



District of Columbia Economic and Revenue Trends: August 2019

Muriel Bowser, Mayor
Jeffrey S. DeWitt, Chief Financial Officer

Fitzroy Lee, Deputy CFO & Chief Economist
Stephen Swaim, Senior Economist

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DC and US Personal Income: in DC the proprietors' share is larger and the transfer share is smaller

Over the past 3 years proprietors' income accounted for 29% of the increase in DC Personal Income; in the US it was 9%

Personal Income, a broad measure of the income received by residents of a given area, is compiled quarterly by the US Bureau of Economic Analysis for all states and the District of Columbia. DC's Personal Income was \$58.0 billion for the year ending March 2019, with the income derived from four main sources:

- Wages, salaries, and related benefits from employment.
- Proprietors' income (mostly income of sole proprietorships and partnerships).
- Property income (dividends, interest, and rent).
- Transfers (social security, Medicare, Medicaid, and unemployment benefits).

Of DC's total personal income in March 2019, 54.0% was derived from wages, salaries, and related benefits, about the same percentage as in the nation as a whole. The share of income coming from property in DC was a little less than in the US, but the biggest differences in the relative importance of income sources are in proprietors' income and transfer payments. For the year ending March 2019:

- Proprietors' income accounted for 16.1% of Personal Income in DC compared to 9.0% nationally.
- Transfers accounted for 11.8% of DC Personal Income compared to 17.1% nationally.

In the last several years proprietors' income has also become a much more important source of income growth in DC, growing much faster than any other source of income in DC and much faster than proprietors' income nationally.

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Personal Income in DC and the US: 2019.1

	DC		US
	\$ billion	% of total	% of total
Salaries and benefits	31.36	54.0	53.9
Proprietors' income	9.34	16.1	9.0
Property income	10.49	18.1	20.0
Transfer payments	6.85	11.8	17.1
Total	58.03	100.0	100.0

Source: US Bureau of Economic Analysis. Data are 12-month averages.

Wage and salary employment

Employment growth rate in DC rises, but is still well below the US average

- June wage and salary employment in DC was up 3,033 (0.4%) from a year earlier as measured by the 3-month moving average.
- Federal government employment in DC for June was down 1,600 (0.8%). The private sector gained 3,733 (0.7%).
- Total year-over-year DC metropolitan area employment increased 24,400 (0.7%) in June as measured by the 3-month moving average. Of the increase, 12.4% was in DC.
- Suburban Washington employment in June increased 0.8% from a year earlier.
- Seasonally adjusted DC jobs increased 3,700 in June from the prior month, and are 4,100 more than in January.

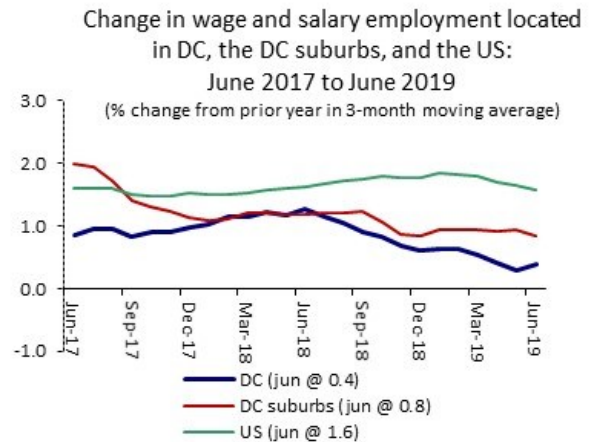


Table 1. Wage and salary employment in DC, the Washington metro area, and the US: June 2019

Jurisdiction	FY 2015	FY 2016	FY 2017	FY 2018	3-mo		
					12-mo avg	average	This month
District of Columbia	759,417	775,183	782,583	790,933	793,975	795,800	799,000
1 year change	12,975	15,767	7,400	8,350	4,792	3,033	5,100
% change	1.7	2.1	1.0	1.1	0.6	0.4	0.6
Washington metro area	3,128,000	3,203,450	3,257,800	3,295,517	3,315,025	3,340,767	3,359,700
1 year change	34,600	62,658	54,350	37,717	28,908	24,400	25,700
% change	1.1	2.0	1.7	1.2	0.9	0.7	0.8
Washington suburbs (% ch)	1.4	2.0	1.9	1.2	1.0	0.8	0.8
US (% ch)	2.1	1.8	1.6	1.6	1.7	1.6	1.5

Not seasonally adjusted. Suburban employment is the difference between the metro area total and the DC portion.

Source: BLS. Reflects July revision to June data.

Federal gov. and private sector wage and salary employment in DC: June 2014 to June 2019
(Ch. from prior year in 3-month moving average)

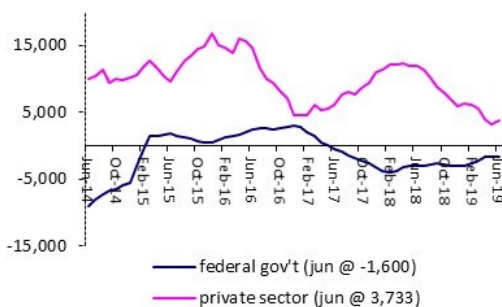


Table 2. Federal government and private sector wage and salary employment in DC: June 2019

Sector	FY 2016	FY 2017	FY 2018	3-month		
				12-mo avg	average	This month
Federal government	199,717	200,208	197,025	195,300	195,200	196,100
1 year ch.	1,692	492	-3,183	-2,408	-1,600	-1,500
% change	0.9	0.2	-1.6	-1.2	-0.8	-0.8
Private sector	535,125	541,250	552,183	555,958	558,600	560,800
1 year ch.	13,658	6,125	10,933	5,992	3,733	5,400
% change	2.6	1.1	2.0	1.1	0.7	1.0

Source: BLS. Not seasonally adjusted. Reflects July revision to June data.

Table 3. Seasonally adjusted DC Employment: January 2019 to June 2019

Indicator	January	February	March	April	May	June
D.C. Wage and Salary employment	795,200	794,900	796,700	795,400	795,600	799,300
change from prior month	2,100	-300	1,800	-1,300	200	3,700
% change from prior month	0.3	0.0	0.2	-0.2	0.0	0.5

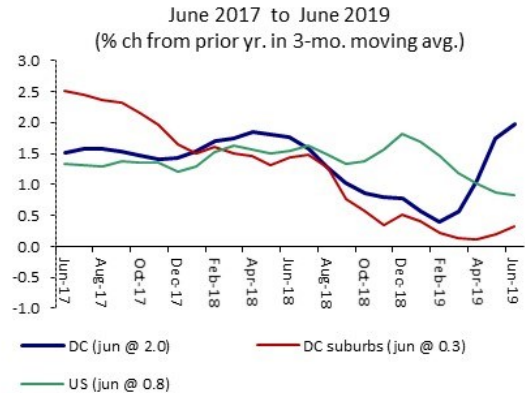
Source: BLS seasonally adjusted. Reflects July revision to June data.

Resident employment and unemployment

Resident employment is increasing more than twice as fast as the national average

- In June DC resident employment was up 7,603 (2.0%) from a year earlier (3-mo. moving average). The labor force grew 7,599 (1.9%).
- The seasonally adjusted unemployment rate was 5.6% in June, the same as a year earlier.
- Seasonally adjusted resident employment in June was 1,427 more than in May and 6,024 more than in January.
- June initial unemployment insurance claims have been slowing although they were still up 25.5% from last year (3-month moving average).

Resident employment in DC, the DC suburbs, and the US:



Jobs located in DC and DC resident employment: June 2017 to Jun 2019 (Change from prior year in 3-mo. moving average)

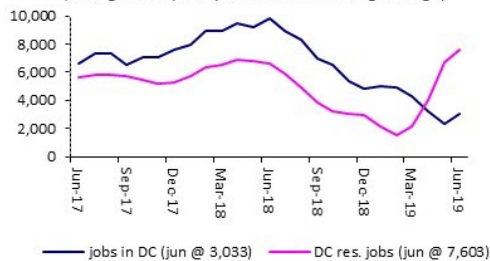


Table 4. Unemployment rates for DC, metro area, and US: June 2019

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	June 2018	June 2019	June 2018	June 2019
US	4.2	3.8	4.0	3.7
DC	5.9	6.0	5.6	5.6
DC metro area	3.6	3.4	na	na
DC suburbs	3.3	3.0	na	na

Source: U.S. BLS. na= data not available

Table 5. Resident employment and unemployment: June 2019

Indicator	FY 2015	FY 2016	FY 2017	FY 2018	12-mo avg	3-mo. avg.	This month
DC Labor force summary							
Resident employment	359,584	369,631	375,828	381,405	384,584	391,660	391,618
1 year change	13,081	10,048	6,197	5,578	4,144	7,603	7,356
% change	3.8	2.8	1.7	1.5	1.1	2.0	1.9
Labor Force	387,250	394,238	400,227	404,416	407,107	414,012	415,985
1 year change	10,863	6,988	5,989	4,189	3,013	7,599	7,123
% change	2.9	1.8	1.5	1.0	0.7	1.9	1.7
Unemployed	27,666	24,606	24,399	23,010	22,524	22,353	24,367
1 year change	-2,219	-3,060	-208	-1,388	-1,131	-4	-233
% change	-7.4	-11.1	-0.8	-5.7	-4.8	0.0	-0.9
Unemployment rate	7.1	6.2	6.1	5.7	5.5	5.4	5.9
DC Unemployment insurance (state program)							
Initial claims (monthly avg.)	1,596	1,472	1,505	1,611	2,266	2,019	2,334
1 year change	-255	-123	33	106	761	410	107
% change	-13.8	-7.7	2.2	7.1	50.5	25.5	4.8
Weeks compensated (mo. avg.)	32,811	30,261	31,355	30,429	28,228	24,600	22,485
1 year change	-9,322	-2,550	1,094	-926	-2,968	-3,704	-3,991
% change	-22.1	-7.8	3.6	-3.0	-9.5	-13.1	-15.1

Source: Labor force: BLS. Unemployment Insurance: US Dept of Labor. Not seasonally adj.

Table 6. Seasonally adjusted DC Resident employment and unemployment: Jan. 2019 to June 2019

Indicator	January	February	March	April	May	June
DC Resident employment	382,041	382,337	383,332	384,821	386,638	388,065
change from prior month	134	296	995	1,489	1,817	1,427
% change from prior month	0.0	0.1	0.3	0.4	0.5	0.4
DC Unemployment rate (%)	5.4	5.5	5.6	5.6	5.7	5.6

Source: BLS seasonally adjusted. Reflects July revision to June data.

Jobs by sectors of the economy

Food service led DC job growth in June

- In June the food service sector added 900 jobs to lead growth in the economy. (3-month moving avg.)
- In the private sector amusement and recreation added 833 jobs in June compared to a year ago, and information and organizations each added 800.
- The sectors with the fastest rate of growth over the prior year in June were amusement and recreation (8.6%), other services (4.4%), and information (4.2%).
- Private sector industries losing jobs included accommodations, retail trade, business services, and construction.
- Local government rose by 900 (2.2%).
- The federal government accounted for 24.5% of all DC jobs in June. Over the past year, DC's share of federal employment fell in both the metro area and the US.
- Over the past year DC's share of jobs in the US rose in several sectors: legal services, information, amusement and recreation, and employment services.

Change in private sector wage and salary jobs located in DC, the DC suburbs, and the US: June 2017 to June 2019

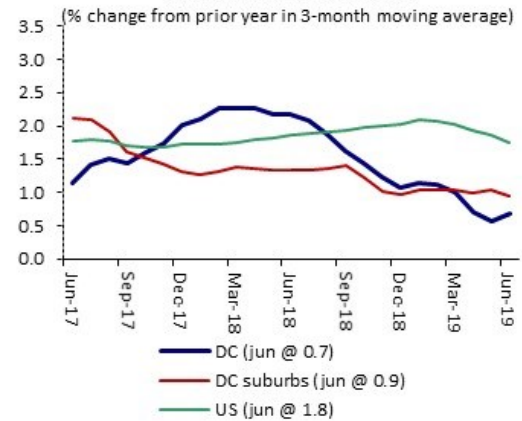


Table 7. Wage and salary employment located in DC: June 2019

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Jun 2019	DC share (%) in Jun 2019 of all sector jobs in:		Change from Jun 2018 to Jun 2019 in DC share of sector jobs in:	
	June 2018	June 2019	Amount	%			metro area	US	metro area	US
	1 year change									
Federal government	196,800	195,200	-1,600	-0.8	-1.2	24.5	53.7	6.93	-0.3	-0.11
Local government	41,100	42,000	900	2.2	2.9	5.3	12.2	0.21	0.2	0.00
Legal services	28,500	28,900	400	1.4	0.9	3.6		2.53		0.03
Professional and tech. (except legal)	90,100	90,067	-33	0.0	1.2	11.3	22.4	1.07	-0.4	-0.04
Employment services	13,533	14,033	500	3.7	2.3	1.8	30.8	0.38	0.3	0.01
Business services (except employ.)	35,633	34,967	-667	-1.9	-0.4	4.4	17.7	0.43	-0.2	-0.02
Information	19,200	20,000	800	4.2	7.0	2.5	27.2	0.71	1.6	0.03
Finance	29,767	29,767	0	0.0	0.2	3.7	19.0	0.34	0.3	0.00
Organizations	67,633	68,433	800	1.2	1.2	8.6	36.8	2.24	0.2	0.00
Education	58,500	58,433	-67	-0.1	0.9	7.3	48.8	1.55	-1.6	-0.03
Health	71,067	71,800	733	1.0	1.1	9.0	22.0	0.35	0.2	-0.01
Food service	56,233	57,133	900	1.6	2.3	7.2	22.4	0.46	-0.5	0.00
Accommodations	15,667	15,467	-200	-1.3	-1.6	1.9	33.7	0.74	0.2	-0.02
Amusement and recreation	9,700	10,533	833	8.6	7.0	1.3	20.0	0.41	0.1	0.02
Retail trade	22,767	22,600	-167	-0.7	-2.1	2.8	8.4	0.14	0.1	0.00
Wholesale trade	4,833	4,900	67	1.4	1.2	0.6	7.9	0.08	0.1	0.00
Construction	16,000	15,700	-300	-1.9	-0.7	2.0	9.8	0.21	-0.2	-0.01
Personal and miscellaneous ser.	8,933	8,767	-167	-1.9	-3.0	1.1		0.30		-0.01
Other private	6,800	7,100	300	4.4	3.3	0.9	5.6	0.04	0.1	0.00
Total	792,767	795,800	3,033	0.4	0.6	100.0	23.8	0.52	-0.1	-0.01
Public sector	237,900	237,200	-700	-0.3	-0.5	29.8	33.5	1.04	-0.2	-0.01
Private sector	554,867	558,600	3,733	0.7	1.1	70.2	21.2	0.43	0.0	0.00

