

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



Natwar M. Gandhi
Chief Financial Officer

May 7, 2008

The Honorable Adrian M. Fenty
Mayor of the District of Columbia
1350 Pennsylvania Avenue, NW – 6th Floor
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 May 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 \$5,374.2 million, which is \$35.4 million less than the estimate that was certified in February. The FY 2008 revenue is now estimated to be \$5,255.3 million, a \$13.1 million increase over the estimate made in February. Table 1 below compares the current revenue estimate to the previous estimate.

Table 1: May 2008 revenue estimate compared to previous estimate

Local Source, General Fund Revenue Estimate (\$ millions)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Local Fund revenue estimate of February 2008	5,242.2	5,409.6	5,688.9	5,962.2	6,253.9
Additional revenue from revised estimate	13.1	(35.4)	(49.8)	(55.4)	(51.7)
May 2008 revised estimate	5,255.3	5,374.2	5,639.1	5,906.8	6,202.2
<i>Percent growth over previous year</i>	<i>1.3%</i>	<i>2.3%</i>	<i>4.9%</i>	<i>4.7%</i>	<i>5.0%</i>

The estimate assumes that the District will pass legislation to decouple the District tax laws from the Bonus Depreciation and Section 179 Expensing provisions of the federal *Economic Stimulus Act of 2008* (HR 5140). If no decoupling legislation is passed, then the estimate will be lower by an additional \$35.7 million in FY 2009.

Current Economic Conditions

The National Economy

The national economic outlook has turned decidedly negative since the February revenue estimate. The national economy, even if it is not yet in a recession, has slowed sharply, financial markets are under stress, and inflation is rising.

- On a seasonally adjusted basis, U.S. employment in April 2008 was 270,000 below December, and there have been 4 straight months of negative job growth for the first time in almost 5 years.
- In April, the Bureau of Economic Analysis reported that real GDP growth continued at 0.6% in the 1st Q of 2008 on a seasonally-adjusted basis. This is the second quarter in a row of slow 0.6% rate, and this 0.6% growth (which also occurred in the 1st Quarter of 2007) is the slowest in over 5 years.
- In April 2008, the stock market as measured by the Standard and Poor's 500 Stock Index went up by 3.4% from March, reversing a three-month slide. However, the Index was 6.4% below the level of April 2007.
- Credit has tightened, investment is down, and unemployment is rising.
- Nationally, the sales prices of existing house prices have been falling.
- Led by high energy and food prices, for the 1st quarter of 2008 the CPI Price Index was 4.1% higher than a year earlier.

The District Economy

By a number of indicators, the District's economy has been faring better than the national one, but the job market is beginning to show signs of slowing and some aspects of the tax base are weakening.

- In the quarter ending in March 2008, jobs located in D.C. were up 1.1% over the same quarter of FY 2007, stronger than the 0.4% increase for the U.S. and 0.8% for the Washington metropolitan area. D.C.'s March quarter growth was, however, slower than the 1.4% growth in the quarter ending in December 2007.
- In the quarter ending in March 2008, D.C.'s resident employment was up 1.3%, compared with virtually no growth at the national level and growth of only 0.1% for the entire metropolitan area. However, D.C.'s unemployment rate of 6.3% in the March quarter was the highest in almost 3 years.
- Hotel receipts from stays in the District of Columbia were down 2.2% in the 3-month period ending in February 2008 compared to the same period of 2007.
- The number of sales of single family and condominium housing units in the quarter ending in March 2008 was down 26.6% and 42.6%, respectively, from the same quarter in 2007. Average prices of units that sold were up 6.1% for single family units and 4.6% for condominiums.

- In the quarter ending in March 2008 the vacancy rate for commercial office space in the District edged up, but only slightly, to 6.5%; it was 6.4% in the December quarter.
- Collections for general sales taxes weakened in the quarter ending in March, declining 5.7% compared to the same quarter of 2007.
- The value of property sold that was subject to either the Deed Transfer tax or the Economic Interest tax also declined by 47.6% in the quarter ending in March compared to the same quarter in 2007.

