

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



**Natwar M. Gandhi**  
Chief Financial Officer

December 19, 2008

The Honorable Adrian M. Fenty  
Mayor of the District of Columbia  
1350 Pennsylvania Avenue, NW – 6<sup>th</sup> Floor  
Washington, DC 20004

The Honorable Vincent C. Gray  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW – Suite 504  
Washington, DC 20004

Dear Mr. Mayor and Chairman Gray:

This letter certifies, as of December 2008, revenue estimates for the FY 2009-2013 District of Columbia Budget and Financial Plan. The FY 2009 revenue is now estimated to be \$5,305.1 million, \$127.1 million less than the estimate in September. For FY 2010, total non-dedicated Local Fund revenues are estimated to be \$5,375.9 million, which is \$303.8 million less than the estimate that was certified in September. Table 1 below compares the current revenue estimate to the previous estimate.

**Table 1: December 2008 revenue estimate compared to previous estimate**

<b>Local Source, General Fund Revenue Estimate</b>					
<b>(\$ millions)</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Revenue estimate of September 2008</b>	<b>5,432.2</b>	<b>5,679.7</b>	<b>5,950.7</b>	<b>6,240.2</b>	<b>6,216.9</b>
Change from previous estimate	(127.1)	(303.8)	(330.4)	(327.5)	-
<b>December 2008 revised estimate</b>	<b>5,305.1</b>	<b>5,375.9</b>	<b>5,620.3</b>	<b>5,912.7</b>	<b>6,216.9</b>
<i>Percent growth over previous year</i>	<i>-0.1%</i>	<i>1.3%</i>	<i>4.5%</i>	<i>5.2%</i>	<i>5.1%</i>

**Overview**

The September estimate was made a week after the collapse of Lehman Brothers and, as a result, assumed a recession for the District in FY 2009 with a recovery starting in the third quarter of that fiscal year. In particular, the September estimate assumed a steep decline in taxes from capital gains as the stock market fell. Since the September revenue estimate was certified, the national economic picture has deteriorated further, with implications for the District of Columbia's economy. In the 2 ½ months since October 1, for example, the stock market has fallen 27.4%, rather than the 4.8% decline for the last quarter of CY 2008 assumed in September.

The U.S. economy was also officially declared to be in recession as wage and salary employment has continued to fall and the national unemployment rate has risen. By all accounts, credit markets have continued to deteriorate despite considerable efforts by the U.S. Treasury and the Federal Reserve to stimulate corporate and other lending.

In view of the deterioration in the national economic outlook since September, the December revenue estimate assumes a deeper recession for the District's economy in FY 2009 that will continue into FY 2010, with significant recovery beginning only in the last half of FY 2010. What this means for the District is that revenue in FY 2010 will be more severely impacted than the September revenue estimate anticipated, since that estimate assumed that recovery would start in FY 2009. The drying up of credit since September has hit revenue from the District's real estate sector particularly hard because much of D.C.'s major real estate transactions are financed in national markets. This has accelerated a downturn in revenue from deed taxes and the unincorporated business tax (which is mainly paid by firms in the real estate sector) that was already underway. So in addition to lower revenue from capital gains taxes, one of the highlights of the December revenue estimate is sharply lower revenue from the deed taxes and the unincorporated business tax.

### **Current Economic Conditions**

#### *The US Economy*

The US economy has been in recession for a year and the country is in the midst of the worst financial crisis since the Great Depression. Right now, uncertainty dominates the economic outlook for the US and all industrial countries.

- For the quarter ending in September, U.S. real GDP was down on a seasonally adjusted basis by 0.5% from June. At the beginning of December, the National Bureau of Economic Research declared that the U.S. economy was officially in recession and had been since December 2007.
- The S & P 500 stock index for November was 9% less than a month earlier, and down about 40% from a year ago.
- U.S. wage and salary employment declined on a seasonally adjusted basis in November for the 11th month in a row. There were about 2 million (1.5%) fewer people working in November than a year earlier. The national unemployment rate increased to 6.7% in November, up from 6.5% in October.
- According to the National Association of Realtors, housing prices of existing homes declined 11.3% in October from a year earlier along with a 3.1% decline in the number of homes sold in that month (a large number of which were reported to be from foreclosure sales).

