

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
OFFICE OF THE CHIEF FINANCIAL OFFICER



**Jeffrey S. DeWitt**  
Chief Financial Officer

June 28, 2019

The Honorable Muriel Bowser  
Mayor of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 306  
Washington, DC 20004

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 504  
Washington, DC 20004

**Re: June 2019 Revenue Estimates**

Dear Mayor Bowser and Chairman Mendelson:

This letter certifies that revenue estimates for the FY 2020 – FY 2023 District of Columbia Budget and Financial Plan remains unchanged from the February estimate. However, FY 2019 revenue has been revised upward by \$132.2 million based on year-to-date collections data, which shows substantially higher than expected individual and corporate income tax revenue. The higher individual and corporate tax revenue relate to capital gains from high wealth individuals and foreign income reported on corporate franchise tax returns, which only became apparent in recent April tax filings—a positive “April Surprise”.

We consider most of the additional revenue in FY 2019 one-time in nature as it is based on higher capital gains realizations, in the case of the individual income tax, and from one-time inclusion of foreign income in response to the changes in federal tax law, in the case of corporations. The collections data also show revenue strength going forward, especially in withholding. However, the likely re-imposition of the federal budget sequester could more than offset any of the current revenue strength. Therefore, we will carefully monitor federal budget developments and revise the revenue forecast accordingly in either the September or December revenue certifications as the federal budget policies become clearer.

**June revenue estimate compared to previous estimate**

Local Source, General Fund Revenue Estimate (\$M)	Actual	Preliminary	Estimated	Projected		
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
February 2019 revenue estimate	7,757.7	7,779.2	8,089.0	8,359.0	8,617.2	8,879.5
<i>June revision to estimate</i>		132.2				
<b>June 2019 Estimate</b>		<b>7,911.5</b>	<b>8,089.0</b>	<b>8,359.0</b>	<b>8,617.2</b>	<b>8,879.5</b>
<b>Revenue change from previous year</b>						
Amount	279.5	153.8	177.6	270.0	258.2	262.3
<i>Year-Over Year Percent Change</i>	3.7%	2.0%	2.2%	3.3%	3.1%	3.0%

**Revenue Highlights**

The revenue estimate has been revised upward in FY 2019 based on the strength of the individual and corporate income tax collections, both of which had extraordinary increases in extension payments collections (those payments remitted with an extension to file the return by October). Without the higher than expected extension payment collections, both individual income and corporate franchise tax revenue would be closer to the fiscal year targets, which is the case for the other major taxes.

As mentioned previously, the positive “April Surprise” likely relates to stronger than expected capital gains realizations for individual income tax and foreign income included in District taxable income for corporate franchises.

Generally, sales, property and deed tax collections are consistent with the February estimate. For sales tax, weakness in the hospitality sectors, driven by lower international travel and fewer city-wide conventions in 2019, has been offset by healthy remote and digital sales tax revenue, which began for most ecommerce and digital companies in January 2019, and began for marketplace facilitators (companies like Amazon or Etsy that host and support smaller retailers on-line) in April 2019.

**Federal Budget Sequester**

The economic outlook for the District has not changed substantially since February. As noted above, some of the revenue strength for FY 2019 would normally have resulted in additional revenues in FY 2020 and beyond (although much of the FY 2019 is of a non-recurring nature).

However, the uncertainty associated with federal fiscal policy has risen to the point that it would not be prudent at this point to certify additional revenues until there is more clarification about what will happen to federal spending in the next few years.

Although the District's economy has diversified in recent years, the federal government remains the dominant sector. The federal government accounts for about 25% of all jobs and 30% of all wages earned in the city. In addition, federal procurement is a major source of private sector jobs and earnings. Over the past several years, the growth in District revenues has occurred despite decreases in federal employment and slower growth in federal wages. The current issue is not gradual slowing of federal spending, but of possible sharp reductions in spending associated with what is known as sequestration.

