space in DC and the surrounding metro area: December 2009 to December 2011

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory December 2009					
Inventory (msf)	129.2	177.1	88.4	394.7	32.7
vacancy rate (%)	10.5	14.0	14.8	13.0	
Estimated net activity to December 2011					
new supply (msf)	5.0	1.0	1.0	6.9	72.5
new demand (msf)	2.2	4.3	1.2	7.7	28.6
Estimated Inventory December 2011					
vacancy rate (%)	12.2	12.1	14.4	12.6	

Source: Delta Associates msf = million square feet

Apartments, housing permits, and value of all real property transfers

• There were 218 (0.3%) fewer apartments occupied in December 2009 than a year earlier, and the vacancy rate rose to 6.1% as inventory also grew by 1,020 units. However, occupied units increased from September to December.

• Average monthly effective apartment rent in December was up 0.6% from a year earlier.

• In the 3-month period ending in January, 45 building permits were issued in DC for new housing units. This was a little more than double the number in the same period last year.

• The value of all real property transfers in DC rose sharply in January. The 3-month total ending in January was 30.1% more than a year earlier.

Value of all real property subject to deed transfer or economic interest taxes: Jan. 2002 to Jan. 2010
(\$ billion, 12-month moving total)

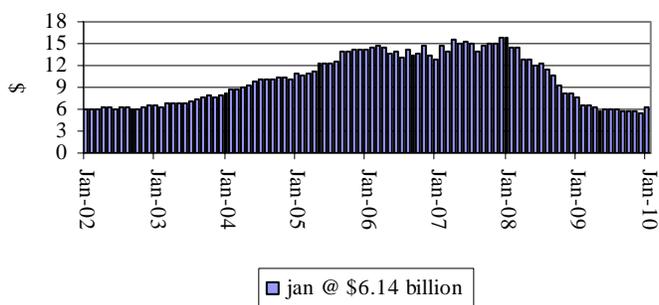


Table 12. Apartment units in DC: December 31, 2009

Indicator	Sep. 30 2006	Sep. 30 2007	Sep. 30 2008	Sep. 30 2009	Latest Q (Dec 2009)		
					amount	1 Q ch	% ch
Inventory	83,924	84,186	85,427	87,090	87,603	513	0.6
1 year change		28	262	1,241	1,663	1,020	
% change		0.0	0.3	1.5	1.9	1.2	
Occupied units	80,644	80,819	81,521	81,964	82,247	283	0.3
1 year change		41	175	702	443	-218	
% change		0.1	0.2	0.9	0.5	-0.3	
Vacant units	3,280	3,367	3,906	5,126	5,356	230	4.5
1 year change		-13	87	539	1,220	1,238	
% change		-0.4	2.7	16.0	31.2	30.1	
% of inventory		3.9	4.0	4.6	5.9	6.1	
Average effective monthly rent	\$1,192	\$1,288	\$1,340	\$1,341	\$1,354	\$13	1.4
% change from 1 year		5.2	8.1	4.0	0.1	0.6	

Source: Reis. Includes units in private sector buildings with 40+ units. Condominium conversions are excluded from inventory.

Table 13. Housing unit building permits issued in DC: January 2010

	FY 2007	FY 2008	FY 2009	12-month moving total	3-month moving total	This month
Total units	2,196	690	499	890	45	20
change from 1 year ago		-211	-1,506	-191	382	25
% change from 1 year		-8.8	-68.6	-27.7	75.2	150.0

Source: Census Bureau (permits issued during period)

Table 14. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: January 2010

	FY 2007	FY 2008	FY 2009	12-month moving total	3-month moving total	This month
All property transfers (\$ million)	14,834.9	10,522.7	5,819.2	6,142.1	1,898.2	923.9
change from one year ago (\$M)		1,403.7	-4,312.3	-4,703.5	-1,378.0	439.3
% change from 1 year ago		10.5	-29.1	-44.7	-18.3	30.1

Note: represents value of property or economic interest transferred as of date deed noted by the Recorder of Deeds.

Source: OCFO/OTR and OCFO/ORR (calculated from tax collections adjusted for tax rate changes).

Hospitality

● In the 3-month period ending in December, demand for hotel rooms (the number of room-days sold) was up 3.3% from December 2008. Demand has been rising since the Spring.

● Since the Presidential Inaugural in January 2009, room revenues have been falling due more to lower room rates than to declines in rooms sold. In the 3-month period ending in December, room revenues were down 6.7% from a year earlier.

● Room rates in the 3 months ending in December were 9.7% lower than a year earlier.

● In the 3 months ending in December 2009, airline traffic into the DC area was up 2.3% from a year earlier. The largest gains were at BWI, and traffic into Reagan Washington National Airport was down 1.4%.