Economic outlook

National

The outlook for the US economy remains uncertain, with falling employment, stalled output, declining real estate values, financial market difficulties, persistent inflation, and a falling dollar. In April, more than half of the 50 panelists contributing to the Blue Chip Economic Indicators said the economy has already entered or will slip into a recession this year, with almost half predicting an outright decline in nonfarm payroll employment in CY 2008. However, none of the panelists predicted a particularly deep or protracted downturn in the economy.¹

The District

The current revenue estimate takes into account the national economic slowdown and its probable slide into a mild recession of relatively short duration. A mild recession is also expected to occur in the District, followed by recovery that begins in FY 2009 and carries into FY 2010. The estimate assumes that D.C.'s personal income will grow faster than the U.S. as a whole through FY 2010, and that the prices of D.C. housing units will hold up better than the national average.

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

- Growth in total jobs of 1.1 percent and 0.4%.
- Increases of 1.0% and 0% in D.C. resident employment.
- A 5.2% and 4.0% increase in D.C. Personal Income.
- Stock market decrease of 4.7% in FY 2008, followed by gain of 4.6% in FY 2009.
- Declines in the number of home sales of 20.0% and 10.0%.
- Average home sale price declines of 2.0% in each of FY 2008 and FY 2009.

Risks to the District Revenue

Despite the negative national economic outlook the estimate is not based on a worst case scenario. The uncertainty surrounding the national and District economic outlook is worrisome and requires careful monitoring. Should, for example, the current slowdown become more

¹ Blue Chip Economic Indicators: April 10, 2009, Summary.

The Honorable Adrian M. Fenty
The Honorable Vincent C. Gray
May 7, 2008
Page 4

severe or protracted or should the stock market decline further and fail to recover, District revenues would likely be slower in FY 2009 than those contained in this revenue estimate. Areas to watch include:

- *Personal Income Taxes.* Unexpected declines in income tax collections during the months of April and May related to Tax Year 2007 returns would signal weakness in the tax base that could carry over to FY 2009 Individual Income Tax revenue. A low level of declarations in June or significant slowing in withholding receipts would also be an indicator of additional weakness for FY 2009.
- *Sales Taxes.* The more the economy slows the more likely it is that receipts from the hospitality industry (which account for about half of total sales tax receipts), from construction activity, and from general retail sales will also slow.
- *Business Income Taxes.* Taxes derived from business taxes typically fall sharply when the economy contracts, and could therefore decline further than estimated if the national economic recovery is delayed beyond the assumption in this forecast.
- *Deed Recordation and Transfer Taxes.* If the number of transactions or prices in residential and commercial real estate fails to stabilize during FY 2009, deed tax revenues would be lower than those currently estimated.