To reduce the growth of federal spending, in 2011 Congress passed the Budget Control Act which set caps on discretionary spending for defense and nondefense programs for the next ten fiscal years. Under sequestration, spending greater than the limits set by the caps would be automatically cut from the budget. This procedure has been used only once. When the Congress was unable to approve a budget during the first part of FY 2013, sequestration was implemented for about seven months, which resulted in a sharp reduction in federal nondefense spending, about 8.5% below the actual level of FY 2012. In the years since FY 2013, Congress explicitly changed or suspended the sequestration caps, authorizing spending levels higher than those specified in the 2011 Budget Control Act. The Bipartisan Budget Act of 2015 raised the caps on defense and nondefense spending for FY 2016 and FY 2017. Most recently, the bipartisan budget resolution enacted in 2018 increased the FY 2018 and FY 2019 ceilings for discretionary spending. Unless Congress takes specific action, however, spending caps on discretionary spending contained in the Budget Control Act of 2011 are set to return for Fiscal Year 2020. Given that no action has yet been taken to lift those caps as we approach the start of FY 2020, there is a high likelihood that the original caps in the 2011 Budget Control Act will go into effect for FY 2020. Those caps would impose a 3.1 percent reduction in all mandatory spending from the actual levels of FY 2019.

When sequestration went into effect in FY 2013, it lasted for seven months, and had a negative impact on the District of Columbia's economy. The growth rate in personal income in the District of Columbia in FY 2013 fell to about half of what it had been the year before, and the increase in DC revenue from sales and withholding for the individual income tax was only about half as much in FY 2013 as it was in FY 2012. There is considerable uncertainty about the magnitude of the impact on the District of Columbia should sequestration return in FY 2020, but the negative effect on DC's economy and revenue given the experience from FY 2013 could be large enough to more than offset any revenue strength that may otherwise be forecasted. As a result, the FY 2020 to FY 2023 forecast remains unchanged until federal policy regarding sequestration is addressed.

## **Economic Outlook and Risks**

The national economy's pattern of steady growth has now lasted for the 10 years since the Great Recession. Real GDP was 3.0 percent higher in the year ending March 2019 than a year earlier, and in nominal terms, growth was 5.0 percent higher. Employment is increasing, while the unemployment rate and inflation remain low. The stock market, quite volatile over the past six months and down at the end of 2018, has risen since the beginning of 2019. The forecast for FY 2020 by the 50 economists who participated in the Blue Chip Economic Indicators in May was about the same as it was in February: continued growth but somewhat slower than in FY 2019. The economic outlook for the District's economy also continues to be one of moderate economic growth and remains essentially unchanged from February. Employment located in the District of Columbia, resident employment, and measures of income have increased thus far in FY 2019 approximately as anticipated in February. The District's population is expected to grow more slowly in the coming years than it has over much of the past decade, but residential housing markets show continued strength. Over the past year, for example, the District added about 4,000 new apartment units, occupancy went up by about the same amount, rents grew a little faster than inflation, construction increased (to almost 13,000 new rental units), and average prices for single family and condominium housing units increased.

Because the federal government is so important to the District's economy, changes in federal government spending policies constitute a major risk to the revenue forecast. The greatest risk is the possibility discussed above of triggered federal cuts in FY 2020 due to sequestration. Even without sequestration, however, acceleration of reductions in federal employment or slowdowns in spending beyond those incorporated into the economic assumptions underlying this estimate could have an adverse impact on the revenues. Relocation of agencies outside of the District of Columbia is an example of the risks to the forecast from federal spending decisions.

The national economy is about to enter a record-setting 11<sup>th</sup> year of expansion and, while we are not predicting a recession, there is a growing risk that one may occur during the financial plan and adversely affect the District's tax base. The May Blue Chip consensus forecast places the odds of a recession occurring in 2020 at 38 percent, and other forecasts have reported similar probabilities. The amount of the federal deficit will likely make it difficult to increase federal spending to offset some of a recession's impact on the District economy, as has happened in past recessions.

Another risk to the forecast is that the full amount of expected population growth and increased earnings of District residents may not materialize. The exact timing and impact on the District of Amazon's decision to locate in Northern Virginia is also subject to considerable uncertainty as the implementation of this development is just beginning.