### *The District Economy*

Although the District's job market has been faring better than the national one, unemployment is rising sharply, the housing market and the value of all real estate transactions remain quite weak, and growth in some tax collections has slowed.

- Wage and salary employment in D.C. has outpaced both the suburbs and the US as a whole over the past year. In October, jobs located in D.C. were up 10,600 (1.5%) over the past year, compared with 1.1% in the suburbs and a decline of 0.9% in the U.S. Gaining sectors in D.C. include the federal government, but over the past 3 months over 40% of the gain has been in education and health.
- In October, resident employment fell from a year earlier for the first time in over 4 years. In October 2008 there were 2,200 (0.7%) fewer DC residents employed than in October 2007. Unemployment in October was 38.5% higher than a year earlier--the unemployment rate rose to 7.5%, as the labor force continued to increase while the number of employed declined.
- Single family housing sales were 9.8% lower in November than a year ago, and condo sales were 36.1% lower. In November, the average sales price of single family homes was down 1.0% from a year earlier, while condo prices were up 2.7%.
- Commercial real estate vacancies were 6.6% in September (including sublets), down slightly from 6.7% in June. This is excellent by national standards, but there are 10.6 million square feet under construction; Delta Associates expects the DC vacancy rate to rise to about 10% or 11% in 2 years.
- In December the market value of property subject to the Deed Transfer or Economic Interest taxes was down 63.6% from a year ago, and the decline for the past 3-month period was 71.3%.
- Hotel revenues were down 4.7% in October compared to a year earlier, the consequence of a 3.2% decrease in nights sold and a 1.6% decrease in average rates. In September, total number of airline passengers at the three Washington area airports was down 6.5% from the prior year.
- For the 3-month period ending in November, sales taxes before earmarking were down 2.4% from the same period of 2007, and collections for all deed taxes (deed recordation, deed transfer, and economic interest taxes) before earmarking were down 59.3%.

## Economic Assumptions

As noted, the December revenue estimate assumes that a deep recession will occur in FY 2009 and continue into FY 2010, with significant recovery from the prior year beginning to occur only in the last half of FY 2010. The September estimate assumed a shorter, milder recession along with substantial recovery in FY 2010. Estimating assumptions for the December revenue estimate for FY 2009 and FY 2010, respectively, include:

- Change in total jobs located in D.C. of 0.6% in FY 2009 and -0.3% in FY 2010.
- Change in D.C. resident employment of -1.5% in FY 2009 and -0.5% in FY 2010.
- An increase in D.C. personal income (wages, property, and transfer payments but not including capital gains) of 2.7% in FY 2009 and 2.1% percent in FY 2010.
- A decline in the S&P 500 of 41.0% in the final quarter of CY 2008 compared to the same quarter of CY 2007, and a further 3.7% decrease in the final quarter of CY 2009.
- A decline in the number of home sales of 10.8% in 2009 and an increase of 8.8% in 2010.
- Average home sale price decline of 2.0% in 2009 and an increase of 4.3% in FY 2010.

### CHANGE IN KEY ECONOMIC VARIABLES FOR FY 2009: COMPARISON OF ASSUMPTIONS FOR THE SEPTEMBER AND DECEMBER REVENUE ESTIMATES

(All variables shown as percent change from FY 2008 to FY 2009)

Variable	September estimate	December (current) estimate
Nominal GDP for DC	2.4	0.6
Real GDP for DC	-0.4	-0.9
DC Personal income	2.6	2.7
Wages earned in DC	2.7	3.2
Wages earned by DC residents	2.8	2.4
Number of wage and salary jobs in DC	-0.2	0.6
Number of households in DC	0.3	0.5
DC resident employment	-0.8	-1.5
DC unemployment rate	6.8	8.5
S & P 500 stock index*	-19.2	-41.0

\* Percent change from the final quarter of CY 2007 to the final quarter of CY 2008. The change in CY 2008 affects taxes collected in FY 2009.

**CHANGE IN KEY ECONOMIC VARIABLES FOR FY 2010: COMPARISON OF ASSUMPTIONS FOR THE DECEMBER AND DECEMBER REVENUE ESTIMATES**

(All variables shown as percent change from FY 2009 to FY 2010)

Variable	September estimate	December (current) estimate
Nominal GDP for DC	3.5	0.8
Real GDP for DC	1.3	0.1
DC Personal income	4.4	2.1
Wages earned in DC	3.5	1.5
Wages earned by DC residents	4.7	2.0
Number of wage and salary jobs in DC	0.6	-0.3
Number of households in DC	0.3	0.7
DC resident employment	0.6	-0.5
DC unemployment rate	6.7	9.8
S & P 500 stock index*	9.4	-3.7

\*Percent change from the final quarter of CY 2008 to the final quarter of CY 2009. The change in CY 2009 affects taxes collected in FY 2010.