Source: BLS. not seasonally adjusted. June data reflects July revisions. na=not available. For the metro area, legal is included in other professional and technical, and personal and miscellaneous services is included in organizations (a category BLS calls "other services")

Jobs and wages by sector

The business and professional services sector was the largest source of wage growth in DC over the past year

- For the year ending March the federal government accounted for 24.7% of all jobs and 30.9% of all wages and salaries paid in DC. Over the past year, however, federal jobs fell and the sector accounted for just 7.9% of wage increases.
- Professional and business services accounted for 27.6% of the net gain in employment and 36.0% of the gain in wages paid in DC for the year ending March.
- Information and finance accounted for 24.0% of the increase in jobs and 8.3% of the gain in wages over the past year.
- Education and health services accounted for 29.5% of last year's net job increases and 12.6% of the increase in wages.
- Trade and hospitality accounted for 24.4% of the increase in jobs over the past year and 8.7% of the increase in wages.

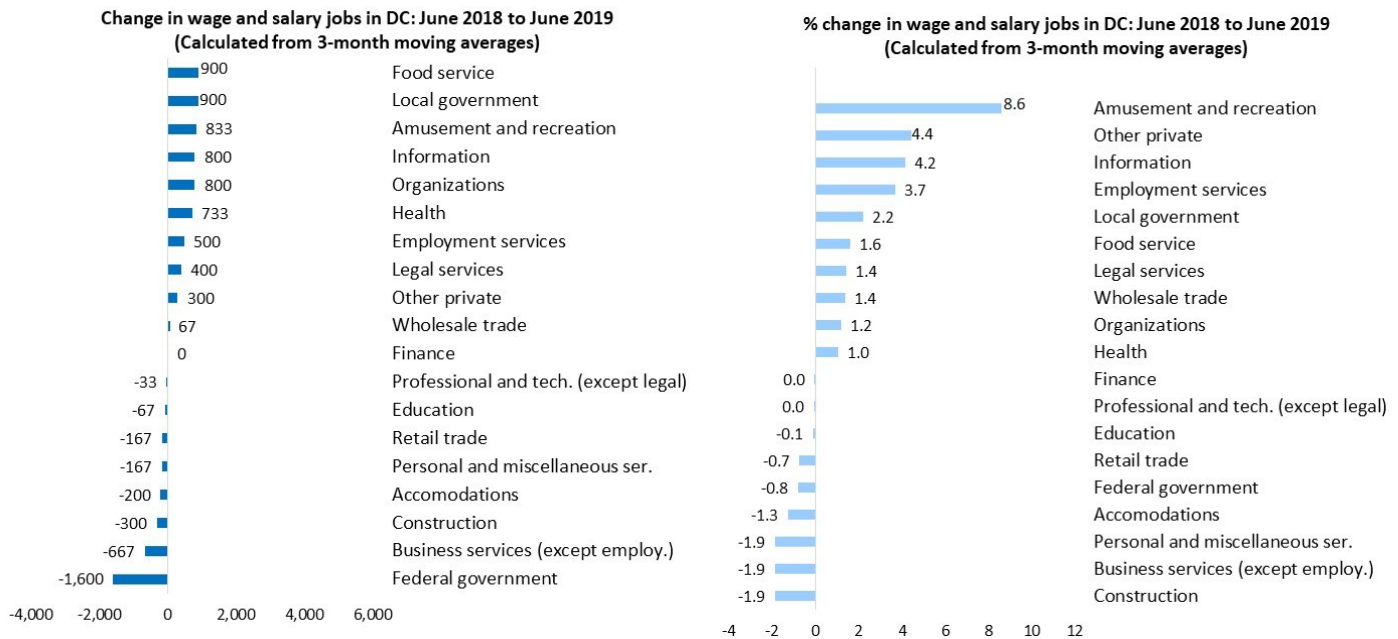


Table 8. Employment and income by sector of the DC economy: 12 mo average ending Mar. 2019 (2019.1)

Sector	12 mo. average wage and salary employment in DC ending March 2019			12 mo avg. wages and salaries earned in DC ending March 2019			Percentage Distributions			
	Level	Change from Mar 2018		Level (\$B)	Ch. from Mar 2018		Employment		Wages	
		2018	% change		Level (\$B)	(\$B)	% change	Mar 19	Ch from Mar 2018	Mar 19
Total	793,217	6,500	0.8	76.08	2.71	3.7	100.0	100.0	100.0	100.0
Federal government	195,700	-2,750	-1.4	23.50	0.22	0.9	24.7	-42.3	30.9	7.9
Local government	42,492	1,233	3.0	3.57	0.32	9.7	5.4	19.0	4.7	11.7
Business and professional services	168,300	1,792	1.1	20.19	0.98	5.1	21.2	27.6	26.5	36.0
Information and financial services	49,300	1,558	3.3	6.75	0.23	3.5	6.2	24.0	8.9	8.3
Education and health services	131,083	1,917	1.5	7.79	0.34	4.6	16.5	29.5	10.2	12.6
Trade and hospitality services	107,825	1,583	1.5	5.12	0.24	4.8	13.6	24.4	6.7	8.7
Organizations and personal services	76,175	917	1.2	7.24	0.33	4.7	9.6	14.1	9.5	12.0
Other private	22,342	250	1.1	1.91	0.07	4.1	2.8	3.8	2.5	2.8
<i>Private sector</i>	<i>555,025</i>	<i>8,017</i>	<i>1.5</i>	<i>49.00</i>	<i>2.18</i>	<i>4.7</i>	<i>70.0</i>	<i>123.3</i>	<i>64.4</i>	<i>80.4</i>
<i>Government</i>	<i>238,192</i>	<i>-1,517</i>	<i>-0.6</i>	<i>27.08</i>	<i>0.53</i>	<i>2.0</i>	<i>30.0</i>	<i>-23.3</i>	<i>35.6</i>	<i>19.6</i>

Wages and income

DC's Personal Income growth is slightly below the US average

- Wages and salaries earned in the District of Columbia were 3.7% higher in the March quarter compared to the same quarter of 2018.
- Wages earned by DC residents grew an estimated 3.5% in the March quarter compared to last year.
- In the March quarter, DC Personal Income grew 3.7%, compared to 3.8% for the US average.
- The growth rate of proprietors' income was 6.3% in the March quarter.
- Pensions and other transfers grew 4.7% over last year in the March quarter; property income grew 2.4%.

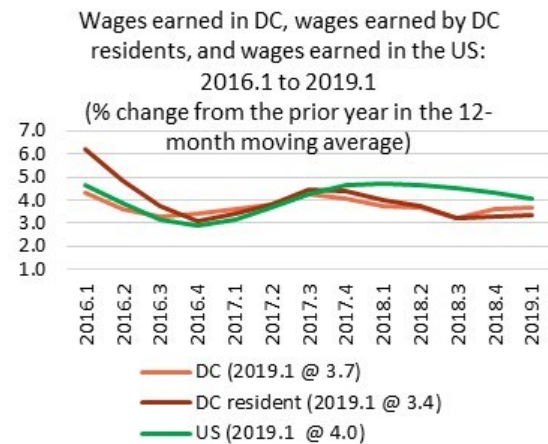


Table 9. DC Wages and Personal Income: March 2019 (2019.1)

(\$ billion at seasonally adjusted annual rates unless otherwise noted)

Indicator	FY 2015	FY 2016	FY 2017	FY 2018	4-qr. moving avg.	Latest qtr. (Mar.)
Wages and salaries earned in DC	67.06	69.26	72.23	74.55	76.08	77.30
1 year change	3.19	2.20	2.97	2.32	2.71	2.77
% change	5.0	3.3	4.3	3.2	3.7	3.7
Supplements to wages & salaries	17.66	18.33	19.14	19.49	19.77	19.99
% change	4.7	3.8	4.4	1.8	2.3	2.8
Income earned in DC**	82.22	85.42	89.49	92.42	94.30	95.72
% change	6.0	3.9	4.8	3.3	3.7	3.8
Net resident adjustment***	-47.50	-49.00	-51.07	-52.53	-53.60	-54.42
% change	3.6	3.1	4.2	2.9	3.5	3.6
Income earned by DC residents**	34.72	36.43	38.42	39.90	40.70	41.30
% change	9.4	4.9	5.5	3.9	3.9	3.9
Wages and salaries of DC residents****	24.66	25.59	26.72	27.58	28.08	28.50
change from one year ago	1.72	0.93	1.13	0.86	0.92	0.95
% change	7.5	3.8	4.4	3.2	3.4	3.5
Proprietors' income earned by DC residents*	7.09	7.73	8.44	9.06	9.34	9.52
% change	17.4	9.0	9.2	7.3	6.9	6.3
Property income of DC residents	9.38	9.54	9.87	10.33	10.49	10.53
% change	6.4	1.7	3.4	4.7	3.8	2.4
Pensions and other transfers for DC residents	6.02	6.45	6.64	6.73	6.85	7.03
% change	1.2	7.1	3.0	1.3	2.5	4.7
DC Personal Income	50.12	52.42	54.93	56.96	58.03	58.86
1 year change	3.61	2.30	2.51	2.03	2.08	2.12
% change	7.8	4.6	4.8	3.7	3.7	3.7
US Personal income (% change from prior year)	5.6	2.8	4.0	4.5	4.3	3.8
US Wages and salaries (% change from prior year)	5.5	3.2	4.3	4.5	4.0	3.4
Addendum:						
DC res. wages as % of wages earned in DC	36.8	36.9	37.0	37.0	36.9	36.9
DC Personal Income as % of US	0.32	0.33	0.33	0.33	0.33	0.31

* Proprietors' income is derived from federal tax data and therefore all proprietors' income is earned by DC residents.

**does not include social insurance paid by individuals. Wage and salary amounts shown do include social insurance paid by individuals.

***algebraic sum of (1) income earned in DC by non residents (negative) and (2) income earned by DC residents outside of DC (positive).

Since this is a negative number, the larger the increase (or faster the rate of growth), the less growth for income earned by DC residents.

****Est. by ORA; assumes wage and salary suppl. are the same % for DC resident wages as for wages earned in DC; excludes social insurance paid by individuals.

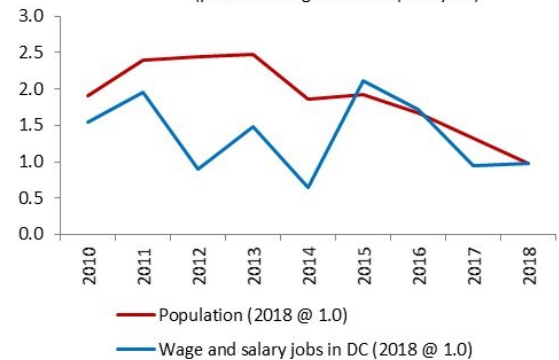
Source: BEA; data released June 25, 2019

Population, jobs, and per capita income

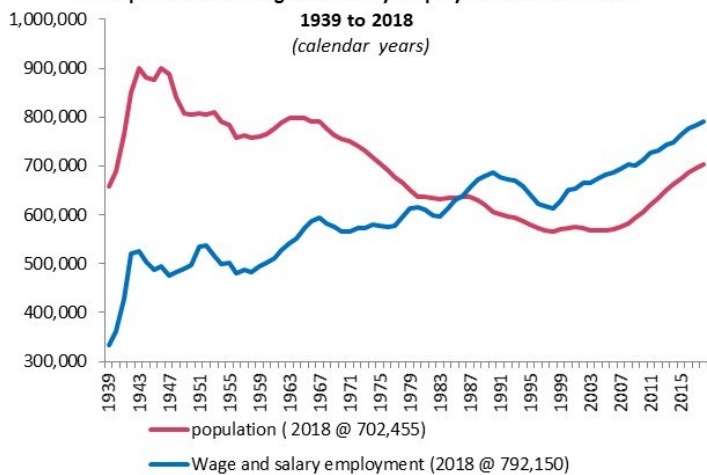
DC's population is growing faster than the national average, but per capita income is growing more slowly

- For 2018, population increased 6,764 (1.0%) and wage and salary employment increased by 7,658 (1.0%).
- In 2018 population and jobs grew below their 5 year average amount from 2013 to 2018.
- In the March quarter, DC's per capita income grew at a 2.8% rate compared to 3.2% in the US.
- In the March quarter wages per job in DC grew faster than in the US (3.1% v 1.6%).