Developments outside of the local economy also create uncertainty to the forecast. The increased tension in global trade does not affect the District directly, but could slow the national economy, which would be felt here. Volatility in the stock market and other financial market problems contribute to uncertainty, along with possible disruptions arising from uncertainties around the world and potential national security events.

Experience has shown that three of the District's most volatile revenue sources—deed taxes, corporate profits and individual capital gains—can be quickly adversely affected by developments in the nation's economy and capital markets. We will continue to closely watch the key economic indicators for deviations from this forecast that might impact the financial plan.

If you have any questions regarding this matter, please contact me on (202) 727-2476.

Sincerely,



Jeffrey S. DeWitt

*Enclosures*

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**TABLE 1: JUNE 2019 REVENUE SUMMARY TABLE**

\$ in Thousands

	Actual	Estimate		Out Year Projections		
	FY2018	FY2019	FY2020	FY2023	FY2024	FY2025
<b>PROPERTY</b>	2,659,241	2,803,742	2,878,685	2,970,329	3,061,616	3,156,002
Real Property	2,554,229	2,696,817	2,768,861	2,857,525	2,945,750	3,036,990
Personal Property	67,397	69,081	70,809	72,579	74,393	76,253
Public Space Rental	37,615	37,843	39,016	40,226	41,473	42,759
<i>Dedicated to other funds</i>	<i>(44,645)</i>	<i>(52,091)</i>	<i>(59,099)</i>	<i>(55,903)</i>	<i>(51,590)</i>	<i>(55,414)</i>
<b>PROPERTY (NET)</b>	2,614,596	2,751,651	2,819,587	2,914,427	3,010,025	3,100,588
<b>SALES &amp; EXCISE</b>	1,597,405	1,657,646	1,775,817	1,846,105	1,911,183	1,980,824
General Sales	1,492,567	1,551,117	1,664,498	1,735,179	1,800,679	1,870,598
Alcohol	6,560	6,675	6,795	6,918	7,035	7,148
Cigarette	27,956	29,130	31,435	30,212	29,007	27,850
Motor Vehicle	44,055	44,540	45,080	45,600	46,126	46,657
Motor Fuel	26,268	26,184	26,298	26,313	26,265	26,292
<i>Dedicated to other funds</i>	<i>(312,619)</i>	<i>(535,977)</i>	<i>(550,811)</i>	<i>(571,582)</i>	<i>(585,376)</i>	<i>(607,842)</i>
<b>SALES &amp; EXCISES (NET)</b>	1,284,786	1,121,669	1,225,007	1,274,523	1,325,807	1,372,982
<b>INCOME</b>	2,641,586	2,789,463	2,786,431	2,883,762	2,983,070	3,091,974
Individual Income	2,066,842	2,201,184	2,232,396	2,319,679	2,415,249	2,510,692