DC hotel room days sold and hotel revenue:

December 2007 to December 2009

(% change from prior year in 3-mo. moving total)

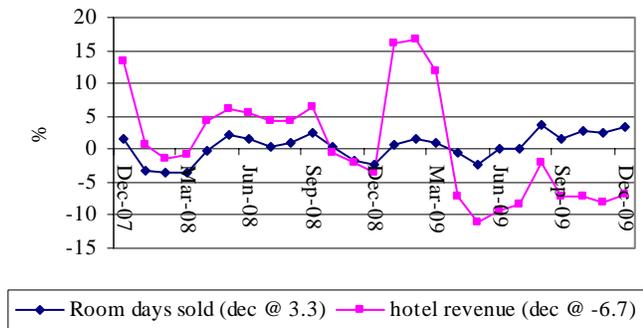


Table 15. Hospitality Industry: December 2009 (January 2010 for the Convention Center Transfer)

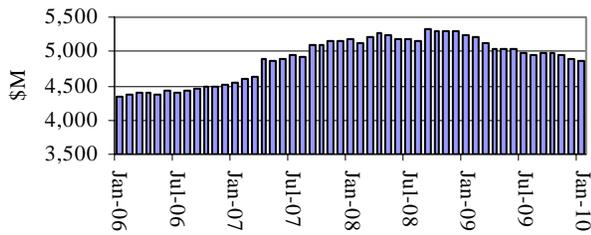
Indicator	Units	date	FY 2007	FY 2008	FY 2009	12-month moving total or average*	3-month moving total or average*	This month
Hotel stays								
Hotel room-days sold	(M)	dec 09	7.082	7.125	7.130	7.183	1.644	0.422
	1 yr ch		0.203	0.044	0.005	0.101	0.053	0.013
	1 yr % ch		3.0	0.6	0.1	1.4	3.3	3.3
Average room rate	\$	dec 09	198.44	208.99	203.07	198.37	194.52	166.05
	1 yr ch		9.69	10.55	-5.92	-10.04	-20.96	-8.83
	1 yr % ch		5.1	5.3	-2.8	-4.8	-9.7	-5.0
Occupancy rate (average)	%	dec 09	73.5	74.2	73.2	73.0	65.3	49.7
	1 yr ch		1.9	0.6	-1.0	-0.8	-0.5	-0.7
	1 yr % ch		2.6	0.9	-1.3	-1.0	-0.7	-1.4
Room revenue	(\$M)	dec 09	1,405.3	1,489.1	1,448.0	1,424.9	319.7	70.0
	1 yr ch		107.0	83.8	-41.1	-51.0	-23.1	-1.4
	1 yr % ch		8.2	6.0	-2.8	-3.5	-6.7	-1.9
Airline passengers								
DCA	1 yr % ch	dec 09	2.0	-3.2	-2.9	-2.5	-1.4	-7.7
IAD	1 yr % ch	dec 09	6.8	-2.3	-4.4	-2.8	1.1	-2.4
BWI	1 yr % ch	dec 09	1.7	0.0	-3.3	0.2	6.9	3.2
Total	1 yr % ch	dec 09	3.7	-1.8	-3.6	-1.7	2.3	-2.1
Convention Center Transfer								
	\$ M	jan 10	83.3	91.5	90.4	90.7	20.8	5.5
	1 yr ch		3.6	8.2	-1.0	0.8	-0.6	-0.8
	1 yr % ch		4.5	9.8	-1.1	0.8	-2.7	-12.0

* Total for hotel rooms sold, room revenue, and Convention Center transfer

Source: Smith Travel Research (hotel data); Airport authorities (airline passengers); OCFO/OTR (Convention Center transfer)

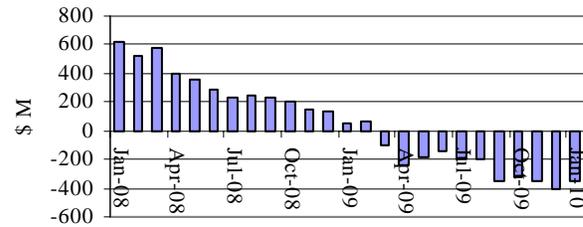
Tax collections

Total DC tax collections: Jan. 2006 to Jan. 2010
(12-month moving total in \$ million)



■ sept 2008 (peak) @ \$5,315 jan 2010 @ \$4,872

Change from prior year in total taxes collected in the preceding 12-months: Jan. 2008 to Jan. 2010
(\$ million)



■ jan 10 @ -\$353

Table 16. Tax Collections (before earmarking): January 2010
(\$ million)