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
Tene 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	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	May-08	May-08 Revised	May-08	May-08	May-08	May-08
	Actual	Estimate	Proj.	Proj.	Proj.	Proj.
Real Property	1,448,697	1,715,048	1,856,610	1,992,150	2,124,466	2,261,165
<i>Transfer to TIF</i>	(5,096)	(18,841)	(20,535)	(19,584)	(30,430)	(30,430)
Real Property (net)	1,443,601	1,696,207	1,836,075	1,972,566	2,094,036	2,230,735
Personal Property	67,395	56,820	58,638	60,515	62,451	64,450
<i>Transfer to Neighborhood Investment Fund</i>	(10,000)	(9,875)	(10,000)	(10,000)	(10,000)	(10,000)
Personal Property (net)	57,395	46,945	48,638	50,515	52,451	54,450
Public Space Rental	32,239	25,589	26,280	28,412	27,718	28,467
<i>Transfer to DDOT</i>	(32,239)	(25,589)	(26,280)	(28,412)	(27,718)	(28,467)
Total Property	1,500,996	1,743,152	1,884,713	2,023,081	2,146,487	2,285,185
General Sales	959,968	964,768	1,031,907	1,083,122	1,136,143	1,192,425
<i>Transfer to convention center</i>	(83,312)	(86,728)	(90,197)	(93,985)	(98,027)	(102,242)
<i>Transfer to TIF</i>	(14,205)	(24,192)	(26,346)	(29,592)	(43,645)	(43,645)
<i>Transfer to DDOT capital (parking tax)</i>	(37,087)	(38,014)	(38,812)	(39,589)	(40,578)	(41,593)
<i>Transfer to Ballpark Fund</i>	(8,275)	(16,077)	(15,152)	(14,917)	(15,111)	(15,520)
<i>Transfer to School Modernization Fund</i>	(100,000)	(100,000)	(106,000)	(112,360)	(119,102)	(126,248)
General Sales (net)	717,089	699,757	755,400	792,679	819,680	863,177
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	26,776	26,938	27,665	28,412	29,179	29,967
<i>Transfer to Highway Trust Fund</i>	(26,776)	(26,938)	(27,665)	(28,412)	(29,179)	(29,967)
Total Sales	787,125	771,418	828,451	867,221	895,818	941,018
Individual Income	1,313,826	1,322,237	1,307,865	1,391,873	1,462,143	1,536,383
Corp. Franchise	255,511	255,210	262,641	269,379	290,677	303,411
U. B. Franchise	167,024	151,359	170,440	187,577	204,993	224,612
Total Income	1,736,361	1,728,805	1,740,947	1,848,829	1,957,813	2,064,406
Public Utility	163,792	153,501	153,679	153,828	153,954	154,060
<i>Transfer to Ballpark Fund</i>	(10,503)	(9,424)	(9,546)	(9,546)	(9,546)	(9,546)
Public Utility (net)	153,289	144,077	144,133	144,282	144,408	144,514
Toll Telecommunications	59,071	56,637	56,665	56,685	56,697	56,707
<i>Transfer to Ballpark Fund</i>	(2,285)	(3,165)	(3,165)	(3,165)	(3,165)	(3,165)
Toll Telecommunications (net)	56,786	53,472	53,500	53,520	53,532	53,542
Insurance Premiums	55,016	48,500	48,500	48,500	48,500	48,500
Healthcare Provider Tax	12,393	11,000	11,000	11,000	11,000	11,000
<i>Transfer to Nursing Facility Quality of Care Fund</i>	(12,393)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)
Baseball gross receipts tax	24,988	14,000	14,000	14,000	14,000	14,000
<i>Transfer to Ballpark Fund</i>	(24,888)	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)
Total Gross Receipts	265,091	246,049	246,133	246,302	246,440	246,556
Estate	54,250	67,742	73,188	65,000	65,000	65,000
Deed Recordation	226,743	177,109	148,046	149,777	156,997	165,146
<i>Transfer to HPTF</i>	(34,734)	(26,566)	(22,207)	(22,467)	(23,550)	(24,772)
<i>Transfer to Comp. Housing Strategy Fund</i>	(18,075)	(16,282)	(13,610)	(13,766)	(14,433)	(15,182)
Deed Recordation (net)	173,934	134,261	112,229	113,544	119,014	125,192
Deed Transfer	152,411	126,639	110,455	110,178	114,497	119,203
<i>Transfer to HPTF</i>	(23,998)	(18,996)	(16,568)	(16,527)	(17,175)	(17,880)
<i>Transfer to Comp. Housing Strategy Fund</i>	(12,071)	(11,354)	(9,903)	(9,878)	(10,265)	(10,687)
Deed Transfer (net)	116,342	96,289	83,984	83,773	87,057	90,635
Economic Interests	64,794	70,000	25,000	16,000	8,000	8,000
Total Other Taxes	409,321	368,292	294,401	278,317	279,072	288,827
TOTAL TAXES NET OF DEDICATED TAXES	4,698,894	4,857,716	4,994,644	5,263,750	5,525,630	5,825,992
Licenses & Permits	78,283	75,890	76,214	73,642	76,642	73,642
Fines & Forfeits	101,436	99,609	97,514	96,021	94,676	93,465
Charges for Services	52,421	54,983	56,122	53,897	56,274	53,899
Miscellaneous	191,735	97,142	78,718	80,834	82,555	84,249
TOTAL NON-TAX	423,875	327,624	308,568	304,394	310,147	305,255
Lottery/Interfund Transfer	65,376	70,000	71,000	71,000	71,000	71,000
TOTAL REVENUE NET OF DEDICATED TAXES	5,188,145	5,255,340	5,374,212	5,639,144	5,906,777	6,202,247