Corporate Franchise	436,526	457,934	412,694	421,463	423,853	435,645
Unincorporated Franchise	138,219	130,345	141,341	142,620	143,968	145,637
<b>INCOME (NET)</b>	2,641,586	2,789,463	2,786,431	2,883,762	2,983,070	3,091,974
<b>GROSS RECEIPTS</b>	365,129	378,064	355,330	356,863	358,815	360,866
Public Utilities	139,295	150,599	141,302	142,008	142,718	143,432
Toll Telecommunications	39,770	46,278	44,472	42,722	41,335	39,993
Insurance Premiums	112,836	113,972	116,144	118,359	120,619	122,920
Ballpark Fee	36,217	33,300	33,300	33,300	33,300	33,300
Private Sports Wagering	-	130	1,712	1,883	2,072	2,279
Health Related	37,011	33,786	20,112	20,473	20,842	21,221
<i>Dedicated to other funds</i>	<i>(131,603)</i>	<i>(124,642)</i>	<i>(111,089)</i>	<i>(112,718)</i>	<i>(113,944)</i>	<i>(115,636)</i>
<b>GROSS RECEIPTS (NET)</b>	233,526	253,422	244,240	244,145	244,872	245,230
<b>OTHER TAX</b>	507,976	501,219	517,134	538,240	559,021	576,286
Estate	35,708	14,497	20,923	21,799	22,739	23,686
Deed Recordation	257,570	264,610	273,164	284,280	295,201	304,361
Deed Transfer	200,591	204,008	208,939	218,053	226,973	234,131
Economic Interest	14,108	18,104	14,108	14,108	14,108	14,108
<i>Dedicated to other funds</i>	<i>(71,148)</i>	<i>(71,910)</i>	<i>(72,575)</i>	<i>(75,549)</i>	<i>(78,531)</i>	<i>(80,985)</i>
<b>OTHER TAX (NET)</b>	436,828	429,309	444,559	462,690	480,490	495,301
<b>TOTAL TAX (GROSS)</b>	<b>7,771,338</b>	<b>8,130,135</b>	<b>8,313,397</b>	<b>8,595,300</b>	<b>8,873,706</b>	<b>9,165,952</b>
<b>TOTAL TAX (NET)</b>	<b>7,211,323</b>	<b>7,345,514</b>	<b>7,519,823</b>	<b>7,779,548</b>	<b>8,044,264</b>	<b>8,306,075</b>
<b>NONTAX</b>	496,838	521,062	507,233	507,272	500,168	499,118
Licenses & Permits	98,699	134,795	132,109	134,868	134,833	138,117
Fines & Forfeits	164,382	170,993	164,769	158,943	153,483	148,385
Charges for Services	87,632	76,509	77,501	79,135	78,985	81,149
Miscellaneous	146,124	138,765	132,854	134,326	132,867	131,467
<b>NONTAX (NET)</b>	496,838	521,062	507,233	507,272	500,168	499,118
<b>LOTTERY</b>	49,500	44,908	61,990	72,221	72,788	74,355
<b>GROSS REVENUE</b>	8,317,676	8,696,105	8,882,621	9,174,793	9,446,662	9,739,425
<b>LOCAL FUND REVENUE</b>	7,757,660	7,911,484	8,089,047	8,359,042	8,617,220	8,879,548
<i>DEDICATED FUNDS (See Table 2 for Details)</i>	560,016	784,620	793,574	815,752	829,442	859,877