DC population and employment: CY 2010 to CY 2018
(percent change from the prior year)



DC Population and Wage and Salary Employment located in DC:
1939 to 2018
(calendar years)



Source: U.S. Census Bureau and BLS

Table 10. DC Population and wage and salary employment located in DC: 2010 to 2018

Calendar year	Population			Wage and salary employment		
	Number	Change from prior yr. Number	%	Number	Change from prior yr. Number	%
2010	605,085	11,285	1.9	712,208	10,533	1.5
2011	619,602	14,517	2.4	726,075	13,867	1.9
2012	634,725	15,123	2.4	732,550	6,475	0.9
2013	650,431	15,706	2.5	743,375	10,825	1.5
2014	662,513	12,082	1.9	748,150	4,775	0.6
2015	675,254	12,741	1.9	763,975	15,825	2.1
2016	686,575	11,321	1.7	777,117	13,142	1.7
2017	695,691	9,116	1.3	784,492	7,375	0.9
2018	702,455	6,764	1.0	792,150	7,658	1.0
Ch. from 2013 to 2018		52,024	8.0		48,775	6.6
Avg. annual ch.		10,405			9,755	

Source: U.S. Census Bureau (population), BLS (jobs)

Table 11. Per capita income and wages per job in DC and the US: FY 2016 to March 2019

	DC					US				
	FY 2016	FY 2017	FY 2018	12-mo avg (Mar) 2019.1		FY 2016	FY 2017	FY 2018	12-mo avg (Mar) 2019.1	
Per capita income	76,661	79,210	81,277	82,414	83,291	49,606	51,227	53,192	54,095	54,730
% ch in per capita income	2.7	3.3	2.6	2.7	2.8	2.1	3.3	3.8	3.6	3.2
% ch in population	1.8	1.4	1.1	1.0	1.0	0.7	0.7	0.6	0.6	0.6
% ch in personal income	4.6	4.8	3.7	3.7	3.7	2.8	4.0	4.5	4.3	3.8
Wages per job	89,377	92,264	94,241	95,871	97,158	55,726	57,187	58,835	59,378	59,762
% ch in wages per job	1.2	3.2	2.1	2.8	3.1	1.3	2.6	2.9	2.3	1.6
% ch in wages and salary jobs	2.1	1.0	1.0	0.9	0.6	1.8	1.6	1.6	1.7	1.8
% ch in total wages	3.3	4.3	3.2	3.7	3.7	3.2	4.3	4.5	4.0	3.4
US Consumer price index						0.9	2.1	2.4	2.3	1.6

Source: BEA for per capita income, population and Personal Income. Moody's Analytics for CPI in US. Note: % changes are from the same period of the prior year.

Multifamily-unit housing and housing permits

Nearly 7,000 housing permits were issued over the past year, a record level.

- According to CoStar, in June the inventory of apartments and condominiums increased by 6,302 (3.4%) from a year earlier.
- For the 12-month period ending July 6,983 housing permits were issued, up 44.3% from last year and a record level. The 3-month total (1,825) was 93.9% above the same period as last year.
- Of the increase in inventory of multifamily units over the 12-months ending 2019.2, 91.6% were in apartments. Of the housing permits issued over the past year, 96.2% were included in 45 buildings with 5 or more units.
- As of the end of the June quarter 16,352 multi-family units were under construction in 89 buildings. Of the construction, apartments accounted for 75.3% of the buildings and 93.5% of the units.

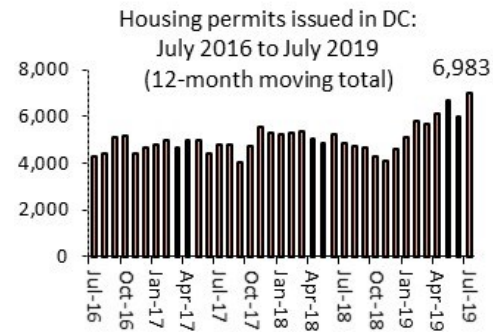
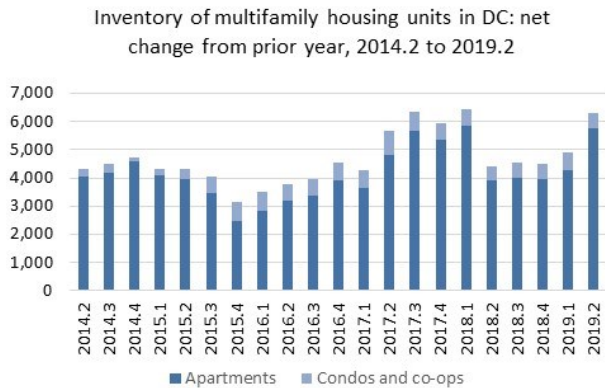


Table 12. Estimated DC households: 2012 to 2018

date	pop/hh	Estimated	
CY	Population	ratio	households 1 yr ch
2012	634,725	2.259	281,000 6,217
2013	650,431	2.260	287,793 6,793
2014	662,513	2.261	292,976 5,183
2015	675,254	2.263	298,441 5,466
2016	686,575	2.267	302,854 4,412
2017	695,691	2.271	306,278 3,424
2018	702,455	2.276	308,636 2,358

Source: 1) Population: US Census Bureau 2) population/household ratio estimated by ORA based on Office of Planning estimates for 2010, 2015, and 2020 3) households: calculated from population using the pop/hh ratio.

Table 13. Housing unit building permits issued in DC: July 2019

	FY 2016	FY 2017	FY 2018	12-mo. moving total	3-mo. moving total	This month
Total units	5,129	4,026	4,640	6,983	1,825	997
change from 1 yr ago	998	-1,103	614	2,145	884	967
% change from 1 year	24.2	-21.5	15.3	44.3	93.9	3223
Multi-family projects with 5 or more units						
number	40	38	46	60	13	6
average size	128	106	101	116	140	164
Units in small projects with up to 4 units	333	376	179	233	38	15
% of all units	6.5	9.3	3.9	3.3	2.1	1.5

Source: Census Bureau (permits for privately owned units issued during period).

Table 14. Inventory and construction for private sector apartments and condominiums in DC: 2013 to 2019.2

CY	Inventory									Under construction					
	All Units			Apartments			Condominiums			Apartments			Condominiums		
	number	1 year ch.	%	build-ings	units	1 yr ch	build-ings	units	1 yr ch	build-ings	units per bldg.	build-ings	units	units per bldg.	
2013	165,325	4,046	2.5	2,745	123,781	3,830	597	32,724	216	35	6,786	194	13	297	23
2014	170,063	4,738	2.9	2,763	128,387	4,606	604	32,856	132	42	6,762	161	38	972	26
2015	173,229	3,166	1.9	2,784	130,877	2,490	635	33,532	676	57	10,013	176	42	1,066	25
2016	177,792	4,563	2.6	2,806	134,781	3,904	667	34,191	659	60	11,227	187	35	1,383	40
2017	183,715	5,923	3.3	2,828	140,122	5,341	681	34,749	558	58	11,750	203	32	1,498	47
2018	188,231	4,516	2.5	2,850	144,095	3,973	694	35,292	543	64	13,733	215	25	1,160	46
2019.2	191,680	6,302	3.4	2,864	147,315	5,771	699	35,521	531	67	15,290	228	22	1,062	48
1 Q ch.	2,145			9	2,118		2	27		1	1,691		0	104	

Source: CoStar. Includes units in privately-owned buildings with 5 or more units. CY amounts are last quarter of the year. Includes affordable units. Data is as of August 15, 2019. All units includes cooperative apartments, not shown separately. In 2019.2 there were 121 co-op buildings with 8,786 units with an average building size of 73.

Apartment rents and vacancy rates edge a little higher

- According to CoStar, for the the 12-month period ending June occupied apartments rose by 4,356 (3.3%) from the prior year. The overall vacancy rate was 6.8% and average rents were 3.2% higher.
- Class A units accounted 26.1% of all units in the city and 44.5% of vacant ones. They also accounted for 90.4% of the net additions to apartment inventory over the past year, 97.2% of the increase in occupied units, and 85.8% of the units under construction.
- Over the past year effective rent in all classes of apartments increased: Class A by 3.4%, Class B by 3.5%, and Class C by 2.6%.
- Vacancy rates in June: Class A 11.6%, Class B 5.2%, and Class C 5.1%.

DC Apartment units: (1) 12-month change in inventory and occupancy, (2) number under construction, and (3) vacancy rate :
2016.2 to 2019.2

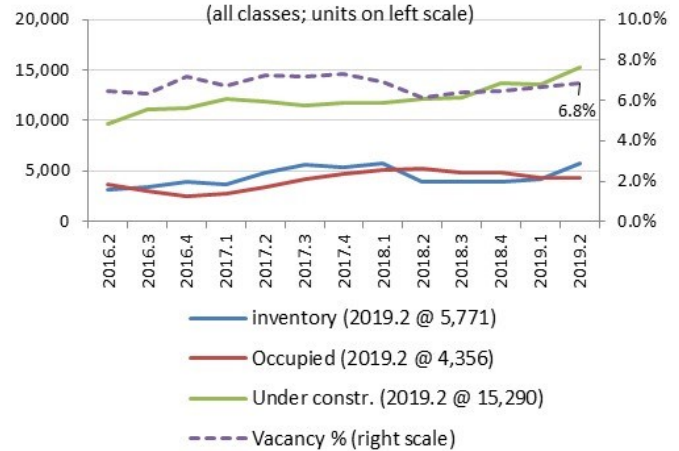
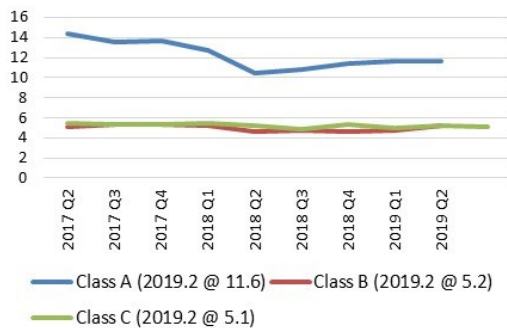


Table 15. Apartment units in DC: 2013 to 2019.2

	Level				Change from prior period						Average rent		1 yr ch in units under constr.
	number		% vacant		Inventory		Occupied		Vacant		Effective rent per unit	1 yr % change	
	Inventory	Occupied	Vacant	% vacant	units	% ch	units	% ch	units	% ch			
2013	123,781	114,101	9,680	7.8	3,830	3.2	2,202	2.0	1,628	20.2	\$1,616	2.1	-1,317
2014	128,387	118,306	10,081	7.9	4,606	3.7	4,205	3.7	401	4.1	\$1,681	4.0	-24
2015	130,877	122,565	8,312	6.4	2,490	1.9	4,259	3.6	-1,769	-17.5	\$1,759	4.6	3,251
2016	134,781	125,135	9,646	7.2	3,904	3.0	2,570	2.1	1,334	16.0	\$1,813	3.1	1,214
2017	140,122	129,869	10,253	7.3	5,341	4.0	4,734	3.8	607	6.3	\$1,850	2.0	523
2018	144,095	134,776	9,319	6.5	3,973	2.8	4,907	3.8	-934	-9.1	\$1,896	2.5	1,983
2019.2	147,315	137,247	10,068	6.8	5,771	4.1	4,356	3.3	1,415	16.4	\$1,955	3.2	3,201
1 Q ch	2118	1706	412								-\$6		

Source: CoStar, as of August 15, 2019.

Vacancy rates in DC apartments by class: 2017.2 to 2019.2



1-year % change in average effective rent in DC apartments by class: 2017.2 to 2019.2



Table 16. Market rate apartment units in DC, Classes A, B, and C: 2019.2

Class	Inventory					Occupied units			Effective monthly rent		Under construction		
	Buildings	Number	1 yr ch	% ch	% vacant	Number	1 yr ch	% ch	\$ per month	1 yr % ch	Buildings	Units	Avg. size
Class A	183	38,496	5,216	15.7	11.6	34,019	4,234	14.2	\$2,721	3.4	45	13,118	292
Class B	816	50,343	795	1.6	5.2	47,727	470	1.0	\$1,857	3.5	20	2,159	108
Class C	1,852	58,350	-240	-0.4	5.1	55,388	-348	-0.6	\$1,360	2.6	2	13	6

Source: CoStar. Includes units in private sector buildings with 5 or more units. Includes affordable units. Vacancy rate is unoccupied units as % of inventory. Data as of Aug. 15, 2019. The total amounts for apartments in table 15 includes a small number of units not shown here.

Commercial office space

Occupied office space and rents are up; the vacancy rate declined slightly

● According to CoStar, for the 12-month period ending June occupied office space increased by 0.67 million sq. ft. from the prior year while inventory rose by 0.16 msf. The vacancy rate edged down to 11.2% (including sublet) and average base rent rose 4.0%.

● The vacancy rate for class A space was 12.3% in June, the same as a year ago. Class A rent rose 3.7% over the past year.

● Space under construction in June 2019 (5.03 million square feet in 21 buildings) was 0.17 msf (3.5%) more than a year earlier.

● For Class B and Class C properties, inventory and occupancy declined over the past year. Rents for Class B properties increased slightly more than in Class A ones, but Class C rents declined.