FY 2007 - FY 2012 Growth Rates by Revenue Source

Revenue Source	FY 2007 May-08 Actual	FY 2008 May-08 Estimate	FY 2009 May-08 Proj.	FY 2010 May-08 Proj.	FY 2011 May-08 Proj.	FY 2012 May-08 Proj.
Real Property	25.6%	18.4%	8.3%	7.3%	6.6%	6.4%
<i>Transfer to TIF</i>	208.5%	269.7%	9.0%	-4.6%	55.4%	0.0%
Real Property (net)	25.3%	17.5%	8.2%	7.4%	6.2%	6.5%
Personal Property	2.9%	-15.7%	3.2%	3.2%	3.2%	3.2%
<i>Transfer to Neighborhood Investment Fund</i>	0.3%	-1.3%	1.3%	0.0%	0.0%	0.0%
Personal Property (net)	3.3%	-18.2%	3.6%	3.9%	3.8%	3.8%
Public Space Rental	45.2%	-20.6%	2.7%	8.1%	-2.4%	2.7%
<i>Transfer to DDOT</i>	45.2%	-20.6%	2.7%	8.1%	-2.4%	2.7%
Total Property	24.3%	16.1%	8.1%	7.3%	6.1%	6.5%
General Sales	5.6%	0.5%	7.0%	5.0%	4.9%	5.0%
<i>Transfer to convention center</i>	4.5%	4.1%	4.0%	4.2%	4.3%	4.3%
<i>Transfer to TIF</i>	22.9%	70.3%	8.9%	12.3%	47.5%	0.0%
<i>Transfer to DDOT capital (parking tax)</i>	10.4%	2.5%	2.1%	2.0%	2.5%	2.5%
<i>Baseball sales tax</i>	-4.5%	94.3%	-5.8%	-1.6%	1.3%	2.7%
<i>Transfer to School Modernization Fund</i>	-	0.0%	6.0%	6.0%	6.0%	6.0%
General Sales (net)	-7.5%	-2.4%	8.0%	4.9%	3.4%	5.3%
Alcohol	1.6%	-1.2%	-1.1%	-1.1%	-1.1%	-1.1%
Cigarette	-7.8%	-1.0%	-2.5%	-2.5%	-2.5%	-2.5%
Motor Vehicle Excise	2.6%	4.3%	4.3%	4.3%	4.3%	4.3%
Motor Fuel Tax	7.3%	0.6%	2.7%	2.7%	2.7%	2.7%
<i>Transfer to Highway Trust Fund</i>	7.3%	0.6%	2.7%	2.7%	2.7%	2.7%
Total Sales	-7.0%	-2.0%	7.4%	4.7%	3.3%	5.0%
Individual Income	8.5%	0.6%	-1.1%	6.4%	5.0%	5.1%
Corp. Franchise	18.7%	-0.1%	2.9%	2.6%	7.9%	4.4%
U.B. Franchise	17.1%	-9.4%	12.6%	10.1%	9.3%	9.6%
Total Income	9.1%	-0.4%	0.7%	6.2%	5.9%	5.4%
Public Utility	5.6%	-6.3%	0.1%	0.1%	0.1%	0.1%
<i>Transfer to Ballpark Fund</i>	1.4%	-10.3%	1.3%	0.0%	0.0%	0.0%