**TABLE 1: JUNE 2019 REVENUE SUMMARY TABLE (Continued)**

% Change

	Actual	Estimate		Out Year Projections		
	FY2018	FY2019	FY2020	FY2023	FY2024	FY2025
<b>PROPERTY</b>	3.5%	5.4%	2.7%	3.2%	3.1%	3.1%
Real Property	3.3%	5.6%	2.7%	3.2%	3.1%	3.1%
Personal Property	6.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Public Space Rental	15.9%	0.6%	3.1%	3.1%	3.1%	3.1%
<i>Dedicated to other funds</i>	-2.1%	16.7%	13.5%	-5.4%	-7.7%	7.4%
<b>PROPERTY (NET)</b>	3.6%	5.2%	2.5%	3.4%	3.3%	3.0%
<b>SALES &amp; EXCISE</b>	4.6%	3.8%	7.1%	4.0%	3.5%	3.6%
General Sales	5.2%	3.9%	7.3%	4.2%	3.8%	3.9%
Alcohol	-1.2%	1.7%	1.8%	1.8%	1.7%	1.6%
Cigarette	-5.3%	4.2%	7.9%	-3.9%	-4.0%	-4.0%
Motor Vehicle	-4.1%	1.1%	1.2%	1.2%	1.2%	1.2%
Motor Fuel	0.6%	-0.3%	0.4%	0.1%	-0.2%	0.1%
<i>Dedicated to other funds</i>	6.1%	71.4%	2.8%	3.8%	2.4%	3.8%
<b>SALES &amp; EXCISES (NET)</b>	4.2%	-12.7%	9.2%	4.0%	4.0%	3.6%
<b>INCOME</b>	5.1%	5.6%	-0.1%	3.5%	3.4%	3.7%
Individual Income	5.5%	6.5%	1.4%	3.9%	4.1%	4.0%
Corporate Franchise	12.2%	4.9%	-9.9%	2.1%	0.6%	2.8%
Unincorporated Franchise	-16.2%	-5.7%	8.4%	0.9%	0.9%	1.2%
<b>INCOME (NET)</b>	5.1%	5.6%	-0.1%	3.5%	3.4%	3.7%
<b>GROSS RECEIPTS</b>	0.9%	3.5%	-6.0%	0.4%	0.5%	0.6%
Public Utilities	0.8%	8.1%	-6.2%	0.5%	0.5%	0.5%
Toll Telecommunications	-19.7%	16.4%	-3.9%	-3.9%	-3.2%	-3.2%
Insurance Premiums	4.3%	1.0%	1.9%	1.9%	1.9%	1.9%
Ballpark Fee	16.4%	-8.1%	0.0%	0.0%	0.0%	0.0%
Private Sports Wagering				10.0%	10.0%	10.0%
Health Related	6.4%	-8.7%	-40.5%	1.8%	1.8%	1.8%
<i>Dedicated to other funds</i>	8.1%	-5.3%	-10.9%	1.5%	1.1%	1.5%
<b>GROSS RECEIPTS (NET)</b>	-2.7%	8.5%	-3.6%	0.0%	0.3%	0.1%
<b>OTHER TAX</b>	1.2%	-1.3%	3.2%	4.1%	3.9%	3.1%
Estate	-13.4%	-59.4%	44.3%	4.2%	4.3%	4.2%
Deed Recordation	2.7%	2.7%	3.2%	4.1%	3.8%	3.1%
Deed Transfer	6.3%	1.7%	2.4%	4.4%	4.1%	3.2%
Economic Interest	-33.9%	28.3%	-22.1%	0.0%	0.0%	0.0%
<i>Dedicated to other funds</i>	7.9%	1.1%	0.9%	4.1%	3.9%	3.1%
<b>OTHER TAX (NET)</b>	0.2%	-1.7%	3.6%	4.1%	3.8%	3.1%
<b>TOTAL TAX (GROSS)</b>	4.0%	4.6%	2.3%	3.4%	3.2%	3.3%
<b>TOTAL TAX (NET)</b>	3.8%	1.9%	2.4%	3.5%	3.4%	3.3%
<b>NONTAX</b>	1.9%	4.9%	-2.7%	0.0%	-1.4%	-0.2%
Licenses & Permits	6.6%	36.6%	-2.0%	2.1%	0.0%	2.4%
Fines & Forfeits	-1.8%	4.0%	-3.6%	-3.5%	-3.4%	-3.3%
Charges for Services	7.7%	-12.7%	1.3%	2.1%	-0.2%	2.7%
Miscellaneous	-0.1%	-5.0%	-4.3%	1.1%	-1.1%	-1.1%
<b>NONTAX (NET)</b>	1.9%	4.9%	-2.7%	0.0%	-1.4%	-0.2%
<b>LOTTERY</b>	8.6%	-9.3%	38.0%	16.5%	0.8%	2.2%
<b>GROSS REVENUE</b>	3.9%	4.5%	2.1%	3.3%	3.0%	3.1%
<b>LOCAL FUND REVENUE</b>	3.7%	2.0%	2.2%	3.3%	3.1%	3.0%
<i>DEDICATED FUNDS (See Table 2 for Details)</i>	6.1%	40.1%	1.1%	2.8%	1.7%	3.7%