If you have any questions regarding this matter, please contact me on (202) 727-0065.

Sincerely,



Natwar M. Gandhi

*Enclosures*

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Deborah K. Nichols, District of Columbia Auditor  
Eric Goulet, Budget Director, Council of the District of Columbia

# FY 2008 - FY 2013 Revenue Actuals, Estimates and Projections

(thousands of dollars)

Revenue Source	FY 2008 Dec-08 Actual (Preliminary)	FY 2009 Dec-08 Proj.	FY 2010 Dec-08 Proj.	FY 2011 Dec-08 Proj.	FY 2012 Dec-08 Proj.	FY 2013 Dec-08 Proj.
Real Property	1,666,524	2,010,362	2,125,268	2,264,172	2,435,687	2,606,472
<i>Transfer to TIF</i>	(6,131)	(16,594)	(19,182)	(27,920)	(37,004)	(37,004)
Real Property (net)	1,660,393	1,993,768	2,106,086	2,236,252	2,398,683	2,569,468
Personal Property	59,323	61,920	63,623	65,213	66,844	68,515
<i>Transfer to Neighborhood Investment Fund</i>	(9,875)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Personal Property (net)	49,448	51,920	53,623	55,213	56,844	58,515
<b>Total Property</b>	<b>1,709,841</b>	<b>2,045,688</b>	<b>2,159,708</b>	<b>2,291,466</b>	<b>2,455,526</b>	<b>2,627,982</b>
General Sales	1,001,782	1,009,637	1,032,628	1,081,645	1,131,435	1,182,809
<i>Transfer to convention center</i>	(90,145)	(90,197)	(93,985)	(98,027)	(102,242)	(106,638)
<i>Transfer to TIF</i>	(16,748)	(19,353)	(20,381)	(24,049)	(44,318)	(43,645)
<i>Transfer to DDOT capital (parking tax)</i>	(30,000)	(26,112)	(27,389)	(30,378)	(31,393)	(32,433)
<i>Transfer to Ballpark Fund</i>	(10,239)	(12,400)	(12,400)	(12,400)	(12,400)	(12,400)
<i>Transfer to School Modernization Fund</i>	(100,000)	(106,000)	(112,360)	(119,102)	(130,279)	(138,308)
General Sales (net)	754,650	755,574	766,114	797,690	810,804	849,385
Alcohol	5,190	5,122	5,057	4,995	4,934	4,876
Cigarette	23,899	46,950	44,179	43,059	41,967	41,190
Motor Vehicle	40,160	41,293	42,978	44,731	46,556	39,466
Motor Fuel Tax	26,938	27,665	28,412	29,179	29,967	29,967
<i>Transfer to Highway Trust Fund</i>	(26,938)	(27,665)	(28,412)	(29,179)	(29,967)	(29,967)
<b>Total Sales</b>	<b>823,899</b>	<b>848,939</b>	<b>858,328</b>	<b>890,474</b>	<b>904,261</b>	<b>934,918</b>
Individual Income	1,349,116	1,193,663	1,151,669	1,191,159	1,261,871	1,321,463
Corp. Franchise	286,239	237,264	252,121	282,428	309,104	326,220
U. B. Franchise	126,891	107,822	124,395	143,020	159,873	173,257
<b>Total Income</b>	<b>1,762,246</b>	<b>1,538,750</b>	<b>1,528,186</b>	<b>1,616,607</b>	<b>1,730,848</b>	<b>1,820,939</b>
Public Utility	143,806	143,968	144,104	144,219	144,314	144,395