Tax	FY 2007	FY 2008	FY 2009	12-month moving total	FY 2010 to date	3-month moving total	This month
Total taxes	5,085.2	5,315.0	4,970.5	4,872.3	1,023.3	795.6	294.4
1 year change	615.1	229.7	-344.5	-353.5	-98.2	-94.2	-21.2
%change	13.8	4.5	-6.5	-6.8	-8.8	-10.6	-6.7
Real property	1,443.7	1,684.8	1,798.7	1,817.3	38.7	23.0	3.4
1 year change	296.1	241.2	113.9	141.9	18.5	13.3	1.6
%change	25.8	16.7	6.8	8.5	nm	nm	nm
General sales	958.8	1,011.6	963.5	937.6	321.5	238.8	85.6
1 year change	62.0	52.8	-48.1	-88.9	-25.9	-23.8	-7.3
%change	6.9	5.5	-4.8	-8.7	-7.5	-9.1	-7.9
Individual income	1,313.1	1,353.2	1,127.2	1,082.3	389.3	312.5	129.4
1 year change	80.7	40.1	-226.0	-235.3	-44.9	-43.9	-47.1
%change	6.5	3.1	-16.7	-17.9	-10.3	-12.3	-26.7
withholding	974.8	1,004.2	1,021.2	1,038.8	373.8	296.5	120.2
1 year change	4.2	29.5	17.0	11.8	17.7	14.1	0.9
%change	0.4	3.0	1.7	1.1	5.0	5.0	0.8
non-withholding	338.3	349.0	106.0	43.5	15.5	15.9	9.2
1 year change	76.5	10.7	-243.0	-247.1	-62.5	-57.9	-48.0
%change	29.2	3.2	-69.6	-85.0	-80.1	-78.4	-84.0
Corporate income	250.7	289.8	220.7	218.6	60.2	51.7	8.3
1 year change	30.9	39.1	-69.2	-58.9	-2.1	-2.5	3.6
%change	14.1	15.6	-23.9	-21.2	-3.4	-4.6	74.6
Unincorporated Bus.	166.4	128.9	121.3	125.6	36.1	27.9	5.6
1 year change	25.5	-37.5	-7.6	-0.6	4.3	4.0	1.6
%change	18.1	-22.5	-5.9	-0.5	13.5	16.7	41.1
Deed taxes	442.0	323.2	187.4	192.2	64.9	54.7	29.1
1 year change	81.7	-118.8	-135.8	-56.2	4.7	6.4	25.4
%change	22.7	-26.9	-42.0	-22.6	7.9	13.2	682.4
Other taxes	510.5	523.3	551.7	498.9	112.7	86.9	33.0
1 year change	38.0	12.8	28.4	-55.4	-52.8	-47.7	1.1
%change	8.0	2.5	5.4	-10.0	-31.9	-35.4	3.3

Deed taxes include deed recordation, deed transfer, and economic interest taxes on real property transactions.

Note: Processing of tax collections normally done in February was disrupted by unusual weather conditions and therefore comparisons with collections in the prior year may be somewhat less reliable.

Source: OCFO/OTR and OCFO/ORA nm=not meaningful due to small amount of transaction volume

Tax collections

• Severe weather conditions may have affected the timing of collection and processing arrangements, making comparisons with collections in the prior year more uncertain. Some amounts that normally would have been counted in January may show up in February; conversely, some amounts that normally would have been counted in February may have been counted in January.

• In January, the estimated 12-month moving total for tax collections was \$353 million (6.8%) below the same period of 2008, continuing the steady decline in this measure of revenues which began in January 2008.

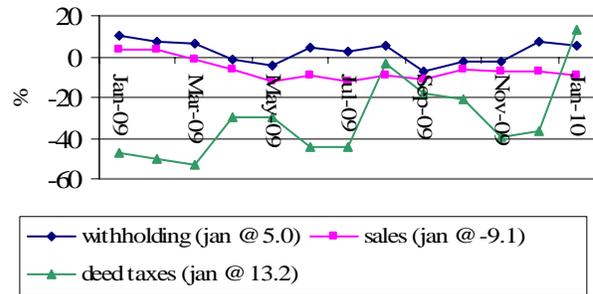
• Estimated sales taxes in January were down 9.1% for the past 3 months and 8.7% for the past 12 months; no sign yet of recovery .

• Withholding has been a bright spot in the DC revenue picture. For the 3 months ending in January estimated collections were up 5.0% from a year earlier.

• Deed tax collections have shown notable increase in the past 3 months. For the 3-month period ending in January, they were up an estimated 13.2% compared to the prior year. The recent increases in housing sale contracts is no doubt contributing to the increase.