DC commercial office space: (1) 1 yr change in inventory and occupied space, (2) under construction, and (3) vacancy rate: 2017.2 to 2019.2 (million square feet)

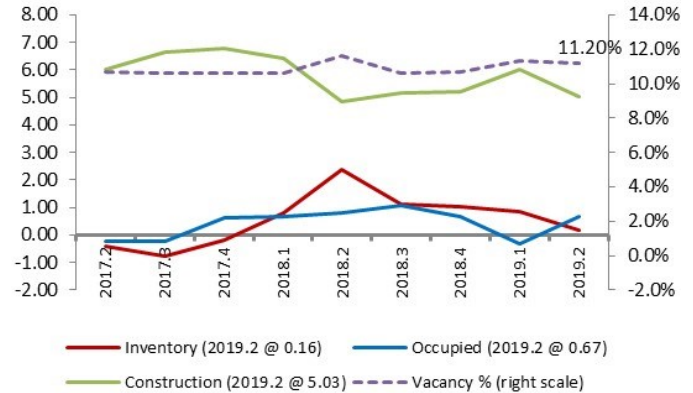


Table 17. DC commercial office space: 2013 to 2019.2

CY (year end)	Buildings	Inventory			Occupied space			Vacant space			Base rent (direct)		Under constr.		
		Level (msf)	1 yr ch (msf)	1 yr % ch	Level (msf)	1 yr ch (msf)	% ch	Level (msf)	Direct only %	Total %	\$ per sq ft.	1 yr % ch	Buildings	msf	Avg. sf per bldg
2013	2,391	153.00	0.71	0.5	138.66	0.73	0.5	14.3	8.8	9.4	\$47.16	0.2	12	2.13	177,112
2014	2,385	153.49	0.49	0.3	138.87	0.20	0.1	14.6	9.0	9.5	\$47.69	1.1	14	2.41	172,489
2015	2,378	154.28	0.78	0.5	138.31	-0.55	-0.4	16.0	9.9	10.3	\$48.34	1.4	16	3.08	192,393
2016	2,376	154.77	0.49	0.3	137.63	-0.68	-0.5	17.1	10.5	11.1	\$50.00	3.4	20	5.29	264,509
2017	2,369	154.59	-0.17	-0.1	138.26	0.62	0.5	16.3	9.9	10.6	\$51.08	2.2	24	6.77	281,982
2018	2,368	155.61	1.02	0.7	138.95	0.69	0.5	16.7	10.0	10.7	\$52.24	2.3	21	5.19	247,327
2019.2	2,374	156.87	0.16	0.1	139.23	0.67	0.5	17.6	10.5	11.2	\$53.45	4.0	27	5.03	186,396
1 Q ch	2	0.89			0.93			-0.1	-0.1		\$0.14		1	-1.00	

Source: CoStar, all classes and sizes. Data as of August 15, 2019

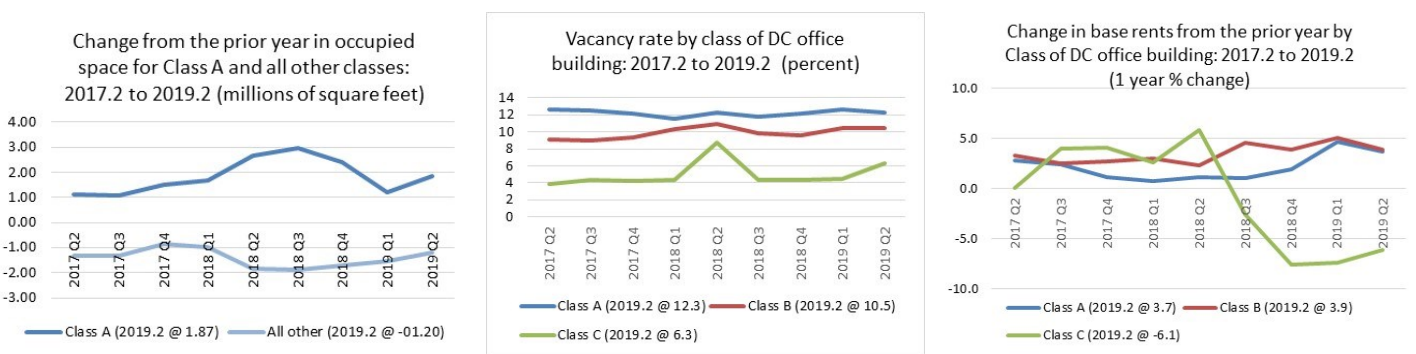


Table 18. DC Class A, B, and C commercial office space: 2019.2

Class	Buildings	Inventory			Occupied space			Vacant space			Base rent (direct)		Under constr.	
		Level (msf)	1 yr ch (msf)	1 yr % ch	Level (msf)	1 yr ch (msf)	% ch	Level (msf)	Direct %	Total %	\$ per sq ft.	1 yr % ch	Buildings	msf
Class A	321	89.17	2.14	2.5	78.18	1.87	2.4	11.0	11.3	12.3	\$57.09	3.7	21	4.80
Class B	945	57.35	-1.43	-2.4	51.35	-0.95	-1.8	6.0	10.0	10.5	\$49.51	3.9	6	0.24
Class C	1,102	10.33	-0.55	-5.1	9.68	-0.24	-2.5	0.7	6.0	6.3	\$35.31	-6.1	0	

Source: CoStar. Data as of August 15, 2019

Property transfers and deed taxes

Strong growth continues in the value of real property transfers other than home sales

- The value of July property transfers rose by 18.4% to \$16.38 billion from last year as measured by the 12-month moving total. The 3-month moving total, \$4.56 billion, was 29.5% above last year.
- Over the 12 month period ending July, the estimated value of brokered home sales fell 2.6% while the value of all other real property transfers rose 35.2%. For the last 3 months, the value of non-home transfers was 69.4% above last year.
- Over the past 12 months ending July a measure of major construction activity—the amount by which deed recordation tax collections exceeds deed transfer collections—declined 8.0%. For the last 3 months, it was down 10.3%.

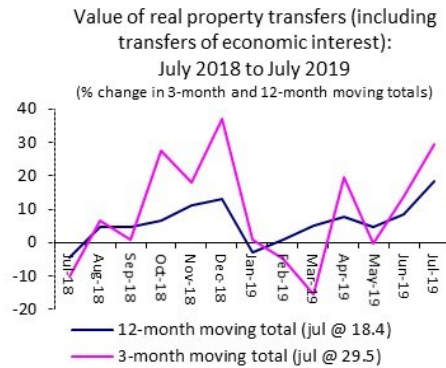
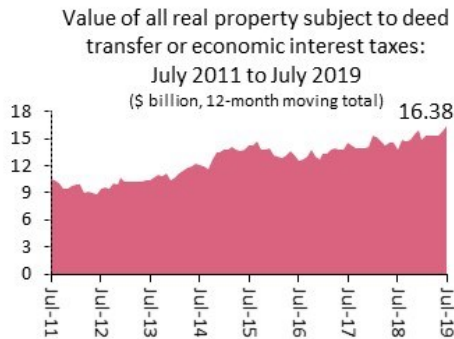


Table 19. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: July 2019

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	12-mo moving total	3-month moving total	This month
All property transfers (\$ million)	11,569.8	14,766.3	13,035.9	13,998.6	14,646.3	16,378.8	4,562.4	1,574.3
change from one year ago (\$M)	505.8	3,196.5	-1,730.3	962.6	647.8	2,547.4	1,039.8	548.6
% change from 1 year ago	4.6	27.6	-11.7	7.4	4.6	18.4	29.5	53.5

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

Source: OCFO/Recorder of Deeds and OCFO/ORR (calculated from tax collections and deposits adjusted for tax rate changes).

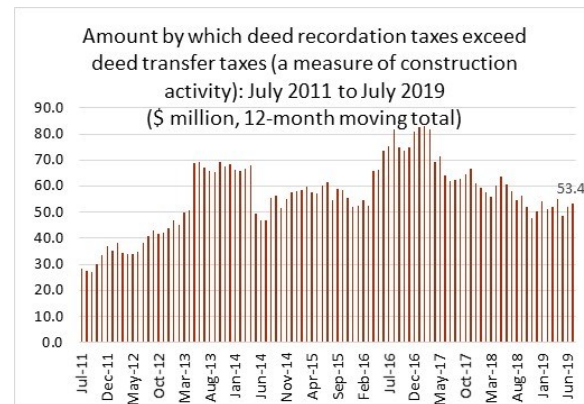
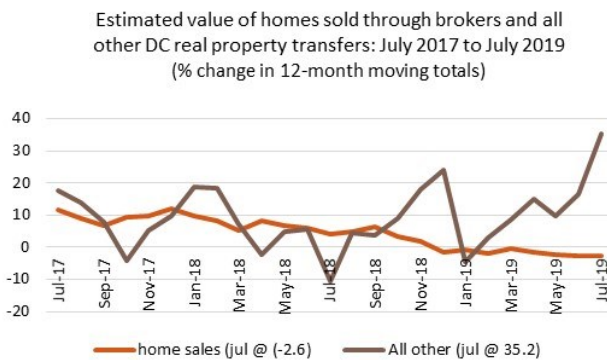


Table 19A. Value of (1) brokered home sales and (2) all other real property subject to the Deed Transfer and Economic Interest taxes: FY 2016 to July 2019

	FY 2016	FY 2017	FY 2018	12-mo moving total	3-month moving total
Brokered home sales (\$M)	5,465.4	5,823.3	6,184.2	5,981.6	1,862.3
All other property transfers (\$M)	7,570.6	8,175.3	8,462.1	10,397.3	2,700.1
% change from 1 year ago					
Brokered home sales	8.0	6.6	6.2	-2.6	-3.4
All other property transfers	-22.0	8.0	3.5	35.2	69.4

Sources: Brokered sales of single family homes and condominium units are from MRIS data (see Table 20); Other property transfers equals the difference between the value of all real property transfers calculated from deed tax collections reported by the OCFO (see table 19) and the value of brokered home sales.

Table 19B. A deed tax measure of construction activity (the amount by which recordation taxes exceed transfer taxes): FY 2016 to July 2019

	FY 2016	FY 2017	FY 2018	12-mo moving total	3-month moving total
Amount of difference (\$M)	74.9	62.8	56.2	53.4	12.2
ch. from one year ago (\$M)	15.8	-12.1	-6.5	-4.7	-13.6
% change from 1 year ago	26.8	-16.2	-10.4	-8.0	-10.3

Source: OCFO/Recorder of Deeds and OCFO/ORR. Deed recordation and deed transfer tax rates are the same (1.45% for property valued over \$400,000). Recordation collections typically exceed those from transfers largely due to recordation of construction loans.

Single family and condominium housing

Home sales fell over the past three months, but prices were up slightly

- The 3-month moving total of single family home sales in July was down 3.3% from a year earlier, while the average selling price was 0.7% higher. The year-to-date median sales price of detached homes (\$780,000) was 10.3% less than the prior year, while the median price of attached homes (\$733,500) was 7.6% higher.
- July condominium sales were down 5.3% from last year as measured by the 3-month moving total, while the average selling price was 0.4% higher. The year-to-date median sales price (\$475,000) was 1.2% higher than last year.
- The total value of all home sales in July was down 3.4% from last year as measured by the 3-month moving total. For the past 12-months the total was down by 2.6%.

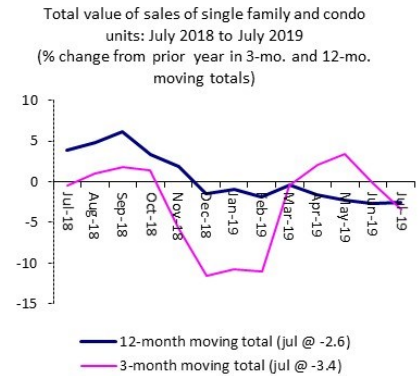
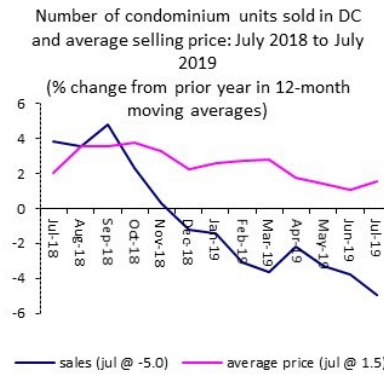
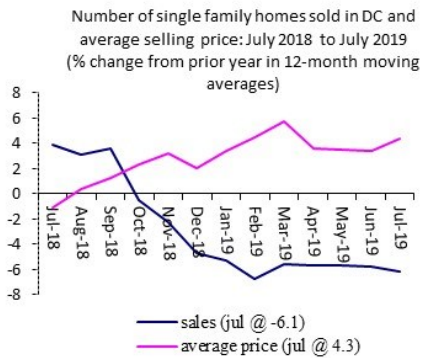


Table 20. D.C. Residential Real Estate Indicators: July 2019

Indicator	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	12-mo moving total or average	3-mo moving total or average	This month
Number of sales (settled contracts)								
Single family	4,024	4,097	4,385	4,552	4,717	4,459	1,355	408
1 year change	45	73	288	167	165	-291	-46	-26
% change	1.1	1.8	8.7	3.8	3.6	-6.1	-3.3	-6.0
Condo	3,592	3,832	3,955	4,046	4,240	4,016	1,220	384
1 year change	105	240	123	91	194	-210	-68	-32
% change	3.0	6.7	5.6	2.3	4.8	-5.0	-5.3	-7.7
Total	7,616	7,929	8,340	8,598	8,957	8,475	2,575	792
1 year change	150	313	411	258	359	-501	-114	-58
% change	2.0	4.1	7.2	3.1	4.2	-5.6	-4.2	-6.8
Average prices of units sold								
Single family (\$)	736,362	767,870	794,668	824,857	835,130	860,812	888,858	906,729
1 year change	23,563	31,508	26,798	30,189	10,273	35,618	6,051	48,516
% change	3.3	4.3	5.8	3.8	1.2	4.3	0.7	5.7
Condo (\$)	472,419	499,650	500,824	511,247	529,463	533,669	539,242	522,412
1 year change	24,592	27,232	1,173	10,423	18,215	8,120	2,127	9,442
% change	5.5	5.8	2.2	2.1	3.6	1.5	0.4	1.8
Total value of all sales (\$ million)								
	4,660.0	5,060.6	5,465.4	5,823.3	6,184.2	5,981.6	1,862.3	570.6
1 year change	262.2	400.6	404.8	357.9	361.0	-159.1	-66.3	-15.3
% change	6.0	8.6	12.4	6.5	6.2	-2.6	-3.4	-2.6
Ratio: active inventory to sales								
Single family	1.6	1.5	1.6	1.6	1.5	1.6	1.5	1.5
Condo	1.9	1.7	1.8	1.8	2.0	1.9	1.7	1.8

Median contract prices, CY to date (July): single family detached \$780,000 (-10.3% 1 yr ch); single-family attached \$733,500 (7.6% 1 yr ch); condominium and co-ops \$475,000 (1.2% 1 yr ch).