<i>Transfer to Ballpark Fund</i>	(9,114)	(8,520)	(8,528)	(8,534)	(8,540)	(8,545)
Public Utility (net)	134,692	135,449	135,577	135,684	135,774	135,850
Toll Telecommunications	63,182	63,254	63,254	63,271	63,286	63,297
<i>Transfer to Ballpark Fund</i>	(2,421)	(2,363)	(2,363)	(2,364)	(2,364)	(2,365)
Toll Telecommunications (net)	60,761	60,890	60,890	60,907	60,921	60,932
Insurance Premiums	58,873	77,056	91,070	91,070	91,070	91,070
<i>Transfer to Healthy DC Fund</i>	(5,960)	(16,142)	(28,508)	(28,508)	(28,508)	(28,508)
Insurance Premiums (net)	52,913	60,914	62,562	62,562	62,562	62,562
Healthcare Provider Tax	11,000	11,000	11,000	11,000	11,000	11,000
<i>Transfer to Nursing Facility Quality of Care Fund</i>	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)
Baseball gross receipts tax	23,930	18,484	18,484	18,484	18,484	18,484
<i>Transfer to Ballpark Fund</i>	(23,930)	(18,484)	(18,484)	(18,484)	(18,484)	(18,484)
<b>Total Gross Receipts</b>	<b>248,366</b>	<b>257,253</b>	<b>259,029</b>	<b>259,153</b>	<b>259,258</b>	<b>259,344</b>
Estate	65,742	68,398	60,000	60,000	60,000	60,000
Deed Recordation	123,786	83,024	67,747	64,258	66,057	69,195
<i>Transfer to HPTF</i>	(18,568)	(12,454)	(10,162)	(9,639)	(9,909)	(10,379)
<i>Transfer to Comp. Housing Strategy Fund</i>	(11,380)	-	-	-	-	-
Deed Recordation (net)	93,838	70,570	57,585	54,620	56,149	58,816
Deed Transfer	100,925	63,986	50,716	46,692	47,472	49,086
<i>Transfer to HPTF</i>	(15,139)	(9,598)	(7,607)	(7,004)	(7,121)	(7,363)
<i>Transfer to Comp. Housing Strategy Fund</i>	(9,049)	-	-	-	-	-
Deed Transfer (net)	76,738	54,388	43,108	39,688	40,351	41,723
Economic Interests	54,000	32,955	21,091	10,545	10,545	10,545
<b>Total Other Taxes</b>	<b>290,318</b>	<b>226,312</b>	<b>181,784</b>	<b>164,853</b>	<b>167,045</b>	<b>171,084</b>
<b>TOTAL TAXES NET OF DEDICATED TAXES</b>	<b>4,834,671</b>	<b>4,916,942</b>	<b>4,987,036</b>	<b>5,222,553</b>	<b>5,516,938</b>	<b>5,814,268</b>
Licenses & Permits	71,754	77,014	59,134	62,868	76,283	79,293
Fines & Forfeits	105,767	103,569	104,571	120,186	105,414	104,646
Charges for Services	45,242	46,442	51,757	48,592	44,247	47,097
Miscellaneous	180,630	94,148	96,374	98,095	99,789	101,628
<b>TOTAL NON-TAX</b>	<b>403,393</b>	<b>321,173</b>	<b>321,836</b>	<b>327,741</b>	<b>325,733</b>	<b>332,665</b>
Lottery/Interfund Transfer	70,000	67,000	67,000	70,000	70,000	70,000
<b>TOTAL REVENUE NET OF DEDICATED TAXES</b>	<b>5,308,064</b>	<b>5,305,115</b>	<b>5,375,872</b>	<b>5,620,294</b>	<b>5,912,671</b>	<b>6,216,932</b>