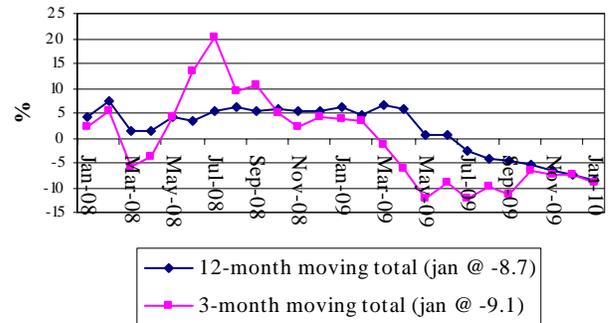
Collections for the General Sales tax, Individual Income tax withholding, and Deed taxes: Jan. 2009 to Jan. 2010

(% change in 3-month moving total)



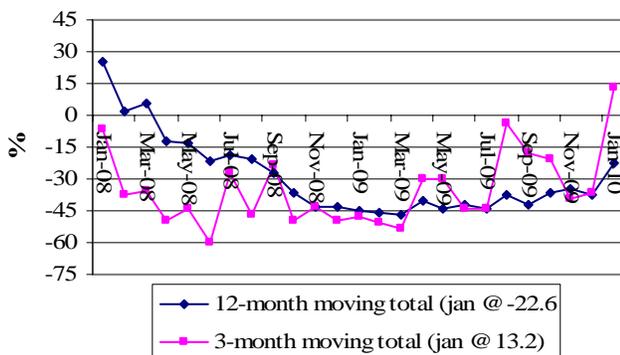
Sales tax collections: Jan. 2008 to Jan. 2010

(% change from prior year in 3-month and 12-month moving totals)



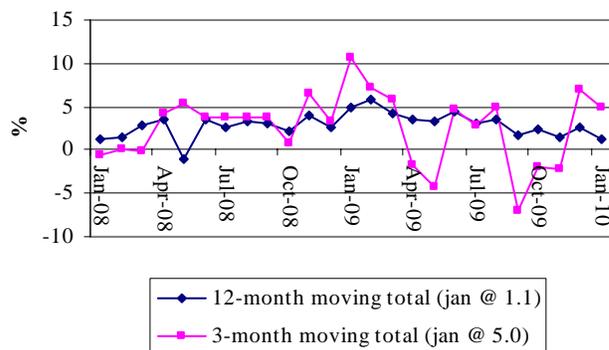
Deed Tax collections: Jan. 2008 to Jan. 2010

(% change from prior year in 3-month and 12-month moving totals)



Withholding collections: Jan. 2008 to Jan. 2010

(% change from prior year in 3-month and 12-month moving totals)



U.S. economic indicators

- US employment (seasonally adjusted) declined by 20,000 from December 2009 to January 2010, continuing the two year run of negative job growth which was interrupted only by the 64,000 increase in November 2009. The number of wage and salary jobs in the US in Jan. 2010 was 8,424,000 (6.1%) lower than at the start of the recession in Dec. 2007.
- The US unemployment rate (seasonally adjusted) fell to 9.7% January. The number of persons working in January as measured by the household survey was 7,840,000 (5.4%) lower than at the start of the recession in December 2007.
- Wages and salaries earned in the US in the December quarter were 4.2% below those of a year ago, although nominal GDP was 0.8% higher. However, wages and salaries did increase at a 1.2% annual rate from the September quarter. US Personal Income in the December quarter was 1.0% lower than a year ago.
- The S & P 500 stock market index in February was down 3.1% from January, breaking an 11-month rally. The market was 44.0% higher than a year earlier, but was still 29.3% below its October 2007 peak.

Table 17. **Selected US Indicators: January 2010 and 2009.4**

(percent change from same period of prior year)

Indicator	Date of latest indicator		FY 2007	FY 2008	FY 2009	12-month moving average	2009.4 or Jan. 3- mo moving avg	Jan.
US GDP real*	4th Q 2009	1 yr % ch	2.1	1.5	-2.9	-2.4	0.1	
US GDP nominal*	4th Q 2009	1 yr % ch	5.1	3.9	-1.5	-1.3	0.8	
US Personal income*	4th Q 2009	1 yr % ch	6.0	3.9	-1.2	-1.7	-1.0	
US wages*	4th Q 2009	1 yr % ch	6.1	3.2	-2.8	-4.0	-4.2	
US jobs	jan 2010	1 yr % ch	1.3	0.1	-3.8	-4.3	-3.5	-3.0
US resident empl.	jan 2010	1 yr % ch	1.5	0.0	-3.2	-3.8	-3.4	-2.6
US unemployment rate	jan 2010	level (%)	4.5	5.3	8.5	9.4	9.9	10.6
US CPI	jan 2010	1 yr % ch	2.3	4.4	-0.3	-0.1	2.4	2.6
<i>Balt/Wash. area CPI</i>	<i>jan 2010</i>	<i>1 yr %ch</i>	<i>3.3</i>	<i>5.0</i>	<i>0.3</i>	<i>0.4</i>	<i>na</i>	<i>2.6</i>

GDP=Gross Domestic Product * =seasonally adjusted annual rate na=not available
Source: BEA and BLS. BEA's US data for GDP, Personal Income, and wages data revised as of Feb 26, 2010
Personal income and wage data may differ from amounts shown in table 8 due to differences in BEA source tables.