Closed (settled) contracts. Average prices calculated by ORA based on number of sales and total value of sales.

Source: MarketStats by ShowingTime, accessed by Bright MLS and (for median contract prices) GCAAR.

Single family and condominium housing

Growth in FHFA house price index for DC is slowing and trails the US average

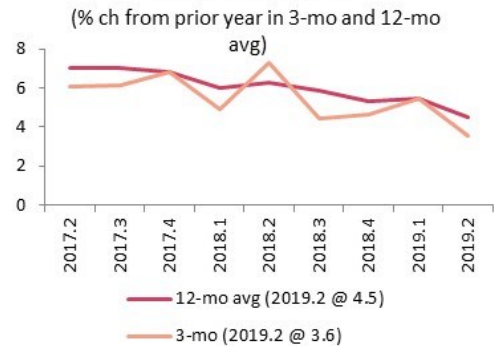
- The percentage change in DC home prices increased 3.6% in the June quarter, according to the Federal Housing Finance Agency Index of single-family same-property transactions. The US index was up 5.5%, and the Washington metropolitan area gain was 4.4%.
- 27.6% of all single family sales for the 12-months ending July were for properties greater than \$1 million.
- In the June quarter, sales of new condominiums over the past 12 months were 9.6% less than a year earlier.

Table 21. Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: June 2019 (2019.2)

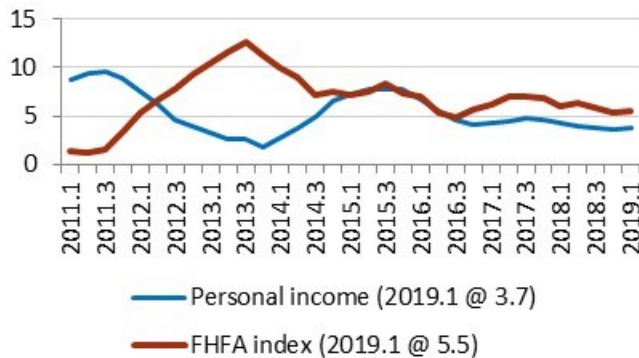
Indicator	Fiscal year average				Last 2 Q's	
	FY 2015	FY 2016	FY 2017	FY 2018	2019.1	2019.2
% change from prior year in value of index						
DC	8.4	4.8	7.1	5.9	5.5	3.6
DC metro area	3.3	2.6	4.3	4.7	4.7	4.4
US	5.5	5.5	6.3	7.0	6.1	5.5

Source: Federal Housing Finance Agency "Expanded-data HPI Index" (sales plus refinancings) (nsa). This quarterly index is a broad measure of the movement of single-family house price, measuring the average price changes in repeat sales or refinancings of the same properties. This information is estimated using Enterprise, FHA, and Real Property County Recorder data licensed from DataQuick. Data is collected quarterly.

FHFA Expanded-data housing price index for DC: 2017.2 to 2019.2



DC Personal Income and FHFA Housing index: 2011.1 to 2019.1
(% change from prior year in 12-month moving average)



FHFA expanded-data housing price index for DC, the Washington Metropolitan area, and the US: 2016.2 to 2019.2
(% change from prior yr. in the 12-mo. moving avg.)

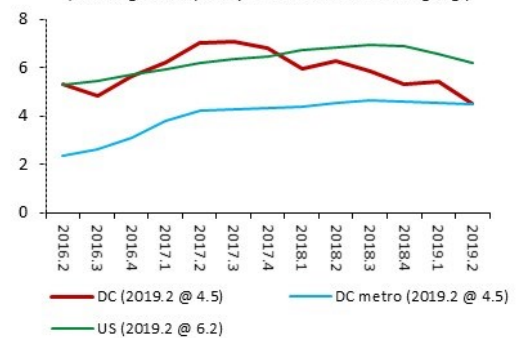


Table 22. D.C. Single family and condominium home sales at prices of \$1 million or more: July 2019

Category	FY			12-mo moving total	3-mo moving total	This month
	2016	2017	2018			
Single family homes	936	1,057	1,192	1,229	410	131
1 year change	171	121	135	52	4	2
% change	30.5	12.9	12.8	4.4	1.0	1.6
percent of all single family sales	21.3	23.2	25.3	27.6	30.3	32.1
Condominiums	167	189	222	216	64	16
1 year change	7	22	33	8	6	1
% change	21.9	13.2	17.5	3.8	10.3	6.7
percent of all condominium sales	4.2	4.7	5.2	5.4	5.2	4.2

Source: MarketStats by ShowingTime, accessed by Bright MLS. Sales are ones closed (settled) during period shown.

Table 23. Single family housing permits and sales of new condo. units in DC: FY 2013 to 2019.2

	Permits	Condo. Sales
FY 2013	368	442
FY 2014	267	516
FY 2015	293	483
FY 2016	283	680
FY 2017	367	482
FY 2018	133	525
12-mo. ending:		
2019.2	153	442
1 yr ch	-56	-47
% ch.	-26.8	-9.6

Source: Census Bur. (permits), and Delta Associates (condo sales)

Hospitality

Hotel stays and revenues are showing some growth from a year ago

- For the past 3 months, the number of room-days sold in July was 2.4% more than a year ago, the average room rate was up 1.4%, and hotel revenues were 3.8% higher. The 12-month moving total for hotel room-days sold was 0.8% above a year earlier, and revenues were 0.6% lower.
- Employment in food services was 1.6% more in June than a year earlier as measured by the 3-month moving average. Hotel employment was 1.3% lower.
- May airline traffic into the DC area was 2.0% higher compared to a year earlier as measured by the 3-month moving total. Reagan National was up 3.8%. For the past 12-months, total traffic into the DC area was 1.4% more than the prior year, with Dulles showing the greatest gain.

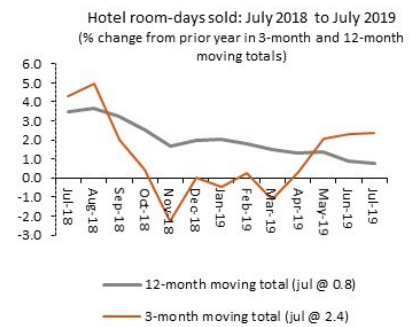
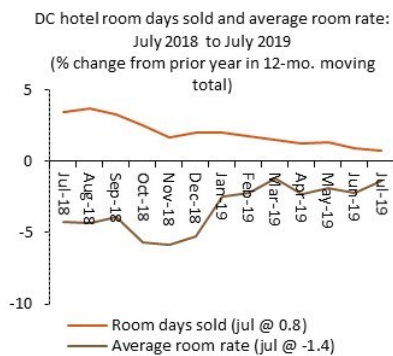
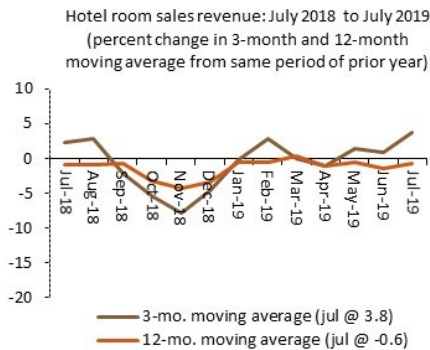


Table 27. Hospitality Industry: July 2019

Indicator	Units	date	FY 2015	FY 2016	FY 2017	FY 2018	12-month moving total or average*	3-month moving total or average*	This month
Hotel stays									
Hotel room-days sold	('M)	july	8.197	8.332	8.740	9.024	9.078	2.584	0.859
	1 yr ch		0.328	0.135	0.408	0.284	0.071	0.060	0.019
	1 yr % ch		4.2	1.3	4.9	3.3	0.8	2.4	2.2
Average room rate	\$	july	215.34	221.19	233.03	224.01	221.71	234.06	193.72
	1 yr ch		5.46	7.18	11.84	-9.02	-3.14	3.22	5.99
	1 yr % ch		2.6	3.3	5.4	-3.9	-1.4	1.4	3.2
Occupancy rate (average)	%	july	77.5	78.0	78.5	78.1	76.5	85.2	83.7
	1 yr ch		0.9	0.5	0.5	-0.4	-1.9	-1.1	-1.3
	1 yr % ch		1.2	0.7	0.6	-0.6	-2.5	-1.2	-1.5
Room revenue	(\$M)	july	1,765.1	1,843.0	2,036.7	2,021.6	2,012.7	604.8	166.5
	1 yr ch		113.6	83.2	193.7	-15.2	-12.6	22.2	8.6
	1 yr % ch		6.9	4.7	10.5	-0.7	-0.6	3.8	5.5
Airline passengers									
DCA	1 yr % ch	may	10.3	2.8	3.2	-1.2	0.1	3.8	6.0
IAD	1 yr % ch	may	0.3	-0.1	5.0	4.1	5.2	5.1	6.0
BWI	1 yr % ch	may	4.1	6.0	5.6	4.5	-0.6	-2.2	-1.4
Total	1 yr % ch	may	4.8	3.0	4.6	2.5	1.4	2.0	3.3
Employment									
Accommodations	level ('000)	june	15.2	14.9	15.0	14.8	15.4	15.5	15.6
	1 yr ch		0.0	-0.3	0.1	-0.2	-0.2	-0.2	-0.1
	1 yr % ch		-0.2	-1.9	0.6	-1.3	-1.6	-1.3	-0.6
Food and bev	level ('000)	june	49.7	51.5	52.0	54.3	55.4	57.1	57.2
	1 yr ch		2.7	1.7	0.6	2.2	1.3	0.9	1.0
	1 yr % ch		5.6	3.5	1.1	4.3	2.3	1.6	1.8

* Total for hotel rooms sold and room revenue.

Source: STR (hotel data); BLS (employment); Airport authorities (airline passengers).

Federal non-defense spending increasing at about the same rate as nominal GDP

- Compared to the same quarter a year ago, in the June quarter Nominal GDP growth was 4.0% and real growth was 2.3%
- During the June quarter, quarterly GDP growth was 2.0% (real) and 4.6% (nominal) (*annualized growth rates*).
- Federal government non-defense spending for consumption and investment increased 4.1% in the 2019.2 quarter from a year earlier. Defense spending grew 6.6%.

Federal non-defense spending and US GDP: 2015.2 to 2019.2 (1 year % change)



Table 29. Federal government consumption and investment, US GDP accounts: 2019.2

Indicator	FY 2015	FY 2016	FY 2017	FY 2018	12-mo avg	
					2019.2	2019.2
Non-defense	4.1	3.2	3.1	5.9	4.3	4.1
Compensation of employees	4.3	4.5	3.8	3.6	3.5	3.6
Purchases of goods and services	6.1	3.8	0.5	12.6	5.7	4.1
Gross investment	3.7	1.8	3.9	3.2	3.8	5.1
Defense	-2.4	-0.3	1.5	5.5	7.3	6.6
Compensation of employees	-0.3	1.3	1.4	4.2	5.0	4.3
Purchases of goods and services	-5.4	-0.5	3.0	7.8	12.0	11.4
Gross investment	-2.5	-1.0	1.2	6.9	7.4	6.5
All federal consumption and invest.	0.1	1.1	2.2	5.7	6.1	5.6

Source: BEA (August 29, 2019). Nominal values.

Note: federal spending does not include social security, medicare, or grants.

Table 28. US GDP, income, and inflation: 2019.2

Indicator	FY 2015	FY 2016	FY 2017	FY 2018	12-mo avg	
					2019.2	2019.2
GDP real	3.2	1.6	2.2	3.0	2.6	2.3
GDP nominal	4.4	2.5	3.9	5.4	4.8	4.0
Personal Income	5.6	2.7	4.1	5.7	5.1	4.9
Consumption	4.4	3.5	4.3	5.2	4.6	4.1
Investment	7.5	-1.5	4.9	7.3	7.0	5.3
Corporate profits*	1.6	3.2	0.7	2.2	2.2	2.7
S and P stock index	9.7	0.4	13.8	16.2	6.1	6.6
US CPI	0.3	0.9	2.1	2.4	2.4	2.6

Source: BEA (August 29, 2019), BLS, Fred.

*Before tax, with IVA and CCAAdj.

Table 30. Qtr. to Qtr. ch. in US GDP: 2018.1 to 2019.1

(% ch. from previous quarter at seasonally adj. annual rates)

Indicator	2018.2	2018.3	2018.4	2019.1	2019.2
US GDP real	3.5	2.9	1.1	3.1	2.0
US GDP nominal	7.1	4.8	2.9	3.9	4.6
Wages and salaries	3.1	4.4	2.1	9.9	4.7
Personal income	4.2	4.6	3.4	6.0	5.3

Note: GDP=Gross Domestic Product Source: BEA, updated Aug. 29, 2019.