## FY 2008 - FY 2013 Growth Rates by Revenue Source

Revenue Source	FY 2007 Dec-08 Actual	FY 2008 Dec-08 Actual	FY 2009 Dec-08 Proj.	FY 2010 Dec-08 Proj.	FY 2011 Dec-08 Proj.	FY 2012 Dec-08 Proj.	FY 2013 Dec-08 Proj.
Real Property	25.6%	15.0%	20.6%	5.7%	6.5%	7.6%	7.0%
<i>Transfer to TIF</i>	208.5%	20.3%	170.7%	15.6%	45.6%	32.5%	0.0%
Real Property (net)	25.3%	15.0%	20.1%	5.6%	6.2%	7.3%	7.1%
Personal Property	2.9%	-12.0%	4.4%	2.8%	2.5%	2.5%	2.5%
<i>Transfer to Neighborhood Investment Fund</i>	0.3%	-1.3%	1.3%	0.0%	0.0%	0.0%	0.0%
Personal Property (net)	3.3%	-13.8%	5.0%	3.3%	3.0%	3.0%	2.9%
Public Space Rental	45.2%	-20.6%	1.6%	1.5%	1.5%	1.5%	1.5%
<i>Transfer to DDOT</i>	45.2%	-20.6%	1.6%	1.5%	1.5%	1.5%	1.5%
<b>Total Property</b>	<b>24.3%</b>	<b>13.9%</b>	<b>19.6%</b>	<b>5.6%</b>	<b>6.1%</b>	<b>7.2%</b>	<b>7.0%</b>
General Sales	5.6%	4.4%	2.1%	2.2%	4.5%	4.6%	4.5%
<i>Transfer to convention center</i>	4.5%	8.2%	0.1%	4.2%	4.3%	4.3%	4.3%
<i>Transfer to TIF</i>	22.9%	17.9%	15.6%	5.3%	18.0%	84.3%	-1.5%
<i>Transfer to DDOT capital (parking tax)</i>	10.4%	-19.1%	29.4%	2.0%	2.5%	2.5%	2.5%
<i>Baseball sales tax</i>	-4.5%	23.7%	21.1%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to School Modernization Fund</i>	-	0.0%	6.0%	6.0%	6.0%	9.4%	6.2%
General Sales (net)	-7.5%	5.2%	0.1%	1.4%	4.1%	1.6%	4.8%
Alcohol	1.6%	0.8%	-1.3%	-1.3%	-1.2%	-1.2%	-1.2%
Cigarette	-7.8%	12.7%	96.5%	-5.9%	-2.5%	-2.5%	-1.8%
Motor Vehicle Excise	2.8%	-8.1%	2.8%	4.1%	4.1%	4.1%	-15.2%
Motor Fuel Tax	7.3%	0.6%	2.7%	2.7%	2.7%	2.7%	0.0%
<i>Transfer to Highway Trust Fund</i>	7.3%	0.6%	2.7%	2.7%	2.7%	2.7%	0.0%
<b>Total Sales</b>	<b>-7.0%</b>	<b>4.7%</b>	<b>3.0%</b>	<b>1.1%</b>	<b>3.7%</b>	<b>1.5%</b>	<b>3.4%</b>
Individual Income	6.5%	2.7%	-11.5%	-3.5%	3.4%	5.9%	-4.7%
Corp. Franchise	18.7%	12.0%	-17.1%	6.3%	12.0%	9.4%	5.5%
U.B. Franchise	17.1%	-24.0%	-15.0%	15.4%	15.0%	11.8%	8.4%
<b>Total Income</b>	<b>9.1%</b>	<b>1.5%</b>	<b>-12.7%</b>	<b>-0.7%</b>	<b>5.8%</b>	<b>7.1%</b>	<b>5.2%</b>
Public Utility	5.6%	-12.2%	0.1%	0.1%	0.1%	0.1%	0.1%
<i>Transfer to Ballpark Fund</i>	1.4%	-13.2%	-6.5%	0.1%	0.1%	0.1%	0.1%
Public Utility (net)	5.9%	-12.1%	0.6%	0.1%	0.1%	0.1%	0.1%