Table 18. **Quarter to quarter change in US GDP and income: 2008.3 to 2009.4**

(percent change from previous quarter at seasonally adjusted annual rates)

Indicator	Date of indicator	units	Calendar Year Quarter					
			2008.3	2008.4	2009.1	2009.2	2009.3	2009.4
US GDP real	4th Q 2009	% ch from prior Q at saar	-2.7	-5.4	-6.4	-0.7	2.2	5.9
US GDP nominal	4th Q 2009	% ch from prior Q at saar	1.4	-5.4	-4.6	-0.8	2.6	6.3
Wages and salaries	4th Q 2009	% ch from prior Q at saar	1.7	-1.5	-14.4	0.3	-4.0	1.2
Personal income	4th Q 2009	% ch from prior Q at saar	-0.2	-1.7	-9.2	3.2	-1.4	3.6

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on Feb 26, 2010

Table 19. **Monthly change in selected US Indicators (August 2009 to February 2010)**

Indicator	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10
S and P stock index (level)	1010	1045	1068	1088	1110	1124	1089
% change from prior month	7.9	3.4	2.2	1.9	2.1	1.2	-3.1
% change from 1 year ago	-21.2	-14.2	10.2	23.2	26.5	29.8	44.0
10 yr Treas. Int. rate (level)	3.58	3.39	3.37	3.40	3.58	3.71	3.68
CPI % ch from prior month (seasonally adjusted)	0.37	0.16	0.21	0.23	0.17	0.17	
Jobs (seasonally adjusted level, in millions)	130.08	129.86	129.63	129.70	129.55	129.53	
change from prior month (thousands)	-211	-225	-224	64	-150	-20	
% change from prior month	-0.2	-0.2	-0.2	0.0	-0.1	0.0	
Resident employment (season. adj. level, in millions)	139.43	138.77	138.24	138.38	137.79	138.33	
change from prior month (thousands)	-384	-665	-526	139	-589	541	
% change from prior month at annual rate	-0.3	-0.5	-0.4	0.1	-0.4	0.4	
Unemployment rate (seasonally adj.)	9.7	9.8	10.1	10.0	10.0	9.7	

Source: BLS and Yahoo! Finance.

Forecasts of the U.S. economy

- In February, the Blue Chip Index increased its estimate of growth in both nominal and real GDP for FY 2010.
- Global Insight raised its baseline forecasts for real and nominal GDP growth in both FY 2010 and FY 2011. It also raised its pessimistic estimate of real GDP for FY 2010 but left the pessimistic FY 2011 growth rate unchanged.
- S and P 500 forecasts from Global Insight and Economy.com for the period 2009.4 to 2010.4 range from a decline of about 1.9% to continued gains of about 9.9%. Global Insight did not change its baseline forecasts for 2010.4 and it raised its pessimistic forecast. Economy.com lowered its baseline for 2010.4, but raised slightly its pessimistic one.

Table 20. Forecasts for US nominal and real GDP: FY 2008 through FY 2012

(% change from prior fiscal year)

Forecast and date	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	Real GDP					Nominal GDP				
Congressional Budget Office										
August	1.5	-2.4	0.8	3.3	4.7	3.9	-0.6	2.1	3.8	5.1
January	1.5	-2.9	1.6	1.8	3.9	3.9	-1.4	2.5	2.7	4.9
Blue Chip										
November	1.5	-2.8	1.9			3.9	-1.3	3.0		
January	1.5	-2.9	2.0	3.0		3.9	-1.4	3.1	4.6	
February	1.5	-2.9	2.4	3.0		3.9	-1.4	3.2	4.6	
Global Insight (baseline)										
November	1.5	-2.8	1.6	2.6	3.7	3.9	-1.3	2.7	4.1	5.3
January	1.5	-2.9	2.0	2.5	3.6	3.9	-1.0	2.7	3.9	4.9
February	1.5	-2.9	2.3	2.7	3.6	3.9	-1.5	3.3	4.2	5.2
Global Insight (pessimistic)										
November	1.5	-2.8	0.1	0.7	2.8	3.9	-1.3	1.2	2.3	4.9
January	1.5	-2.9	0.9	0.3	2.6	3.9	-1.5	1.9	2.0	4.7
February	1.5	-2.9	1.5	0.3	2.3	3.9	-1.5	2.5	1.9	4.4

Sources: Blue Chip Indicators, Global Insight, and the Congressional Budget Office. Blue Chip forecast for FY 2012 will not be available until January 2011.