Defense and non-defense federal spending: 2015.2 to 2019.2 (1 Year % change)



Quarterly change in US Real and Nominal GDP: 2017.2 to 2019.2 (% change from the previous quarter at annual rates)

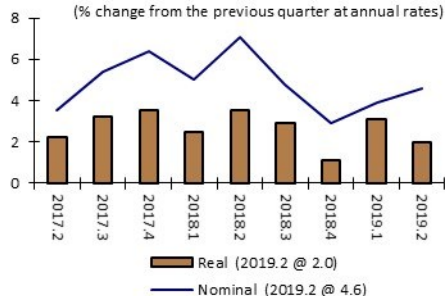


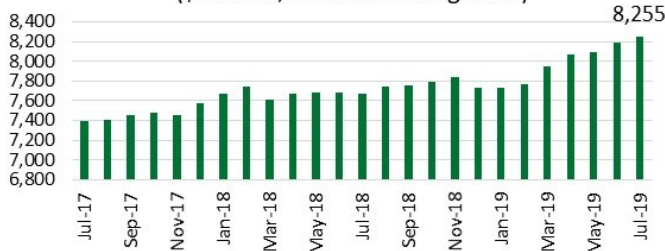
Table 31. Monthly selected US Indicators: March 2019 to July 2019

Indicator	March	April	May	June	July
S and P stock index (level)	2804	2904	2855	2890	2996
% change from prior month	1.8	3.6	-1.7	1.2	3.7
% change from 1 year ago	3.7	9.4	5.7	4.9	7.2
10 yr. Treasury Interest rate (level)	2.58	2.53	2.40	2.07	2.06
CPI % ch from prior month (seasonally adjusted)	0.41	0.32	0.08	0.06	0.34
CPI % ch from prior year (seasonally adjusted)	1.88	1.98	1.84	1.77	1.94
Jobs (seasonally adjusted level, in millions)	150.80	151.01	151.07	151.27	151.43
change from prior month (thousands)	153	216	62	193	164
% change from prior month	0.1	0.1	0.0	0.1	0.1
Resident employment (season. adj. level, in mil.)	156.75	156.65	156.76	157.01	157.29
change from prior month (thousands)	-201	-103	113	247	283
% change from prior month	-0.1	-0.1	0.1	0.2	0.2
Unemployment rate (seasonally adj.)	3.8	3.6	3.6	3.7	3.7

Source: BLS and Fred (Federal Reserve data base)

DC tax collections

DC tax collections (before earmarking):
July 2017 to July 2019
(\$ million; 12 mo. moving total)



One year change in 12-mo. moving total DC
tax collections: July 2018 to July 2019 (\$M)

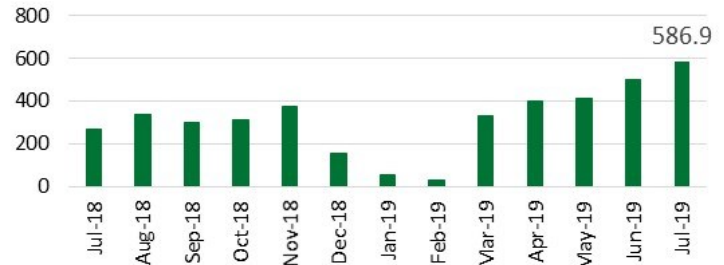


Table 32. Tax Collections (before earmarking): July 2019 (Preliminary)

Tax	Revenue (from CAFR)				Tax collections			
	FY 2015	FY 2016	FY 2017	FY 2018	12-month moving total	FY 2019 to date	3-month moving total	This month
Total taxes	6,916.8	7,241.0	7,472.9	7,771.3	8,254.7	6,121.5	1,547.0	489.0
1 year change	626.9	324.2	239.3	298.5	586.9	497.6	182.7	64.3
% change	10.0	4.7	3.3	4.0	7.7	8.8	13.4	15.2
Real property	2,194.5	2,357.5	2,473.3	2,554.2	2,609.6	1,408.4	44.1	24.9
1 year change	178.9	163.0	115.9	80.9	61.7	54.0	-0.3	10.7
% change	8.9	7.4	4.9	3.3	2.4	4.0	-0.7	75.3
General sales	1,315.3	1,343.1	1,419.2	1,492.6	1,548.9	1,337.0	439.3	167.9
1 year change	143.2	27.8	76.1	73.4	80.6	66.2	24.7	23.1
% change	12.2	2.1	5.7	5.2	5.5	5.2	5.9	15.9
Individual income	1,868.0	1,907.9	1,958.3	2,066.8	2,291.0	1,899.9	546.0	166.2
1 year change	188.9	39.8	50.4	108.6	236.2	201.3	56.1	5.5
% change	11.2	2.1	2.6	5.5	11.5	11.9	11.5	3.4
withholding	1,553.2	1,627.6	1,766.6	1,818.2	1,941.3	1,641.0	473.4	168.7
1 year change	80.3	74.4	139.0	51.6	125.4	108.5	46.1	8.7
% change	5.5	4.8	8.5	2.9	6.9	7.1	10.8	5.5
non-withholding	314.8	280.3	191.7	248.7	349.7	258.9	72.6	-2.5
1 year change	108.6	-34.5	-88.6	56.9	110.8	92.8	10.1	-3.2
% change	52.7	-11.0	-31.6	29.7	46.4	55.9	16.1	na
Corporate income	308.0	387.1	389.2	436.5	491.2	399.7	109.9	6.4
1 year change	27.8	79.1	2.1	47.3	90.0	76.8	35.4	4.2
% change	9.9	25.7	0.6	12.2	22.4	23.8	47.5	183.6
Unincorporated Bus.	139.8	169.4	165.0	138.2	137.1	111.4	21.7	-0.4
1 year change	4.4	29.6	-4.4	-26.8	3.4	3.2	9.5	-2.2
% change	3.2	21.2	-2.6	-16.2	2.6	2.9	77.5	na
Deed taxes*	480.6	445.2	460.9	472.3	518.2	424.2	144.4	62.3
1 year change	89.4	-35.4	16.7	11.4	67.5	46.9	31.2	31.9
% change	22.8	-7.4	3.8	2.5	15.0	12.4	27.5	104.9
Other taxes	610.6	630.9	606.9	610.7	658.7	540.9	241.6	61.7
1 year change	-5.8	20.3	-17.6	3.7	47.5	49.2	26.2	-8.8
% change	-0.9	3.3	-2.8	0.6	7.8	10.0	12.2	-12.4

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

Note: (1) Revenues for the fiscal years 2015 through 2018 are based on the CAFR for those years.

(2) Tax collections data subject to accounting adjustments.

(3) This table and the graphs on the next page may include adjustments to the timing and consistency of collection reporting intended to make comparisons with prior year periods more meaningful. The data may therefore vary from other OCFO reports.

Source: OCFO/ORA na = not meaningful due to negative numbers

Strong growth in tax collections in July

- For the 12 month period ending July total tax collections (before earmarking) were \$586.9 million (7.7%) more than in the prior year. For the last 3 months they were up 13.4% from last year.
- Individual income tax collections were 11.5% above last year for the 12-months ending July and withholding was 6.9% higher. For the past 3 months, total income tax collections were up 11.5% and withholding was up 10.8%.
- General sales tax collections were 5.5% above last year for the 12-months ending July. For the past 3 months, they were 5.9% above last year.
- Deed tax collections for the 12-months ending July were up 15.0% from last year; for the past 3 months they were up 27.5%.
- Corporate income taxes for the 12 months ending July were up 22.4% while unincorporated business income rose 2.6% from last year.

**Total tax collections (before earmarks):
July 2018 to July 2019**



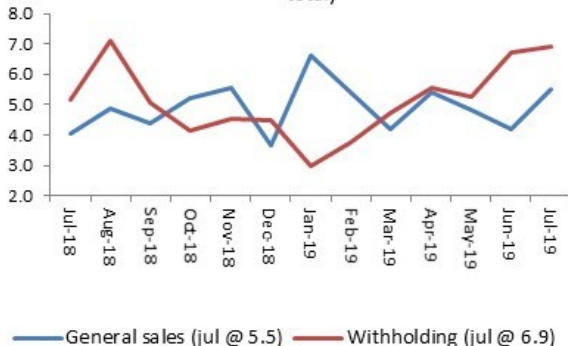
**General Sales tax collections (before earmarks):
July 2018 to July 2019**
(% change from prior year: 3-months and 12-month moving totals)



**Withholding for the Individual Income tax:
July 2018 to July 2019**
(% change from prior year: 3-month and 12-month moving totals)



**General Sales tax and Withholding for the Individual Income tax:
July 2018 to July 2019**
(% change from prior year in the 12-month moving total)



**Deed tax collections (before earmarks):
July 2018 to July 2019**
(% change from prior year: 3-month and 12-month moving totals)



US economic forecasts

Blue Chip real GDP outlook for FY 2019: slower than FY 2018, with additional slowing in FY 2020

- The August Blue Chip Indicators pegs real GDP growth for FY 2019 at 2.4%, falling to 2.0% in FY 2020. Nominal growth falls from 4.5% in FY 2019 to 4.1% in FY 2020.
- CBO's August 2019 Economic and Budget outlook: nominal GDP growth rate of 4.6% in FY 2019 and 4.0% for FY 2020.
- The Blue Chip Indicators August forecast for inflation (CPI): 1.9% in FY 2019 and 2.1% in FY 2020.
- IHS Markit and Moody's Analytics August forecasts expect US Personal Income growth to be between 4.8% and 4.5% in FY 2019 and FY 2020.
- S&P 500 August baseline forecasts: For the 4th quarter of 2019, IHS Markit says the stock market will be 12.3% higher than a year earlier, Moody's says it will be 9.5% higher. By the 4th quarter of 2020, IHS Markit says it will grow another 0.5%, while Moody's expects a 6.8% decline.

Table 33. Forecasts for US nominal and real GDP: FY 2015 through FY 2020
(% change from prior fiscal year)

Fiscal year and date of forecast	real			nominal		
	Moody's			Moody's		
	Blue Chip	Analytics	IHS Markit	Blue Chip	Analytics	IHS Markit
FY 2015 Actual	3.1	3.1	3.1	4.4	4.4	4.4
FY 2016 Actual	1.6	1.6	1.6	5.5	5.5	5.5
FY 2017 Actual	2.1	2.1	2.1	3.9	3.9	3.9
FY 2018 Actual	2.7	2.7	2.7	5.0	5.0	5.0
FY 2019						
May	2.8	2.8	2.8	4.7	4.7	4.7
June	2.7	2.7	2.7	4.6	4.5	4.6
July	2.8	2.8	2.8	4.6	4.7	4.6
August	2.4	2.4	2.4	4.5	4.3	4.4
FY 2020						
April	2.0	1.8	2.1	4.1	3.8	4.3
May	2.0	2.0	2.2	4.1	4.0	4.5
June	1.9	1.9	1.8	4.1	3.7	4.0
July	1.9	1.9	1.9	4.0	3.8	4.2
August	2.0	1.9	2.3	4.1	3.7	4.7

Sources: BEA, Blue Chip Indicators, Moody's Economy.com, and IHS Markit.

Table 34. CBO estimates of US economic indicators: FY 2018 to FY 2021

Indicator	FY 2018	FY 2019	FY 2020	FY 2021
Real GDP (% ch from prior yr.)	2.7	2.7	2.2	1.9
Nominal GDP (% ch from prior yr.)	5.0	4.6	4.0	3.9
Personal Income	4.0	4.4	4.4	4.4
CPI (% ch from prior yr.)	2.4	1.9	2.3	2.5
10 yr. Treasury bond rate	2.7	2.5	2.2	2.4
Unemployment rate	4.0	3.7	3.7	3.8

Source: Congressional Budget Office, An Update to [The Budget and Economic Outlook: 2019 to 2029](#), August 2019

Table 36. Forecasts for S and P 500: 2018.4 to 2020.4

Forecast date	% change from prior year			% change from prior year		
	2018.4	2019.4	2020.4	2018.4	2019.4	2020.4
	IHS Markit			Moody's Analytics		
May	3.3	12.5	6.1	3.3	6.2	-6.2
June	3.3	5.1	4.0	3.3	7.7	-6.2
July	3.3	10.7	2.2	3.3	9.1	-6.5
August	3.3	12.3	0.5	3.3	9.5	-6.8

Source: IHS Markit, Moody's Analytics. Baseline forecasts

Blue Chip Indicators estimate of US Nominal and Real GDP: FY 2013 to FY 2020
(% change from the prior year; August 2019 estimate)

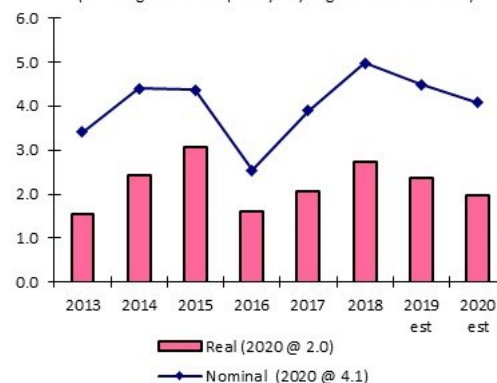


Table 34A. Alternate forecasts of nominal US GDP: FY 2017 to FY 2023
(% change from prior FY)

	2017	2018	2019	2020	2021	2022	2023
IHS Markit	3.9	5.4	4.4	4.7	4.7	4.4	4.2
Moody's Analytics	3.9	5.4	4.3	3.7	3.6	5.1	4.2
CBO	3.9	5.0	4.6	4.0	3.9	3.7	3.7

Source: IHS Markit (Aug.); Moody's Analytics (Aug.); CBO (Aug.)