Toll Telecommunications	4.3%	7.0%	0.1%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Ballpark Fund</i>	11.2%	6.0%	-2.4%	0.0%	0.0%	0.0%	0.0%
Toll Telecommunications (net)	4.1%	7.0%	0.2%	0.0%	0.0%	0.0%	0.0%
Insurance Prems.	6.8%	7.0%	3.5%	2.7%	0.0%	0.0%	0.0%
Healthcare Provider Tax	36.1%	-11.2%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Healthcare Provider Tax</i>	36.1%	-11.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer to Nursing Facility Quality of Care Fund	56.0%	-3.8%	-22.8%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Ballpark Fund</i>	56.0%	-3.8%	-22.8%	0.0%	0.0%	0.0%	0.0%
<b>Total Gross Rec.</b>	<b>5.7%</b>	<b>-6.3%</b>	<b>3.6%</b>	<b>0.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Estate	60.1%	21.2%	4.0%	-12.3%	0.0%	0.0%	0.0%
Deed Recordation	14.8%	-45.4%	-32.9%	-18.4%	-5.2%	2.8%	4.8%
<i>Transfer to HPTF</i>	21.9%	-46.5%	-32.9%	-18.4%	-5.2%	2.8%	4.8%
<i>Transfer to Comp. Housing Strategy Fund</i>			-100.0%	n/a	n/a	n/a	n/a
Deed Recordation (net)	2.9%	-46.0%	-24.8%	-18.4%	-5.2%	2.8%	4.8%
Deed Transfer	14.9%	-33.8%	-36.6%	-20.7%	-7.9%	1.7%	3.4%
<i>Transfer to HPTF</i>	25.6%	-36.9%	-36.6%	-20.7%	-7.9%	1.7%	3.4%
<i>Transfer to Comp. Housing Strategy Fund</i>		-25.0%	-100.0%	n/a	n/a	n/a	n/a
Deed Transfer (net)	2.5%	-34.0%	-29.1%	-20.7%	-7.9%	1.7%	3.4%
Econ. Interests	114.0%	-16.7%	-39.0%	-36.0%	-50.0%	0.0%	0.0%
<b>Total Other Taxes</b>	<b>19.4%</b>	<b>-29.1%</b>	<b>-22.0%</b>	<b>-19.7%</b>	<b>-9.3%</b>	<b>1.3%</b>	<b>2.4%</b>
<b>TOTAL TAXES NET OF DEDICATED TAXES</b>	<b>10.9%</b>	<b>2.9%</b>	<b>1.7%</b>	<b>1.4%</b>	<b>4.7%</b>	<b>5.6%</b>	<b>5.4%</b>
Licenses & Perm.	8.4%	-8.3%	7.3%	-23.2%	6.3%	21.3%	3.9%
Fines & Forfeits	-9.8%	4.3%	-2.1%	1.0%	14.9%	-12.3%	-0.7%
Charges/Services	10.0%	-13.7%	2.7%	33.0%	-24.6%	-5.0%	6.4%
Misc. Revenue	47.9%	-5.8%	-47.9%	2.4%	1.8%	1.7%	1.8%
<b>TOTAL NON-TAX</b>	<b>17.1%</b>	<b>-4.8%</b>	<b>-20.4%</b>	<b>0.2%</b>	<b>-1.8%</b>	<b>-0.6%</b>	<b>2.1%</b>
Lottery	-11.4%	7.1%	-4.3%	0.0%	4.5%	0.0%	0.0%
<b>TOTAL REVENUE NET OF DEDICATED TAXES</b>	<b>11.0%</b>	<b>2.3%</b>	<b>-0.1%</b>	<b>1.3%</b>	<b>4.5%</b>	<b>5.2%</b>	<b>5.1%</b>