Public Utility (net)	5.9%	-6.0%	0.0%	0.1%	0.1%	0.1%
Toll Telecommunications	4.3%	-4.1%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Ballpark Fund</i>	11.2%	38.5%	0.0%	0.0%	0.0%	0.0%
Toll Telecommunications (net)	4.1%	-5.8%	0.1%	0.0%	0.0%	0.0%
Insurance Prems.	6.8%	-11.8%	0.0%	0.0%	0.0%	0.0%
Healthcare Provider Tax	36.1%	-11.2%	0.0%	0.0%	0.0%	0.0%
<i>Healthcare Provider Tax</i>	36.1%	-11.2%	0.0%	0.0%	0.0%	0.0%
Transfer to Nursing Facility Quality of Care Fund	56.0%	-43.7%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Ballpark Fund</i>	56.0%	-43.7%	0.0%	0.0%	0.0%	0.0%
Total Gross Rec.	5.7%	-7.2%	0.0%	0.1%	0.1%	0.0%
Estate	80.1%	24.9%	8.0%	-11.2%	0.0%	0.0%
Deed Recordation	14.8%	-21.9%	-16.4%	1.2%	4.8%	5.2%
<i>Transfer to HPTF</i>	21.9%	-23.5%	-16.4%	1.2%	4.8%	5.2%
<i>Transfer to Comp. Housing Strategy Fund</i>	-	-9.9%	-16.4%	1.1%	4.8%	5.2%
Deed Recordation (net)	2.9%	-22.8%	-16.4%	1.2%	4.8%	5.2%
Deed Transfer	14.9%	-16.9%	-12.8%	-0.3%	3.9%	4.1%
<i>Transfer to HPTF</i>	25.6%	-20.8%	-12.8%	-0.3%	3.9%	4.1%
<i>Transfer to Comp. Housing Strategy Fund</i>	-	-5.9%	-12.8%	-0.2%	3.9%	4.1%
Deed Transfer (net)	2.5%	-17.2%	-12.8%	-0.3%	3.9%	4.1%
Econ. Interests	114.0%	8.0%	-64.3%	-36.0%	-50.0%	0.0%
Total Other Taxes	19.4%	-10.0%	-20.1%	-5.5%	0.3%	3.5%
TOTAL TAXES NET OF DEDICATED TAXES	10.9%	3.4%	2.8%	5.4%	5.0%	5.4%
Licenses & Perm.	8.4%	-3.1%	0.4%	-3.4%	4.1%	-3.9%
Fines & Forfeits	-9.8%	-1.8%	-2.1%	-1.5%	-1.4%	-1.3%
Charges/Services	10.0%	4.9%	2.1%	-4.0%	4.4%	-4.2%
Misc. Revenue	47.9%	-49.3%	-19.0%	2.7%	2.1%	2.1%
TOTAL NON-TAX	17.1%	-22.7%	-5.8%	-1.4%	1.9%	-1.6%
Lottery	-11.4%	7.1%	1.4%	0.0%	0.0%	0.0%
TOTAL REVENUE NET OF DEDICATED TAXES	11.0%	1.3%	2.3%	4.9%	4.7%	5.0%