Forecasts for S and P 500: 2008.4 to 2012.4

(% change from prior fiscal year)

Forecast and date	2008.4	2009.4	2010.4	2011.4	2012.4	2008.4	2009.4	2010.4	2011.4	2012.4
	Level					% change from prior year				
Global Insight (baseline)										
November	909.8	1051.1	1116.1	1215.4	1310.9	-39.1	15.5	6.2	8.9	7.9
January	909.8	1088.9	1187.9	1269.9	1348.3	-39.1	19.7	9.1	6.9	6.2
February	909.8	1088.7	1187.9	1272.8	1352.3	-39.1	19.7	9.1	7.2	6.2
Global Insight (pessimistic)										
November	909.8	1000.0	973.1	1132.7	1231.8	-39.1	9.9	-2.7	16.4	8.7
January	909.8	1088.9	1035.6	1183.4	1266.9	-39.1	19.7	-4.9	14.3	7.1
February	909.8	1088.7	1068.2	1218.7	1303.2	-39.1	19.7	-1.9	14.1	6.9
Economy.com (baseline)										
November	909.8	1013.1	1196.0	1263.6	1339.0	-39.1	11.4	18.1	5.6	6.0
January	909.8	1089.3	1209.4	1275.2	1349.9	-39.1	19.7	11.0	5.4	5.9
February	909.8	1088.7	1196.0	1274.8	1350.0	-39.1	19.7	9.9	6.6	5.9
Economy.com (pessimistic)										
November	909.8	919.5	1153.5	1263.6	1339.0	-39.1	1.1	25.4	9.5	6.0
January	909.8	1089.3	1166.4	1275.3	1349.9	-39.1	19.7	7.1	9.3	5.9
February	909.8	1088.7	1067.6	1161.3	1350.0	-39.1	19.7	-1.9	8.8	16.3

Source: Global Insight, Economy.com

Forecasts of the D.C. economy

- In February Global Insight raised its forecasts for jobs in DC in FY 2010, but lowered them for FY 2011. Economy.com also raised its FY 2010 jobs forecasts; it raised its FY 2011 baseline, too, while leaving its pessimistic one unchanged.
- Global Insight and Economy.com both raised their estimates for wages earned in DC in FY 2010 and FY 2011.
- For FY 2010, Economy.com and Global Insight both raised their estimate for growth in wages earned by DC residents. Economy.com also raised its estimates for FY 2011, while Global Insight lowered them.
- Compared to Global Insight, Economy.com generally anticipates less income growth and more unemployment in DC for FY 2010 and FY 2011.

Table 21. **Global Insight forecast of D.C. economy: FY 2008 to FY 2012**

(percent change from prior year)

Indicator	Date of estimate	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
		baseline					pessimistic				
Jobs in DC	nov 09	1.6	0.6	1.0	1.4	1.4	1.6	0.6	0.9	1.0	1.2
	jan 10	1.6	0.7	0.8	1.8	1.4	1.6	0.7	0.8	1.4	1.2
	feb 10	1.6	0.7	1.1	1.6	1.6	1.6	0.7	1.1	1.1	1.2
DC Unemployment rate	nov 09	6.4	9.8	10.1	8.4	7.2	6.4	9.8	10.1	8.5	7.3
	jan 10	6.4	9.8	10.6	8.4	7.2	6.4	9.8	10.6	8.5	7.3
	feb 10	6.4	9.8	10.8	8.4	7.2	6.4	9.8	10.8	8.5	7.3
Wages and salaries earned in DC	nov 09	4.8	1.8	3.4	4.4	4.2	4.8	1.8	3.1	3.8	4.1
	jan 10	4.8	3.4	4.4	5.0	4.3	4.8	3.4	4.3	4.4	4.1
	feb 10	4.8	3.4	5.2	5.1	4.9	4.8	3.4	5.0	4.5	4.6
Wages and salaries earned by DC residents*	nov 09	5.2	-3.7	4.9	8.3	5.0	5.2	-3.7	4.4	7.0	5.0
	jan 10	5.2	-2.4	4.5	9.9	5.4	5.2	-2.4	4.3	8.6	5.4
	feb 10	5.2	-2.4	8.2	8.9	4.7	5.2	-2.4	7.9	8.4	4.4

* Estimated by ORA; assumes wage and salary supplements are the same % for DC resident wages as for wages earned in DC.

Source: Global Insight (February estimate). The pessimistic scenario is given a 20% probability.

Table 22. **Economy.com forecasts of D.C. economy: FY 2008 to FY 2012**

(percent change from prior year)