## Estimated Key Variables for the D.C. Economy for the Forecast Period FY 2004 through FY 2013

Fiscal Years	2004 act	2005 act	2006 act	2007 est	2008 est	2009 est	2010 est	2011 est	2012 est	2013 est
Gross State Product (\$ billion)	76.29	81.79	87.06	92.21	97.61	98.19	99.01	103.26	107.45	112.42
	8.1%	7.2%	6.4%	5.9%	5.9%	0.6%	0.8%	4.3%	4.1%	4.6%
Real Gross State Product (billions of \$2000)	66.86	69.03	70.88	73.40	76.09	75.37	75.42	77.17	78.46	79.72
	4.4%	3.2%	2.7%	3.5%	3.7%	-0.9%	0.1%	2.3%	1.7%	1.6%
Personal Income (\$ billion)	28.55	31.27	33.41	35.54	37.55	38.57	39.36	40.91	42.77	44.62
	7.6%	9.5%	6.8%	6.4%	5.6%	2.7%	2.1%	3.9%	4.5%	4.3%
Real Personal Income (billions of \$2000)	26.53	28.25	29.27	30.46	31.02	32.12	32.55	32.82	33.23	33.68
	5.2%	6.5%	3.6%	4.1%	1.8%	3.5%	1.3%	0.8%	1.3%	1.3%
Per Capita Income (\$)	49,299	53,788	57,143	60,490	63,627	65,077	65,973	68,151	70,760	73,232
	7.4%	9.1%	6.2%	5.9%	5.2%	2.3%	1.4%	3.3%	3.8%	3.5%
Real Per Capita Income (\$2000)	45,824	48,588	50,062	51,845	52,567	54,199	54,558	54,666	54,978	55,271
	4.9%	6.0%	3.0%	3.6%	1.4%	3.1%	0.7%	0.2%	0.6%	0.5%
Wages earned in D.C. (\$ billion)	45.13	47.80	50.32	53.12	55.89	57.68	58.53	60.26	62.16	64.50
	6.7%	5.9%	5.3%	5.5%	5.2%	3.2%	1.5%	2.9%	3.2%	3.8%
Wages earned by D.C. residents (\$ billion)	15.3	16.7	17.7	18.8	19.9	20.3	20.8	21.6	22.6	23.5
	8.4%	8.8%	6.1%	6.5%	5.4%	2.4%	2.0%	4.1%	4.5%	4.1%
Population ('000)	579.0	581.4	584.6	587.6	590.1	592.6	596.6	600.3	604.4	609.3
	0.2%	0.4%	0.6%	0.5%	0.4%	0.4%	0.7%	0.6%	0.7%	0.8%
Households ('000)	250.7	251.3	252.7	253.7	254.8	256.1	257.9	259.7	261.7	263.9
	0.1%	0.2%	0.6%	0.4%	0.4%	0.5%	0.7%	0.7%	0.7%	0.9%
Civilian Labor Force ('000)	309.3	316.6	318.4	324.3	329.6	332.5	335.3	337.3	339.4	341.7
	1.1%	2.4%	0.6%	1.9%	1.6%	0.9%	0.9%	0.6%	0.6%	0.7%
At-Place Employment ('000)	671.5	680.4	686.3	692.6	703.7	707.7	705.7	711.3	715.3	718.6
	0.9%	1.3%	0.9%	0.9%	1.6%	0.6%	-0.3%	0.8%	0.6%	0.5%
Resident Employment ('000)	286.1	294.8	299.5	305.8	309.0	304.2	302.6	308.6	315.5	318.9
	0.5%	3.0%	1.6%	2.1%	1.1%	-1.5%	-0.5%	2.0%	2.2%	1.1%
Unemployment Rate	7.5	6.9	5.9	5.7	6.2	8.5	9.8	8.5	7.1	6.7
Housing Starts	1,569	2,527	2,379	2,626	876	3,639	2,289	2,244	2,126	2,429
Housing Stock ('000)	276.4	278.9	282.4	283.7	285.8	288.3	290.2	291.8	294.4	297.0
	0.2%	0.9%	1.2%	0.5%	0.7%	0.9%	0.7%	0.5%	0.9%	0.9%
Home sales	13,100	12,900	10,800	9,800	7,581	7,296	7,989	8,871	9,364	9,547
	12.0%	-1.5%	-16.3%	-9.3%	-22.6%	-3.8%	9.5%	11.0%	5.6%	2.0%
Average home sale price ('000)	445.4	533.9	574.5	612.0	612.3	593.1	597.1	616.5	627.1	642.9
	21.2%	19.9%	7.6%	6.5%	0.0%	-3.1%	0.7%	3.3%	1.7%	2.5%
Change in S & P 500 Index of Common Stock*	10.0%	5.9%	12.9%	7.5%	-41.0%	-3.7%	20.3%	22.7%	12.1%	8.2%
Interest rate on 10-year Treasury notes (%)	4.3	4.2	4.8	4.7	3.9	3.0	3.3	5.5	6.5	6.5
Washington Area Consumer Prices: % change from prior year	2.5	3.3	3.8	2.5	5.0	0.6	1.7	2.2	2.9	2.9

\* 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

Note: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by Global Insight (December 2008) and Economy.com (November 2008); on forecasts of the national economy prepared by the Congressional Budget Office (August 2008) and Blue Chip Economic Indicators (December 2008); on BLS labor market information from October 2008; on the 2000 Census and Census Bureau estimates of the 2007 D.C. population (December 2007); on CY 2007 Census Bureau American Community Survey data for D.C. (September 2008); on Bureau of Economic Analysis estimates of D.C. Personal Income (June 2008); on Metropolitan Regional Information System (MRIS) D.C. home sales data (July 2008), accessed through the Greater Capital Area Association of Realtors (GCAAR); on Delta Associates information on commercial office buildings and residential property in D.C. (September 2008), and on consultation with the D.C. Office of Planning on D.C. housing construction activity (fall 2008).