Table 35. Forecasts for US Personal Income: FY 2018 to FY 2021

Forecast date	fiscal yr				yer			
	2018	2019	2020	2021	2018	2019	2020	2021
	IHS Markit				Moody's Analytics			
May	4.5	4.2	4.6	4.8	4.5	4.4	4.7	3.8
Jun	4.5	4.0	4.4	4.5	4.5	4.1	4.7	3.7
Jul	4.5	4.1	4.6	4.6	4.5	4.1	4.6	4.0
Aug	5.7	4.8	4.8	4.8	5.7	4.8	4.5	3.8

Source: IHS Markit, Moody's Analytics. Baseline forecasts

Table 37. Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2018 to FY 2020

Forecast date	(% change from prior fiscal year)					
	CPI			10 yr Treasury rate		
	2018	2019	2020	2018	2019	2020
May	2.4	1.9	2.2	2.8	2.7	2.8
Jun	2.4	1.9	2.2	2.8	2.6	2.6
Jul	2.4	1.9	2.1	2.8	2.5	2.3
Aug	2.4	1.9	2.1	2.8	2.5	2.1

Source: Blue Chip Indicators

IHS Markit forecasts more jobs and income for DC than Moody's Analytics

●**Jobs:** IHS Markit anticipates DC job growth dips to 4,977 in FY 2019 and then rises to 8,674 in FY 2020 and 7,064 in FY 2021. Moody's has a similar outlook for FY 2019, but only 1,575 net new jobs in FY 2021.

●**Population:** Both anticipate a gradual slowdown in annual population growth; Moody's no longer cuts all net in-migration into DC.

●**Income:** IHS Markit has higher income growth through FY 2022.

●**Apartments and office space.** Delta Associates anticipates that the supply of new Class A apartment space will outpace demand over the next several years, but demand and supply are about equal for new office space.

Table 38. Forecasts of DC jobs and population to FY 2022

	FY	IHS Markit			Moody's Analytics		
		Level	1 yr ch	%ch	Level	1 yr ch	%ch
Jobs	2017	782,867	7,909	1.0	782,875	7,925	1.0
	2018	791,075	8,208	1.0	791,075	8,200	1.0
	2019	796,052	4,977	0.6	795,900	4,825	0.6
	2020	804,726	8,674	1.1	801,950	6,050	0.8
	2021	811,790	7,064	0.9	803,525	1,575	0.2
	2022	816,902	5,112	0.6	807,400	3,875	0.5
Population	2017	694,405	9,382	1.4	694,575	9,350	1.4
	2018	701,607	7,203	1.0	701,700	7,125	1.0
	2019	708,297	6,690	1.0	707,600	5,900	0.8
	2020	714,795	6,498	0.9	713,250	5,650	0.8
	2021	720,825	6,030	0.8	718,825	5,575	0.8
	2022	726,327	5,503	0.8	725,050	6,225	0.9

Source: August baseline forecasts from IHS Markit and Moody's Analytics

Table 39. DC resident jobs, households, and housing starts to FY 2022

	FY	IHS Markit	Moody's Analytics
Resident jobs (1 year change)	2017	6,124	6,125
	2018	5,682	5,700
	2019	3,366	3,275
	2020	7,054	5,250
	2021	6,667	100
	2022	5,207	1,000
Households (1 year change)	2017	56	9,200
	2018	454	3,800
	2019	2,269	3,425
	2020	3,303	4,100
	2021	3,453	3,675
	2022	3,349	4,125
Housing starts	2017	4,361	4,111
	2018	4,814	4,290
	2019	6,763	5,798
	2020	3,965	4,428
	2021	3,064	3,937
	2022	2,571	3,687

Source: August baseline forecasts

Table 40. Forecasts of DC Personal Income to FY 2022

Date of est.	IHS Markit						Moody's Analytics					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
May	4.8	3.7	3.5	3.8	5.5	4.4	4.8	3.7	2.9	2.8	2.9	4.2
Jun	4.8	3.7	3.8	3.8	5.1	4.4	4.8	3.7	2.6	2.6	2.9	4.2
Jul	4.8	3.7	3.4	3.5	4.9	4.1	4.8	3.7	3.5	2.7	2.9	4.2
Aug	4.8	3.7	3.7	3.9	5.6	4.7	4.8	3.7	3.6	2.5	2.7	4.2

Source: Baseline forecasts from IHS Markit and Moody's Analytics

Table 41. August forecasts for employment and Personal Income for DC, the metro area, and the US: FY 2018 to FY 2021

(percent change from prior year)

Indicator	IHS Markit				Moody's Analytics			
	2018	2019	2020	2021	2018	2019	2020	2021
Wage and salary jobs								
DC	1.0	0.6	1.1	0.9	1.0	0.6	0.8	0.2
Metro area					1.1	0.9	1.1	0.2
US	1.6	1.7	1.3	1.1	1.6	1.7	1.1	0.0
Personal Income								
DC	3.7	3.7	3.9	5.6	3.7	3.6	2.5	2.7
Metro area					3.8	3.5	3.6	2.6
US	5.7	4.8	4.8	4.8	5.7	4.8	4.5	3.8

Source: IHS Markit and Moody's Analytics. Baseline forecasts

Table 42. Aug. DC forecasts for wages and unemployment: FY 2018 to FY 2021 (% change from prior year)

	IHS Markit				Moody's Analytics			
	2018	2019	2020	2021	2018	2019	2020	2021
Wages and salaries earned in DC								
	3.2	4.0	4.3	5.3	3.2	4.2	4.2	2.3
DC resident wages and salaries	3.2	3.3	3.6	7.0	3.2	3.9	4.7	3.5
DC Unemployment rate (level)	5.7	5.5	5.2	4.8	5.7	5.5	5.5	5.7

Source: IHS Markit and Moody's Analytics. Baseline forecasts.

Table 43. Delta Associates outlook for Class A apartments in DC and the surrounding metro area: June 2019 to June 2022

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory June 2019					
Inventory (msf)	28,406	68,512	38,903	135,821	20.9
Estimated net activity to June 2022					
new supply (msf)	16,524	12,817	7,880	37,221	44.4
new demand (msf)	11,550	8,800	7,150	27,500	42.0

Source: Delta Associates

Table 44. Delta Associates outlook for Class A commercial office space in DC and the surrounding metro area: June 2019 to June 2021

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory June 2019					
Inventory (msf)	146.4	185.5	85.9	417.8	35.0
Estimated net activity to June 2021					
new supply (msf)	4.2	3.5	3.2	10.9	38.5
new demand (msf)	4.3	3.6	2.7	10.6	40.6

Source: Delta Associates msf = million square feet

DC revenue estimate

The June revenue estimate for FY 2020 and subsequent years was unchanged from February's. FY 2019 tax revenue is now expected to be \$116.6 million higher, but no changes were made for subsequent years due to the possibility that unresolved federal budget issues could adversely affect DC's economy. These issues were resolved by the recent Bipartisan Budget Act of 2019.

- The tax revenue increase (before earmarks) of 4.0% in FY 2018 is estimated to be followed by a 3.1% increase in FY 2019, and a 3.7% increase in FY 2020.
- Real property tax growth of \$80.9 million in FY 2018 accounted for 27.1% of the net increase in taxes for that year. Real property's share of the increase for FY 2019 is 58.9% and for FY 2020 is 24.0%.
- Individual income tax revenue rose 5.5% in FY 2018, and is expected to grow 3.4% in FY 2019 and 4.5% in FY 2020.
- The General sales tax, which grew 5.2% in FY 2018, is estimated to grow 3.9% in FY 2019 and 7.3% in FY 2020.
- Deed taxes grew 2.5% in FY 2018, and are estimated to rise 2.2% in FY 2019 and 2.8% in FY 2020.
- As a % of DC Personal Income, tax revenue is expected to fall slightly from 13.7% in FY 2018 to 13.4% in FY 2020.

Table 45. **DC Tax Revenue (before earmarks) for FY 2018 through FY 2021: February 2019 revenue estimate**

Tax	FY level (\$ million)				Change from prior year (\$ M)				% change from prior year			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
Real property	2,554.2	2,696.8	2,768.9	2,857.5	80.9	142.6	72.0	88.7	3.3	5.6	2.7	3.2
Deed taxes	472.3	482.7	496.2	516.4	11.4	10.5	13.5	20.2	2.5	2.2	2.8	4.1
General sales	1,492.6	1,551.1	1,664.5	1,735.2	73.4	58.6	113.4	70.7	5.2	3.9	7.3	4.2
Individual income	2,066.8	2,136.5	2,232.4	2,319.7	108.6	69.7	95.9	87.3	5.5	3.4	4.5	3.9
Withholding	1,818.2	1,873.6	1,965.3	2,048.5	51.6	55.4	91.8	83.2	2.9	3.0	4.9	4.2
non-withholding	248.7	263.0	267.1	271.1	56.9	14.3	4.1	4.1	29.7	5.8	1.6	1.5
Business income	574.7	540.4	554.0	564.1	20.5	-34.3	13.6	10.0	3.7	-6.0	2.5	1.8
Other	610.7	605.9	597.4	602.4	3.7	-4.8	-8.5	5.0	0.6	-0.8	-1.4	0.8
Total	7,771.3	8,013.5	8,313.4	8,595.3	298.5	242.2	299.8	281.9	4.0	3.1	3.7	3.4

Source: ORA. Feb. 28, 2019 revenue estimate. Deed taxes include economic interest. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues. FY 2018 is from the CAFR.

Table 46. **DC population and employment: FY 2018 to FY 2021**

item	2018	2019	2020	2021
Wage and salary employment	794,792	798,647	804,643	810,300
1 year change	6,217	3,856	5,995	5,658
% change	0.8	0.5	0.8	0.7
DC population	701,610	707,155	713,873	721,277
1 year change	7,206	5,545	6,717	7,404
% change	1.0	0.8	0.9	1.0
Unemployment rate	5.7	5.6	5.5	5.4

Source: ORA February 2019 revenue estimate.

Table 47. **DC Income and stock market assumption**

item	FY 2017 to FY 2020 (% change from prior year)			
	2018	2019	2020	2021
Wages and salaries earned in DC	3.0	2.9	3.6	3.8
Wages and salaries earned by DC residents	3.1	3.5	4.1	4.3
DC Personal income	3.6	4.3	4.5	4.4
S and P 500 stock index	3.6	3.1	3.1	3.1

Source: ORA February 2019 revenue estimate. Stock index, on a CY basis, represents the % ch. from the December quarter of the prior yr.

Table 48. **DC tax revenue (before earmarks) and DC Personal Income: FY 2012 to FY 2021**

item	2012	2013	2014	2015	2016	2017	2018	2019 est	2020 est	2021 est	
Tax revenue (\$ million)											
Level		5,853	6,100	6,290	6,917	7,234	7,473	7,771	8,014	8,313	8,595
Change from prior year		528	247	189	627	317	239	298	242	300	282
Percent change from prior year											
Tax revenue		9.9	4.2	3.1	10.0	4.6	3.3	4.0	3.1	3.7	3.4
Personal Income		4.6	2.7	5.0	7.8	4.6	4.8	3.6	4.3	4.5	4.4
Tax revenue as percent of Personal Income											
		13.6	13.8	13.5	13.8	13.8	13.6	13.7	13.5	13.4	13.3

Source: ORA. February 2019 revenue estimate. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

Changes in DC’s Personal income over the past three years and additional information on both proprietors’ income and transfer payments over the past two decades are discussed below.

Change in Personal Income over the past three years. From 2016.1 to 2019.1 DC’s Personal Income grew 12.7%. This rate of growth was a little faster than the US average (which was 12.0%) only because proprietors’ income in DC far outpaced the national average.

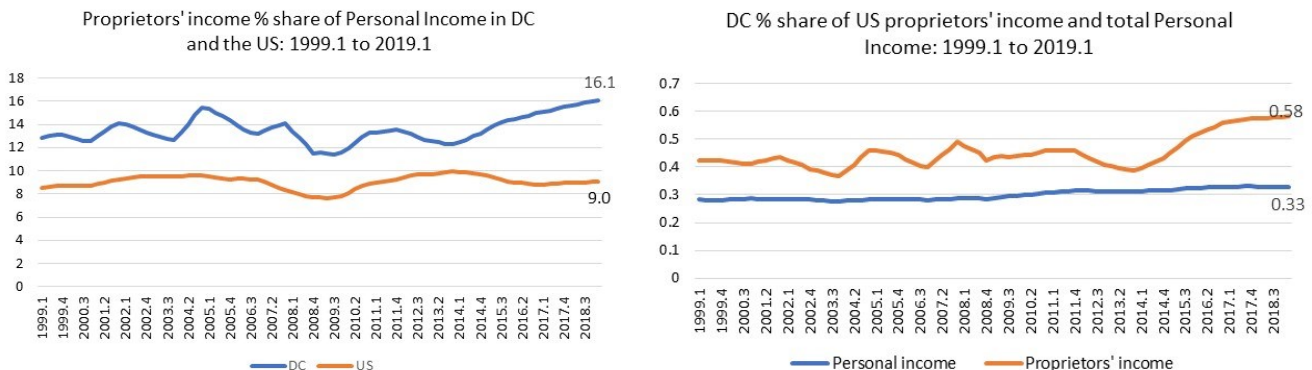
- Proprietors’ income in DC grew 25.2% and accounted for 28.6% of all income growth in DC.
- All other income components in DC grew more slowly than the 12.7% average for total DC Personal Income and less than half the rate of proprietors’ income.
- In the US, proprietors’ income grew at the about the same rate as the other income components over the past three years, and accounted for 9.3% of all income growth.
- In the past 3 years, transfers in DC grew more slowly than total Personal Income and accounted for 10% of the increase in all income. In that time transfers nationally grew at about the same rate as total Personal Income and accounted for 17 % of all income gains.