Indicator	Date of estimate	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
		baseline					pessimistic				
Jobs in DC	nov 09	1.6	0.6	0.5	0.7	1.8	1.6	0.6	-0.6	-0.6	1.2
	jan 10	1.6	0.7	1.3	0.3	1.6	1.6	0.7	0.3	-1.1	0.9
	feb 10	1.6	0.7	1.7	0.5	1.6	1.6	0.7	1.0	-1.1	0.8
Unemployment rate	nov 09	6.4	9.8	11.6	11.0	8.8	6.4	9.8	12.5	14.1	12.5
	jan 10	6.4	9.8	11.2	10.9	8.7	6.4	9.8	12.1	14.0	12.4
	feb 10	6.4	9.8	11.9	11.7	9.5	6.4	9.8	12.7	14.8	13.2
Wages and salaries earned in DC	nov 09	4.8	1.8	0.6	0.4	1.8	4.8	1.8	-0.6	-2.1	-1.1
	jan 10	4.8	3.4	3.1	0.3	1.7	4.8	3.4	2.1	-2.3	-1.3
	feb 10	4.8	3.4	3.8	0.6	1.7	4.8	3.4	3.0	-1.9	-1.0
Wages and salaries earned by DC residents*	nov 09	5.2	-3.8	1.0	2.4	2.6	5.2	-3.8	0.0	0.5	0.3
	jan 10	5.2	-2.4	2.0	2.2	2.5	5.2	-2.4	1.1	0.3	0.1
	feb 10	5.2	-2.4	2.7	2.6	2.7	5.2	-2.4	2.1	0.7	0.5

* Estimated by ORA; assumes wage and salary supplements are the same % for DC resident wages as for wages earned in DC.

Source: Economy.com. The pessimistic scenario is considered to have a 25% probability.

Revised employment data, continued from p. 1

Counting from the December 2007 beginning of the US recession, there has been a net increase of 3,633 (0.5%) in jobs located in DC and a net decline of 19,500 (-6.2%) in DC resident employment during the recession's two years (calculations based on 3-month moving averages).

Downward revisions to DC's private sector employment were most notable in employment services, construction education, food services, legal services, information and finance, health, and organizations. Three sectors, non-legal professional services, accommodations and other private, saw increases. —*Stephen Swaim, Office of Revenue Analysis*

Revised BLS estimate of DC Labor Market for December 2009 (3-month moving average)

indicator	Old Dec.	Rev. Dec.	ch from prior yr.	
	2009 est.	2009 est.	amt	%
Res. employment	290,214	292,902	2,688	0.9
Labor force	329,497	331,744	2,247	0.7
Unemployment				
number	39,283	38,842	-441	-1.1
rate	11.9	11.7	-0.2	

Source: BLS

Revised BLS estimate of DC Employment change from Dec. 2008 to Dec. 2009 (3-month moving average)

indicator	Dec. 2008	Dec. 2009	ch from prior yr.	
			amt	%
Jobs located in DC	705,567	704,600	-967	-0.1
private sector	471,100	461,533	-9,567	-2.0
public sector	234,467	243,067	8,600	3.7
DC res emp.	306,106	292,902	-13,204	-4.3
DC Labor force	331,571	331,744	173	0.1
DC unemployment	25,465	38,842	13,376	52.5

Source: BLS

BLS revision to Dec. 2009 wage and salary employment in DC, the DC suburbs, and the US. (% change)

sector	US	DC suburbs	DC
Total	-1.0	-1.7	-1.3
Private sector	-1.2	-1.7	-2.2
Public sector	0.1	-1.7	0.5

source: BLS

Revised BLS estimate of private sector wage and salary employment located in DC for December 2009

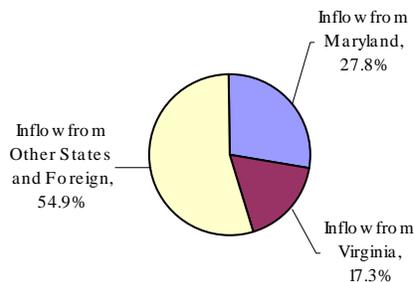
Industry sector	3-month moving average			
	prior Dec 2009 estimate	revised Dec 2009 estimate	1 year change	
			Amount	%
Legal services	34,767	33,633	-1,133	-3.3
Other Professional and technical	66,467	68,067	1,600	2.4
Employment services	12,600	10,600	-2,000	-15.9
Other Business services	37,900	36,933	-967	-2.6
Information and finance	45,600	44,467	-1,133	-2.5
Organizations	58,167	57,467	-700	-1.2
Education	50,400	48,100	-2,300	-4.6
Health	58,600	57,667	-933	-1.6
Food service	37,900	36,167	-1,733	-4.6
Accommodations	14,667	15,233	567	3.9
Amusement and recreation	7,233	7,067	-167	-2.3
Retail trade	18,033	17,867	-167	-0.9
Wholesale trade	4,633	4,400	-233	-5.0
Construction	12,067	10,933	-1,133	-9.4
Other private	12,767	12,933	167	1.3
Total	471,800	461,533	-10,267	-2.2

Source: BLS. not seasonally adjusted.