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 5.6%	76.25 8.1%	81.49 6.9%	86.55 6.2%	90.84 5.0%	94.65 4.2%	98.29 3.8%	103.18 5.0%	108.87 5.5%	114.63 5.3%
Real Gross State Product (billions of \$2000)	64.02 2.1%	66.84 4.4%	69.06 3.3%	71.56 3.6%	73.48 2.7%	74.89 1.9%	76.04 1.5%	78.14 2.8%	80.62 3.2%	82.91 2.8%
Personal Income (\$ billion)	26.52 2.9%	28.55 7.6%	31.12 9.0%	33.27 6.9%	35.39 6.3%	37.22 5.2%	38.70 4.0%	40.55 4.8%	42.48 4.8%	44.71 5.2%
Real Personal Income (billions of \$2000)	25.23 1.0%	26.53 5.2%	28.11 5.9%	29.15 3.7%	30.34 4.1%	30.92 1.9%	31.52 1.9%	32.47 3.0%	33.45 3.0%	34.55 3.3%
Per Capita Income (\$)	45,910 3.2%	49,299 7.4%	53,535 8.6%	56,913 6.3%	60,203 5.8%	63,028 4.7%	65,281 3.6%	68,101 4.3%	71,033 4.3%	74,380 4.7%
Real Per Capita Income (\$2000)	43,678 1.2%	45,824 4.9%	48,346 5.5%	49,861 3.1%	51,619 3.5%	52,373 1.5%	53,165 1.5%	54,537 2.6%	55,937 2.6%	57,476 2.8%
Wages earned in D.C. (\$ billion)	42.30 4.1%	45.13 6.7%	47.74 5.8%	50.12 5.0%	53.11 6.0%	55.67 4.8%	57.88 4.0%	60.10 3.8%	62.60 4.2%	65.51 4.7%
Wages earned by D.C. residents (\$ billion)	14.1 3.2%	15.3 8.4%	16.7 8.7%	17.7 5.9%	18.7 6.1%	19.6 4.8%	20.3 3.5%	21.1 4.0%	22.0 4.0%	22.9 4.3%
Population ('000)	577.6 -0.3%	579.0 0.2%	581.4 0.4%	584.6 0.6%	587.7 0.5%	590.5 0.5%	592.9 0.4%	595.4 0.4%	598.0 0.4%	601.1 0.5%
Households ('000)	251.5 -0.1%	252.3 0.3%	253.5 0.5%	255.2 0.7%	256.8 0.6%	258.3 0.6%	259.8 0.6%	261.2 0.6%	262.7 0.6%	264.4 0.6%
Civilian Labor Force ('000)	305.9 0.2%	309.3 1.1%	316.6 2.4%	318.4 0.6%	324.3 1.9%	327.7 1.0%	327.7 0.0%	330.4 0.8%	332.6 0.7%	334.7 0.6%
At-Place Employment ('000)	665.8 0.6%	671.5 0.9%	680.4 1.3%	686.3 0.9%	692.6 0.9%	700.2 1.1%	703.3 0.4%	708.2 0.7%	714.3 0.9%	721.3 1.0%
Resident Employment ('000)	284.8 0.0%	286.1 0.5%	294.8 3.0%	299.5 1.6%	305.8 2.1%	309.0 1.0%	308.8 0.0%	311.4 0.8%	313.5 0.7%	315.6 0.7%
Unemployment Rate	6.9	7.5	6.9	5.9	5.7	5.7	5.8	5.8	5.7	5.7
Housing Starts	2,282	1,569	2,502	2,405	1,857	1,924	1,533	1,805	2,107	2,307
Housing Stock ('000)	275.7 0.2%	276.4 0.2%	278.9 0.9%	282.4 1.2%	284.3 0.7%	286.5 0.8%	288.7 0.8%	290.1 0.5%	291.9 0.6%	294.6 0.9%
Home sales	11,700 8.3%	13,100 12.0%	12,900 -1.5%	10,800 -16.3%	9,900 -8.3%	7,920 -20.0%	7,128 -10.0%	7,756 8.8%	8,741 12.7%	9,256 5.9%
Average home sale price ('000)	367.4 15.3%	445.4 21.2%	533.9 19.9%	573.1 7.3%	617.5 7.7%	605.1 -2.0%	593.0 -2.0%	618.8 4.3%	661.9 7.0%	703.5 6.3%
Change in S & P 500 Index of Common Stock	-12.5%	19.8%	7.8%	6.8%	14.1%	-4.7%	4.6%	8.7%	5.9%	6.0%
Interest rate on 10-year Treasury notes (%)	3.9	4.3	4.2	4.8	4.7	3.8	4.1	4.8	5.4	5.4
Washington Area Consumer Prices: % change from prior year	3.0	2.5	3.9	3.9	3.2	3.8	2.3	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 (April 2008) and Economy.com (April 2008); on forecasts of the national economy prepared by the Congressional Budget Office (January 2008) and Blue Chip Economic Indicators (April 2008); on BLS labor market information from February 2008; 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 (March 2008), 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 2008).