**TABLE 2: JUNE 2019 DEDICATED REVENUE**

Dedicated to	Tax Type	Actual	Estimated		Out year projections		
		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
TIF	Real Property	17,945	18,385	19,825	22,114	24,668	27,690
	General Sales	32,550	33,293	36,744	41,423	40,273	47,266
PILOT	Real Property	26,700	33,031	38,560	33,221	26,922	27,723
	General Sales	7,718	14,676	18,653	19,123	19,605	20,098
<i>Downtown TIF</i>	Real Property		674	713	568	-	-
Conv Ctr	General Sales	135,299	133,946	143,020	147,162	151,494	154,818
Conv Ctr – Dest DC	General Sales	6,149	5,778	6,477	7,064	7,015	7,171
Ballpark	General Sales	20,294	18,100	18,100	18,100	18,100	18,100
	Public Utility	8,089	7,901	8,532	8,617	8,703	8,790
	Toll Telecom	2,338	2,443	2,254	2,499	2,313	2,565
	Ballpark Fee	36,217	33,300	33,300	33,300	33,300	33,300
Healthy DC	Health Related Insurance	862	890	897	914	933	951
	Premium	47,086	46,323	46,891	47,829	48,785	49,761
WMATA-Operations	General Sales	78,506	77,225	84,470	88,362	91,628	95,941
WMATA-Capital	General Sales	-	178,500	178,500	183,855	189,371	195,052
Healthy Schools	General Sales	4,666	4,266	4,266	4,266	4,266	4,266
ABRA	General Sales	1,170	1,170	1,170	1,170	1,170	1,170
Comm. On Arts & Humanities	General Sales	-	42,711	30,503	31,947	33,185	34,438
Highway Trust Fund	Motor Fuel	26,268	26,184	26,298	26,313	26,265	26,292
DBH-Gambling Addiction	Private Sports Wagering	-	130	200	200	200	200
Birth to 3	Private Sports Wagering	-	-	756	842	936	1,039
Neighborhood Safety/Engagement	Private Sports Wagering	-	-	756	842	936	1,039
Nursing Fac. Quality of Care	Health Related	16,800	15,029	15,035	15,396	15,765	16,144
Hospital Fund	Health Related	8,948	8,600	-	-	-	-
Hospital Provider Fee Fund	Health Related	5,511	5,191	-	-	-	-
ICF-IDD Stevie Sellows	Health Related	5,752	4,967	5,077	5,077	5,077	5,077
Housing Production Trust Fund (HPTF)	Deed						
	Recordation	33,396	34,098	35,381	37,050	38,687	40,066
	Deed Transfer	27,675	28,356	29,096	30,464	31,802	32,877
HPTF-Debt	Deed						
	Recordation	5,404	5,594	5,594	5,592	5,593	5,588
	Deed Transfer	2,418	2,245	2,245	2,244	2,244	2,242
West End Maintenance	Deed						
	Recordation	1,152	809	130	100	103	106
	Deed Transfer	1,102	809	130	100	103	106
<b>TOTAL</b>		<b>560,016</b>	<b>784,620</b>	<b>793,574</b>	<b>815,752</b>	<b>829,442</b>	<b>859,877</b>