% change from 2016.1 to 2019.1 in DC and US Personal Income			Component share of Personal Income growth from 2016.1 to 2019.1 in DC and the US				
Component	DC	US	DC		US		
			% of total income in 2016.1	% of change from 2016.1 to 2019.1	% of total income in 2016.1	% of change from 2016.1 to 2019.1	
Salaries and benefits	10.9	11.8	54.9	47.0	54.0	53.0	
Proprietors' income	25.2	12.4	14.5	28.6	9.0	9.3	
Property income	9.9	12.5	18.5	14.4	19.9	20.7	
Transfer payments	10.6	11.9	12.0	10.0	17.1	17.0	
total	12.7	12.0	100.0	100.0	100.0	100.0	

Source: BEA (calculated from 12-month avg.)

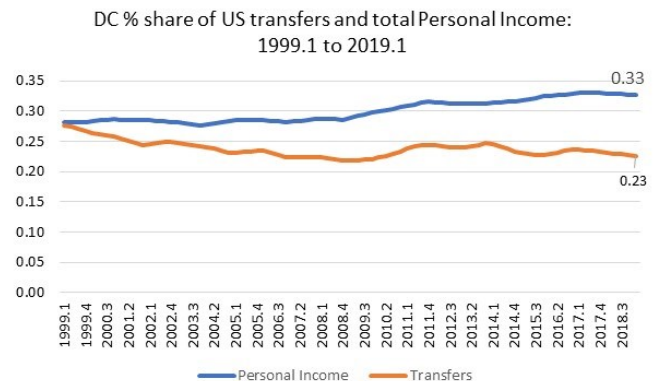
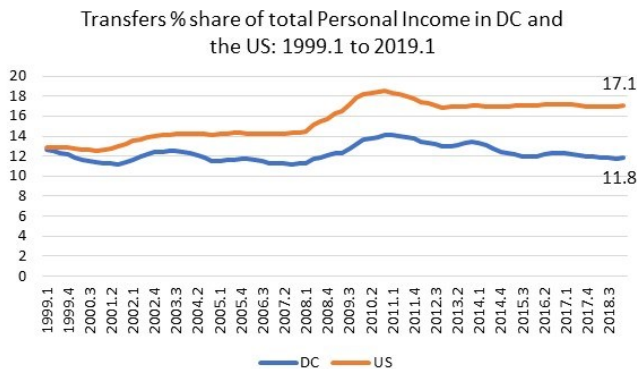
See the appendix table for additional detail.

Proprietor’s income. The relatively large share of Personal Income accounted for by proprietors’ income is a part of the structure of the DC economy. Going back 20 years, for example, DC’s share was 12.8% and the US share was 8.5%. Proprietors’ income as a share of all Personal Income fell during the Great Recession period of 2007 to 2009 in both DC and the US, and the gap between the shares of income narrowed following the recession. Since 2014, however, proprietors’ income in DC has grown faster than in the US, and the difference between the shares of total Personal Income in DC and the US has grown significantly.



BEA estimates proprietors’ income principally from federal tax returns filed by sole proprietors and partnerships. (See the “about the data” section below.) The reported data does not identify the industries which generate the income. However, legal services, an industry which includes many partnerships, suggests an example of why proprietors’ income is the source of a relatively high proportion of DC’s Personal Income. For the US as a whole, legal services accounts for 1.5% of all value added in the private sector. In DC, legal services accounts for a much larger share —13.9%—of all value added in the private sector.

Transfer payments. Transfer payments consist entirely of government sponsored programs such as social security, Medicare, Medicaid, and unemployment insurance. In the final quarter of 1999 the transfer payment share of personal income was almost the same in DC and the US (about 12%). The transfer share of Personal Income then began to rise slowly in the US but stayed about the same in DC. The Great Recession brought an increase in the transfer share in both DC and the US as wage growth slowed and unemployment benefits increased. The DC share reached a high of 14.1% at the beginning of 2011. The transfer share has subsequently fallen below where it was in 1999. In recent years, DC's share of US transfer payments fell, while DC share of US Personal Income rose.



The composition of transfer payments in DC differs from the US in two principal ways: more Medicaid, and less social security and Medicare.

- As a percentage of all transfers the Medicaid share in DC is more than twice that in the US: 41.0% in DC compared to 20.0% in the nation as a whole. The \$2.81 billion in Medicaid payments in DC in 2019.1 exceeded social security and Medicare combined. The relatively large Medicaid amount in part is due to higher poverty in DC; DC's poverty rate is 20% higher than the US (14.9% v 12.3%). It also reflects other program characteristics, such as cost and eligibility criteria. DC's share of the national Medicaid program was 0.51% in 1999.1 and was as high as 0.54% in 2012.1, but has declined subsequently to 0.46% by 2019.1.

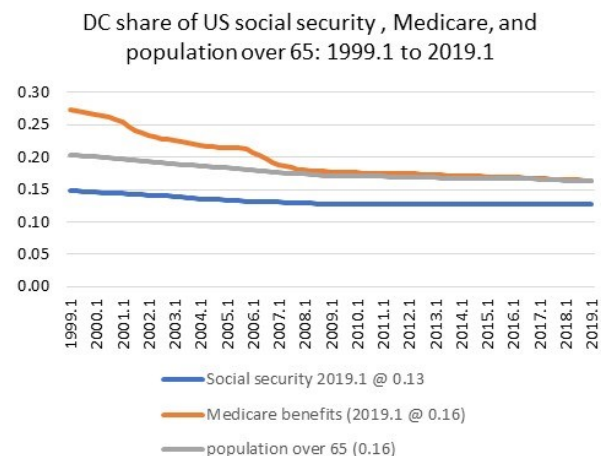
Personal current transfers in DC and the US: 2019.1

	DC		US
	\$ billion	% of total	% of total
Social Security benefits	1.26	18.4	32.6
Medicare benefits	1.23	18.0	24.8
Medicaid	2.81	41.0	20.0
State unemployment ins.	0.04	0.5	0.8
All other transfers	1.51	22.1	21.7
Total transfers	6.85	100.0	100.0

Source: US Bureau of Economic Analysis. Data are 12-month averages.

- Social security and Medicare are smaller shares of DC's Personal Income than is true nationally, and the shares have declined over the past two decades. Demographics are a major reason: over the past 20 years DC's share of the nation's population over 65 has been declining. Also many retired government workers who were covered under the old Civil Service Retirement System receive reduced social security or no benefit at all. (All federal retirees are eligible for Medicare.)

—Stephen Swaim, DC Office of Revenue Analysis



DC income

Appendix table. Personal Income in DC and the US: change from 2016.1 to 2019.1

	DC						US			
	Level (\$ billion)		Change from 2016.1 to 2019.1		% of total income in 2019.1	% of total change from 2016.1 to 2019.1	% change from 2016.1 to 2019.1	% of total income in 2019.1	% of total change from 2016.1 to 2019.1	
	2016.1	2019.1	\$ billion	% change	2019.1	2019.1	2019.1	2019.1	2019.1	
Salaries and benefits	28.28	31.36	3.08	10.9	54.0	47.0	11.8	53.9	53.0	
Proprietors' income	7.46	9.34	1.88	25.2	16.1	28.6	12.4	9.0	9.3	
Property income	9.55	10.49	0.94	9.9	18.1	14.4	12.5	20.0	20.7	
Transfer payments	6.19	6.85	0.66	10.6	11.8	10.0	11.9	17.1	17.0	
Total	51.48	58.03	6.55	12.7	100.0	100.0	12.0	100.0	100.0	

Source: US Bureau of Economic Analysis. Data are 12-mo. avg.

About the data. Personal Income is compiled quarterly by the US Bureau of Economic Analysis (BEA). The information here is from first quarter of 2019, released on June 28, 2019. All income calculations are 12-month averages for the dates shown. Supplemental information on the share of private sector value added originating in legal services is from BEA state GDP for 2017. Demographic information regarding age groups in DC and the US is from Moody's Analytics.

The following is from BEA's explanation of the proprietors' income portion of Personal Income which was posted on its web site on September 25, 2018.

Proprietors' income with inventory valuation and capital consumption adjustments is the current-production income of sole proprietorships, partnerships, and of tax-exempt cooperatives. A sole proprietorship is an unincorporated business required to file Schedule C of IRS Form 1040 (Profit or Loss from Business) or Schedule F (Profit or Loss from Farming). A partnership is an unincorporated business association required to file Form 1065 (U.S. Return of Partnership Income). A tax-exempt cooperative is a nonprofit business organization that is collectively owned by its customer-members. Proprietors' income includes corporate directors' fees, but it excludes the dividends and the monetary interest that are received by nonfinancial sole proprietorships and partnerships, and the rental income received by persons not primarily engaged in the real estate business.¹

National estimates of the income of nonfarm sole proprietorships and partnerships are based on tabulations of Internal Revenue Service (IRS) tax returns: (1) "net profit or (loss)" reported on Schedule C of Form 1040 for sole proprietorships; (2) "ordinary business income (loss)" from Form 1065 for partnerships; and (3) "net rental real estate income (loss)" plus "other net rental income (loss)" from Schedule K of Form 1065.² Collectively, these amounts are referred to as net profits. Because these data do not always reflect the income earned from current production and because they are incomplete, the estimates also include three major adjustments—the inventory valuation adjustment (IVA), the capital consumption adjustment (CCAdj), and the misreporting adjustment.³

The IVA removes the effects of gains and losses that result from changes in the prices of products withdrawn from inventories.

The capital consumption adjustment represents the difference between capital consumption allowances (depreciation on the historical-cost basis used in the source data) and the consumption of fixed capital (depreciation valued on a replacement-cost basis and the effects of the accidental destruction of depreciable plant and equipment).

The misreporting adjustment is an estimate of the net income of sole proprietors and partnerships that is not reported on tax returns. This adjustment accounted for 47 percent of nonfarm proprietors' income in 2017.

Like the national estimates, the state estimates are based on data tabulated from Schedule C of Form 1040 and from Form 1065. The geographic coding of the data is by tax-filing address. This address is assumed to be the same as the address of the place of residence.

¹ The dividends are included in personal dividend income, the monetary interest is included in personal interest income, and the rental income is included in rental income of persons. See Chapter V Dividends, Interest, and Rent.

² The net profit or (loss) reported on Schedule C of Form 1040 includes corporate directors' fees.

³ Estimates of the IVA and CCAdj are in NIPA table 1.13 and an estimate of the misreporting adjustment is in NIPA table 7.14

ORA reports and documents. From time to time the Office of Revenue Analysis prepares revenue estimates, fiscal impact statements on pending legislation, reports, and other documents on subjects related to DC 's economy and taxes. These documents are posted on the OCFO web site (www.cfo.dc.gov) under subcategories of "Reports and Publications" and "Budget and Revenue."

District, Measured. Information on the economic and demographic trends taking shape in the city can be found on the ORA Blog, District, Measured (districtmeasured.com). You can sign up at the blog page to receive updates as new articles are posted.

Recent ORA reports:

June revenue estimate. June 28, 2019.

DC Tax Facts, 2018. Details on all DC taxes.

Tax Rates and Tax Burdens 2017 Nationwide. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of state and local taxes in the principal cities in all 50 states.

Tax Rates and Tax Burdens 2017 Washington Metropolitan Area. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of the surrounding jurisdictions in the DC metropolitan area.

Briefing documents. A series with information related to DC's economy and taxes.

Review of economic development tax expenditures. November 2018. Comprehensive description and analysis of DC tax expenditures related to economic development incentives.

About this report. *District of Columbia Economic and Revenue Trends* is generally issued toward the end of every month. Employment and most other DC information reported on a monthly basis is from one to two months prior to the *Trends* date. 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 *Budget and Revenue/Economy/ Economic and Revenue Trends*).

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	June/July	September 20
D.C. Personal Income	BEA	2019.1	September 24
D.C. Tax Collections	OTR/ORA	July	c. September 15
D.C. Housing Sales	MarketStats by ShowingTime*	July	c. September 10
D.C. Commercial Office Building data	CoStar and Delta	2019.2	c. October 10
DC Apartment data	CoStar and Delta	2019.2	c. October 10
D.C. Hotel stay information	Smith Travel Research	July	c. September 20
Consumer Price Index	BLS	July	September 12
U.S. Jobs and Labor Force	BLS	June/July	September 6
U.S. GDP and Personal Income	BEA	2019.2	September 26
S and P 500 Stock Index	FRED (St. Louis Fed Reserve)	July	September 1
Interest rate on 10-Year Treasury Securities	FRED (St. Louis Fed Reserve)	June	September 1
IHS Markit D.C. forecast	IHS Markit	August	c. September 20
Moody's Analytics D.C. forecast	Moody's Analytics	August	c. September 20
Blue Chip Economic Indicators for the U.S.	Wolters Kluwer	July	c. August 10

*Accessed through Bright MLS & the Greater Capital Area Association of Realtors.

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.

*Fitzroy Lee, Deputy Chief Financial Officer and Chief Economist
Office of Revenue Analysis
1101 4th St., SW, Suite W770
Washington D.C. 20024
202-727-7775*