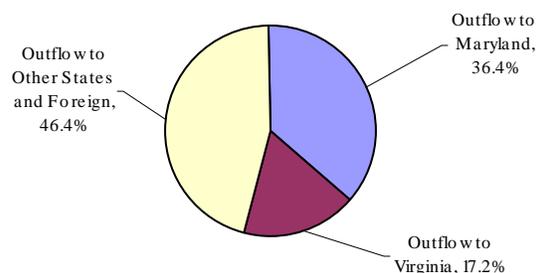
Migration, continued from p. 1

IRS data shows there have been net increases of filers into DC in 6 out of the past 9 years, but the net increase in 2008 was the largest of any of those years. Although there have been net losses in the number of migrants (exemptions) leaving DC in each of the past 9 years, the number in 2008 was the second smallest of the net losses. There have also been net outflows of federal AGI in each of the last 9 years, but this was the 4th smallest. In 2007-2008 approximately 45 percent of the taxpayers migrated from Maryland and Virginia, while about 54 percent of those that exited the District migrated to Maryland and Virginia. —*Betty Alleyne, Office of Revenue Analysis*

Distribution of Taxpayers Migrating Into Washington, DC 2007-2008



Distribution of Taxpayers Migrating From Washington, DC 2007-2008



Briefing Notes

From time to time the Office of Revenue Analysis prepares Briefing Notes on subjects that have bearing on DC 's economy and taxes. It is anticipated that in the near future a collection of these notes will be available on the OCFO web site, and that additional notes will be posted there as they are completed.

Who Pays Federal, State and Local, and DC Taxes? a forthcoming note by Lindsay Clark, of the DC Office of Revenue Analysis, surveys 3 reports that provide a comprehensive picture of the incidence of federal, state and local, and DC taxes.

▫**US Federal Tax System:** The Congressional Budget Office's (CBO) recently released estimates of 2006 effective federal tax rates for major taxes, calculated using pretax income. In the progressive federal system, effective tax rates rise from 4.3 % for the lowest quintile of income earners to 26 % for the top one.

▫**Federal Plus State and Local: National Data:** Citizens for Tax Justice (CTJ), using a similar model as CBO, released estimates of total federal, state, and local effective tax rates. CTJ finds that when the incidence of state and local taxes is taken into consideration, the U.S. tax system is less progressive. Effective tax rates increase over the first four quintiles from 2.0 % to 18.5 % but then decline for all but the top one percent.

▫**State and Local Taxes: National and the District of Columbia:** The Institute on Taxation and Economic Policy's (ITEP) "Who Pays?" report, released November 2009, provides data on the incidence of major state and local taxes. ITEP finds that nationwide the effective state and local tax rates are regressive - in 2007 the average state and local tax rate for the lowest income earners was 10.9 %, as compared to an effective tax rate of less than 8 % for the top 20 percent of income earners. In the District, the report shows that the effective tax rate for the lowest income quintile is 6.2 %. The effective rate rises to 10.5% for the middle 20 percent—the third quintile—and then declines for the upper two quintiles. The effective rate for the top quintile is less than 8%.

For information about this Briefing Note and others, contact Robert Zahradnik, Director of Research, DC Office of Revenue Analysis, (202-727-7775) or robert.zahradnik@dc.gov.

About this report.

The *Review of District of Columbia Economic and Revenue Trends* is generally issued soon after the first week of every month. Employment and most other information reported on a monthly basis will be from two months prior to the *Trends* date (March report has January data). Lags can be greater with quarterly data such as Personal Income and commercial real estate. Data in the tables are believed to be reliable, but original sources are definitive. All data are subject to revision by the information source. The *Trends* report is available at the DC Chief Financial Officer web-site: www.cfo.dc.gov (click on *Economic Trends, Monthly Review*).

Table 23. **Information sources**

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	January 2010	March 26
D.C. Personal Income	BEA	2009.3	March 25
D.C. Tax Collections	OTR/ORR	January 2010	March 15
D.C. Housing Sales	GCAAR*	January 2010	c February 10
D.C. Commercial Office Building data	Delta Associates	2009.4	c April 15
DC Apartment data	Reis, inc	2009.4	c April 15
D.C. Hotel stay information	Smith Travel Research	December 2009	c. March 10
Consumer Price Index	BLS	January 2009	March 18
U.S. Jobs and Labor Force	BLS	January 2009	March 5
U.S. GDP and Personal Income	BEA	2009.4	March 26
S and P 500 Stock Index	Financial press	March 2010	April 1
Interest rate on 10-Year Treasury Securities	Financial press	March 2010	April 1
Global Insight D.C. forecast	Global Insight	February 2010	c. March 20
Economy.com D.C. forecast	Economy.com	February 2010	c. March 20
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	February 2010	March 10

*Greater Capital Area Association of Realtors (data from the Metropolitan Regional Information Systems)

For further information or to comment on this report, contact: Stephen Swaim (202-727-7775) or stephen.swaim@dc.gov See also the *Economic Indicators* issued monthly by the D.C. Office of the Chief Financial Officer (www.cfo.dc.gov).

District of Columbia Economic and Revenue Trends is prepared by the Office of Revenue Analysis, which is part of the Office of the Chief Financial Officer of the District of Columbia government.

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