**Table 3: Estimated Key Economic Indicators for the DC Economy**

Forecast Period Fiscal Year 2014 to Fiscal Year 2023

Variable	Actual					Estimated		Forecast		
	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Gross Domestic Product - DC (\$billions)	118.6	124.5	128.6	134.5	139.5	145.6	152.1	158.3	165.4	173.4
% change annual	3.8%	5.0%	3.3%	4.6%	3.7%	4.3%	4.5%	4.0%	4.5%	4.8%
Real GDP-DC (2005 \$billions)	114.3	117	118.8	121.7	123.8	125.9	128.3	129.9	132	134.6
% change annual	1.6%	2.4%	1.6%	2.5%	1.7%	1.7%	1.9%	1.3%	1.6%	2.0%
Personal Income (\$billions)	46.5	50.1	52.4	54.9	56.9	59.4	62	64.7	67.5	70.2
% change annual	5.2%	7.8%	4.6%	4.8%	3.6%	4.3%	4.5%	4.4%	4.2%	4.0%
Real Personal Income (2005 \$billions)	38.5	41.4	43.6	45.1	45.8	47	48	49	49.9	50.8
% change annual	2.8%	7.6%	5.3%	3.6%	1.6%	2.5%	2.2%	2.1%	1.9%	1.7%
Per capita personal income	70,346	74,401	76,518	79,098	81,134	83,927	86,840	89,744	92,576	95,329
% change annual	3.5%	5.8%	2.8%	3.4%	2.6%	3.4%	3.5%	3.3%	3.2%	3.0%
Real per capita personal income (2005\$)	58,227	61,471	63,639	65,010	65,348	66,445	67,242	67,935	68,520	69,025
% change annual	1.1%	5.6%	3.5%	2.2%	0.5%	1.7%	1.2%	1.0%	0.9%	0.7%
Wages in DC (\$billions)	63.9	67.1	69.3	72.2	74.4	76.6	79.3	82.3	85.5	88.8
% change annual	3.0%	5.0%	3.3%	4.3%	3.0%	2.9%	3.6%	3.8%	3.8%	3.9%
Wages of DC residents (\$billions)	22.9	24.7	25.6	26.7	27.5	28.5	29.7	30.9	32.3	33.6
% change annual	4.7%	7.5%	3.8%	4.4%	3.1%	3.5%	4.1%	4.3%	4.3%	4.1%
Population (000s)	661	673.6	685	694.4	701.6	707.2	713.9	721.3	728.8	735.9
% change annual	1.7%	1.9%	1.7%	1.4%	1.0%	0.8%	0.9%	1.0%	1.0%	1.0%
Households (000s)	292.5	298.1	302.2	305.8	308.7	311.5	314.4	317.6	320.9	324.1
% change annual	1.7%	1.9%	1.4%	1.2%	1.0%	0.9%	0.9%	1.0%	1.0%	1.0%
Civilian labor force (000s)	375.9	386.2	393.3	399.6	404.7	408.4	412.2	416.4	420.6	424.9
% change annual	0.4%	2.7%	1.8%	1.6%	1.3%	0.9%	0.9%	1.0%	1.0%	1.0%
Employment in DC (000s)	751.7	764.7	780.9	788.6	794.8	798.6	804.6	810.3	815.8	822.9
% change annual	0.7%	1.7%	2.1%	1.0%	0.8%	0.5%	0.8%	0.7%	0.7%	0.9%
Employment of DC residents (000s)	346.1	358.5	368.8	375.3	381.6	385.8	390.4	395.1	399.3	403.4
% change annual	1.2%	3.6%	2.9%	1.8%	1.7%	1.1%	1.2%	1.2%	1.1%	1.0%
Unemployment rate	7.9	7.2	6.2	6.1	5.7	5.6	5.5	5.4	5.4	5.4
Housing Starts	4,526	3,879	4,250	4,215	4,951	4,041	3,562	3,241	3,174	3,085
Housing Stock (000s)	312	316.2	320.3	323.9	326.6	330	332.8	335.5	337.9	342.2
% change annual	1.20%	1.40%	1.30%	1.10%	0.80%	1.00%	0.90%	0.80%	0.70%	1.20%
Home Sales	7,616	7,929	8,340	8,598	8,957	8,778	8,778	8,866	8,954	9,044
% change annual	0.6%	4.1%	5.2%	3.1%	4.2%	-2.0%	0.0%	1.0%	1.0%	1.0%
Avg Home Sale Price (000s)	736	768	795	825	835	871	910	950	990	1,029
% change annual	1.8%	4.3%	3.5%	3.8%	1.2%	4.3%	4.5%	4.4%	4.2%	4.0%
SP 500 Stock Index*	13.6%	2.0%	6.4%	19.2%	3.6%	3.1%	3.1%	3.1%	3.1%	3.1%
US 10 Year Treasury	2.7%	2.2%	1.9%	2.3%	2.7%	3.3%	3.6%	3.7%	3.7%	3.8%
Washington Area CPI: % change prior year	1.7%	-0.1%	0.0%	2.1%	2.1%	2.0%	2.4%	2.4%	2.4%	2.4%

\* Change in S and P 500 Index of Common Stock is the change from the 4th quarter to the 4th quarter on a calendar year (rather than fiscal year) basis. (For example, the value in FY 2018 is the % change from CY 2017.4 to CY 2018.4)

Moody's Analytics (Economy.com) (January 2019); forecasts of the national economy prepared by the Congressional Budget Office (January 2019) and Blue Chip Economic Indicators (February 2019); BLS labor market information from December 2018; the Census Bureau estimates of the D.C. population (2018); Bureau of Economic Analysis estimates of D.C. Personal Income (September 2018); Metropolitan Regional Information System (MRIS) D.C. home sales data (December 2018), accessed in part through the Greater Capital Area Association of Realtors (GCAAR); CoStar information on commercial office buildings and residential property in D.C. (December 2018); and Delta Associates commercial office buildings and apartments in DC (December 2018).